

## Excessive housing prices put economy at risk

It's no wonder that housing prices are in the tank, threatening the national economy.

National home prices have been climbing for three decades, soaring into the stratosphere.

Out here in the Plains, we haven't had to face the kind of pressure our friends in the city have seen. You can still buy a pretty nice house here for under \$100,000. A real great one for under \$200,000.

In Denver, and a lot of cities, you can't buy a 1,000-square-foot bungalow for under \$300,000. Real houses go for half a million. And a lot of people just can't afford to buy one.

Talk about your irrational exuberance. Is it any wonder that people can't afford to pay their mortgages?

In some areas, housing prices are up 130 to 180 percent of the increase in people's real income. That's just insane.

And these prices have been pushed up not just by demand or a need for house, but by easily available credit through these "subprime" loans you've been reading about.

What that means is they've been selling houses to people who can't afford to pay for them and pushing them to borrow the money.

Rules that used to keep people from qualifying for a mortgage were relaxed. Loans were made at "teaser" rates, with a big jump in payments a year or two down the road.

And we're supposed to act surprised that when the payment increase hit, people couldn't pay their loans? In fact, millions of families were behind in payments even at the teaser rates.

Where were the regulators and the Congress

when all this was going on? Didn't it occur to anyone that it wasn't a particularly bright idea to have all these companies loaning money to people who couldn't pay it back?

Yet there was so much money to be made in these "subprime" loans — that means shaky, by the way, less than solid — that the nation's biggest banks and some of our biggest financial corporations jumped on the bandwagon.

Now housing prices are down for the first time in years. It isn't really a plunge — down just 3.3 percent for the last 12 months — but the whole system is predicated on prices continuing to increase.

It's happened before, in California in the 1970s and '80s, and someone should have seen this coming. Now homebuilding is in the dumps, no one can make loans, people can't make their payments and recession looms.

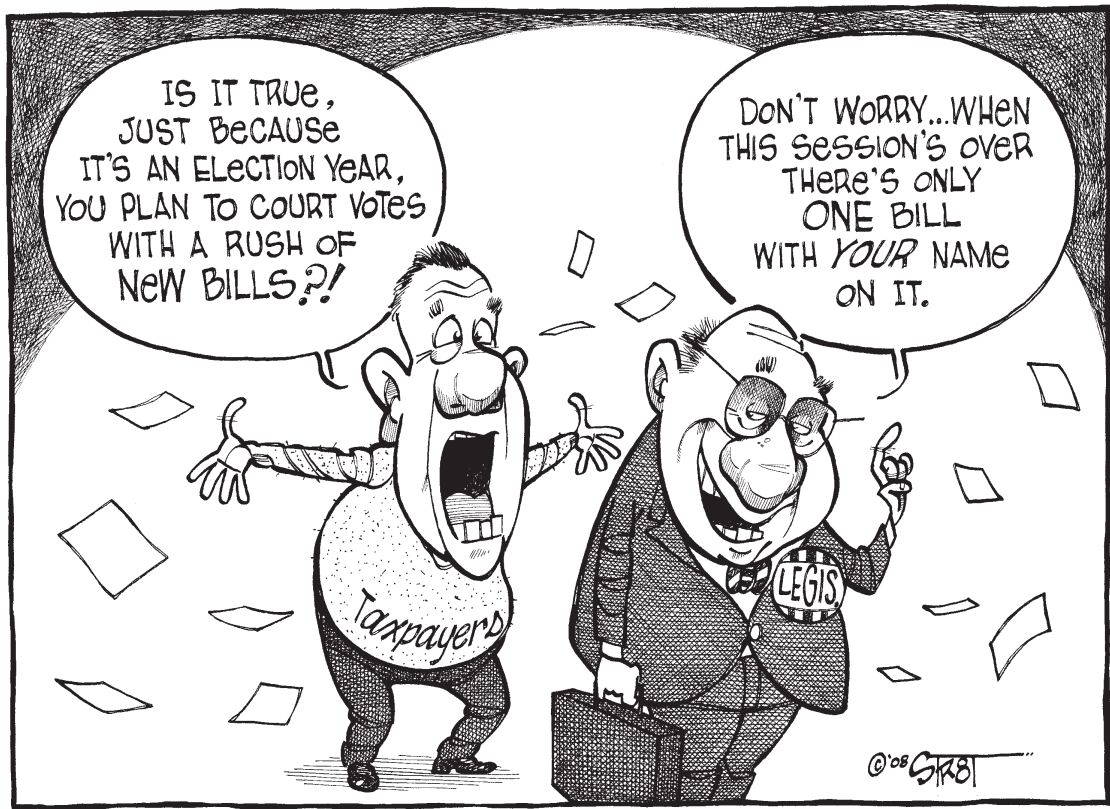
There's not much to do except have the government bail out at least the most worthy homeowners to avoid massive repossessions and a further glut in used housing.

True, people who bought more house than they could pay for were motivated partly by greed. But they are victims of both high prices and a system set up to lead them to their doom while loan-company executive took big bonuses.

The big banks and corporations? Maybe the government should bail them out to save the economy, some of them anyway. But only after they jettison the overpaid leaders who got them into this mess without ever thinking what had to be around the bend.

Let them rest on their golden parachutes. Or find a way to cancel them.

— Steve Haynes



## Running down the aisles

Steve and I both like to visit grocery stores — and to shop of course — but mostly we're sort of grocery store fans.

We buy most of our food at home, but there are some things that we can't get there. We buy rye bread from Dillons in Colby, bagels from Panera in Denver, Gates and Sons barbecue sauce from the restaurant in Kansas City and teriyaki sauce from King Soopers in Denver, for example.

But even if we're not going to buy anything, we enjoy a trip down the aisles to check out all the stuff we don't need and probably shouldn't eat. Not if we don't want to weigh 300 pounds each, anyway.

We take time to visit one of the King Soopers near the Denver airport every few months when we are ready to head home from a meeting or a trip. A new Safeway in the suburbs can be a revelation.

We take a cart and walk up and down the aisle, spending extra time in the bread and fancy-cheese departments.

We take part of a day sometimes to visit Whole Foods in Denver for fresh fish and to look over the cheese and olive selections. Now, that is a really different grocery. Who knew you could do that many things with tofu? And who'd want to eat them anyway?

Lots of people, apparently. The parking lot and the aisles are always jammed.

Sometimes we hit groceries when we're on trips.

That's how we ended up at one



### Open Season

By Cynthia Haynes  
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called La Union in Managua, Nicaragua, earlier this month.

Breakfast at our hotel was a \$15-per-person buffet each morning, and that was more food and more money than any of us wanted to spend, so a three-block walk to the store for some fruit and cereal bars seemed like a good idea.

The store was big, modern and air conditioned. We wandered around to see what they had, ending up with fruit, rum, coffee, peroxide and paper.

The fruit was for breakfast, the 18-year-old rum because we thought we should take some of the national beverage home with us and the coffee because I had promised my sister I would bring her some.

The paper we got because, great journalists that we are, neither of us had remembered to bring a notebook.

We were all a little jarred, however, when we checked out and realized that our cashier, Maria, was wearing a name tag that said Wal-Mart. The long arm of Sam Walton, it seems, reaches into every nook and cranny these days.

Later in the month, when we were shopping at the Super Mer-

cado while on vacation in Mexico, I knew we weren't in a U.S. superstore. Corporate, maybe, but not that big.

We just needed a few things so our son Lacy could make us fresh margaritas: tequila, triple sec, lemons, limes and simple syrup.

Lacy got the booze. Steve got the fruit, and I was in charge of getting the sugar to make the syrup. When they found me, I was pacing up and down and muttering to myself, "Why is there no sugar in this store?"

Of course there's sugar, they said, and pointed to the boxes and bags stacked along the aisle.

Nope, I said, not good enough. The shelves held brown sugar, dark brown sugar, powdered sugar, Sugar Twin and Equal. There wasn't even an empty space where granulated sugar should have been.

I eventually found sugar at a little shop near the hotel, and we got our fresh-from-scratch margaritas. Now Lacy is saying he'll make us cosmopolitans if we'll only get him some cranberry juice....

I'm not betting on it.

## Whirlwind Texas trip ends

Our whirlwind trip to Texas is about to come to an end. Hopefully, it won't be the end of us.

We are at Adam and Kara's house and everyone is sick. It sounds like a terminal ward.

Both my daughters, Halley and Kara, are coughing, sneezing, wheezing, blowing and sleeping. Kara's husband, Adam, and her daughter, Taylor, have avoided the plague, so far.

And I hope we do, too. We will start popping echinacea as soon as we get home.

Our girls and their families in San Antonio were all fine.

It took little Ani, the 18-month-old granddaughter, about two seconds to warm up to us. She had not seen us for about nine months and we were worried she might be frightened of us. But as soon as we walked into the house, she was in her PaPa's arms. She is happy all the time and a real joy.

The older granddaughters are young women now; the oldest will be a senior in high school next fall.

The weather in San Antonio was overcast and rainy until, of course, the day we left, when it was beautiful. It was so warm, we had to turn on the van's air conditioner. The weather in Dallas has been perfect, too.



### Out Back

By Carolyn Sue Kelley-Plotts  
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After church today (Sunday), we brought home Chinese carry-out for lunch. Had leftovers for supper, too. Played a game of Clue with granddaughter Taylor and took a nap. Life is good.

I could live "on vacation." However, the real world demands jobs, deadlines, and responsibilities.

So today we make the trip home and resume our hectic lives. It's back to business as usual.

### Write

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Letters will not be censored, but

will be read and edited for form and style, clarity, length and legality. We will not publish attacks on private individuals or businesses which do not pertain to a public issue.

### From the Bible

Let another man praise thee, and not thine own mouth; a stranger, and not thine own lips.

Proverbs 27:2

## Nicaragua now a safer place

One of my favorite stories about Nicaragua probably couldn't happen today.

A friend, a mining geologist, was with a State Department team looking for enough ore to start a steel industry in the 1970s.

The dictator Anastasia Somoza, who ruled Nicaragua in the style of his iron-fisted father, wanted a steel mill. Every country wanted a steel mill in those days, and either the U.S. or the Soviet Union would provide the equipment and expertise.

But there was no ore, and the team had to go tell the volatile strongman.

"I could have you all taken out and shot," Somoza rumbled.

"Yes, general, you could," my friend recalled saying, "but that wouldn't put any iron in the mountain, would it?"

Somoza fled the country in 1979, the last of his family to plunder Nicaragua, but a decade of civil war, leftist dictatorship and continual unrest followed. The pall from those days hangs over Nicaragua today.

Tell a friend in the U.S. you're going to Nicaragua, and they'll likely say something like, "Won't you be shot? Isn't it dangerous?"

But as nearly everyone you meet will tell you, today, Nicaragua is among the two or three safest countries in all of the Americas. No one gets shot there today. Murder and robbery are rare, and political violence is a thing of the past. You can walk down the main streets and be panhandled less than you would in Denver.

The legacy of dictatorship, civil war and strife lives on long beyond the reality, though, and while tourism is growing, visitors from the U.S. are a minority. (Most tourists come from other central American countries to take advantage of low prices in Nicaragua.)

Democracy, while it seems to be growing, is at a young and fragile stage. It could stumble, it could be snuffed out by a careless gesture. But leaders here say they think it is strong enough to survive.

In just 16 years of honest elections, Nicaragua has had but four



### Along the Sappa

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presidents. The first, Violeta Barrios de Chamorro is a national heroine.

Though her husband, a fiery editor and owner of Managua's largest newspaper, had been gunned down in a political killing 30 years ago, she ran against the Sandinista leader Daniel Ortega and won, paving the way for more free elections down the road.

Her successor, Armando Alemán, was convicted of corruption after he left office and put under house arrest for 20 years, but he still leads a large faction of the center-right Liberal party.

Democracy recovered under Enrique Bolaños, but seemed threatened last year when Ortega ran and, with help from Alemán, won with just 36 percent of the vote. Eduardo Montealegre, the U.S.-educated (Brown and MIT) economist who was the leading Liberal candidate, had just 28 percent.

Montealegre, meeting with American editors for breakfast, said he thought Ortega's return was necessary to prove Nicaraguan democracy. If the country's institutions can survive a change of power to the leftist Ortega, a former dictator, and back, he said, then they will be strong enough to continue.

"It's something that had to come,"

he said.

For his own part, Montealegre said the opposition has to come together to win. In 2006 it was split, with three candidates facing Ortega. Under a deal between Alemán and the Sandinistas, the law was changed to allow a candidate to be elected with less than a majority, something Ortega knew he'd never win.

Montealegre said he hopes to be the Liberal candidate for mayor of Managua this fall, if all the parties can come together and Alemán's price is not too high. That would put him in a position to take the presidency in the next election, assuming Ortega can't get Congress to change the constitution and allow him to run again. No one thinks that will happen.

Nicaraguans are almost apologetic about the youthful state of their system, but in truth, other countries have had to pass the same tests. Mexico and Taiwan had their first peaceful changes of power in the last decade. The U.S. itself had to fight a civil war to settle the central question about its constitution, and that was more than 80 years after the founding.

Nicaragua is yet a young democracy, with many trials ahead.

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