

# Bail Out Or Help Out?

Contributed by Webmaster

By Fritz Pfister

What drives the economy? Consumer spending. Does consumer confidence affect consumer spending?

When the president of the U.S. holds a prime time speech and announces that the financial markets are on the verge of collapse that would throw the economy into deep recession, what does that do for consumer confidence?

The president has requested a \$700,000,000,000 bailout of Wall Street financial institutions by recommending the government purchase mortgage backed securities, with unknown value, from these firms. The president states failure to act quickly will lead to recession.

How does the congress respond? Heads of banking committees in the house and senate, Chris Dodd and Barney Frank propose a plan for the bailout. To quote economist Dr. Walter Williams, this is like calling an arsonist to put out a fire.

How did these financial institutions get to the point of collapse? Our government. We now know that in 1999 Secretary of Housing Andrew Cuomo in response to Clinton administration directives, ordered Fannie Mae, and Freddie Mac to make 50% of all loans to low or middle income families. They went so far as to change lending requirements that lenders had to count unemployment checks, and welfare payments as income to qualify for a loan. The goal was to put as many low income families into home ownership as possible. Who could be against that?

We now know the Bush administration attempted to reform the regulations on these quasi government companies 12 times. The most aggressive was the reform act of 2005. Barney Frank and Chris Dodd blocked the legislation, with the help of some Republican legislators. To paraphrase Frank in 1995, the problems are exaggerated, these institutions are not in trouble. Now we want these two to oversee a bailout, and reform?

Frank and Dodd failed the American people in historic fashion, as has President Bush for not getting the reforms passed.

This is important because what has been proposed by the president and the Democrats won't correct the problems that created this mess. Failure to do so will lead to a future meltdown. How many of you believe throwing your hard earned tax dollars at Wall Street will solve the problem? How many of you want to live through this again?

Thank God for the Republicans in congress for putting the brakes on this insane bailout proposal, by proposing a free market solution. The proposal is to create a Federal Insurance fund to cover these bad mortgages, that will accomplish the same goal of the \$700,000,000,000 Wall Street welfare check that you would pay for.

In my opinion a free market solution in lieu of the presidents, and Democrats plan to bailout Wall Street firms, adding nearly a trillion dollars to our debt, is much more desirable.

Here's why. Did you notice what happened to the price of oil this past week? The biggest one day increase in history, taking the price for a barrel of oil well above the \$100 mark again.

What caused this run up in price? The threat that the president's proposal could become reality, which certainly would save Wall Street financiers, however would devalue the dollar seriously at a time the dollar was rebounding in strength. Investors ran from the stock market to commodities once again. Another reason the president's plan is wrong headed, dangerous, and should be defeated in congress. Not only will your tax liability increase, the cruel tax of higher fuel prices would be worse than ever.

The Democrats sure seemed to be in a hurry to pass the presidents plan with some quid pro quo attachments. Do you think Frank and Dodd want this to be swept under the rug as quickly as possible?

Why haven't the Democrats passed a plan yet? They have a majority in both the house and senate. The president is in agreement, there's no veto threat. Why not move forward with the bailout? Because 80% of Americans are against the plan, and the Democrats don't want to go back to the campaign trail during recess to face an angry constituency, or Republicans that opposed the foolish bail out.

Americans are fed up with our dysfunctional, corrupt, wasteful, and ineffective government. That is why the taxpayers may be saved from the arsonists called upon to put out the fire.

The value of your home is at stake. The ability to sell your home when you need or want to is at stake. Time to get our economy rolling again, time to restore confidence in government, by finally saying no to the miscreants who want you to pay for their social engineering project gone bad. Call or e-mail your senators and congressmen today. Tell them if they vote for a bailout instead of a help out, you'll vote them out.

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Fritz hosts home buyer and home seller seminars providing advice that helps consumers succeed in the sale or purchase of homes. Fritz leads all agents in the local market since 2000 with over 1125 closed sales.

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