

# Michigan SEP candidate calls for emergency action to halt home foreclosures

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*Jerome White, the Socialist Equality Party's candidate for the US House of Representatives in Michigan's 12th Congressional District, issued the following statement on Friday condemning the wave of home foreclosures in Michigan and calling for emergency action to protect workers who face losing their homes because they have lost their jobs. White delivered the following statement in the city of Ferndale, as he stood in front of one of the hundreds of foreclosed homes in his district, which includes the northern suburbs of Detroit.*

The number of home foreclosures and evictions in the Metro Detroit area has reached epidemic proportions. Neighborhoods throughout the 12th Congressional District—like Ferndale, Oak Park, Southfield, Hazel Park, Warren, Sterling Heights—are dotted with hundreds of homes that have been seized by the banks from working families who were unable to keep up with their mortgage payments and the high cost of living.

Each of these homes, like the one I am standing in front of now, tells the story of a family devastated by the loss of a job, a wage-cut, an unforeseen medical expense or other some other calamity. If you multiply that by the 11,000 homes in Michigan that have been foreclosed, as well as another 19,000 currently involved in some level of bankruptcy proceedings, you have a picture of social misery on a scale not seen since the economic recession of the early 1980s, as literally tens of thousands of people face the prospect of homelessness.

Like everything else in America, the maintaining a roof over one's head is considered a personal responsibility. There is no social safety net for those who have suffered a job loss or can no longer juggle their high housing costs with the innumerable other demands on their paychecks, like higher medical, education, or fuel costs. If you cannot make your house payment, the bankers, politicians and media pundits say, "tough luck ... you're on your own."

But workers are not responsible for the disastrous decisions made by the corporate CEOs of Delphi, Kmart,

Northwest Airlines, GM and Ford who drove these companies into bankruptcy or near bankruptcy, while salting away millions for themselves and destroying the jobs and living standards of tens of thousands of workers.

Nor are working people responsible for the irrational rise in housing values over the last few years—fueled in large measure by real estate speculators and lending company hustlers and a government fiscal policy that encouraged the buildup of unsustainable levels of household debt. The real estate bubble has now burst, leaving thousands of homeowners owing more than they will ever be able to pay, even if they do manage to sell their homes.

In the first two gubernatorial debates, Michigan Governor Jennifer Granholm and her Republican opponent Richard DeVos could not address, let alone offer any viable solution to this devastating social crisis. My opponent in the race for US Congress—12-term incumbent Democrat Sander Levin—has not offered any policies to provide relief for working families, even as the foreclosure rate in Macomb County has shot up 234 percent over the last year. The American Dream of homeownership has now turned into a nightmare

The Socialist Equality Party calls for a series of emergency measures to meet this crisis, including:

- \* A moratorium on foreclosures and evictions for all workers who have been laid off. Lenders must suspend their collection of debts from unemployed workers and the government must provide emergency financial assistance so that no one loses a home because he or she has lost a job.

- \* Limit housing costs to no more than 20 percent of a worker's income by capping new home prices and the interest rates and other costs banks and other lenders are able to charge.

- \* Repeal the bankruptcy law signed by the Bush administration in 2005 and drafted by lobbyists for the credit card companies and other financial interests. This

law has punished tens of millions of Americans, who have been forced to accumulate a huge debt burden because their wages have stagnated or declined, while the cost of living has continuously increased.

- \* Launch a crash program to construct tens of thousands of new low-cost and high-quality housing units to end homelessness and guarantee safe, affordable, decent shelter for all.

- \* Shift the tax burden for public services from small homeowners to the corporations and the wealthy—those who are most able to pay. The Reagan- and Bush-era tax cuts for the rich must be repealed and the state and local government policies overturned that provide ever-greater tax breaks and subsidies to big business.

These emergency measures must be combined with a far-reaching reorganization of the home building and lending industries in order to take profit out of housing. Like healthcare, education and economic security, such a essential requirement as the provision of decent shelter for working people and their families cannot be left to the vagaries of the capitalist market and the interests of the wealthy investors, real estate moguls and giant home builders.

The mortgage industry can no longer be the personal property of wealthy CEOs and speculators. The biggest lending companies and financial institutions—such as Wells Fargo, Bank of America, JP Morgan Chase and the lending operations of Ford and GM—must be transformed into publicly owned institutions in order provide cheap credit to small homeowners and small businesses.

Why should Wells Fargo chief Richard M. Kovacevich make \$25 million a year, or the CEO of JP Morgan Chase William Harrison pocket \$22 million? When Bank of America bought out MBNA for \$35 billion last year, Bruce L. Hammonds, the CEO of MBNA Corp., was paid \$102 million to allow the takeover of his company.

In a city where tens of thousands are without decent homes why should one man—Detroit billionaire William Pulte, the head of the nation’s largest homebuilder, Pulte Homes—have the power to decide if new homes should be built solely on the basis of a single criterion: whether it will augment his \$1.6 billion fortune. This colossal waste of resources is a social crime. Such vast amounts would better be spent to build new homes or protect the old ones for the 356,000 Michigan workers who are currently jobless.

Both Governor Granholm and Richard DeVos want to grant even further tax cuts to big business. Small home and business owners will be forced to foot the bill for

essential services because corporate executives and big investors refuse to pay taxes for public education, infrastructure repair and other basic necessities. This is, no doubt, what Granholm and DeVos refer to as creating a “business-friendly environment,” which, they say, is needed to attract corporations and keep them from leaving the state.

I reject this entirely. I believe there should be a “worker friendly environment” in Michigan. That means guaranteeing that every worker has the right to a decent paying job, high-quality and affordable housing, healthcare and education. If big corporations threaten to leave the state, I say that is just cause to demand that they be seized and transformed into publicly owned enterprises. Corporations valued over \$10 billion—including the auto industry, upon which tens of millions of workers’ lives depend—should be put under the democratic control of working people with full compensation to small investors and compensation to big investors to be negotiated publicly.

The hundreds of billions being squandered on the war and the billions more that are wasted on executive compensation give the lie to the claim that “there is no money” to provide the most basic necessities for those who create all of society’s wealth, i.e., the working class.

The housing crisis in Michigan underscores the need for workers to break with the two parties of big business and war—the Democrats and Republicans—and construct a mass political party of the working class that fights to reorganize the economy and carry through a radical redistribution of wealth so that the satisfaction of human needs takes precedence over the ever greater accumulation of personal wealth.

I urge voters in the 12th Congressional District to read our election program, vote for me on November 7, and participate in the struggle to build the Socialist Equality Party as the alternative to the two corporate-controlled parties and the profit system they defend.



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