

Elias: Follow The Money

Contributed by Steve Elias
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On Wednesday I was watching the Senate Banking Committee debate the administration's proposal to have Congress write the Secretary of the Treasury a blank \$700 billion check to fix the bad mortgage debt problem and other financial market woes. As Secretary Paulson was explaining the need for such awesome power, a sidebar appeared on the screen stating that Paulson's net personal worth is \$500 million.

That got me to thinking. It would be very helpful for TV public affairs shows to always put sidebars or bubbles showing the net personal worth and annual income of their various talking heads. The same would go for TV appearances by public officials, politicians and political shills of all stripes. I found myself wondering about the Fed chairman's net worth, and then the members of the committee and the other "experts" assembled to support the administration's request. From there my thoughts jumped to the TV commentators and pundits who are either super rich themselves or operate in those circles.

Why should we care about someone's wealth? Every time one of these well-heeled folks says something being proposed is in "our" interest, you have to wonder whose interest they are talking about. Surely Secretary Paulson's interest is not the same as mine as my net worth is slim to none. So, when Henry Paulson, or Donald Trump for that matter, advise that a course of action would be in "all our interests," I'm pretty sure they are thinking of a relatively small circle of family, friends and associates whose net worth is way up there in the many millions.

So, here's what I think about the proposed bailout. It's crystal clear that the people who have made out big time under the current credit-debt system desperately want it to continue. And for them the bailout is a necessity. It may be that it's a necessity for the rest of us as well, but I'm unwilling to take it on trust from the people who are pushing that line.

If I had knowledge of who had benefited from the housing and credit bubbles, I would be better positioned to assess whose interests were being served. For now, it appears to me that the "titans of wall street" and the government that serves them are using the same shock and fear approach to a power grab that has worked so well with the American people in the past — scare the hell out of them and then take what's yours.

This of course implies that this was and is an engineered crisis. And why not? Everyone in a position of responsibility repeats the mantra that these high flying finance types are very smart people. If so, they must have seen it coming. A lot of us less brilliant people saw the handwriting on the wall a long time ago.

Of course a possible alternative explanation is that the Masters of the Universe (to use author Tom Wolfe's phrase in the Bonfire of the Vanities) are far too arrogant and completely lacking in common sense. In that case we really ought to ignore what they say and let events take their course. I do believe that "the market" will likely produce a better outcome.

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