

# Art of obfuscation, culture of corruption

By Don Lein

After a series of his own pratfalls that would precipitate a crisis, Oliver Hardy would comment to his partner Stan Laurel "What a sorry mess you have gotten us into, Stanley!" In the current financial crisis, Congress has played the role of Oliver Hardy and is attempting to pass its responsibility for creating the crisis on to anyone/someone else. How did we get here? There are many cross currents presently underway, but the bursting of the housing bubble was the first domino to fall.

In 1977, Congress passed the Community Reinvestment Act in an effort to make more credit available for disadvantaged areas and their inhabitants. As time went on, more teeth were added and more pressure was applied to lending institutions to make loans to less credit-worthy clients, frequently called sub-prime loans. The government was using not only the stick of threats/lawsuits, it established the carrot of Freddie Mac and Fannie Mae who would purchase these high-risk loans. The question was "Could the government and politicians handle these risky loans better than professionals who had made their living at it?" The answer has been given.

Was not the possibility of failure raised and, if

so, what were the responses. In 2002, the Wall Street Journal warned that we should look now at Fannie and Freddie and not wait for a housing crisis, when it will be too late. In 2003 when the Administration raised concerns, Barney Frank criticized them for characterizing risks at Fannie and Freddie as "overblown". In 2004 Congressional Hearings, Maxine Waters indicated in part, "We do not have a crisis in Freddie and Fannie." Barney Frank in these hearings also stated "There's nothing wrong with Freddie and Fannie." In 2004, Alan Greenspan urged Congress to create some regulatory body for Fannie and Freddie. As recently as this year, Senators Dodd and Schumer wanted more done to help high-risk borrowers.

What went wrong? The executives, as they did at Enron and WorldCom, literally cooked the books. Franklin Raines, CEO Fannie Mae, was charged with "submitting six years of misleading and inaccurate accounting statements". Raines was not alone, Tim Howard, CFO, Fannie Mae was also implicated. Both were forced to resign in late 2004. Since



their crimes were so egregious, one would have expected them to be led away in irons like the Enron, WorldCom executives were. Alas, Raines was required to give back only \$50 million of his \$240 million golden parachute, while Howard's golden parachute of \$20 million was not touched.

Additionally, they have found employment as Chief Economic Advisors on a Presidential campaign. Coincidentally, Fannie and Freddie were very heavy contributors to political campaigns. I'll leave it up to you to ascertain to which party and which candidates – you can't make this up.

Oliver Hardy would be proud of his successors. Ollie, at least, made us laugh. Congress has a 9 percent approval rating – methinks it is too high.

*Don Lein is a regular contributor to Chatham County Line. He is a Chatham resident who is involved in a variety of civic organizations.*

## KEEP SMILING

### Advice Line

by Dr. Betty Phillips



From a poem, author unknown:  
*As you travel on life's ways,  
 with its many ups and downs,  
 Remember it's quite true to say,  
 one smile is worth a dozen frowns.  
 Among the world's expensive things,  
 a smile is very cheap.  
 And when you give a smile away,  
 you get one back to keep.*

We worry and frown when we find ourselves reacting to the dismal economy, political dissension, wars, famines and other bad news. Yet, when we frown we bring all that misery into our lives, our bodies, our homes and our families. Research psychologists studying the facial muscles used in expressions of anger and worry voluntarily assumed these emotions in order to chart and list the muscles involved. Lo and behold they found themselves feeling glum, angry and depressed after several hours of such study. Let's avoid their fate!

Let's choose happiness instead of misery and practice it by smiling. First, we need to practice real smiling. You all know how to paste on a fake smile and say cheese to the camera or muster up a socially polite smile.

"Pretend" emotions will only make you feel like an imposter. A warm, genuine smile is a smile with your eyes as well as your mouth. When you smile with your eyes you'll feel your eyes lighting up, twinkling, your eye muscles crinkling. While you do this, pay attention to your thoughts. You'll find yourself thinking happy or joyful thoughts as you get your eyes to smile. Research has shown that you can't fake a smile with your eyes. Now try thinking angry thoughts. You

won't be able to put your face into a genuine smile!

Smiling is a natural happiness drug. Smiling releases pleasure hormones called endorphins, natural painkillers and antidepressant hormones such as serotonin. Smiling reduces stress and boosts your immune system. You can even measure this response quickly with your blood pressure monitor. Take a blood pressure reading, then smile for a few minutes and take another reading. You'll likely find your blood pressure decreasing as you "chill out." Grab a mirror to test out the effect of smiling on your appearance.

Smiling actually makes you look younger, attractive, confident and successful. After you try these experiments, check out your mood. You'll find you feel more positive and optimistic. Your thoughts will naturally have turned to the positives in your life. When you smile your body is sending itself the message that "life is good!" You'll find it harder to think negative thoughts while you're smiling. Research has linked smiling to happiness, optimism, successful marriages, good health and positive longevity.

Smiling is contagious; smiling will draw people to you and will improve their moods and yours in return. People will smile back when you smile at them, the mood and atmosphere will lighten up and everyone will feel happier. When we smile at others we actually magnify our own pleasure. Frowns, scowls and grimaces push



people away, but smiles attract positive attention. As the old saying goes: "Smile and the world smiles with you."

What if you don't feel like smiling?

Make a happiness list and keep it somewhere you can find when you are down. Helping others should also be a source of joy and pride for us. So make your happiness list and smile!

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### Need advice?

Send Dr. Betty Phillips questions about individual, relationship, marriage or family issues to BettyPhillips@BellSouth.net or 466 Eagle Point Road, Pittsboro 27312. Questions can be anonymous. Betty looks forward to hearing from you!