

We Can Stop Paulson's Plunder

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There does not seem to be any way we are going to avoid shelling out a major amount of money to save banks from the unregulated greed of bankers. Dean Baker and Doug Henwood and every person with any economic expertise whom I find credible predicts disaster if we don't.

But, as Baker pointed out on Democracy Now! this morning, the bailout can punish those responsible rather than rewarding them. It can also be done without creating new dictatorial powers for the executive branch of our government.

Congress must reject Paulson's Plunder and enact a plan with these progressive principles from the Backbone Campaign:

A. The people who caused the problem or profited most should pay for it

1. Highly compensated executives total compensation should be capped or taxed heavily as a condition for being bailed out.
2. Tobin tax on all transactions in Finance, Insurance and Real Estate including currency transactions.
3. Government takes an equity stake, proportionate to the size of the bailout
4. Tax hedge fund managers' income
5. Accountability - fire executives of failed companies as done in the UK, and abrogate their severance packages.
6. Impose a five-year, 10 percent surtax on income over \$1 million a year for couples and over \$500,000 for single taxpayers.

B. Re-regulate to prevent this from happening again

1. Direct the Federal Reserve to intervene to prevent asset bubbles.
2. Extend reserve requirements to new security categories
3. Regulate the packaging of loans so they can be evaluated, rated, and priced rationally.
4. Regulate hedge funds and private equity funds in a way comparable to banks

C. Include Main Street in the bailout and invest in a new productive economy

1. Establish a moratorium on foreclosures, renegotiating mortgages or institute a rent-to-own plan to keep people in homes.
2. Create a major economic recovery package which puts Americans to work at decent wages, in productive jobs that add value to homes and communities.
3. Invest the taxes on speculation, executive compensation, and the surtax on the wealthy in clean energy, infrastructure, education, and health care.

You can send this proposal to Congress by clicking here:

<http://democrats.com/stop-paulsons-plunder>

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