

Thank you for your question regarding the federal government's involvement with AIG.

Many conservatives today struggle in answering the question, "Government: How much is too much?" Our society has degenerated into two extremes, both utopian--*Socialism* on one side and *Libertarianism* on the other. These two groups often play off each other's radicalism to advance their own agendas.

America's current reigning political philosophy is a combination of these two utopian ideas—apply dubbed "*libertarian socialism*." One author describes this form of thinking in these terms.

Everyone has a right to live exactly as he or she pleases, but if something goes wrong, some abstraction called "society" is to blame and must pay the bill for damages. The savings and loan debacle of the 1980s was not an isolated incident but a paradigmatic example of the delusory character of American thought near the end of the twentieth century. The S&L debacle occurred because the government freed financiers to make risky investments and at the same time insured the depositors who put up the money from any loss. The same generous public policy applies to individual behavior. Everyone must be free to make risky choices, and everyone must be protected from unpleasant consequences by social insurance that is ultimately provided by government, which is to say by everyone else.¹

If you tend to believe all government and regulation is bad, consider whether your neighbor should have the right to build bombs (really, really big ones) in his garage. If so, why so? If not, why not? Typically, it's only a small handful of radical anarchists or drug-altered minds who truly believe in absolutely NO government.

Now to answer your question as to whether the federal government should ramp up regulation of large financial institutions and companies. Here is Treasury Secretary Geithner's proposal:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/25/AR2009032502311.html?hpid=topnews>

Being both a conservative and having formerly worked in the world of banking and finance for 30+ years, I believe Geithner's proposal is reasonable. Why? Because today's investment banks, hedge funds, and insurers (e.g., AIG) currently have the unregulated freedom to build the financial equivalent of nuclear bombs. Their motive for building the current 'stockpile' was primarily an artifice for paying themselves huge salaries/bonuses, out of purely 'paper' profits. The whole game was largely 'smoke and mirrors' duping citizens, as well as the entire planet.

The latest financial crisis represents what happens when a small bomb explodes. As the current regulators moved in to survey the damage, they discover a warehouse of far-larger nuclear bombs with ticking triggers, figuratively speaking. The bomb builders paid themselves multi-million dollar bonus and then bought islands in the middle of the Pacific Ocean to live on in their opulence. This description is less figurative.

To argue that government shouldn't have oversight and regulation is nonsense. Just as much nonsense as arguing that your neighbor should have unfettered freedom to build a fully-viable nuclear device in his garage, together with the added freedom of drinking/drugging himself into either a rage or stupor.

Both OT and NT demonstrate how to balance freedom with restraint/responsibility. **A quest for pure autonomy was the original sin of the Devil.**

¹ REASON IN THE BALANCE, *The Case Against NATURALISM in Science, Law & Education*, Phillip E. Johnson.