

Re-creating American Politics

The even deeper effect of our outreach, beyond resolutions and primaries, is to re-create the American political system. Our HBPA mobilization, in the context of the current global crisis, is succeeding in reestablishing the dialogue not only among city, state, and Federal governments, but also the citizens of the United States. The key is activating all layers at once. By bringing our policy to state representatives, city councils, and the people of Rhode Island, simultaneously, we created a truly dynamic political discussion. Our outreach to community constituency groups forced the Providence City Council to immediately adopt the resolution. City Councilman Nick Narducci and State Representative Almeida encouraged each other to fight for this policy. The rapid passage of the resolution in the State Senate, provided the back up for the House to follow suit. News of each endorsement cross-fired through the state and directly to the U.S. Congress.

This kind of collaboration, among the layers of government, has been lost in the recent decades of our history, demoralizing a citizenry that would otherwise be looking to their elected officials for leadership to face oncoming crises. But, as these citizens begin to see their elected officials fighting “to do good,” they become remoralized, and become a powerful political force to be organized. The sleeping giant, which the nation saw awake on March 4 in Rhode Island, proves that FDR-style leadership, and the courage to fight the fascism represented by Michael Bloomberg today, is the political strategy that will save the United States.

“Let’s kick ass for another day!”—Rep. Joe Almeida

Documentation

This resolution was passed by the State of Rhode Island in General Assembly, January Session, 2008, “Memorializing the United States Congress To Take Emergency Action To Protect Homeowners and Banks”:

WHEREAS, The onrushing financial crisis involving home mortgages, debt instruments of all types and the banking system of the United States, threatens to set off an economic collapse worse than the Great Depression of the 1930s; and

WHEREAS, Millions of Americans, including residents of the State of Rhode Island, are faced with foreclosure and loss of their homes over the coming months; and

WHEREAS, The hedge funds which spread this financial collapse among markets worldwide, by dominating speculation in all those markets, are now going bankrupt and demanding government bailout of their securities and derivatives, and the nominal value of the derivatives based on mortgages alone is the size of the combined GDP of the nations of the world; and

WHEREAS, This financial crisis threatens the integrity of

both state and Federally chartered banks, as typified by the run on deposits of Countrywide Financial Corporation in California on August 16, which could wipe out the life savings of too many American people, and drastically undermine the economic stability of our states and cities; and

WHEREAS, Under similar circumstances in the 1930s, President Franklin D. Roosevelt successfully intervened to protect banks and homeowners, addressing Congress with a “declaration of national policy” on April 13, 1933, which stated “that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect homeowners from inequitable enforced liquidation in a time of general distress is a proper concern of the Government”; now, therefore, be it

RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations hereby calls upon the United States Congress to take emergency action in the form of a Homeowners and Bank Protection Act of 2007, as proposed by an economist, specifically to:

1. Establish a Federal agency to place Federal and state chartered banks under protection, freezing all existing home mortgages for a period of time, adjusting mortgage values to fair prices, restructuring existing mortgages at appropriate interest rates, and writing off speculative debt obligations of mortgage-backed securities, financial derivatives and other forms of financial pyramid schemes that have brought the banking system to the point of bankruptcy;

2. Declare a moratorium on all home foreclosures for the duration of the transitional period, allowing families to retain their homes. Monthly payment, the equivalent of “rental payments,” shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking system. These affordable monthly payments will be factored into new mortgages, reflecting the orderly deflating of the housing bubble, the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. While this shakeout may take several years to achieve, in the interim period no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so that they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.;

3. Authorize governors of the several states to assume the administrative responsibilities for implementing the program, including the “rental” assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition; and be it further

RESOLVED, That the Secretary of State hereby is authorized and directed to transmit a duly certified copy of this resolution to each member of the Rhode Island Congressional Delegation, and also to the President of the United States, for immediate action.