

RESOLUTION - King County Democrats - September 23rd, 2008 - Passed by KCDCC without opposition

Title: Stop the Bubble, Bust and Bailout Cycle

Whereas, President Bush has requested a \$700 billion revolving line of credit, the Paulson Plan, (\$2,333 for every man, woman and child in the US) to bail out Wall Street for its reckless speculation and greed; and,

Whereas this request comes on top of the recent bailouts of AIG, Fannie Mae and Freddie Mac and Bear Stearns; and

Whereas the proposed Paulson plan includes no restrictions, no accountability and no repair of the underlying problem of foreclosures and fraudulent mortgages; and,

Whereas the previous bailouts were touted as a cure for the financial crisis, but proved ineffectual in stabilizing the nation's finances; and,

Whereas the Paulson Plan achieves only one goal with certainty, to gather control into the hands of the Secretary of the Treasury; and,

Whereas the current financial crisis is the direct result of 28 years of deregulation, corruption and greed, culminating dramatically, at great cost to most American, under the Bush-Cheney administration, and ,

Whereas the Bush-Cheney administration came into office with a 10-year projected surplus of \$5 trillion, which has been entirely eroded by the Bush \$2 trillion tax cut to the wealthiest Americans, and the Iraq war spending of \$1 to 3 trillion to date; and,

Whereas the Paulson Plan protects those who profited most by shifting the cost to the American taxpayer;

Therefore be it resolved that Congress reject the Paulson plan and enact a plan containing the following principles:

- ✓ Ensure an influential stake for taxpayers, with a portion of any profits made by bailed-out banks and firms returned to the American people
- ✓ Create a congressional oversight panel to scrutinize the rescue program and subject it to court review
- ✓ Put in place an effective regulatory framework to prevent this from happening again
- ✓ Require new regulations that ensure disclosure, and that regulate capital requirements, conflicts of interest and market manipulation
- ✓ Prohibit companies benefitting from the bailout from giving excessive bonuses and severance packages ("golden parachutes") to executives and staff
- ✓ Investigate and prosecute fraudulent practices of financial institutions and their employees
- ✓ Require the government to renegotiate mortgages it buys to help homeowners avoid foreclosure
- ✓ Allow judges to rewrite terms of bankrupt homeowners' mortgages so homeowners and/or their tenants can afford to stay in their homes

Be it further resolved that this resolution be sent immediately to Senators Murray and Cantwell and the Washington State Congressional delegation.

Authors: KCDCC Resolutions Committee Members, including:

Linda Clifton, Tara Gallagher, Ann Martin, Jeff Sandys, Judith Shattuck, Sarajane Siegfried