



November 25, 2008

Search



Subscribe Today



Login or register

Classifieds

- Place an ad
- Find a job
- Find a car
- Autos A-Z
- Find real estate
- Find rental properties
- Dating
- Pets

Text size: ▲ ▼

Financial crisis needs sure-footed decisions, not grasping at straws

By Peter Monroe
November 19, 2008

After the frenzied attempt by the Bush administration and Congress to "do anything" to abate the global financial crisis, and committing trillions of taxpayer funds and federal guarantees, without oversight and without a plan, it is time for Congress to stop funding new financial experiments. It is time for America to take stock of what we have learned and plan for the wiser use of precious federal funds and guarantees by the Obama administration.

We have identified the immediate causes of the crisis. It is a failure of government and Wall Street, via shoddy regulation of speculative mortgage lending together with congressional mandates to Fannie Mae and Freddie Mac to purchase these mortgages; plus the proliferation of toxic "mortgage derivatives" and spurious over-rating by rating agencies.

We also have learned that a legislative and executive bailout process dominated by presidential panic, Treasury hubris and a Congress more eager to campaign (and get pork) than govern will not get us out of this mess. A lot also has been said about creating a new Resolution Trust Corporation to solve the problem, like the RTC did in the early 1990s. Therefore, I suggest:

A Congressionally-mandated halt to new spending commitments by the Bush administration so the Obama administration is not handcuffed by lack of funding or further irrational and irreversible actions;

An investigation of actions by the United States and others to stem

the global credit crisis, to determine whether policies adopted have been effective and to establish optimal criteria for new approaches.

A bipartisan transition team to explore economic stimulus options. All options on the table begin with the issue of which stimulus would have the greatest effect. Six sectors demand priority consideration: housing; auto making (where it is estimated the demise of the Big 3 automakers could cost over 3 million jobs and send the country into deeper recession); energy independence; infrastructure to create jobs and to increase our competitiveness; incentives to maintain consumer spending and spur venture, real estate and other investment; and agriculture/minerals.

An address to the nation by president-elect Barack Obama promising the end of unplanned responses to the financial crisis, and a plan based on an analysis by the best and brightest during the transition period.

Peter Monroe was president of the Resolution Trust Corp. oversight board in 1990-93. He is a venture capitalist in Clearwater.

E-mail Share Print

Related topic galleries: Freddie Mac, Mortgages, Fannie Mae, Financial Markets, Government, National Government, Barack Obama

All topics

Scared of Santa: Check out these hysterical photos of not-so-happy children on Santa's lap. Click here.

Copyright © 2008, South Florida Sun-Sentinel

Weather

Hurricane HQ



Traffic

News

- Broward County
- Palm Beach County
- City by city
- Business
- Entertainment
- Lifestyle
- Travel
-
- Crime & Safety
- Regional/Florida
- Cuba/Americas
- Nation/World
- Help Team
- Schools
- Health and Fitness
- Green Living
- Columnists
- Corrections
- Multimedia Gallery

Sports

Miami Dolphins

Miami Heat

Holiday HQ

Opinion

Obituaries

News Tips

Topics

Blogs

Video

Newspaper Services

- Get home delivery
- Subscriber services
- Teacher resources
- Work at Sun-Sentinel
- Advertise with us
- Buy photos
- Buy back issue
- Contact us
- Sell our paper
- Newspaper boxes

Blog



Every parent's nightmare When they asked Wille Sutton why he robbed banks, he is said to have answered, "Because that's where the..."

Remember W.? Still here.

I guess the best way for a failed presidency to end is not with a bang, but with the...

The more things change that you can believe in...

One of the more rewarding aspects of editorial cartooning is that you are limited only by your imagination. Each...

>> More from Chan Lowe

RANGE ROVER
CERTIFIED PRE-OWNED
Available under \$50,000*

Enter Zip Code

*Dedicated

Popular stories: Opinion

Most viewed Most e-mailed Hot topics

Financial crisis needs sure-footed decisions, not grasping at straws

Lauderdale mayor tries radio talk show

Create bailout that helps auto industry, and us

Obama should let Haitians stay temporarily

Give thanks for the American dream

More most viewed

Vonage unlimited local and long distance -calling \$24.99 /mo

VS Your phone bill

Vonage
Get 1 month FREE



Digital Edition
Subscribe Now!

Resources

- Recent articles
- RSS feeds
- Mobile services
- Newsletters/Alerts
- Florida Lottery
- Find a restaurant
- Movie times
- Horoscopes
- Calendar of events
- Webcam
- Site Map

Metromix

Learn from other working professionals while

[more]

University of Phoenix

Home > News > Opinion

Ads by Google

Senior Care Fort Lauderdale
Give Us a Call for In Home Elderly Care and Senior Companionship.
www.SeniorHomeCompanions.com

Hotels in Fort Lauderdale
Get our Best Price Guarantee on All Fort Lauderdale Hotels
www.Hotels.com

Ft. Lauderdale Estates
Luxury Homes & Property Waterfront Homes, Condo's, & More
www.CohesiveLuxury.com

Fort Lauderdale Bail Agents
No Collateral Is Needed. Call Our Bondsmen For More Information.
BrowardBailYes.com

Fire Insurance Palm Beach
Our Fire Insurance Adjusters Can Help You Recover From Your Loss!
HowardEidelAdjusters.com

Ads by Google

Luxury at \$199,000 US
Ocean View Homes. Over 2000 sq feet Cabo San Lucas Best Kept Secret!
www.VentanasResidences.com

West Palm Beach Hotel
SpringHill Suites- Free Breakfast & Internet. Relax w/ Spacious Suites.
Marriott.com/SpringHillSuites

DelRay Beach Pest Control
Call Our CPO Certified Experts For Pest Removal Service Today!
www.PPMSF.com/PestControl

Hotels in Palm Beach
Get our Best Price Guarantee on All West Palm Beach Hotels
www.Hotels.com

Single and Over 40?
Meet Older, Sincere Daters Everyone is Serious and Screened.
MatureSinglesOnly.com/Video

To start banking solid

CLICK HERE



Letters to the Editor

Tips for getting your letter published:

- Keep your letter brief.
- Include your name, address and daytime phone number.
- Get to the point. Most letters are edited for clarity and length.
- Choose your words carefully. Letters that contain libelous or slanderous statements will be edited or rejected.
- Do not send us copies of other people's work.
- Do not send your comments as an attachment.
- Do not write again immediately after a letter is published. We won't consider your next letter for 60 days.
- More tips and things you should know about letters to the editor
- Submit a letter for publication

The Editorial Board

Howard Greenberg, Publisher
Earl Maucker, Editor
Antonko Fins, Op-Ed Page Editor
>

* Results of recent Sun-Sentinel.com news polls.

Dueling Columnists

Visit The Stant's collection of recent opinions from Stephen Goldstein and Kingsley Guy.

[Copyright 2008](#) | [Privacy Policy](#) | [Advertise with us](#) | [Subscriptions](#) | [Paid archives](#) | [Questions or comments](#)

[Broward Educator](#) | [City & Shore Magazine](#) | [El Sentinel](#) | [Forum Publishing Group, Inc.](#) | [News in Education](#) | [South Florida Parenting](#) | [South Florida Teenlink](#) | [TCPalm.com](#) | [CW South Florida](#) | [WXEL](#) | [WFTV](#)
[CareerBuilder.com for Jobs](#) | [Cars.com for Autos](#) | [HomeStage.com for Homes](#) | [Apartments.com for Rentals](#) | [Houses for Rent](#) | [For Sale by Owner](#) | [Open Houses](#) | [Grocery Coupons](#)