

Viewpoint

Who'll lead us out of morass?

By Robert L. Dilenschneider

Confidence

The tremors beneath Wall Street reach far beyond Capitol Hill, where our political leaders agonized for days over the details of a \$700 billion bailout. They also shake the confidence of the mom-and-pop variety store in St. Cloud, Minn., the Russian stock market, and countless Americans now raiding their faltering 401(k)s for cash to pay their bills.

Wall Street is suffering a debilitating historic crisis of confidence because the traditional level of trust in the integrity of the financial system is gone. That is not just a facile observation, it is a grim reality that scares all of us. Consider the frightening number of Americans who have lost faith in the banking system and, perhaps even more unsettling, the banks that are balking at loaning money to other banks as the

credit markets remain frozen.

In the simplest terms, the rules that once governed the financial system no longer apply. What, then, do we need at this momentous crossroads in our nation's economic history?

Beyond a doubt, we need agreement among our lawmakers on an additional rescue package, but, more importantly, we need something that is in short supply — something that political pressure and rhetoric can never provide. And that is, in a word, leadership!

It is time to assess the damage and plan for recovery. The price will be high and most certainly there will be a public uprising against yet another "Wall Street bailout." Indeed, the outcry has already been heard — in opinion polls, Internet chatter and on Main Street.

But the rescue plan alone won't spin the economy out of recession or resolve the many problems that compa-

nies in Fairfield County are facing as a result of the drop in business activity and slump in consumer confidence.

We need an honest self-assessment and a rigorous plan to meet the challenges ahead, not only those stemming from the sharp economic downturn, but from the crisis of leadership that has produced a debilitating loss of confidence in corporate America and the marketplace itself.

All CEOs are familiar with the tried-and-true, belt-tightening formula of cutting costs, hoping for greater efficiency, increased productivity and new revenue enhancements.

But too often overlooked is the vital need for a plan to deal with the psychological damage accompanying such a dramatic downturn — from reduced employee morale and investor uncertainty to supplier anxiety and customer resistance.

Simply stated, it's not enough to plan and implement a rebuilding program,

you need, to effectively communicate your plan to your stakeholders and the general public while radiating confidence that it will get you whole again.

There are a number of examples of decisive leadership amid the current financial turmoil that surrounds us that can serve as useful models.

Anyone seeking an understanding of the current economic landscape and the power of leadership should look to Warren Buffett, whose recent \$3 billion buy into General Electric will surely lead to another infusion of something we all need right now — investor confidence.

Buffett is, typically, very clear and positive. His strategy offers great hope for the future — an economic primer that his mentor, economist and professional investor Benjamin Graham, would have applauded.

And what about Sheila Bair, the chairwoman of the Federal Deposit Insurance



AP photo

Billionaire investor Warren Buffett has shown the kind of leadership the country needs right now.

Corporation, who vigorously endorsed an increase in the limit on insured deposits held by community banks from \$100,000 to \$250,000?

The increase, which certainly had its opponents, is considered a crucial tactic in solving the financial crisis. Ms. Bair asked Congress for authority to raise deposit insurance coverage temporarily, stating it would help address "an increasing crisis of confidence that is feeding

unnecessary fear in the marketplace."

At this critical juncture, we don't need any additional fear. We need decisive leadership. America is watching. The world is watching.

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