



How to tell if Washington is serious of about fixing Wall Street

I was recently perusing a list of economic advisors for Senators Obama and McCain. I scanned the list very quickly, not wanting to see the full list because of wanting to write this article. I did however see one name on the list that only solidified my hypothesis. To be honest, I don't remember and don't care which of the Senators had this particular name listed. It doesn't matter.

What really matters is who CAN'T be on the list and others that MUST be on the list and currently are not.

Let's tackle the first point. Understanding that this current crisis was many years in the making, and by that I mean throughout a minimum of 3 to 4 Presidential terms, we first must get beyond partisan politics. The list of culprits and enablers is so long that we're wasting time trying to parse it along party lines. What we need to concern ourselves with is the complete list – and banning tainted participants from “helping” us out of this mess. They helped create it, or at least enabled others to wreck havoc on our financial system. They cannot be part of the solution.

That being said, let's get down to specifics. Banned people would include anyone from the following institutions (understanding that some entities no longer exist): Countrywide, Fannie Mae, Freddie Mac, Lehman Brothers, AIG, Bear Stearns, Goldman Sachs, Merrill Lynch, Morgan Stanley, WaMu, Wachovia, Citigroup, JP Morgan and many others, but you get the picture. These firms helped create and enable an over leveraged, greed on steroids financial culture that is now threatening to crash the global financial system. They cannot be allowed to have their biased, self-serving opinions given weight by unscrupulous politicians.

The banned list must also include all those politicians that never took a stand to stop this insanity before it grew into the financial Godzilla that is now taking down institution after institution. That list would include many of the Senators and members of Congress that fancy themselves as financial experts: For politicians, Barney Frank and Chris Dodd have to be on the banned list.

Now comes the good part. These are some of the people that MUST be included on the list of economic advisers to the candidates and/or included in the Wall Street rescue attempt. These are the elite fighting forces that called this party over many months ago, and for some, years ago. They also have no reciprocity ties to helping their buddies on Wall Street. If only Washington and Wall Street had listened to them back then. Now, they don't have a choice.

One of the best is Nouriel Roubini. He is a professor at NYU and is a walking encyclopedia about the financial markets. He is very well respected and had the foresight to speak up about the perils that he saw coming, both in live TV interviews as well as published articles. He actually had one article in particular that gave us a sort of financial Armageddon roadmap, pretty much laying out exactly what was coming. Presciently, he has been dead on throughout the crisis.

Of Case/Shiller housing index fame we have Professor Robert Shiller from Yale. Not only did he call the tech bubble early (see his book Irrational Exuberance), but he called the housing bubble early as well!

Texas Congressman Ron Paul is another must have. For years, he has been pounding the financial pulpit trying to get Washington (including the Federal Reserve) to wake up to the calamity that was just around the corner. Some

may be at odds over his political views, but at this point we shouldn't care. He is one of the few politicians that actually understands economics and our monetary system. Get him in the game!

Former Fed Chairman Paul Volker is the only Fed Chairman in the last 30 years that did the unpopular but necessary economic crushing feat of raising interest rates high enough to crush the inflationary monster. Known around Washington as Tall Paul, he should be called on during our hour of need.

I understand there will be a need to have some Wall Street and banking types involved in this process. Our criteria should be either they were not involved with creating the residential housing crisis or they called it early, sounding alarms for the wise. There are a good number of them out there; maybe a complete list should be forthcoming.

Clearly, the need for strong fiscal leadership is upon us. As citizens and taxpayers of the greatest country on earth, we need to pay attention to everything going on in Washington during this crisis. Set aside some time to get knowledgeable about financial matters and the machinations of Washington. Stop enabling the politicians by pointing fingers at rival political parties. In this case, both parties have plenty of members who helped fuel this financial turmoil we find ourselves in. The faster the public can rise above partisan politics, the faster we can be on the road to financial recovery. Don't allow Washington to bequeath this financial nightmare to our children.

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