

Financial 'Reform' or Revenge?

This is an opinion item.

Author(s) [Robert J. Samuelson](#)

Source [Newsweek](#)

Date July 6, 2010

URL <http://www.newsweek.com/2010/07/06/financial-reform-or-revenge.html>

Quote

“ "The trouble is that—contrary to conventional wisdom—"too big to fail" was just a symptom of the crisis, not its basic cause. That was old-fashioned bad lending: home loans to borrowers who couldn't repay. The panic arose because no one knew the size or location of the losses, now estimated to exceed \$1 trillion. Ironically, the legislation may weaken the government's ability to quell future panics by restricting-in highly technical ways-the Fed's authority to lend to panic-stricken institutions in the midst of crisis." ”

[Add or change this opinion item's references](#)

This item argues against the position [Act should be passed](#) on the topic [Restoring American Financial Stability Act](#).