

Resolution Calling for the Australian Federal Parliament to enact the:

## Homeowners and Bank Protection Bill of 2008

*Whereas*, the onrushing financial crisis engulfing home mortgages, debt instruments of all types, and the banking systems of the world, including those of the United States, Europe, Asia and Australia, threatens to set off an economic depression worse than the 1930s; and

*Whereas*, the mortgage crisis that has already hit Australia, threatens to become even worse, per capita, than that of the United States, where millions of American citizens are threatened with foreclosure and loss of their homes over the upcoming months, according to studies released by RealtyTrac and Moody's Economy.com; and

*Whereas*, Australia's household debt to annual income ratio of 175 per cent is the highest in the world, has risen three times faster than that of the United States, and the current rate of 800 home foreclosures nationally per week will explode as the global banking crisis escalates, with already 70,000 Australian mortgage holders in crisis, and a further 1.8 million households officially classed as "stressed";

*Whereas*, this financial crisis now threatens the integrity of Australian retail banks, Credit Unions and Building Societies;

*Whereas*, in similar crises in the past, both Australian and U.S. authorities acted to defend the Common Good, as did U.S. President Franklin Delano Roosevelt in the 1930s, by reorganising failing American banks under Federal protection and by passing legislation to stop home and farm foreclosures; and

*Whereas*, in the emergency caused by World War I, the Australian Commonwealth Government passed the *War Precautions Act 1916* and its *Commonwealth Moratorium Regulations* to stop foreclosures until 1920, and every state in Australia enacted legislation during the Depression to stop home and farm foreclosures, including Queensland's *Home Purchasers Protection Act*; Victoria's *Unemployed Occupiers and Farmers Act*, and *Financial Emergency Act 1932*; and, New South Wales' *Moratorium Act* of 19th December 1930, which, as amended, ultimately stopped all foreclosures until 1937, while the Commonwealth Government passed the *Farmers' Relief Act*, which provided £12,000,000 to the states for the relief of farmers.

*Be it Resolved*, that the (Name of Council) \_\_\_\_\_ hereby endorses the *Homeowners and Bank Protection Bill of 2008*, as initiated by economist Lyndon H. LaRouche, Jr. upon the following principles. As in the U.S., where only the Federal Congress has the capability to deal with this crisis, so, in Australia, only our Federal Parliament can enact the emergency legislation to keep people in their homes and avert social chaos.

This bill must include the following provisions:

1. Parliament must establish a Federal agency to place Australian licensed retail Banks, Credit Unions and Building Societies under protection, freezing all existing home and family farm mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.
2. During the transitional period, all foreclosures shall be frozen, allowing Australian families to retain their homes and farms. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalising the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner or family farmer shall be evicted from his or her property, and the Australian licensed retail Banks, Credit Unions and Building Societies shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.
3. State premiers shall 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.

We, the undersigned, demand that our Federal Parliament enact such legislation immediately.

---

---

---

---