

IPFA09 - Argument summary 1

On the following pages, you'll find two opinion pieces written by Paul Krugman and Steve Chapman. In each piece, I've put a rectangle around the major argument.

- (1) Put each argument into premise-conclusion form, using language as close as possible to the original author's. The goal here is to present the author's reasoning as *accurately* as possible. Your summary shouldn't need more than 8 steps.
- (2) If you feel that the original language is unclear or the author left out an obvious and important assumption, give an additional version of the argument, again in premise-conclusion form. The goal here is to present the author's reasoning as *clearly* as possible. Your summary shouldn't need more than 8 steps.

Email your summaries to me (dhicks1@nd.edu) as a Word (DOC or DOCX) file by 5pm on **Tuesday, September 8**. You don't need to worry about the rules for turning in papers for this assignment.

January 16, 2009

OP-ED COLUMNIST

Forgive and Forget?

By [PAUL KRUGMAN](#)

Last Sunday President-elect Barack Obama was asked whether he would seek an investigation of possible crimes by the Bush administration. "I don't believe that anybody is above the law," he responded, but "we need to look forward as opposed to looking backwards."

I'm sorry, but if we don't have an inquest into what happened during the Bush years — and nearly everyone has taken Mr. Obama's remarks to mean that we won't — this means that those who hold power are indeed above the law because they don't face any consequences if they abuse their power.

Let's be clear what we're talking about here. It's not just torture and illegal wiretapping, whose perpetrators claim, however implausibly, that they were patriots acting to defend the nation's security. The fact is that the Bush administration's abuses extended from environmental policy to voting rights. And most of the abuses involved using the power of government to reward political friends and punish political enemies.

At the Justice Department, for example, political appointees illegally reserved nonpolitical positions for "right-thinking Americans" — their term, not mine — and there's strong evidence that officials used their positions both to undermine the protection of minority voting rights and to persecute Democratic politicians.

The hiring process at Justice echoed the hiring process during the occupation of Iraq — an occupation whose success was supposedly essential to national security — in which applicants were judged by their politics, their personal loyalty to President Bush and, according to some reports, by their views on *Roe v. Wade*, rather than by their ability to do the job.

Speaking of Iraq, let's also not forget that country's failed reconstruction: the Bush administration handed billions of dollars in no-bid contracts to politically connected companies, companies that then failed to deliver. And why should they have bothered to do their jobs? Any government official who tried to enforce accountability on, say, Halliburton quickly found his or her career derailed.

There's much, much more. By my count, at least six important government agencies experienced major scandals over the past eight years — in most cases, scandals that were never properly investigated. And then there was the biggest scandal of all: Does anyone seriously doubt that the Bush administration deliberately misled the nation into invading Iraq?

Why, then, shouldn't we have an official inquiry into abuses during the Bush years?

One answer you hear is that pursuing the truth would be divisive, that it would exacerbate partisanship. But if partisanship is so terrible, shouldn't there be some penalty for the Bush administration's politicization of every aspect of government?

Alternatively, we're told that we don't have to dwell on past abuses, because we won't repeat them. But no important figure in the Bush administration, or among that administration's political allies, has expressed remorse for breaking the law. What makes anyone think that they or their political heirs won't do it all over again, given the chance?

In fact, we've already seen this movie. During the Reagan years, the Iran-contra conspirators violated the Constitution in the name of national security. But the first President Bush pardoned the major malefactors, and when the White House finally changed hands the political and media establishment gave Bill Clinton the same advice it's giving Mr. Obama: let sleeping scandals lie. Sure enough, the second Bush administration picked up right where the Iran-contra conspirators left off — which isn't too surprising when you bear in mind that Mr. Bush actually hired some of those conspirators.

Now, it's true that a serious investigation of Bush-era abuses would make Washington an uncomfortable place, both for those who abused power and those who acted as their enablers or apologists. And these people have a lot of friends. But the price of protecting their comfort would be high: If we whitewash the abuses of the past eight years, we'll guarantee that they will happen again.

Meanwhile, about Mr. Obama: while it's probably in his short-term political interests to forgive and forget, next week he's going to swear to "preserve, protect, and defend the Constitution of the United States." That's not a conditional oath to be honored only when it's convenient.

And to protect and defend the Constitution, a president must do more than obey the Constitution himself; he must hold those who violate the Constitution accountable. So Mr. Obama should reconsider his apparent decision to let the previous administration get away with crime. Consequences aside, that's not a decision he has the right to make.

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Repeating Our Economic Woes

It's time to stop the cycle of spending

[Steve Chapman](#) | January 22, 2009

We all know how we got into this economic mess. We spent too much, borrowed with abandon, and acted like the bills would never come due. So what's the prescription for getting out? Spending more, borrowing more, and acting like the bills will never come due.

When something sounds too good to be true, it usually is. This alleged cure deserves special scrutiny because it invites our policymakers to redouble the very policies that caused the crisis. Congress and the new administration are all too eager to abandon restraint so that we can overcome the consequences of excess.

Take mortgages. The current recession stems from the popping of the real estate bubble, which came about because too much money went into housing. But now the Obama administration and House Democrats are pushing to assure more investment in housing.

They intend to raise the limit on loans that mortgage giants Fannie Mae and Freddie Mac can buy from \$417,000 last year to \$729,750 in some markets. And James Lockhart, who oversees the two companies as head of the Federal Housing Finance Agency, told *The Wall Street Journal* they should accept a lower rate of return than in the past in order to help Americans buy homes.

But it's worth remembering where our problems began: with an oversupply of housing. Channeling more funds into the residential sector will encourage more home building, which will worsen the glut, which will push prices down even further and generate more foreclosures, which will deepen the recession.

The sad reality is that the housing sector has gotten too big and will have to shrink. A lot of people who prospered from catering to the inflated demand for housing, from carpenters to real estate agents, will have to find new ways to make a living. That's what the end of a bubble means.

But plenty of people in Washington are nostalgic for the good old days. It's not just in housing. The Treasury and the Federal Reserve had to inject hundreds of billions of dollars to shore up banks battered by loans that went bad—toxic debt, it was called. So we want banks to be more prudent, right? Wrong. Congress is complaining that banks that received federal aid are being overly stingy.

Well, yes. If a lot of your loans go bad, it's a sign that you need to exercise more care. That's especially true during a recession, which can wipe out companies that once were profitable. Any bankers who want to keep lending at the rate they did before are asking to become insolvent, and more insolvent banks would drag down the economy.

The economy foundered partly because we were too dependent on debt to finance current consumption, and that was unsustainable. But burning some \$825 billion on fiscal stimulus, as President Obama proposes, means more of the same. We will be borrowing money to prevent a decline in our current standard of living. That money will eventually have to be paid back, which will require a decline in our future standard of living.

One defense of the stimulus package is that it will finance needed investment in infrastructure and other public goods. Unfortunately, government spending is particularly prone to waste because governments, unlike private companies, don't have to worry about going out of business if they spend unwisely.

This round of spending is sure to be even more wasteful than the norm. Why? Because the government is in such a hurry to get it done, making it harder to vet projects properly. So the return on investment will be lower than usual, and maybe negative.

All this federal spending is supposed to stimulate the economy. But plenty of reputable economists are doubtful. And even if the old-fashioned Keynesian approach is sound in theory, it is probably useless in practice. The Congressional Budget Office says only 7 percent of the infrastructure money requested by Obama will be spent by September. Less than half the highway funds would be spent *in the next four years*. Most of the outlays will come after they are no longer needed.

But practical realities are no match for our desire to keep living beyond our national means. We spent our way into this mess, and it's too tempting to think we can spend our way out.

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