



Snapshots

From the editorial advisory board

There has been a major shift in the \$700 billion financial-rescue program, designed to keep money following through the slowing economy. Meanwhile General Motors is pleading for a bailout of its own. What do you think?

That question was posed this week to the Camera's editorial advisory board and virtual editorial board.

The experts, including world economists, financial wizards, and perceptive politicians, don't know if the government is taking the right track — *neither do I.*

The financial gridlock we're in is complicated and confusing, and that's why the execution strategy of the Troubled Asset Relief Plan (TARP) shifts weekly. No one seems sure how to best utilize the \$700 billion (what's left of it, anyway).

What I do know is that we should be investing the TARP funds to remove lending logjams and grease the wheels of commerce. Wherever the logjams exist, the Treasury should unclog them by judiciously using the approved funds. Our government must remove the fear of loaning money by giving assurances that the Treasury will stand behind reasonable credit risks. But Secretary Henry Paulson (and his successor) should not be acting in a knee-jerk manner.

We were sold on TARP as an emergency measure to ease the housing crisis, which threatens our entire financial system. Now that our economy has plunged into a recession, other industries (insurance, autos—even boat manufacturers) are crumbling as well and desperately demanding a lifeline. It seems like every industry has its hands extended, hoping and praying for a chunk of the payout. But who should prevail?

Our government officials need to be proactive versus reactive, and intelligently determine where the TARP funds will provide the most immediate relief to our ailing economy.

Jimmy Calano

John Maynard Keynes, where are you now that we need you?

We all know the joke that if you borrow \$10,000 from a bank and you can't repay it, the bank owns you. But if you borrowed \$100 million and can't repay it, you own the bank because the bank can't afford to let you go belly up.

That is the desperate situation this country finds itself in. AIG is too vital to let it fail, so are the auto industry, the insurance companies, the credit card companies and the student loan companies.

During the depression of the '30s, Baron Keynes, the British economist, came up with a theory on how to mitigate the adverse effects of economic recession, depressions and booms. He encouraged deficit spending as a method for "pump priming" the economy. He pushed for the creation of the International Monetary Fund and the World Bank.

We need a new Keynes and a new theory to put this country's economy back on track because it is evident that those currently trying to resolve the problem aren't sure footed.

Marc Raizman

It's wrong for government to bail out failing businesses, financial institutions, and irresponsible home "owners" who cannot pay back loans. This just rewards people for making poor decisions. This punishes both financially responsible taxpayers and successful businesses that profit by producing what consumers want.

If anything cripples prosperity, it's rewarding those who squander wealth at the expense of those who create it. The best way to bolster financial markets is to respect the rights of consumers and producers to trade voluntarily according to their own best judgment. But Secretary Paulson wants to replace such free-market transactions with tax-funded government policies that encourage borrowing. But aren't such policies the problem in the first place?

As economist Stan Liebowitz summarizes in his "Anatomy of a Train Wreck," a long history of pro-borrowing policies have contributed to the mortgage mess. Low-interest rates, regulations that promote risky lending implicitly backed by Fannie and Freddie, and other policies advanced the politically popular goal of home ownership, or home "borrower-ship" to be accurate, by those who cannot afford it.

We should not further empower government officials to treat taxpayers like pawns in the world they see as a chessboard.

Instead, as Harvard economist Jeffrey Miron suggests, legislators should "eliminate those policies that generated the current mess."

Brian Schwartz

Rather than just throwing good money after bad in an auto industry bailout, how about creating a guaranteed market

for high-tech environmentally appropriate cars, like 50-plus mpg diesels and bio-fueled plug-in hybrids? With a government guarantee, the auto manufacturers and their suppliers and creditors would have certainty that they will realize a return for building 21st century designs. The guarantee could include specifications so that these vehicles are what people want and what the environment needs.

The proposed \$25 billion could pay for or finance the purchase of one million \$25,000 cars, or two million if the deal is to buy or finance one for every one sold on the open market. (This is not insignificant; annual U.S. auto sales have been around 16 million per year and are dropping fast.) Recycling the proceeds from sales or financing could provide multi-year support. Of course, current management will almost certainly have to be replaced, and union contracts, etc. reworked to create a competitive cost structure, which may require court intervention or bankruptcy.

Steve Pomerance

We are all examining our spending habits and are faced with difficult choices. Some of us are even losing our jobs. However, this is not the case for certain companies in our economy. GM thinks it can dodge losing its job of creating cars by re-engineering what's left of the \$700 billion bailout to be directed for its benefit.

Where is the sanity in rewarding a company that hasn't responded to the demands of the consumer to deliver efficient cars? Why are we rewarding overly aggressive union bosses for making the cost structure of the company fixed and non-negotiable?

The market provides a mechanism for accountability - Bankruptcy, Dissolution, and No Credit. The only bailout any company gets is the one it generates for itself through lowering costs, increasing revenue through competitive products, and pure perseverance.

Let's raise our voices for accountability. Let our new Senator-elect Mark Udall know that he should remember his "No" vote for the original bailout. GM isn't any different than the rest of us and needs to make difficult choices to remain a viable entity delivering real solutions for the consumer.

Brian Lewis

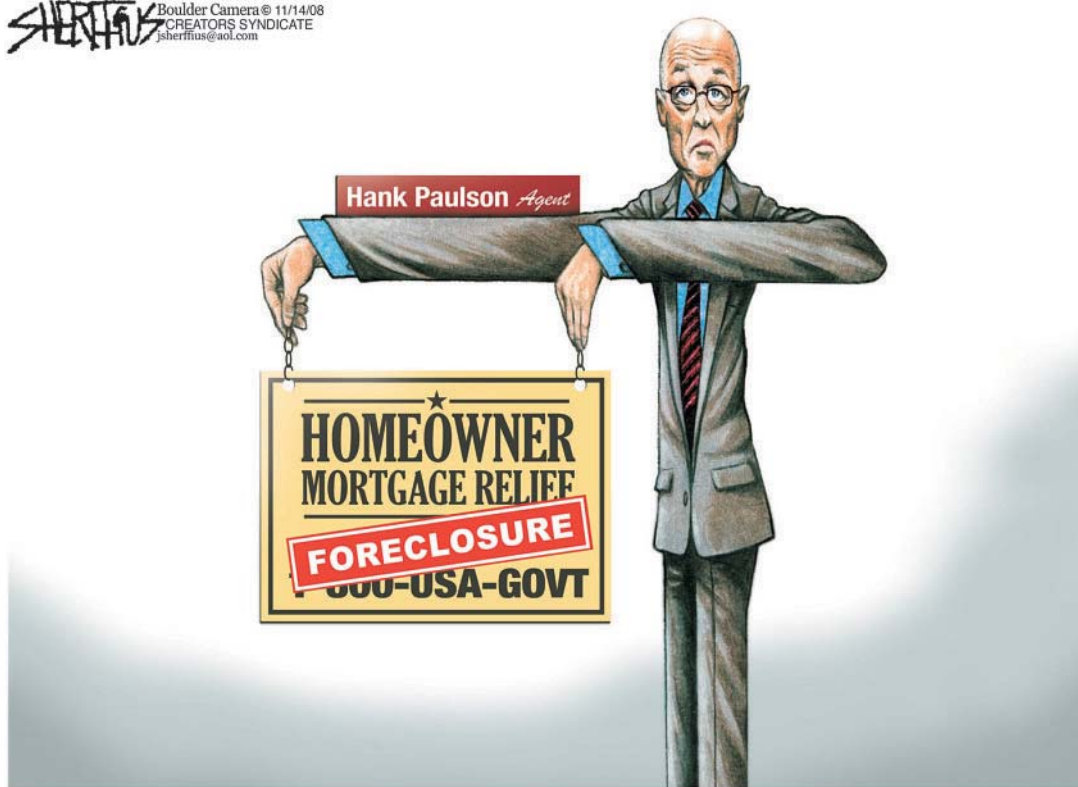
The problem with the current bail-out plan is the philosophy of the people administering it. The Bush administration has an unquestioning faith in the private sector's ability to create wealth — recent evidence to the contrary notwithstanding — and no faith in the government's ability to do just about anything. So \$700B was borrowed from our children, but the Treasury Department's subsequent attempts to allocate the funds have made the Keystone Cops look like a precision drill team. The money has been released in large chunks, but nothing has been asked in return.

For example, some banks receiving bail-out funds tried to use them to acquire other banks, instead of lending the funds to businesses starved for working capital. General Motors wants \$25B so it can buy Chrysler and, by firing 10,000 employees, improve its bottom line. AIG has continued to compete with historic "dot.com" burn rates, sending our good money after the rest of the money squandered on their watch.

Congress should immediately freeze further expenditure of TARP funds until a plan with built-in accountability is proposed. This last attempt by the current administration to give our hard-earned money to the wrong people for the wrong reasons must be stopped.

Ed Byrne

(The Camera's editorial advisory board members are: Rick Beaufait, Anne B. Butterfield, Adam Bliwas, Jimmy Calano, Ed Byrne, Clay Evans, Julian Friedland, Brian Lewis, Steve Pomerance, Marc Raizman, Brian T. Schwartz and Shirley Scoville.)



A sign from the Bush administration

Open forum

St. Vrain schools

Thanks, from the board of education

Election results are in and the board of education extends heartfelt thanks to voters for approving 3A for the mill levy override and 3B for the bond. These initiatives will soon translate into valuable assets for our children and our entire community.

Hiring is underway to address excessively high classroom sizes found in schools around the district while broader plans are being finalized to refill the balance of teaching positions lost last spring. By fall of 2009, most if not all lost teacher positions will be restored and class sizes will be reduced throughout the district.

Other positions now being recruited include campus supervisors to assist with school safety, additional custodians, maintenance workers and groundskeepers to better maintain facilities and grounds, and additional computer technicians to install and maintain cutting-edge computer network systems in every school.

Also made possible by the vote is the implementation of the district's Focus Schools initiative, offering parents and students a broader selection of 21st century academic curriculum. In the near future, various neighborhood schools will acquire high quality instructional programs such as International Baccalaureate, dual language, science and math, STEM and pre-advanced placement.

Focus schools are a centerpiece of St. Vrain's plan to elevate its status among Colorado's highest performing school districts. In the process, we also expect to recapture numerous local students whose parents chose to enroll their children in neighboring school districts with similar programs already in place.

The override will enable the district to be more competitive in the recruitment and retention of highly qualified teachers who have been leaving St. Vrain for higher pay in other Front Range districts. The benefit of recruiting the best new teachers and retaining our most experienced teachers is incalculable and will pay immediate dividends in academic achievement and success.

District officials have begun requesting numerous bids for school repair, renovation and construction projects. These projects, coupled with enhanced instructional programming District-wide, will greatly benefit the citizens and businesses of the St. Vrain Valley School District by adding to property values and strengthening our local economy in general.

As board members, parents and business owners, we realize the importance of this vote. At a time when our economy is strained and many citizens are struggling to make ends meet, the community has expressed its support for academic excellence and a highly successful 21st century public school system.

Once again, we extend our heartfelt appreciation for your vote of confidence, and we, in turn, commit to the highest level of fiscal accountability in the expenditure and intended use of these precious resources.

SANDRA SEARLS, ROD SCHMIDT, RICK HAMMANS, DORI VAN LONE, JOHN CREIGHTON, MIKE SCHIERS and BOB SMITH
Board of Education, St. Vrain Valley School District

Auto industry

Bailout in exchange for fuel efficiency

Is it just me, or are others equally flummoxed by the U.S. automobile industry's historic reluctance to embrace fuel efficiency ("Dems asking Bush to save automakers," Camera, Nov. 11)?

It seems that everyone but the CEOs of the big-three automakers figured out long ago that gas-guzzling Hummers and SUVs were a losing proposition. Now they want to be rewarded for their shortsighted incompetence with some of the \$700 billion bailout.

That's our money, and before we agree to give it to them, Congress should demand something in return: that GM, Ford and Chrysler agree not only to dramatically increased fuel efficiency standards, but to leading the world in the production of plug-in electric hybrids.

In light of the ever-worsening climate crisis, this is not too much to ask. We'll help them, but only if they help us in return. This is a rare opportunity for Congress to negotiate with the recalcitrant auto industry from a position of strength. Let's seize that opportunity, and send the unequivocal message that the time for free lunches is over.

TOM WEIS
Boulder

America's problems

Much work needs to be done

America's financial problem (stock market and sub-prime mortgage foreclosures) is the most urgent thing needing action now. We must then get rid of financial deficits, permanently, in order to correct other problems. The world envies us in everything American.

It will take about two years to solve the above problems. We will have to vacate Iraq as quickly as possible in order to get rid of the \$15 billion

monthly that Iraq costs us and that money would then be available for our other needs. Our military forces should total 600,000 so we can again be stronger than anyone else, if need be. We can no longer have double/triple duty for our reserves. We must provide adequate medical and mental care for our military and our veterans.

Within America we must rebuild our public school system so that no school will be an "under privileged" school. We must also raise our teachers' salaries to acquire only the best teachers and we must insist that every one of our teachers makes his or her classroom lectures so interesting to the student listening that the student will not want to leave when the bell rings ending the class. Accomplishing that will eliminate the "drop out" problem.

Next on the agenda will be the matter of making all of our food and drink safe for us to consume, whether any food is made within America or purchased from overseas. Merchandise for children or for adults, in their everyday life activity, must be safe, especially if made overseas.

The next big issue is the safety and reliability of our roadways and bridges. Then, immigration remains. Finally, two large needs are: 1) More help for the poorest of our poor. 2) We need youth centers throughout the entire country for our teenagers to hang out at after school and evenings/weekends. We must also consider social security and health insurance problems. I wouldn't want to be president, would you?

WILLIAM M. CORN
Boulder

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To Write the Forum

The Camera welcomes readers' letters. Timely topics of local interest are given first preference. All letters are subject to editing.

Our guidelines:

- Letters of 300 words or fewer will receive preference
- Name, full address and daytime phone number required
- No anonymous or "open" letters
- No name-calling or ad hominem attacks
- Each writer limited to one letter a month
- e-mail submissions are processed more quickly than hard-copy letters. Plain text preferred over attachments

To reach us:

- Deliver or send letters to: Open Forum, 1048 Pearl St., Boulder, CO 80302
- Fax to 303-449-9358
- Phone us at 303-473-1354
- e-mail to openforum@dailycamera.com