

WALL STREET... WE HAVE A PROBLEM

Just when we thought everything was getting better – when it looked like there wasn't a recession after all – it just turned for the worst again.

Unfortunately, the United States isn't the great economic power it used to be.

Ever since that darned mortgage crisis hit, things have been spiraling downhill in what seems to be an endless challenge. Throw in gasoline prices, bailouts and the federal budget deficit and the situation seems to be killing off every hope that it apparently tosses out. Banks are collapsing under the weight of the mortgage crisis, and the government can save all of them – but saving every collapsing bank adds billions to the federal debt, which taxpayers will have to pay off eventually. But, for now, we must forget about debts and get this government to save us from a looming crisis that could possibly put the entire world on end. Some say that Congress shouldn't intervene in the free market – that the problem will simply “sort itself out”. But what if it doesn't? Suppose that we did nothing – more and more major banks will fall and the stock market will crash as traders rush to sell off those worthless shares that only a year ago were healthy. Eventually, the United States and many other countries would be thrown into a recession, and possibly a depression. America would emerge from the rubble tattered and broken, and the rest of the world would just move on without it. I'm not an expert at economics, but I think this could signal the downfall of the United States as a world power. China would take advantage and jump to the top as the U.S. and its trading partners fell to the ground. It could take years – *decades* – to clean up the mess that this will leave behind. Now is not the time for pointing fingers; now is the time for pure action.

WHAT THE UNITED STATES MUST DO:

The United States government must make every effort to prevent major banks from collapsing. Bailouts are the quickest, simplest, and easiest solutions, but they will have their negative effects come back around in the years to come. The Bush administration must work with all leaders from all political backgrounds to push the economy back into its original place – as a leader in the world's currency flow. CEO salaries must be cut, major corporations must be saved.

While this plan will cause a huge increase in the federal debt, it can all be paid off eventually. The next president *must raise taxes* to give money back to the government – it's the least they can do after their leaders saved them from being jobless, homeless victims. While raising taxes will be viewed badly by voters, both Obama and McCain must change their policies so both are able to help pay back the money they will eventually owe. Voters will have no other choice but to vote for tax raises.

Residents must be told to spend their money wisely while the crisis looms. That means no luxury cars, no houses you *know* you can't afford, no unnecessarily expensive stuff. Shop at Wal-Mart and local grocery stores – you don't need those three-hundred dollar earrings, and you don't need that iPhone. Even if you really, really want it, don't go on a shopping spree unless you know defiantly that you can afford it – not just in the short term, but in the long term. Make a bad choice and you'll be stuck with debt that you will have to work to the bone to pay off.

After years and years of low prices on everything you can possibly buy, many Americans have made the dangerous choice of believing that they can afford everything with one swipe of a credit card. The U.S. government must remind all those wasteful spenders that have helped put the economy in a drag that not everything in financing is as easy as it sounds. While paying your credit card bill at the end of the month may sound easy, after you do your expenses it gets much more difficult. Money is not something to be fooled around with – it can either make your life luxurious or can kill you easily. Sadly, more get hurt than helped.

Finally, the U.S. must reassure stockholders that they don't need to sell off those stocks immediately. The stock market has been very unpredictable in the past few months, and there have been

many more losses than gains. Stockholders, after hearing all this bad news, will pounce on the idea that the only way to save their stocks is to sell them. To save a major sell-off event, the government must help bring crucial stocks that are failing back to their former glory. This means buying them to increase the value. Of course, buying dying stocks costs money – a good amount of it – but if we do nothing, there won't be any cash for anyone to spend. This way, the stock market won't plunge and the economy will be temporarily stabilized.

SHOULD WE WAIT?

The problem is: when should the government get this involved? Now or later?

Personally, I think that America should watch the situation until the breaking point – when another bank fails miserably or the stock market dips. After that, this plan should launch right into action. Waiting too long might make the situation more dire.

Starting too early is a bad choice – no-one can predict the future of this destructive problem, and if it turns out that the economy stays relatively stable when we thought it would snap, that means billions would have been wasted on a faulty calculation.

Some argue that we should start immediately so we can prevent the crisis from even occurring. Sadly, it is very possible that the economy could collapse anyway and that federal aid wouldn't be able to sway the situation. Waiting and watching is the best choice – there is no guarantee that the economy will crack, and there is no guarantee that it won't.

THE WORLD'S PROBLEM

This crisis isn't just the United States' problem – it's the *worlds*. Currently, both China and the United States are economic leaders, and both have the world economy riding on their backs. If the United States collapses, many other countries will see their economies suffer and even spiral into depression after the value of U.S. stocks tumble in their markets. A worldwide depression means all survivors will look to China for assistance. China, the country well known for making almost every imaginable object in the universe, has an economy that will not be as severely hurt by the crisis because of its separation from the rest of the world. While China would lose a huge importer, it could shift its exports to other countries looking for cheap mass-produced goods, thus raking in more money. China, if the United States fails, would be the world's top producer and would become an industrial giant (if it isn't already), taking over the world economy. China is open enough to hack the world trade system while closed enough to be protected from its effects.

Countries trading with the U.S. would be severely affected in the long run because exports would drop as America becomes unable to afford goods. Exports from the United States would also drop because of job cuts, meaning America would be prevented from showing as a world importer and exporter until it rebuilds the collapsed economy. By that time, it is possible that China would have monopolized on the world trade market, barring the United States from making a large impact on the international trade stage as it has now. Theoretically, it could take quite a long time for the United States to afford large-scale imports of all supplies, including oil.

This trade problem could be catastrophic to some countries and beneficial to others. While the effect will be mostly negative, it could also open the opportunity for some lucky nation to fill in the gap America left behind.

FINAL THOUGHTS

The United States is in a very dangerous position now. If the economy fails, the effects could be horrifying and the global impact catastrophic. If the U.S. wants to make it out alive, it must do some quick thinking, or else the consequences could be very, very destructive.

There is no one group to blame for this mess. Mortgage lenders, overspending residents and the Bush administration are all possibly at fault now, but a period like this doesn't need finger-pointing to magnify the public's reaction. We must warn of the coming danger, but also encourage action. We have to stop the rich 1% from sucking money out of the system, and we have to stop overspending citizens from making the situation worse by taking loans they can't repay. We have to tell people that they must purchase everything – houses, cars, furniture – very carefully and try not to spend more than they make. Having the consumers do their parts to help this situation will solve part of the problem – but not all of it. This government must act to save this tripping stock market, and has to bail out the fallen banks before more follow suit. Dire situations call for dire action. Together, producer and consumer can solve this problem. It will take a lot of work, but anything is possible. Therefore, I encourage all readers to stand up and get the government moving, while doing your part – spending carefully – to stop the coming storm. But, I must warn everyone – anything is possible now.

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