

What Should We Do?

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We can of course take sensible rational steps to deal with the growing world financial crisis. And what might these be?

1. Rescind the idiotic Wall Street bailout. There is no way that we should spend \$700 billion to reward the people who screwed up. There are far better ways to spend \$700 billion to mitigate the crisis if needed.
2. The Senate and Congress should conduct extensive public hearings and investigations of the entire fiasco including speaking to economists and others who (YES) predicted this fiasco.
3. The Federal Reserve should do its job, stop being a private checking account for incompetent investment banks and insurance companies, and yes make credit available through sound commercial banks, federal lending agencies, and others, especially those firms that did not screw up.
4. After careful consideration, the government can put in place measures to avoid a massive wave of foreclosures and panic selling of homes. In the short run, a 180 day moratorium on home foreclosures would give the government needed time to think before it screws up again. This would buy time for the new Administration, Senate, and Congress to take office and address the situation.
5. After some consideration, dismantle the megabanks that are "too big to fail". Restore the Glass-Steagall act and other Depression-era precautions that were put in place to avoid fiascoes like this.
6. Take a deep breath and relax. There is no fiasco that cannot be made worse by panic and further rash decisions.

Sincerely,

John