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Laying Down Blame for Our Economic Troubles

Bush's comments about drunkenness and sobriety, once posted on YouTube, went viral and led to jeers from his mainly liberal detractors, who claim that Bush has verified their long-standing claims that his rich buddies in the private sector are to blame for the United States' economic problems — that and too little government regulation.

The jibes at Bush ring ironic because those making them typically don't give Bush credit for brains enough to escape a paper-bag prison; now they're making him out to be an economic savant.

In truth, Wall Street (and Main Street too) could not have gotten drunk on our easy-money and easy-credit policies, and would not now be experiencing a hangover, if those policies did not exist in the first place. Though Wall Street greatly influences fiscal and monetary policies, those policies are imposed on the nation not through Wall Street but through government and the Federal Reserve.

Ballooning government spending has caused our national debt to skyrocket from \$5.7 trillion under Bill Clinton to \$9.4 trillion under Bush, and the Fed has artificially lowered interest rates and created money out of thin air to bankroll the debt, resulting in malinvestments and skyrocketing prices. The creation of vast amounts of new money and credit, now and in the recent past, is what has led to our nation's economic bubbles, including the housing bubble.

Another government action contributing to the crisis is the malfeasance of the Federal Housing Authority, whose policies led to a delinquent mortgage rate up to 13.46 percent — worse than the subprime mortgage market.





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