In the discussions about what to do to fix up the economic mess left by George Bush, I have come to understand why it happened when I hear the ignorant proposals put forth by many Republicans.
I wonder what planet someone could come from who says, for example, “just let the auto companies go into bankruptcy and work themselves out of their financial problems without government assistance.”

Just what will the market for automobiles be doing while American auto companies are in bankruptcy - that‘s right, gaining the market share they left behind, so if they could possibly recover, there would little auto industry left that the Asian and European firms did not own..

As if that wasn’t enough, now we hear them suggesting that the government should just let the banks fail that are in trouble. Are they crazy?

The viability of the big banks (they are really banking systems because of the variety of services they offer and the outreach of their networks) are central to the capital markets for firms and the credit system for businesses and consumers, and if they fail, the entire economy - including much of the international economy - could come tumbling down. As bad as things are now, the entire American economy is not involved, since many banks and other financial institutions are still solvent and operating.

Likewise, we hear, “Just don’s give AIG the money.”

I’ve never heard anything so stupid. If you Google AIG, you can readily see that the scope of its insurance activities covers many of the largest and most well-endowed companies in the world and if they are not insured, they are opened up to immeasurable risks which, in turn, affects evaluations of their credulity in the market place.

It is a little like the difference between a person having a credit score of 720 or 500, if you are well-insured against risks, you are perceived to be in good shape. I agree with Newt Gingrich: we now have a set of institutions that are too big to fail, that they should be broken up. But where was he and his people when the path to monopoly capitalism was paved with the fortunes of their friends?
The lack of creative ideas are substituted with simplistic formulas that would put the country in worse shape than before. Let’s face it, Republicans have not had good ideas for 30 years. I remember when David Stockman, President Reagan’s Director of Office of Management and Budget, described Reaganomics as “Voodoo Economics,” a description that gave Voodoo a bad name.

It was the source of “trickle down” economics, practiced by most of Reagan’s successors except Bush 41 who was thrown out because he violated his pledge not to raise taxes. The idea has been to let the rich escape paying high taxes and they would spur economic growth, employ everyone and make us all rich. It didn’t work.

All I know is that this is no time for pure capitalism of letting every tub sink on its own bottom as though governmental institutions played no role in helping to guide monetary or fiscal policy and

is the insurer of last resort.

This is a raw and ultimately crude understanding of how to manage an economy which says run it into the tank and let the economy correct its own way out. Sophisticated economic managers understand that economies must have a balance of both private and public management, since both sets of interests must be protected.

I am in Kansas at this writing, reading that in the most Republican State in the Union, the Kansas State legislature is coming to the end of its session and neither the House nor Senate has passed an expansion of SCHIP the program that insures the health of poor children.

This, despite the fact that the national government passed the bill providing extra resources to the states and there is additional money in the Stimulus Package. Are they just mean-spirited and anti-humanitarian? Remember, every tub on its own bottom.

You would think that people would rise up and vote against legislators who act in this fashion, but they are mostly unaware of what is going on and there is mass economic ignorance of how the economy works and the responsibility of government to provide a balance to society.

Many in the public take their cues from conservative talk radio jocks who are also economically challenged, then pass on the ignorance to their families and friends.

They challenge the proposals set forth by President Obama, but don't really have any good alternatives. But the real sources of such ignorance may be party and race, since some people don't want to follow the leadership of the President because that would legitimize him and his programs. And some people just cannot bring themselves to submit themselves to the leadership of a Black man, especially in matters that are the most important that the country has faced in nearly 80 years.
But since he is in power and has a deep and experienced economic team I think they should have their chance as others have, rather than following the known chaos that results when everyone knows best.

Dr. Ron Walters is the Distinguished Leadership Scholar, Director of the African American Leadership Center and Professor of Government and Politics at the University of Maryland College Park. His latest book is: The Price of Racial Reconciliation (U. Michigan Press).