

Despite decades of free-market rhetoric from Republican and Democratic lawmakers, Washington has a long history of providing financial help to the private sector when the economic or political risk of a corporate collapse appeared too high.

The effort to save Fannie Mae and Freddie Mac is only the latest in a series of financial maneuvers by the government that stretch back to the rescue of the military contractor Lockheed Aircraft and the Penn Central Railroad under President Richard Nixon, the shoring up of Chrysler in the waning days of the Carter administration and the salvage of the U.S. savings and loan system in the late 1980s.

Now, with the U.S. government preparing to save Fannie and Freddie only six months after the Federal Reserve Board orchestrated the rescue of Bear Stearns, it appears that the mortgage crisis has forced the government to once again shove ideology aside and get into the bailout business.

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