

# No. 1 in Foreclosures, Will It Adopt HBPA?

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Stockton, California, the city of abandoned homes, plentiful strip malls (seemingly each with a real-estate company!), and its very own bus dedicated to “Repo Home Tours,” has earned itself the dubious honor of ranking first in the nation for home foreclosures. The out-of-this-world responses to the crisis by the city council make some observers question whether the city is also vying to lead the nation in political stupidity!

“Repo Home Tours” reads the banner on a bus that takes prospective purchasers on a tour of the city’s foreclosed properties.

When members of the LaRouche Youth Movement (LYM) first approached members of the city council, in early Fall, to discuss LaRouche’s Homeowners and Bank Protection Act (HBPA), they were received politely enough. As time went on, however, the responses got stranger and stranger. Steve Bestolarides, the city councilman who heads the city’s housing committee, met with us a couple of weeks later, with the two top housing staffers for the city. After our presentation, he unveiled his well thought-out plan. “We welcome the foreclosures,” he informed us, since “it will provide plenty of affordable housing!” This may seem odd for a man who supposedly represents the interest of his constituents, so we prodded him further. We weren’t allowed to discuss any national economic concepts, the fact that we have a national banking crisis expressing itself through housing, or, in fact, anything that wasn’t directly related to the hamlet of Stockton. When we brought up the failure of the banking system, Mr. Bestolarides, who wears rose-colored glasses (literally), told us that the banks will do just fine. “They could never go under!” he confidently assured us.

## **The Most Lawless City**

The housing staffers then offered their objections: “If I knew your bill would pass, I’d go and buy a house I couldn’t really afford!” Have our public servants really become so immoral? When reminded that the HBPA would lower home prices to reflect their true value, just as foreclosures would, but the HBPA would do so without evicting millions in the process, the rejoinder was that “Those people should never have gotten into those homes anyway.” Stockton truly must be the most lawless city in the country, with a city

council asleep at the switch, knowing that literally tens of thousands of mortgages were being illicitly signed throughout their city over the past few years, and did nothing about it!

Bestolarides concluded by confessing that most of our discussion went over his head, and that the LYM should set up a forum-debate at the nearby University of the Pacific, so “laymen” like him could understand the economy.

In a follow-up visit to the council on Dec. 4, four members of the LYM gave testimony on the nature of the national economic collapse and on the necessity of endorsing the HBPA. The team concluded with a song for the occasion about home foreclosures. The presentation was greeted with applause, and two members of the council praised the singing. In follow-up phone calls, the mayor’s office responded that, although they see foreclosures as a priority, he will neither sign the petition, nor push a resolution. It seemed that the assistant with whom we spoke could not understand the difference between the currently ongoing hyperinflationary bailout of the bankrupt financial system and LaRouche’s “firewall” concept in the HBPA. We also reached the first council member to have met with us. After he informed us that we should “take his name off our list,” and that he is “a closed door” for our action, we told him that we’d be sure to let his constituents know how he felt. He responded with language not fit for print in this publication and hung up the phone. This is hardly the quality of leadership demanded in this crisis!

### Is There Something in the Water?

One possible source for this insanity showed itself in the Stockton newspaper *The Record* on Dec. 6, which quoted the dean of the business school the University of the Pacific. Dean Chuck Williams, apparently fresh from an afternoon run (from reality), said, “California has been hobbled by the housing correction, but after limping through the first half of 2008, the economy will have a healthier gait by the year’s end. In 2009, the economy will begin running again at a sustainable pace, not the all-out sprint of 2005-2006.” Oh, the lamentable state of academia today! (Some proud alumni of the University suggest that perhaps a homework assignment from a freshman creative writing course was inadvertently quoted instead of the Dean.)

Although Stockton has the highest rate of foreclosures of any city in the U.S.A., there is one area in the East Bay city of Antioch, which boasts the highest rate per ZIP code. The re-



*With its dubious distinction as the top city in the nation in home foreclosures, Stockton, in Northern California, has also reached a new low, exploiting the misfortune of those who have been evicted: the “Repo Home Tour,” in which potential buyers of repossessed homes are bussed around the city to view them.*

sponse has been somewhat more sane there, with one city council member eager to compose a resolution to introduce into the committee, after meeting with two members of the LYM for over an hour and a half.

East Palo Alto, another regional foreclosure hot-spot, has also seen some encouraging motion. One councilman, A. Peter Evans, has already signed on as an endorser of the HBPA, and the Mayor came up to shake our hands after the Dec. 4 meeting, wanting us to stay in contact about passing a resolution.

And, in Alameda:

Not so for the vice mayor of Alameda, however. After our testimony (and home foreclosure songs) at the November city council meeting, Vice Mayor Lena Tam brought up a presentation from the East Bay (east of San Francisco) Realtors Association by housing “expert” David Stark, who declared that the foreclosure situation is not a national crisis, and that what happens in Stockton or Antioch will never reach Alameda. One city councilman told us after the meeting that he disagreed with Tam, adding, “Of course this one [the housing market] won’t come back up—it’s a bubble!”

We called Stark, who explained that, in the view of his organization, housing markets are something that can only be considered on a local level. There really aren’t any national trends or a national market: it is all city-by-city or even neighborhood-by-neighborhood. We wondered how he’d explain how interest rates and permissive Federal regulations are a local phenomenon! So we asked him, but he has yet to respond to the e-mail.