

The financial crisis and its Barack Obama connection explained

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Most people really don't understand the magnitude of what's going on. In point of fact, McCain was correct when he stated that the fundamentals of the American economy are sound. But that could change, because corporate America needs capital (commercial loans) to function and expand. If the banks have no money to lend them, it could lead to disaster. The George Bush that liberals hate so much, acted decisively, choosing a dubious solution for a worse problem.

The whole mess is being laid at the feet of "Wall Street" without explaining what this means. In point of fact, the problem rests with our elected officials in Congress, primarily Democrats, who pushed lenders to give loans to minorities and others without proper capitalization. This type of mortgage is called a "Ninja Loan,"... no credit, no money, no job. It's a perfect example of government sponsored social engineering gone amok. It was based on the concept, "Everyone a Home of their own." Beginning with Jimmy Carter's Community Investment Act of 1977 and expanded into the Clinton years, Banks and mortgage lenders were coerced under threat of prosecution, to approve dubious mortgages.

This was propagated to a feeding frenzy by government enabling greed in the private sector through Fannie Mae and Freddie Mac... the big causes of the difficulties. Bill Clinton tried reigning Fannie and Freddie in, but it had become the darling of Democrats in Congress. Without Fannie Mae buying or guaranteeing suspect mortgages from lenders like the now defunct Country Wide, these lenders wouldn't have made bad loans in the first place. There would be no profit in it. That's what capitalism is all about. But what happened really wasn't capitalism. It was government sponsored crookery.

Fannie Mae and Freddie Mac were able to borrow huge sums of money at rates far lower than anyone else because everyone knew that they would never default. How could they when they were being backed by taxpayer's pocketbooks. Fannie Mae would use trillions in borrowed capital to purchase crap mortgages, certify them as quality and resell them to banks and investment houses worldwide. Politicians (mostly Democrats) would receive multi million dollar loans from mortgage lenders at low interest rates to keep their mouths shut. Bribes in the form of political "contributions" and low interest loans were spread around by Fannie Mae like butter on a bagel.

The directors of Fannie Mae and Freddie Mac would then cook the books and give themselves tremendous bonuses of up to one hundred million dollars. But nobody (except John McCain and a handful of other Republicans) in government would say anything because they were getting big payoffs. Also, while the myth was spread that Fannie Mae and Freddie Mac were private organizations because they issue stock, the people who run it were appointed by public officials. They chose political hacks, primarily from the Clinton Administration, who like most civil servants, didn't know how to do anything but serve themselves. Fannie Mae and Freddie Mac were run like the incompetent Post Office with corruption added.

Barack Obama hit the Washington scene running and had his hand out immediately. Even though he was a freshman Senator, he received the second largest amount of money from Fannie Mae in kickbacks. The heads of Fannie Mae, Franklin D. Raines and Jim Johnson, are political supporters of Obama and have been economic advisors, no matter what he says now. Obama acted like a Chicago political machine hustler, which is what he is.

When the mortgages were deemed poor, they were downgraded, leaving financial institutions in a very precarious financial situation and bringing on the possibility of very real and massive financial collapse.

It's estimated that this necessary bailout will cost every person in America some \$4,000.00, but that's a gross underestimate. 45% of adult Americans pay no taxes at all and millions more are non-working minors. When you factor in only those who are on the tax rolls, we're talking of at least \$20,000 more in additional taxes, not including the many thousands more that will be added over the years in interest on government borrowing to pay the annual interest on a MINIMUM of TWO-AND-ONE-HALF TRILLION dollars.

Younger people will be voting heavily for an Obama. They haven't yet accepted it was he, who got his payoffs to kill the 2005 McCain sponsored bill to stop Fannie Mae's abuses. Over the long term, they suffer the most, whether he gets elected or not.