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Wednesday, October 1st, 2008

Here's How to Fix the Wall Street Mess ...from Michael Moore

Friends,

The richest 400 Americans -- that's right, *just four hundred people* -- own MORE than the bottom 150 million Americans combined. **400 rich Americans** have got more stashed away than half the entire country! Their combined net worth is \$1.6 trillion. During the eight years of the Bush Administration, their wealth has increased by **nearly \$700 billion** -- the same amount that they are now demanding we give to them for the "bailout." Why don't they just spend the money they made under Bush to bail themselves out? They'd still have nearly a trillion dollars left over to spread amongst themselves!

Of course, they are not going to do that -- at least not voluntarily. George W. Bush was handed a \$127 billion surplus when Bill Clinton left office. Because that money was OUR money and not his, he did what the rich prefer to do -- spend it and never look back. Now we have a \$9.5 trillion debt. Why on earth would we even think of giving these robber barons any more of our money?

I would like to propose my own bailout plan. My suggestions, listed below, are predicated on the singular and simple belief that the rich must pull themselves up by their own platinum bootstraps. Sorry, fellows, but you drilled it into our heads one too many times: There... is... no... free... lunch. And thank you for encouraging us to hate people on welfare! So, there will be no handouts from us to you. The Senate, tonight, is going to try to rush their version of a "bailout" bill to a vote. They must be stopped. We did it on Monday with the House, and we can do it again today with the Senate.

It is clear, though, that we cannot simply keep protesting without proposing exactly what it is we think Congress should do. So, after consulting with a number of people smarter than Phil Gramm, here is my proposal, now known as "Mike's Rescue Plan." It has 10 simple, straightforward points. They are:

1. APPOINT A SPECIAL PROSECUTOR TO CRIMINALLY INDICT ANYONE ON WALL STREET WHO KNOWINGLY CONTRIBUTED TO THIS COLLAPSE. Before any new money is expended, Congress must commit, by resolution, to criminally prosecute anyone who had anything to do with the attempted sacking of our economy. This means that anyone who committed insider trading, securities fraud or any action that helped bring about this collapse must go to jail. This Congress must call for a Special Prosecutor who will vigorously go

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after everyone who created the mess, and anyone else who attempts to scam the public in the future.

2. THE RICH MUST PAY FOR THEIR OWN BAILOUT. They may have to live in 5 houses instead of 7. They may have to drive 9 cars instead of 13. The chef for their mini-terriers may have to be reassigned. But there is no way in hell, after forcing family incomes to go down more than \$2,000 dollars during the Bush years, that working people and the middle class are going to fork over one dime to underwrite the next yacht purchase.

If they truly need the \$700 billion they say they need, well, here is an easy way they can raise it:

- a) Every couple who makes over a million dollars a year and every single taxpayer who makes over \$500,000 a year will pay a 10% surcharge tax for five years. (It's the Senator Sanders plan. He's like Colonel Sanders, only he's out to fry the right chickens.) That means the rich will still be paying less income tax than when Carter was president. This will raise a total of \$300 billion.
- b) Like nearly every other democracy, charge a 0.25% tax on every stock transaction. This will raise more than \$200 billion in a year.
- c) Because every stockholder is a patriotic American, stockholders will forgo receiving a dividend check for one quarter and instead this money will go the treasury to help pay for the bailout.
- d) 25% of major U.S. corporations currently pay NO federal income tax. Federal corporate tax revenues currently amount to 1.7% of the GDP compared to 5% in the 1950s. If we raise the corporate income tax back to the level of the 1950s, that gives us an extra \$500 billion.

All of this combined should be enough to end the calamity. The rich will get to keep their mansions and their servants, and our United States government ("COUNTRY FIRST!") will have a little leftover to repair some roads, bridges and schools.

3. BAIL OUT THE PEOPLE LOSING THEIR HOMES, NOT THE PEOPLE WHO WILL BUILD AN EIGHTH HOME. There are 1.3 million homes in foreclosure right now. That is what is at the heart of this problem. So instead of giving the money to the banks as a gift, pay down each of these mortgages by \$100,000. Force the banks to renegotiate the mortgage so the homeowner can pay on its current value. To insure that this help does not go to speculators and those who have tried to make money by flipping houses, this bailout is only for people's primary residence. And in return for the \$100K paydown on the existing mortgage, the government gets to share in the holding of the mortgage so that it can get some of its money back. Thus, the total initial cost of fixing the mortgage crisis at its roots (instead of with the greedy lenders) is \$150 billion, not \$700 billion.

And let's set the record straight. People who have defaulted on their mortgages are not "bad risks." They are our fellow Americans, and all they wanted was what we all want and most of us still get: a home to call their own. But during the Bush years, millions of them lost the decent paying jobs they had. Six million fell into poverty. Seven million lost their health insurance. And every one of them saw their real wages go down by \$2,000. Those who dare to look down on these Americans who got hit with one bad break after another should be ashamed. We are a better, stronger, safer and happier society when all of our citizens can afford to live in a home that they own.

4. IF YOUR BANK OR COMPANY GETS ANY OF OUR MONEY IN A "BAILOUT," THEN WE OWN YOU. Sorry, that's how it's done. If the

A Note I Sent to You -- Three Years Ago

Tuesday, August 26th, 2008
[I've Written a Book I'd Like You to Read ...a note from Michael Moore](#)

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bank gives me money so I can buy a house, the bank "owns" that house until I pay it all back -- with interest. Same deal for Wall Street. Whatever money you need to stay afloat, if our government considers you a safe risk -- and necessary for the good of the country -- then you can get a loan, but we will own you. If you default, we will sell you. This is how the Swedish government did it and **it worked**.

5. ALL REGULATIONS MUST BE RESTORED. THE REAGAN REVOLUTION IS DEAD. This catastrophe happened because we let the fox have the keys to the henhouse. In 1999, Phil Gramm authored a bill to remove all the regulations that governed Wall Street and our banking system. The bill passed and Clinton signed it. Here's what Sen. Phil Gramm, McCain's chief economic advisor, said at the bill signing:

"In the 1930s ... it was believed that government was the answer. It was believed that stability and growth came from government overriding the functioning of free markets.

"We are here today to repeal [that] because we have learned that government is not the answer. We have learned that freedom and competition are the answers. We have learned that we promote economic growth and we promote stability by having competition and freedom.

"I am proud to be here because this is an important bill; it is a deregulatory bill. I believe that that is the wave of the future, and I am awfully proud to have been a part of making it a reality."

This bill must be repealed. Bill Clinton can help by leading the effort for the repeal of the Gramm bill and the reinstating of even tougher regulations regarding our financial institutions. And when they're done with that, they can restore the regulations for the airlines, the inspection of our food, the oil industry, OSHA, and every other entity that affects our daily lives. All oversight provisions for any "bailout" must have enforcement monies attached to them and criminal penalties for all offenders.

6. IF IT'S TOO BIG TO FAIL, THEN THAT MEANS IT'S TOO BIG TO EXIST. Allowing the creation of these mega-mergers and not enforcing the monopoly and anti-trust laws has allowed a number of financial institutions and corporations to become so large, the very thought of their collapse means an even bigger collapse across the entire economy. No one or two companies should have this kind of power. The so-called "economic Pearl Harbor" can't happen when you have hundreds -- thousands -- of institutions where people have their money. When you have a dozen auto companies, if one goes belly-up, we don't face a national disaster. If you have three separately-owned daily newspapers in your town, then one media company can't call all the shots (I know... What am I thinking?! Who reads a paper anymore? Sure glad all those mergers and buyouts left us with a strong and free press!). Laws must be enacted to prevent companies from being so large and dominant that with one slingshot to the eye, the giant falls and dies. And no institution should be allowed to set up money schemes that no one can understand. If you can't explain it in two sentences, you shouldn't be taking anyone's money.

7. NO EXECUTIVE SHOULD BE PAID MORE THAN 40 TIMES THEIR AVERAGE EMPLOYEE, AND NO EXECUTIVE SHOULD RECEIVE ANY KIND OF "PARACHUTE" OTHER THAN THE VERY GENEROUS SALARY HE OR SHE MADE WHILE WORKING FOR THE COMPANY. In 1980, the average American CEO made 45 times what their employees made. By 2003, they were making 254 times what their workers made. After 8 years of Bush, they now make over 400 times what their average employee makes. How this can happen at publicly held companies is beyond reason. In Britain, the average CEO makes 28 times what their average employee makes. In Japan, it's only 17 times! The last I heard, the CEO of Toyota was living the

high life in Tokyo. How does he do it on so little money? Seriously, this is an outrage. We have created the mess we're in by letting the people at the top become bloated beyond belief with millions of dollars. This has to stop. Not only should no executive who receives help out of this mess profit from it, but any executive who was in charge of running his company into the ground should be fired before the company receives any help.

8. STRENGTHEN THE FDIC AND MAKE IT A MODEL FOR PROTECTING NOT ONLY PEOPLE'S SAVINGS, BUT ALSO THEIR PENSIONS AND THEIR HOMES. Obama was correct yesterday to propose expanding FDIC protection of people's savings in their banks to \$250,000. But this same sort of government insurance must be given to our nation's pension funds. People should never have to worry about whether or not the money they've put away for their old age will be there. This will mean strict government oversight of companies who manage their employees' funds -- or perhaps it means that the companies will have to turn over those funds and their management to the government. People's private retirement funds must also be protected, but perhaps it's time to consider not having one's retirement invested in the casino known as the stock market. Our government should have a solemn duty to guarantee that no one who grows old in this country has to worry about ending up destitute.

9. EVERYBODY NEEDS TO TAKE A DEEP BREATH, CALM DOWN, AND NOT LET FEAR RULE THE DAY. Turn off the TV! We are not in the Second Great Depression. The sky is not falling. Pundits and politicians are lying to us so fast and furious it's hard not to be affected by all the fear mongering. Even I, yesterday, wrote to you and repeated what I heard on the news, that the Dow had the biggest one day drop in its history. Well, that's true in terms of points, but its 7% drop came nowhere close to Black Monday in 1987 when the stock market in one day lost 23% of its value. In the '80s, 3,000 banks closed, but America didn't go out of business. These institutions have always had their ups and downs and eventually it works out. It has to, because the rich do not like their wealth being disrupted! They have a vested interest in calming things down and getting back into the Jacuzzi.

As crazy as things are right now, tens of thousands of people got a car loan this week. Thousands went to the bank and got a mortgage to buy a home. Students just back to college found banks more than happy to put them into hock for the next 15 years with a student loan. Life has gone on. Not a single person has lost any of their money if it's in a bank or a treasury note or a CD. And the most amazing thing is that the American public hasn't bought the scare campaign. The citizens didn't blink, and instead told Congress to take that bailout and shove it. THAT was impressive. Why didn't the population succumb to the fright-filled warnings from their president and his cronies? Well, you can only say 'Saddam has da bomb' so many times before the people realize you're a lying sack of shite. After eight long years, the nation is worn out and simply can't take it any longer.

10. CREATE A NATIONAL BANK, A "PEOPLE'S BANK." If we really are itching to print up a trillion dollars, instead of giving it to a few rich people, why don't we give it to ourselves? Now that we own Freddie and Fannie, why not set up a people's bank? One that can provide low-interest loans for all sorts of people who want to own a home, start a small business, go to school, come up with the cure for cancer or create the next great invention. And now that we own AIG, the country's largest insurance company, let's take the next step and provide health insurance for everyone. Medicare for all. It will save us so much money in the long run. And we won't be 12th on the life expectancy list. We'll be able to have a longer life, enjoying our government-protected pension, and living to see the day when the corporate criminals who caused so much misery are let out of prison so that we can help reacclimate them to civilian life -- a life with one nice home and a gas-free car that was invented with help from the People's Bank.

Yours,
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P.S. **Call your Senators now.** Here's a **backup link** in case we crash that site again. They are going to attempt their own version of the Looting of America tonight. And let your reps know if you agree with my 10-point plan.

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