THIS TIME, WE'LL BAIL OUT THE S&LS WITHOUT A CONGRESSIONAL DEBATE

The former econ professor notes that we're already bailing out big money:

> Fed to the rescue.
>
> > *Aug. 10 (Bloomberg) — The Federal Reserve added $19billion in temporary funds to the banking system through the purchaseof mortgage-backed securities to help meet demand for cash amid a routin bonds backed by home loans to riskier borrowers.*
>
> The Fed accepted only mortgage-backed debt as collateral for thismorning's weekend repurchase agreement. Losses in U.S. subprimemortgage investments have been rippling through global credit markets,driving interest rates higher and sinking share prices. The Fed alsoadded $24 billion yesterday, the most since April, as demand for cashincreased.
>
> The New York Fed's additions lowered the Federal funds rate to 5.375percent, according to ICAP Plc, after it began trading at 6 percent,the highest opening rate since January 2001. The Fed's benchmarkovernight rate is currently 5.25 percent.

> Nothing wrong with putting money into the system to lower the federalfunds rate, **but this is bailing out investors** in a certain kind ofspecific and troubled asset.[my emphasis]

I'll add just a few things to this: One, by bailing out investors without a Congressional debate, BushCo allows us to avoid any discussion about the practices that got us into this mess–and the implementation of efforts to make sure they don't happen again.

And two, one of the reasons we're jumping to giving welfare to big capital without the normal interim steps is because doing anything else–putting much more money in the system–is going to revive the word "stagflation" faster than you can spit.

Wonderful. We're going to relive the 80s fiscal crisis **and** the 70s fiscal crisis.