

# South Jersey Speaks Out

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At issue: What do you think about the \$700 billion bailout legislation?

## Readers angry about costly Wall Street rescue

### Parachute

The federal stimulus package cost American taxpayers \$152 billion to send tax rebate checks ranging from \$300 per person to \$600 per person. The checks went to as many as 116 million American families. The federal bailout package will cost American taxpayers \$1 trillion to send an average of \$5,241,090 per person to 190,800 Wall Street businessmen, personnel and CEOs.

AIG has 116,000 employees worldwide, Bear Stearns has 13,600 employees worldwide, Fannie Mae has 6,400 employees nationwide, Freddie Mac has 5,400 employees nationwide and Washington Mutual has 49,400 employees worldwide for a total of 190,800 employees.

The typical bank employee will receive many times less than this figure, which is just an average, while CEOs and senior management will receive far more than this figure in golden parachutes such as multimillion dollar annual income and free health care for life.

Take Edward Whitacre Jr., who retired as chairman and chief executive of AT&T. Whitacre's golden parachute has quite the platinum lining. His pension package includes \$4.5 million in annual payments for life, plus an \$18.8 million lump sum. He'll also get \$25,000 in country club fees, \$6,500 in annual home security costs and access to the corporate jet for 10 hours a month.

AT&T will also cover up to \$19,000 in taxes for these benefits, except for use of the aircraft. Whitacre and his family will also receive free health insurance for life. Plus, he'll get just over \$1 million a year for three years to work as a consultant to AT&T during his retirement.

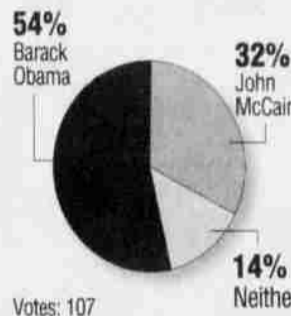
RICHARD M. ROMM  
Cherry Hill

### U.S. ECONOMY



### Online survey results

Which candidate do you think would better handle the economy if elected president?



This is an unscientific poll done on the Courier-Post Web site.

### courierpostonline.com

Visit our Web site and click on opinion to read other letters on this subject.

who could not get credit or mortgages. The gap between qualified minorities and others had to be closed. Banks were pressured to make irresponsible loans, package them and pass them on to Wall Street investors with the assurance of rating agencies, who were paid for their services, that they were top-quality, safe investments.

Former Federal Reserve Chairman Alan Greenspan, famous for doublespeak, clearly encouraged such practices claiming "enabling more people to buy tangible assets will encourage them to buy intangible assets."

Now taxpayers are asked to bail out greedy Wall Street investors who couldn't walk away from a "sure thing," heads of the mortgage companies who earned millions in compensation for incompetency and congressmen with oversight authority who made thousands in spite of many warnings.

If the bailout is approved, these same authorities will still be in charge of oversight to protect the taxpayers' "investment."

Taxpayer bailout? I say "no way."

ANTHONY PERRELLA SR.  
Haddonfield

payment for the first few years. They were then not able to pay the mortgage payment when the interest matured and the payment jumped to four or five times higher than it was the first couple of years.

The Democrats are sitting around blaming everybody else for all the problems our country is having when they hold the majority vote and control every-

JOHN RIZER  
Oaklyn

### Blame Democrats

Some say we are in the greatest financial crisis since the Great Depression. How did we get here? According to some it was a failure to regulate the markets and the direct result of the failed McCain-Bush policies of the last eight years.

However, the facts are very different. This was caused by the Democrats and implemented by the faulty regulation that they created over a long period. In 1994, the Clinton administration extended President Carter's Community Reinvestment Act and established quotas for diversity in bank loan portfolios. Banks were rated based on neighborhood, income level and race.

This led to the explosion of the subprime lending market. Freddie Mac and Fannie Mae snapped up risky loans and became home loan finance companies.

Freddie and Fannie made huge contributions to Congress to influence legislation in their favor. Most of the funds went to Democrats, with U.S. Sen. Chris Dodd, D-Conn., being the largest recipient. Over his career, he has received \$165,000 in campaign contributions; U.S. Sen. Barack Obama, D-Ill. has received more than \$125,000.

In 2003, President Bush pro-

posed a significant regulatory overhaul in the housing finance industry including a new regulator for Fannie and Freddie. Even after regulators uncovered a scheme to overstate earnings by \$10.6 billion to boost executive bonuses, Democrats killed reform. U.S. Rep. Barney Frank, D-Mass., said "Fannie Mae and Freddie Mac are not facing any kind of financial crisis."

In 2005, then Federal Reserve Chairman Alan Greenspan told Congress: "We are placing the total financial system of the future at substantial risk." U.S. Sen. John McCain, R-Ariz., said, "If Congress does not act, American taxpayers will continue to be exposed to the enormous risk that Fannie and Freddie places on the housing market, the overall financial system and the economy as a whole."

U.S. Sen. Harry Reid, D-Nev., accused the GOP of trying to "cripple the ability of Fannie and Freddie to carry out their mission of expanding home ownership." It is clear that Fannie and Freddie were created, regulated, largely run and protected by Democrats. Even President Clinton recognized this when he said Democrats have been "resisting any efforts by Republicans in the Congress or by me . . . to put some standards and tighten up a little on Fannie and Freddie."

We have to be very cautious and suspicious when the people who created the problem refuse to acknowledge this responsibility and then encourage a particular solution for fixing it. Fellow citizens, beware.

GEORGE W. GERSHEFSKI  
Cherry Hill

### Irresponsible

It's about time our representatives represented us. This bailout package is not in our best interest. If they want to keep their jobs, they need to do what we want them to do for us.

We can't reward irresponsible behavior. We are not setting a very good example for our young people.

BARBARA KEISER  
Oaklyn

### Held responsible

Most Americans will agree something has to be done to ensure the economic viability of this country. However, I do have some questions regarding this situation.

First of all, who was asleep at the wheel? Did not at least one of these so-called financial wizards see this coming? Secondly, why is not more attention being paid to these CEOs and their obscene salaries and golden parachute payouts?

Yes, there may not be any other choice than to bail them out, but these "experts" should not only be made to pay restitution, but be held morally and criminally responsible for their fraudulent measures.

DIANE DWYER  
Collingswood

### Underlying issues

Congress is ready to give \$700 billion to banks so they are again able to loan money to:

■ The poor, who could not afford houses on which they already received loans and which precipitated the original crisis.

■ The middle class, who are drowning in credit card debt, losing jobs and can't pay for gas and food.

■ The rich, who are no more since dividends and inter-

est have disappeared under losses caused by the huge government tax burdens on business.

Once again, Congress is "giving a pair of shoes to a public with no legs." Will it ever actually address the underlying issues?

DON FLASSING  
Sewell

### Greedy

Let me get this straight. After the collapse of banks and Wall Street in the Great Depression, numerous safeguards were put in place to prevent it from ever happening again. Over decades, Congress, administrations and Federal Reserve chairmen gradually relaxed the safeguards until there were none.

Something had to be done for irresponsible people (the voters)

### CARTOONS FROM READERS



### ARE YOU A CARTOONIST?

Do you have a point to make about a local, state or national issue? If so, and if you can draw, the Courier-Post is looking to run editorial cartoons submitted by readers. The cartoons should be horizontal and rectangular in shape, like the editorial cartoons that run each day in the space above. Submissions should include your name, hometown

Submitted by Richard Poplaski Sr. of Oaklyn.

and a phone number for us to contact you. For questions call (856) 486-2418. Mail to: Editorial Cartoons, Courier-Post, P.O. Box 5300, Cherry Hill, NJ 08034. Fax: (856) 663-2831. E-mail: cpedit@courierpostonline.com (attach the cartoon as a jpeg file).

### Not new

The needed \$700 billion is like the emperor's new clothes, which everyone agrees to admire, until a child points out that they really are not new clothes at all.

Will some national figure please stand up and call the bureaucrats' bluff? U.S. Sen. McCain, R-Ariz., do you hear us?

ROGER L. BOYELL  
Moorestown

### Truth

It's time the media reveal the truth about the cause of the financial problems associated with Fannie Mae and Freddie Mac. Three factors not discussed by pundits are:

■ Liberal Democrats, such as U.S. Rep. Barney Frank, D-Mass., and U.S. Sens. Christopher Dodd, D-Conn., and Harry Reid, D-Nev., sit on the Bank Finance Service Committee that helped to cause this problem by wanting low-income people to be approved for mortgages they couldn't upkeep;

■ Greedy mortgage companies looked to get the most mortgages approved as possible;

■ Irresponsible homebuyers wanted their \$300,000 to \$400,000 house immediately with no down payment, thus no equity, and a low no-interest monthly

### SPEAK OUT: BAILOUT, IRAQ/AFGHANISTAN

Next week, depending on how much feedback we receive, the South Jersey Speaks Out page will focus on either the \$700 billion Wall Street bailout or President Bush's plan to withdraw 8,000 troops from Iraq and shift some of them to Afghanistan.

On the bailout, what do you think of what Congress has or hasn't done to help rescue Wall Street? Do you think taxpayer money that's provided should only come as loans to be paid back with interest? What major regulatory changes need to be made in regards to mortgages to prevent this from happening again?

On Iraq and Afghanistan, do you think it's a good plan to take 8,000 troops out of Iraq, where we have about 146,000, and shift about 4,000 of them to Afghanistan, where the Taliban is regaining power in some regions?

Do you think nothing should be changed until the next president takes office and can set his own course for our military in those two nations?

Send your letters and visit courierpostonline.com/opinion to vote in our poll.

Letters are due by noon Tuesday.

Address letters to: South Jersey Speaks Out, Courier-Post, P.O. Box 5300, Cherry Hill, NJ 08034. Fax: (856) 663-2831. E-mail: cpedit@courierpostonline.com. Include your name, address and phone number. Letters should be 250 words or less and are subject to editing. Submitted letters and columns may be published or distributed in print, electronic or other forms.