from our viewpoint...

Wall Street tanks, will fed plan work?

The biggest names in Wall Street go down, and the government moves to shore up the financial network.

Can it work? Your guess is as good as ours.

Just be glad you didn't have all your pension money in Lehman Brothers stock.

Monday, all the world's major governments were scrambling to bring order to the markets, but it seemed to make little difference what the governments — any of them — did.

The markets kept on plunging. In the U.S., the Dow Jones closed below 10,000 for the first time in years. Traders scrambled to cover all the selling.

What does it all mean?

We wish we knew.

For starters, it means the economy isn't going to start growing any time next year. Any hope of an "early" recovery from the coming recession has been lost.

And while most economists had been talking about a recovery in 2010, there's no guarantee of that.

It'd be a good bet to plan for a resurgence on the markets tomorrow. Someone will make a killing on the rebound, while most of us are far too shaken by the plunge to buy.

That'll fade. The average person, who may keep money in banks, mutual funds and maybe a pension plan of some sort, will recover from the panic some day — if he or she can hold on long enough.

History shows that the stock market moves ever upward, but not always in a straight line. There are dips and curves every year, and ever so often, a plunge. Now that the market has lost more than a quarter of its peak value, we can tell we're in one of the plunges now.

What to do?

There are no attractive options.

Sell now, you lose a great deal of value, though many Americans would find they still have to pay income taxes because the market has grown so much in recent years, the shares held by long-term investors will have grown. Even at 15 percent for capital gains today, the bite could add insult to injury.

Sell later?

The market may well go down even more. Monday, it was saying it has no confidence in government's ability to halt the crisis. Investors were betting on more declines.

Buy now?

Maybe not the time. There's still more down to go.

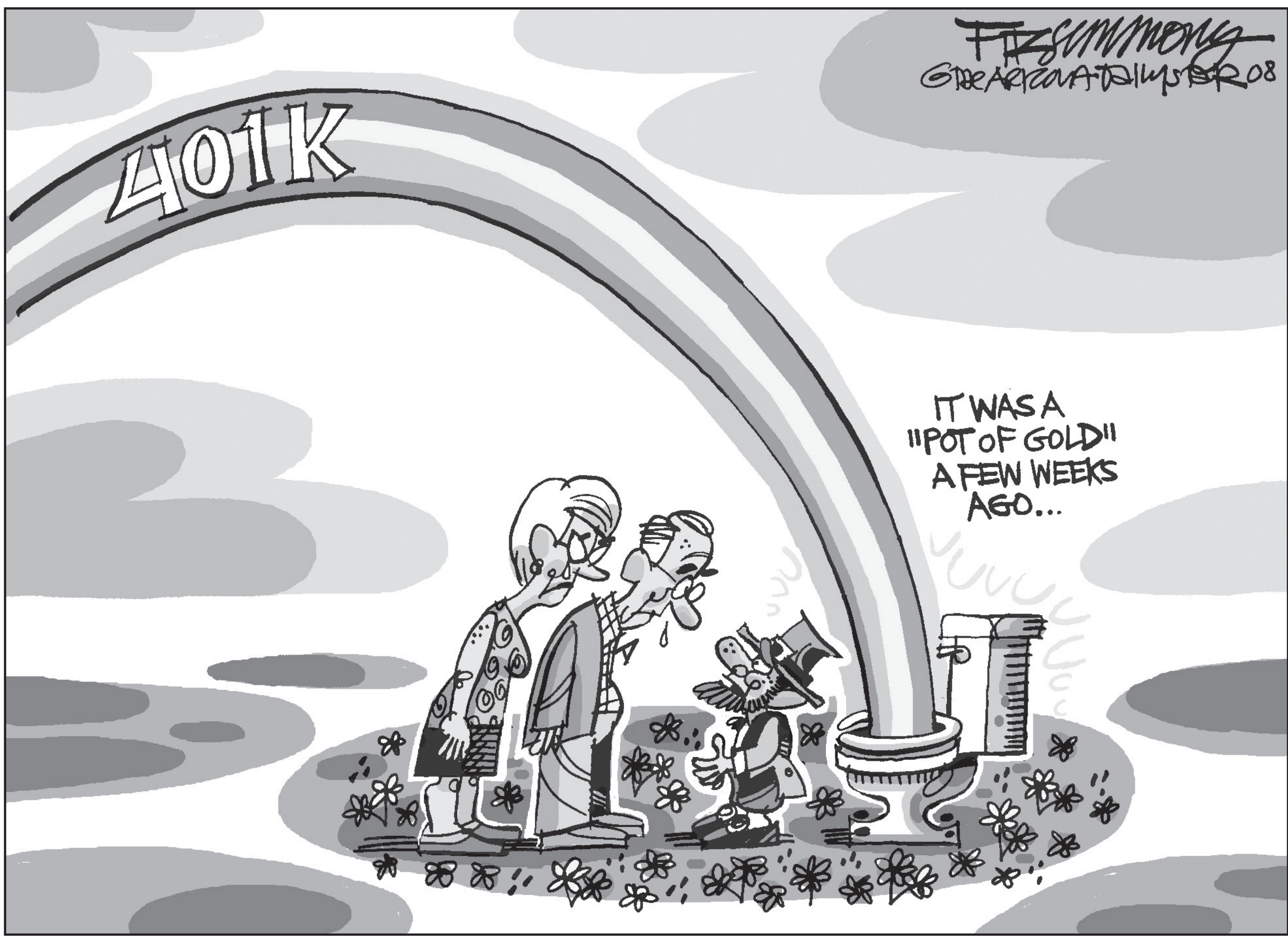
But don't buy now, not yet. There's no stability in this market.

It's a better time to be an observer than a player. And that's what most of us are, observers. We weren't going to get rich when the market peaked, and we're not going to gamble on it now.

But history does teach us the market can and will rebound, passing even the 14,000 peak of the Dow some day. That seems pretty distant with the index below 10,000, but it can and will happen.

The only question is when.

Our advice, stay on the sidelines for a while and let things settle down. *— Steve Haynes*



Farming hard, dangerous work

cynthia haynes
• open season

Watching a demonstration of old-fashioned farm equipment recently, I watched the huge canvas power belt go from the tractor to the thresher and back again, and thought how dangerous it all was.

It was fascinating and scary to know that this was how my ancestors made their living on the farm. Families with eight to 10 children lived in houses that don't look like they would accommodate a family of four today.

During the thresher demonstration, one man sat on the tractor, which was the power source for the thresher. The tractor engine made the belt go, and that made the thresher go as it separated the wheat from the straw. The straw blew out one end and a pitifully small amount of grain, it seemed, came out the side. A second man stood on the thresher, making sure everything was working.

At the back of the thresher on a wagon was where the real work was being done. A man and a boy, each armed with a pitchfork, were heaving the cut wheat bundles into the maw of the machine. A whole series of belts whirred around that side of the machine.

It looked like hard, back-breaking work, and since the day was windy, the workers had to fight both the weather and the wheat.

I've seen other demonstrations of old-time farming equipment — balers, corn shuckers, horse-drawn plows — but, none has had the same effect. Maybe that's because of the stories my grandmother told.

Her father ran a custom threshing crew, which worked pretty much the same way that custom combine crews operate today, but over a much smaller area.

I doubt that my great-grandfather, Amos Micks, was out on that wagon forking wheat into the machine too often. He was a businessman and probably hired others to do the heavy work whenever he could. Still, my grandmother told of riding in a buckboard and how she and her sister would go to country school on a horse each day and turn it loose to go home, only to have it turn up again when school was out to take them home.

My father's ancestors weren't so well off. Grandpa Willie Desilet was one of 10 kids and Grandma Evelyn (Grandpre) Desilet was one of eight. All the kids worked on the farm, and it was dangerous. One day, my great-grandmother heard shouts and went out into the yard just in time to watch one of her sons being dragged to death on a hay rake behind a pair of runaway horses.

Life was tough in those days, but agriculture is still not a safe profession, as any stockman, farmer or doctor will tell you. It's safer than when we used horses and easier than when we used steam, but still it's often just plain hard work.

Home mortgages not really huge problem

bill steigerwald
• newsmakers

It's not your fault you don't know that the percentage of American home mortgages in foreclosure today is about 2.75 percent.

That shocking but true figure hasn't been emphasized nearly enough by our favorite politicians and media sensationalists, who, as they usually do when real and imagined "national" crises appear, have managed to create the misleading impression that the current foreclosure mess affects every second or third American household.

Yes, the financial crisis is real. Yes, some homeowners and Main Street folk have behaved badly. Yes, the greedy, corrupt corporate and political rats on Wall Street and in Washington are largely responsible for the meltdown that will cost us and our grandtaxpayers untold hundreds of billions if not trillions of inflated dollars.

And yes, the near-quadrupling since 2005 of our annual mortgage foreclosure rate (historically about 0.7 percent) has ignited a banking and credit crisis that looks to be dragging the whole world into recession.

But there are two truths about the foreclosure mess that our beloved media — especially the TV branch — have done a lousy job of revealing to the masses.

One is that 97 percent of America's home mortgage loans are not in the process of being foreclosed.

The other is that the mortgage crisis is not spread evenly across America. It is concentrated in some very specific — and some very predictable — geographic and demographic places.

Perfect national statistics are hard to come by. But according to the Mortgage Bankers Association, as of Aug. 1, most new foreclosures were occurring disproportionately in eight states.

Four are the usual suspects — Nevada, Florida, California and Arizona, boom states where regional housing bubbles were fueled by an irresponsible alliance of house-flippers, predatory lenders, fraudulent borrowers and notoriously politicized federal laws like the Community Reinvestment Act, which forces banks to give mortgages to poor people and even illegal immigrants who can't afford or qualify for them.

Four other states — Michigan, Rhode Island, Indiana and Ohio — can blame tough economic slumps for their higher rates of new foreclosures. The remaining 42 states are actually below the average national foreclosure rate, which the MBA says is higher than at any time in the last 36 years.

The good folks at Foreclosure.com provide a current state-by-state listing of houses in various stages of financial doom. As of Thursday, its national count of homes already in foreclosure was 496,000. California's number alone was about 175,000. Florida's was 51,000, Nevada's 22,000 and Ohio's 10,037. Pennsylvania's was a distant 2,879, West Virginia's a humble 576 (no jokes, please) and Vermont's was a saintly 97.

Those wildly divergent numbers are no surprise to Foreclosure.com's spokesman Stephen Chip, who blames the media — specifically the cable channels — for making it seem our foreclosure spike is a result not of a relatively few bad actors but of the collective irresponsibility of American homeowners.

But maybe the average American is not such a dupe. Maybe, despite the East Coast media and political spin, most Americans know full well that they and their good neighbors are not the perpetrators of our scary financial meltdown. Maybe that's why so many Americans believe Washington's zillion-dollar bailout bill is such a crock.

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