

Talk with president not likely to add up

Joel Longstreth | Cincinnati
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This letter is in response to the Dec. 14, Page 5 Plastics News story, "Molder sounds off at White House forum," about Primera Plastics Inc. President and CEO Noel Cuellar attending a White House forum.

Obama is seriously trying to "prompt banks to open credit lines." As if.

According to a Nov. 23 column in the *Wall Street Journal* by George Melloan, "The Federal Reserve, which supervises some 7,000 banks, has been telling bankers that they must cut risk. The most spectacular step in that effort was the Fed announcement last month that it will evaluate the salaries of bank officers on how carefully they manage risk.

"By official definition," Malloan continued, "Treasury securities are risk-free, so how better to manage risk than to pad your bank's portfolio with Treasury securities, which is what bankers are doing. ... Banking has been captured by the nanny state. ... According to the Fed's September flow of funds report ... private lending, which once was the mainstay of banking, was shrinking at a \$392 billion annual rate."

Mr. Cuellar wasted his time.