

# Bailout should cut cords of golden parachutes

**THE ISSUE** | Bailout of the financial industry will likely top \$1 trillion.

**OUR OPINION** | It would be unconscionable to allow Wall Street to profit from its greed while many taxpayers suffer.

The numbers are so ridiculously inflated, no one can get their minds around the government bailout of the financial industry which will likely top \$1 trillion when all is said and done.

But what the taxpayers who will be footing this bill can grasp are the obscene severance packages stuffing the pockets of disgraced CEO's who are being rewarded for driving their institutions – and the American economy – into the ground.

This corporate greed cannot be sanctioned with public monies and any deal between Congress and the Bush administration must include protections for American taxpayers that prohibits, among other things, the golden parachutes so often associated with the dysfunctional financial industry.

Greed has been the driving force behind the most devastating economic collapse since the Great Depression – greed by subprime lenders, greed by bogus inflated auction-rate securities, greed by the "I've got mine" money traders who shuffle everyone else's money but theirs from risky investment to risky investment.

Exit packages worth billions of dollars are easing the transition of scores of CEOs who are facing no threat of losing their homes:

Richard Fuld, who oversaw bankrupt Lehman Brothers self-destruction, reaped nearly a half-billion – \$490 million – from selling his stocks before they became worthless;

Jimmy Cayne, former chairman of Bears Sterns which was rescued when the feds threw a \$29 billion life-line, received \$60 million when he was replaced;

Stanley Neal, who steered Merrill Lynch as the venerable financial institution collapsed before being taken over by Bank of America, was given a package of \$160 million when he left his post last year;

Angelo Mozilo, founder and top executive at Countrywide Financial Corp. which has been at the forefront of the subprime fiasco,

cash in \$122 million in stock options in 2007;

Robert Willumstad, CEO at insurance behemoth AIG which just got an \$85 billion respite from Uncle Sam, was handed \$7 million for his three months at the helm.

At least government officials are holding the line on the severance packages, worth a combined \$24 million, for the ousted heads of Fannie Mae and Freddie Mac.

A recent survey by Forbes magazine found the average CEO is earning 364 times the salary of their average worker, up from 42 times the average salary of one of their company employees in 1980.

As maddening as those compensation packages are, when it involves private companies and private money in a largely unregulated industry, there's little to be done by the government.

But if these companies now want to be put on the corporate welfare rolls to save them from themselves, they must agree to forgo those scurrilous termination payments.

U.S. Rep. Barney Frank, who as chairman of the House Financial Services Committee will have much input on the final deal, also wants the bailout to include limits on executive pay as well as stronger government oversight so taxpayers are not completely hung out to dry.

While some argue the pay agreements were put in writing when the executives were hired, if they want public money to save them, then all deals are off the table.

Government regulators might also want to look back at many of the deals that were already paid out to see if criminal actions such as the sale of stock options cashed in on illegally inflated financial statements or bogus claims of solvency.

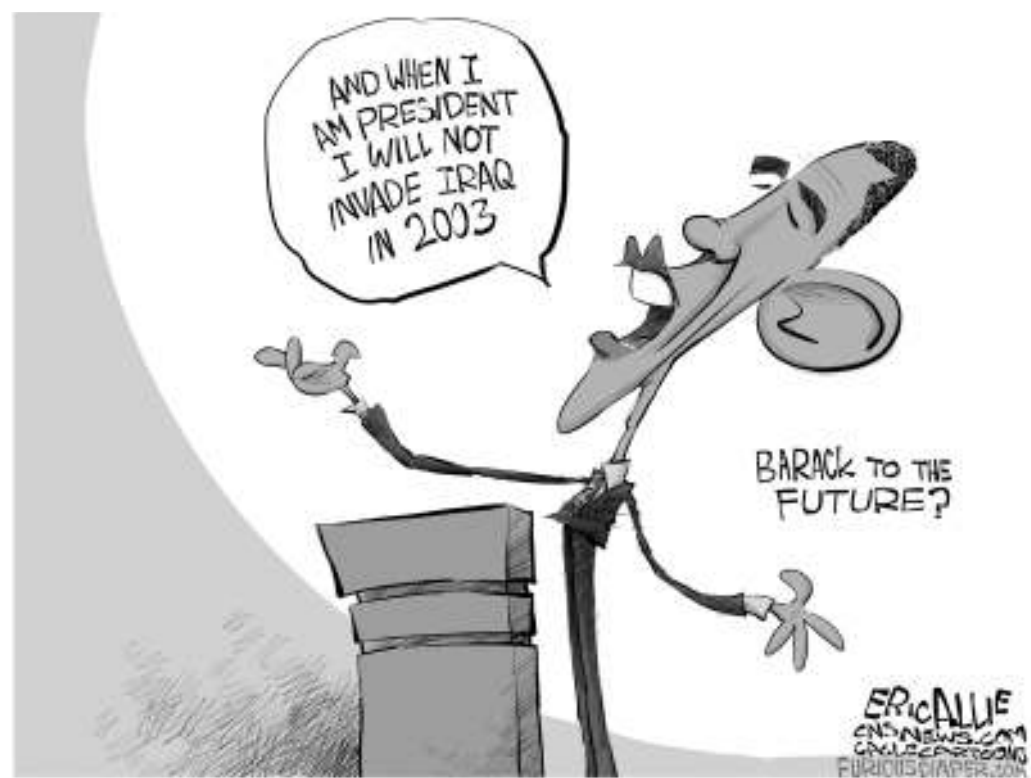
This is an unprecedented intervention on the part of the government, one the financial sector is begging to happen. It would be unconscionable to allow Wall Street to profit off its greed while many taxpayers will have to work five, 10 or more years longer to make up for their retirement fund losses.

Why not use the newly enhanced powers of the president to strong-arm members of Congress and the judiciary as needed to assure passage of the presidential platform? Why instead take the more difficult course of returning these powers to their rightful owners and then working in cooperation with them?

Because this is the only way to save our republic. As you listen to each of the candidates, carefully consider which one will be best able to accomplish this difficult task and vote accordingly.

**Charlotte Cook**  
Elmira

## ARTIST'S VIEW



COMMENTARY | LEONARD PITTS JR.

## Fable of Bush and the wolf

**M**emo to the next president:

There's an old fable I'm sure you know. It's usually credited to Aesop and the version I found online at storyarts.org goes like this:

"There once was a shepherd boy who was bored as he sat on the hillside watching the village sheep. To amuse himself he took a great breath and sang out, 'Wolf! Wolf! The Wolf is chasing the sheep!'"

"The villagers came running up the hill to help the boy drive the wolf away. But when they arrived at the top of the hill, they found no wolf. The boy laughed at the sight of their angry faces."

"Don't cry 'wolf', shepherd boy," said the villagers, "when there's no wolf! They went grumbling back down the hill."

"Later, the boy sang out again, 'Wolf! Wolf! The wolf is chasing the sheep!' To his naughty delight, he watched the villagers run up the hill to help him drive the wolf away."

"When the villagers saw no wolf they sternly said, 'Save your frightened song for when there is really something wrong! Don't cry 'wolf' when there is NO wolf!'"

"But the boy just grinned and watched them go grumbling down the hill once more."

"You know what happened next. A real wolf slunk out of the woods and the boy cried frantically for help, but the villagers ignored him. At sunset, they realized he hadn't come home and wondered why."

While millions of school-children have absorbed the moral of that story, the man you seek to replace was apparently not one of them. Which has led over the last week to a standoff that once would have been difficult to conceive: the president sounding the alarm, declaring the emergency, warning of apocalyptic fiscal consequences if immediate action (defined as a \$700 billion Wall Street bailout) is not taken, and lawmakers of both parties ignoring him, making clear that they would act on their timetable, not his.

As Rep. Joe Barton put it, "Just because God created the world in seven days doesn't mean we have to pass this bill in seven days." Barton, let the record show, is a Republican. From Texas.

After almost eight years, then, it has come to this: not even his own believe him. And he has only himself to blame. As the crisis we face is caused by the profligate way Wall Street has handled money, so President Bush's inability to rally the nation is caused by the profligate way he has handled credibility. Now, like the shepherd boy, he sees the wolf for real and tries to sound the alarm. Unfortunately, like that boy, his believability is spent, his integrity overdrawn, his credibility bankrupt.

No one can be surprised. Not after the way Team Bush fudged facts and faked urgency, invoked mushroom clouds and conflated a connection to Sept. 11 that did not exist, in order to stampede the

nation into invading Iraq. Not after the way it censored science and politicized truth on every subject from abortion to global warming to education to health. Not after the way it buffaloed its way through whenever reality threatened to intrude, shouldered it aside with a win-at-all-costs brazenness that seemed to ask – apologies to Groucho Marx – "Who are you gonna to believe, us, or your lying eyes?" Not after it elevated blame shifting and responsibility avoidance to the level of art. And not after the way it was abetted and supported in all this by a corps of sycophantic true believers for whom no lie was ever too big, no intellectual disconnect ever too wide, a cult of personality that could see no flaw in, nor countenance any criticism of, the great and powerful Bush.

Now even they have fled, as evidenced by the president's subterranean poll numbers and near invisibility at his own party's convention. Meanwhile, the rest of us are left to pick up the pieces and pay the bill. And to hope that, at the very least, the moral of the story that so profoundly escaped your predecessor is not lost on you:

Guard your credibility. You never know when you might need it.

■ **Leonard Pitts Jr., winner of the 2004 Pulitzer Prize for commentary, is a columnist for the Miami Herald, 1 Herald Plaza, Miami, Fla. 33132.**

## NATIONAL VIEW | CHICAGO TRIBUNE

# Why is McCain campaign afraid?

**J**ohn McCain is still keeping running mate Sarah Palin far away from reporters and their pesky questions. In New York this week, Palin hobbled with foreign leaders and former Secretary of State Henry Kissinger, all in a news-free cocoon that allowed only the briefest glimpses for photographers and imposed a virtual blackout on questions from reporters.

You have to wonder, why is the McCain campaign so afraid?

Maybe Palin isn't a whiz on international affairs yet. But she certainly couldn't be any more gaffe-prone than her Democratic counterpart, Joe Biden.

He's living up to his reputation as a human gaffe machine.

Biden, commenting this week on the Wall Street crisis, said we should learn from FDR. "When the stock market crashed, Franklin D. Roosevelt got on the television and didn't just talk

about the, you know, the princes of greed."

Oops! FDR wasn't president when the stock market crashed in 1929. And nobody had TVs back then. Biden recently suggested that Hillary Clinton might have been a better choice than him for vice president. (Now he tells Obama!)

At a Democratic rally, he ebulliently urged a wheelchair-bound state official to "stand up."

He said one of the Obama campaign's anti-McCain ads was "terrible."

He told a stirring story of how a helicopter he was riding in was "forced down" on "the superhighway of terror" between Afghanistan and Pakistan. Turns out it had to land because of bad weather. "We were going to send Biden out to fight the Taliban with snowballs," joked fellow passenger John Kerry " ... Other than getting a little cold, it was fine."

Oops! Oops! Oops! Oops! The mistakes and misstatements can be telling.

We know Joe Biden is given to exaggeration. (He's also proof of the classic Michael Kinsley line, "A gaffe is when a politician tells the truth.")

And Palin? Well, we learned this week that she knows the name of Afghan President Hamid Karzai's child (Mirwais), and what it means (light of the house). But as Andrew Sullivan of the Atlantic noted, in the last few days Iranian President Mahmoud Ahmadinejad has given more press conferences than she has.

Voters don't demand or expect perfection on the campaign trail. The McCain campaign really needs to let her be heard in more forums where she isn't heavily scripted. One vice-presidential debate and a couple of TV interviews won't cut it.

She'll probably have a gaffe or two. But even then she'll have a long way to go before she catches up to Joe Biden.

## Campaign shows strengths, weaknesses

**U**.S. Rep. Randy Kuhl made it clear last week that any debate with his opponent, Democrat Eric Massa, prior to the Nov. 4 election will be in a controlled environment.

Kuhl declined to face Massa in front of a live audience scheduled next month at Elmira College, with his camp citing a concern with public access to the event.

Kuhl's team wanted a total of 300 tickets equally distributed between supporters of the incumbent and challenger, which would have left about 150 seats for the general public unfilled.

That way, Kuhl's handlers said, the audience would be evenly split, and in contrast to debates when the candidates met two years ago when Massa bused in supporters to make the audience more partisan.

The upcoming debate was called off when officials at WETM-TV, one of the sponsors along with this newspaper, refused to keep a segment of the curious constituency out.

It was at least the second time Kuhl declined to meet Massa in front of the masses, the first coming when he previously said no to a public debate scheduled by the Steuben County League of Women Voters.

As a result, the two candidates will meet six times to discuss issues before the election, but none in front of live, impromptu audiences. Four of those will be held in radio and TV studios.

No argument here that Kuhl, or Massa for that matter, has the right to refuse any debate format they don't like. For the record, Massa wanted debates held in every county in the 29th Congressional District and has become openly frustrated, as demonstrated with his confrontation with Kuhl in Corning City Hall, with the incumbent's reluctance to appear face to face.

There's no question Kuhl's schedule is, and has been, limited by his obligations in Washington.

But, it appears Kuhl wants his re-election campaign conducted in a vacuum, limiting public access. It seems open exposure before anything but a controlled audience is off limits, as if it is a weakness to be protected.

Obviously, Kuhl and his campaign handlers feel they have more to gain – or perhaps less to lose – by not going toe-to-toe with Massa in front of a live audience. And, if that is indeed the case, I see their point.

As we saw when these two men debated several times two years ago, Kuhl has a tendency to lose his poise when he hears even the slightest heckle from the crowd. Kuhl is not as sure-footed as you might think given his long political career.

But that's OK. Everyone has their strengths and weaknesses and there's nothing like a political campaign to bring them out.

There may be a trend here, however.

Kuhl has always prided himself with being accessible to the constituency, but in the last two years that has diminished.

After war protesters were arrested in his Bath office last year, security there was tightened at the suggestion of Washington. A locked door that opened only on appointment replaced the old

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■ **Je Dunning is managing editor for The Leader. He can be reached at jdunning@the-leader.com or 936-4651, Ext. 362.**

## LETTERS TO THE EDITOR

### Think carefully before you vote

**TO THE EDITOR** | As a result of precedents set by the Bush administration, the winner of the 2008 election will inherit an executive branch enormously strengthened at the expense of the legislative and judicial branches.

This slide toward monarchy should not be allowed to continue. To reverse it we must elect a president who will see these new powers for what they are – not as opportunities to enhance his own reputation, but as a threat to the system of checks and balances so carefully crafted by the authors of our Constitution.

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■ Letters must be kept to a maximum of 250 words. Letters longer than that will not be considered. ■ Letters may be edited for space considerations.

■ Letters must be signed and include an address and phone number. No letters will be published unless verified with ■ The publication of any letter is at the discretion of the editor.

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