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### "No Confidence" in Economics of Mass Destruction

President Bush presented another ultimatum to Congress, "Give me 700 billion dollars or the Country will be destroyed." President Bush's own party rejected that threat by a vote of two-to-one, essentially a vote of "No Confidence" in the Bush Administration and an indication of the level of credibility the President has among those who might be expected to know him best.

Many Asian stock markets dropped precipitously in the hours following that vote. In an Asian parliamentary democracy, a vote of this nature would have resulted in the resignation of the prime minister, except possibly in Japan where an honorable public official might have committed seppuku. One might respectfully suggest that, after this resounding rejection by their own party, President Bush and Vice-president Cheney resign and let Speaker Pelosi run the country until January 20.

In this column published in the June, 2008, *Blue Print*, it was proposed that the federal government intervene in individual mortgages, creating a financial institution which will buy an individual "troubled" mortgage from the financial institution at a substantial discount from the stated value, and renegotiate the repayment terms with the borrower so that the borrower may repay the loan at a long-term fixed rate. This process rests on the theory that an obligation that is actually paying a thousand dollars a month is more valuable than an obligation that is not paying a stated two thousand dollars a month. But this proposal has less opportunity for private contractors to make commissions, so the lobbying for this position is sparse.

With regard to modifying the President's failed Wall Street Bailout proposal, a few modifications may make it acceptable to the American people, particularly specifying how it is to be funded, and adding some pork.

Fund one-and-a-half percent per year of the \$700 billion bailout with a one-cent-per-share tax on stock sales for entities listed on public stock exchanges. The New York Stock Exchange transfers two billion shares on a slow day, other exchanges transfer more. If four billion shares a day, on all public exchanges, pay one cent each transfer tax, that generates forty million dollars a day, two hundred million dollars in a five-day week, ten billion dollars in a fifty-week year after holidays. That would take only seventy years to pay the whole bailout price, but for public relations purposes to make the project palatable to the American public, taxing stock trades would look good.

Adding the pork will get this bill passed. Senator Obama's health care proposal is speculated to cost something over thirty billion dollars a year. If Congress tacks on an earmark, that the federal government is required to pay a nickel into

a Health Care Trust for every dollar disbursed in the Wall Street Bailout, that will provide Thirty-five Billion Dollars, an ample source of funds to provide health care for all Americans. Of course, if Congress adds one earmark, everybody else will want one. Contemplate the disaster if, in addition to the nickel for health care, the federal government is required to pay ANOTHER nickel into an Education Trust to lend interest-free to local schools who may or may not be able to pay back the loans. Pretty irresponsible to lend taxpayer dollars to entities that won't pay it back.

- Christopher J. Mallin, Old Country Lawyer