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Government attempts to free up credit lines

In an attempt to thaw out frozen credit lines our government hesitantly made the decision to purchase shares in the nation's leading banks, something that hasn't been done since the times of the Depression. President Bush stated that federal involvement was "not intended to take over the free market but to preserve it."

Treasury Secretary Henry Paulson said a little more bluntly "We regret having to take these actions. Today's actions are not what we ever wanted to do — but today's actions are what we must do to restore confidence to our financial system."

The nation's largest financial institutions will be among the nine major banks that will initially participate; first in line being Bank of New York Mellon as they announced Tuesday it would sell \$3 billion in preferred shares to the Treasury.

President Bush explained from the White House Rose Garden, that once the new stabilization program is underway the government will initially buy stocks in major banks. Once the financial markets become stable and recuperate, the banks will then be expected to buy the stock back from the government.