As you can tell by the number of the posts on this subject, I think we are in a very serious financial situation in this country. It's bad for everyone and like many others while I think the Bailout is necessary, I would prefer any solution that doesn't involve the government. Unfortunately, I don't think a pure market based solution is possible.

That said, I considered what it would take for me to part with my money to provide liquidity into the banking system.

I will not just write a check to the Treasury. Thats like handing it to Ted Stevens. I'm not going to voluntarily give a year's supply of crack to the junkies.

Here is what I will invest in:

If Treasury Secretary Paulson were to create an ETF to buy all the assets the bailout was planning to buy, **along with all the warrants and shares of stocks in the bailout companies it can get**, and then have any receipts generated by those assets, whether by sale, or regular income such as rent or mortgage payments or servicing them, go into the fund, I would buy at least $50,000,000.00 of shares in The Fund.

It would not be difficult to do. Whatever funding that the Treasury Secretary says is necessary for the Bailout would first try to be raised privately from other Funds and individuals by selling them shares in The Fund.

If the amount of shares sold falls short of what the Treasury has defined as being need, the underfunded amount would be funded by the purchase of shares in The Fund by the treasury.

The ETF would initially be valued at the total amount raised and then trade based on its financial results and the trust the American people and international markets have in the job the Fund is doing to monetize the assets. If the fund is making money, the ETF will trade up. If not, not. Either way, the share price and the transparency required of the ETF will make it obvious to taxpayers just how well their taxpayer dollars are performing.

If The Fund is as successful as some think it could be, it could pay dividends. Those dividends will be paid to investors, and to the US Treasury.

In addition, once the assets purchased by the ETF are aggregated and documented, and hopefully the economy has improved, it would be possible to trade out baskets of assets with institutional shareholders. This is a process that will help keep the fund honest in how it manages the assets. If the Fund is not doing a good job of monetizing the assets, Institutional shareholders will look to exchange their shares for baskets of assets in hopes of better monetizing them.

This fund, like every other, would have investment guidelines. The same guidelines that the Treasury would use to work out the assets it would have purchased directly. The fund, like every other, will have analysts and accountants and the same type of people that the Treasury would have hired to work out the assets, except hopefully it would be run more efficiently as a publicly traded fund.

I can't think of any reason why this wouldn't work, and why it wouldn't be a better idea than the current Bailout options that I have heard discussed.

If they need someone to help put it together and/or run it, I'm happy to help.

Tell me what you think