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methane, and other gases emitted from burning these fossil fuels are also making it hard for excess heat to escape from the earth's surface. These gases all accumulate in the atmosphere and create a barrier that prevents heat from being released; as more gases collect, the barrier becomes larger and eventually causes the earth's temperature to increase. Scientific research links climate change to industrialization, showing a significant rise in greenhouse gas levels in the past 150 years. But what does this datum mean for the already-industrially revolutionized? According to researchers, changes in precipitation, more severe storms, sea-level changes and other weather woes categorized under the umbrella (pun intended) term "climate change." But remember, these progenitors of production and pollution also gave us the telephone, which led to the cell phone; vulcanized rubber, which led to car tires; sewing machines, which led to ready-made clothes, and a middle class, which continues to supply the money and demand. One has to give to gain, right?

It appears so, given the current climate-change/consumer rate of exchange. A few months ago, Wilmington's ABC-news affiliate WWAY-3 reported that beach erosion is increasing due to climate change. The good news is that the nourishment methods used at Carolina and Wrightsville Beaches 40 years ago proved beneficial in managing erosion and provided protection in hurricanes. The bad news is that man-made sand dunes don't stop the sea level from rising. EPA tide records indicated that sea levels increased nearly six inches during the last century and the Intergovernmental Panel on Climate Change predicts that number will likely quadruple in the next century—a costly climb that could amount to $34 billion lost in eroded or inundated land (www.ipcc-wg2.org).

But the worst news? While saltwater has long been hailed as a cure-all, the Division of Coastal Management is trying to elevate sand to a similar status. According to the site's panegyric page, which promises information of protecting property, only massive, Coastal Resources Commission-approved amounts of bagged or bulldozed sand can safeguard oceanfront land against erosion. They do briefly mention the other option—the permanent, problem-solving solution of moving a structure more inland—but let's be realistic: It's not the beach that oceanfront owners drive their luxury SUVs hundreds of miles to go see, but the view of the beach from their multi-million dollar homes. If that house is destroyed, something bigger and better can always replace it. Too bad the same isn't true for Earth.

The full report, "Proxy-based reconstructions of hemispheric and global surface temperature variations over the past two millennia," published in the September 9 PNAS volume, can be viewed at www.pnas.org. ■

AMERICA'S LOOMING FINANCIAL CRISIS

By Melissa Santos
Staff Writer

Photo courtesy smallbiztechnology.com

America's deteriorating economic health has been the subject of countless news articles since the subprime crisis set in last August, and it is cited as a major concern among voters this election year. With the government's recent takeover of mortgage giants Fannie Mae and Freddie Mac, the U.S. automakers' appeal for billions in low-cost loans, and this past weekend's Wall Street shake-up, the American public is looking toward the future and seeking solutions from the two presidential candidates. As of now, neither Obama nor McCain has released a detailed plan of action, though both agree that the federal takeover of Fannie and Freddie was necessary and both support the automakers' request. (No surprise, as Michigan is a swing state.) But whichever candidate is elected must examine the economy's current, continuing descent and address the problems in a way that simultaneously strengthens the economy and bolsters the people's confidence.

In an effort to re-energize the housing market, the Bush administration placed Fannie Mae and Freddie Mac into a conservatorship, with plans to inject billions (most experts predict about $25 billion) of dollars into the two companies. But this takeover affects more than the housing market; if the Treasury did not intervene and Fannie and Freddie had failed, it would have ruptured America's financial system and upset the global one. Fannie Mae, founded in 1938, and Freddie Mac, created in 1970, hold mortgages, but they also buy mortgages and repackage those loans to be sold, which in turn gives banks money for new loans and the market liquidity.

If these bonds lost value, the banks that held them would stop approving all types of loans, leaving consumers without money to borrow for homes, cars, school and business ventures— essentially bringing the economy to a halt. By stepping in, the government hopes to provide some stability in the current housing crisis and keep the parenting companies of the 30-year fixed mortgage afloat. So far, the plan appears to be going well, as mortgage rates fell following the Treasury's announcement. But real indicators of success are yet to be seen; until investors lend money at good rates and the companies' stock rises, the effectiveness of this move remains uncertain.

Also unclear is the future of the American automotive industry. When Congress voted to decrease fuel economy standards at least 40% by 2020, they also agreed to assume the costs involved with transitioning to lower-efficiency cars. That money, however, has not yet been appropriated and manufacturers continue to see a low number of sales and a high number of layoffs. Now Detroit auto makers are seeking aid from the federal government, in the form of $25 billion in low-interest loans. While both McCain and Obama side with the auto industry, many critics are raising the question: Where do government bailouts stop?

At Wall Street, apparently. After receiving much criticism for saving the investment bank Bear Stearns by arranging its sale to JP Morgan Chase earlier this year, the government decided not to intervene on behalf of Lehman Brothers, a 158-year-old investment firm. Secretary of Treasury Henry Paulson said the Lehman situation was different from Bear Stearns because there was sufficient time for Lehman to prepare for catastrophic events or to borrow money from the Fed, leaving the firm's fate up to Wall Street. After potential buyer Barclays Bank from Britain dropped out and possible buyer Bank of America bought established brokerage firm Merrill Lynch instead, Lehman filed for the biggest bankruptcy in history, leaving over 25,000 employees unemployed. The collapse of Lehman and the buyout of Merrill Lynch leave only two independent brokerage firms on Wall Street—Goldman Sachs and Morgan Stanley.

The past year has been economically sobering for America. With large mortgage companies needing rescuing, the automotive industry idling, and Wall Street crumbling, tax payers are reminded of the adage "things are darkest before the dawn," but very few are optimistic that a new day is in sight. The incoming president will inherit a slew of economic problems and with them, intense pressure not only to bring the economy out of this malaise but also to restore America's faith in government. ■