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Summit meeting with a lame duck

President Bush will be the lamest of ducks by Nov. 15, when leaders of 20 nations meet in Washington to discuss the global financial crisis. With only two months left in office, he will not be around to implement any policy changes he proposes or agrees to.

Bush's bigger problem is his utter lack of credibility when it comes to the central question of how to regulate national and global financial markets to ensure that this disaster never happens again. Eight years and a huge financial crash later, and Bush is still extolling the corrective powers of unrestrained markets.

Still, the meeting could not, and should not, wait until a more opportune time in America's political cycle.

With the world entering a U.S.-led recession, the global economic powers need to air their concerns and global markets need to see that political leaders are ready to work together to restore stability.

What this first meeting should not do is try to impose any real policy changes. With the crisis still unfolding, it's too soon for extensive reforms. Philosophical differences are also too deep and with Bush on his way out, the Americans are in no position to sign anything.

When he first proposed a meeting last month, President Nicolas Sarkozy of France called for everything from the "moralization of financial markets" to stricter bank supervision and government aid for national industries. Bush emphasized the need to preserve "free markets, free enterprise and free trade."

The two finally agreed that the meeting would "review progress" on settling the crisis and "seek agreement on principles of reform." At this point even that is probably too much.

The summit meeting could still be useful if the leaders used it to begin a serious discussion about the roots of the financial crisis and agree to a series of future meetings to discuss substantive reforms.

They could start the process by calling for formation of an international high-level group of nongovernment experts to analyze the causes and implications of the crisis. Once there is some agreement, another group of experts could lay out a list of potential policy changes. That would give the next president a running start.

This first meeting should not try to impose any real policy changes.

We congratulate Bush for insisting that the invitation list be expanded beyond the wealthiest industrial nations to include other economically important ones like China, India, Australia and Brazil.

They are also being hard hit by the made-in-America crisis, as turmoil in the financial markets weakens economies worldwide, threatening vital trade. And these countries deserve a voice in any long-term solution.

We'd like to believe that Bush, after eight years of disdaining diplomacy and anything with the word multilateral attached to it, has finally figured that the United States cannot go it alone.

Given the country the next president will inherit — heavily indebted, oil-dependent and the source of the prevailing financial calamity — he will be in no position to dictate terms to the rest of the world. If the Nov. 15 meeting can set the stage for real collaboration, it will be a success.

The soiled envelope, please

There are no awards for the season's slimiest political messages (Swift Boat statuettes?), but two deserve consideration in the character assassination category.

In the first, Republicans in Pennsylvania flooded 75,000 Jewish voters with an e-mail alarum from a retired Jewish judge equating a vote for Barack Obama with the "tragic mistake" of Jews who ignored the warning signs of the Holocaust. Quick apologies and retractions were offered once this surfaced in the press, but too late for the unspeakable to be spiked.

In the second, the campaign of Senator Elizabeth Dole of North Carolina, who is in a very tight race, broadcast her desperation by attacking her opponent, State Senator Kay Hagan, for accepting "godless money" at a "secret" fundraiser whose hosts included a leader of a secularist group.

At the end, the TV screen fills with a shadowy photo of Hagan, an elder at her Christian church, as a female voice fairly shrieks: "There is no God!"

Then there is the fringe madness of "Letter from 2012 in Obama's America" — an apocalyptic fiction making the rounds from the conservative Christian group Focus on the Family Action.

It foresees an Obama incumbency marked by terrorist attacks on American cities, rampant crime as guns are confiscated, a nuclear attack on Israel and the Boy Scouts' disbanding to avoid court-empowered gay leaders.

The Democrats have their share of slimy ads, but nothing like the Republican ones.

It seems just another straight-line for Jon Stewart until the nation remembers that the group's leader is James Dobson. He is one of the most prominent leaders on the evangelical right, with an audience measured in the scores of millions.

The Democrats have their share of slimy ads, like one targeted at the elderly that falsely claims John McCain would cut Social Security benefits in half. We're not excusing that ad or any other policy distortions. But frankly, it's not even an also-ran compared with what the McCain campaign and its allies have been up to.

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Restoring balance ▪ Robert E. Rubin and Jared Bernstein

No more economic false choices

As economists and policy advisers try to sort out where we are, how we got here and where we must go for both the short term and the longer term, we are surrounded by polarizing dichotomies: Fiscal recklessness versus fiscal rectitude, capital versus labor, free trade versus protectionism.

The next president, the prevailing wisdom goes, will have to choose between these polarities. But how real are these differences? Our view — and we come from pretty different analytical perspectives — is that in many important ways, they are false, and serve as more of a distraction than a map.

Fiscal rectitude versus stimulus and public investment: The Bible got this right a long time ago (paraphrasing slightly): There's a time to spend, a time to save; a time to build deficits up and a time to tear them down. Though one of us (Rubin) is often invoked as an advocate of fiscal discipline, we both agree that there are times for fiscal discipline and times for fiscal largess. With the current financial crisis, our joint view is that for the short term, our economy needs a large fiscal stimulus that generates substantial economic demand.

We also jointly believe that fiscal stimulus must be married to a commitment to re-establishing sound fiscal conditions with a multiyear program that includes room for critical public investment, once the economy is back on a healthy track.

One of us (Rubin) views long-term fiscal deficits — in combination with a low national savings rate, large current account deficits and foreign portfolios that are heavily overweighted in dollar-dominated assets — as a serious threat to long-term interest rates and our currency and, therefore, to our economic future. The other (Bernstein) views these economic relationships as much weaker.

At the same time, we both agree that our economic future also requires public investment in critical areas like education, health care, energy, worker training and much else. In our view, then, the next president needs to proceed on multiple tracks, with both the restoration of a sound fiscal regime and critical public investment.

First, under the $700 billion program to support the financial system, the government will buy assets, whether in the form of equity injections or the purchase of debt from banks. And the real cost to the government is not the face value of those purchases but rather the budget authorities' estimate of the subsidy built into the price of those purchases given the risks that are involved. That number will be some relatively limited fraction of the total amount paid. Congress also included in the recent legislation an option for the next president to consider levying a fee on the financial services industry if the taxpayers' investment is not recouped.

Second, certain public investment can help us meet our fiscal challenges. Most powerfully, the single largest factor in our projected fiscal imbalances are the health care entitlements Medicare and Medicaid, underscoring the fundamental importance of health care reform that expands coverage to more Americans yet constrains costs.

While plans that would accomplish these goals have some cost, by pooling risk and stressing cost effectiveness, they could more than pay for themselves by reducing the growth trajectory of our health care spending, in both the private and public spheres.

One important policy question is what our fiscal objectives should be in terms of deficits and of the ratio of the national debt to the gross domestic product. In times like these, larger than normal budget deficits will add to the national debt. In more stable times, a budget deficit equivalent to roughly 2 percent of GDP will keep the debt-to-GDP ratio constant, a legitimate fiscal policy goal. In flush times, a smaller deficit would lower the debt ratio and that might be desirable.

We both agree that individual income tax rates and other taxes for those at the very top could be moved back to the rates of the Clinton era. It's worth remembering that rates at this level helped finance deficit reduction and public investment that contributed to the longest economic expansion in our history.

In addition to restoring a sound fiscal regime, we could improve our personal savings rate and expand retirement security by establishing some kind of individualized account separate from Social Security, financed by an appropriate revenue measure.

There are times for fiscal discipline and times for fiscal largess.

Also, we need to work with other countries toward equilibrium exchange rates, as part of redressing our current account imbalances. But the idea that we can't be fiscally responsible while undertaking public investment at the same time is a myth.

Capital versus labor: Here again, for all their alleged friction, our dynamic and flexible capital and labor markets have combined to generate impressive productivity gains in recent years.

The problem is that the benefits of this productivity growth have largely eluded working families. Though productivity grew by around 20 percent from 2000 to 2007, the real income of middle-class, working-age households has actually fallen $2,000, down 3 percent.

One factor behind this outcome is the severely diminished bargaining power of many workers, and here the decline in union membership has played a key role. A true market economy should have true labor markets in which labor and business negotiate as peers.

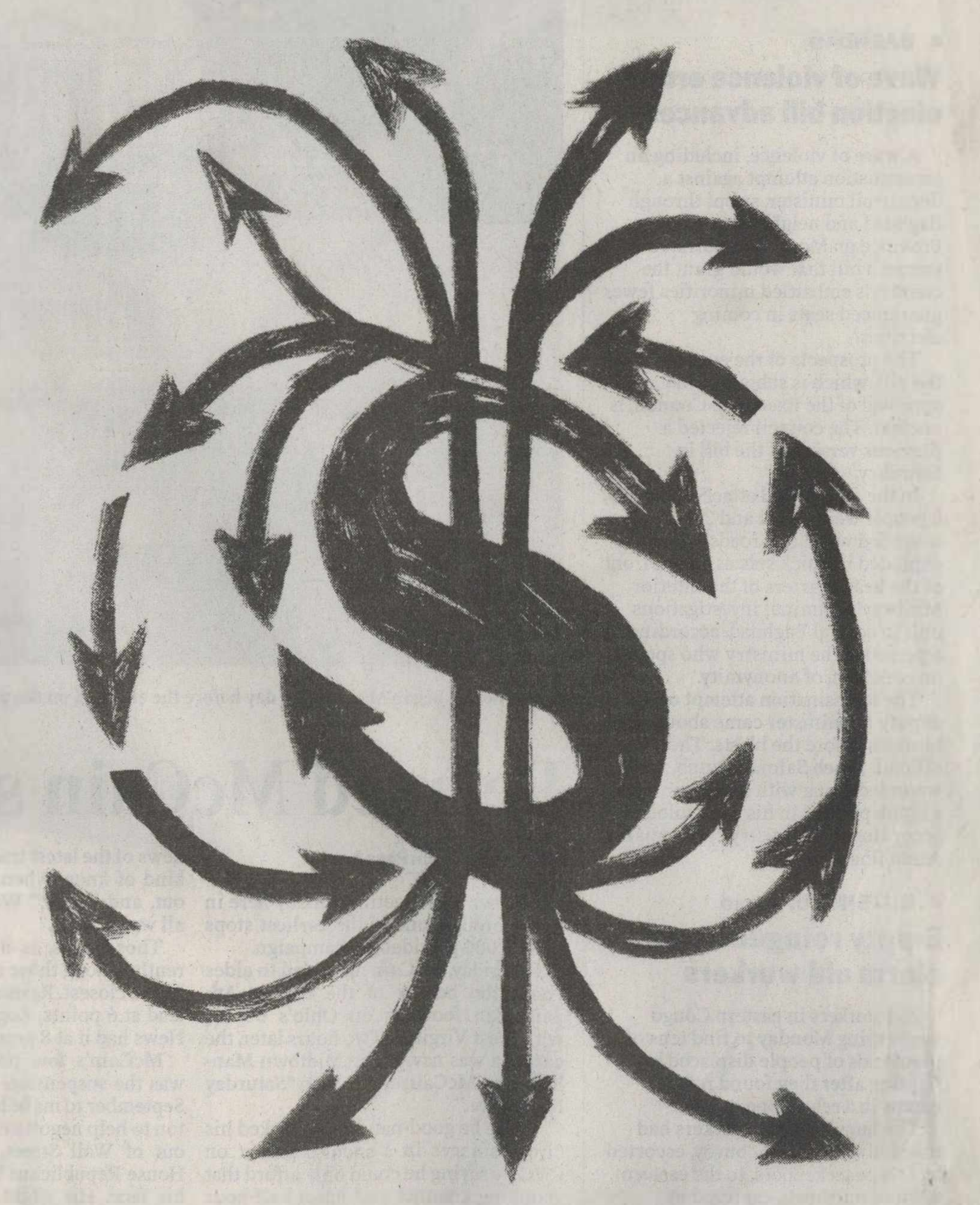
Many years ago, the economist John Kenneth Galbraith argued that collective bargaining was necessary so workers had the countervailing force they needed to bargain for their fair share of the growth they're helping produce. To re-establish that force, workers should be allowed to choose to be unionized or not.

Tight labor markets, the kind we saw in the 1990s, are another source of bargaining power, helping to rebalance the claims of labor and capital on growth. Sound public policy, like public investment in education, health care, energy, infrastructure and basic research, financed by progressive taxation, can also drive strong growth and business confidence to invest and hire.

Moreover, the policies that are requisites for strong growth also increase wages by better equipping workers to succeed in a global marketplace and by encouraging businesses to create jobs.

Free markets versus regulation and protection: We both feel strongly that there are important lessons to be learned from the disruptions in our financial system, and that significant reforms are needed. The objective ought to be to optimize the balance between increasing consumer protection and reducing systemic risk on the one hand, and preserving the benefits of a market-based system on the other.

We know, too, that Wall Street and Main Street are intimately connected. The consequences of the financial market crisis are profound for Americans in terms of lost jobs, lower incomes and reduced retirement savings. Measures to reform and strengthen the financial system should be evaluated by this measure: Do they ultimately translate into improving the jobs, incomes and assets of working Americans?



Matt Dorfman

False choices, grounded in ideology, have deluded us.

With respect to trade, the choice is not trade liberalization versus protectionism. Instead, as trade expands, we must recognize that protecting workers is not protectionism. We must better prepare our people to compete effectively and help those who are hurt by trade — not just dislocated workers, but those who find their incomes lowered through global competition.

This means investing more of the benefits of trade in offsetting these losses, through more effective safety nets, including universal health care and pension coverage.

Beyond that, while we share a commitment to helping workers deal with our new global challenges, one of us (Bernstein) would advocate provisions in trade agreements that are intended to protect workers, both here and abroad, and the other would have considerable skepticism about the likely effectiveness of those provisions for our workers.

* * *

Public policy in all these areas — and a host of others — has been seriously deficient in recent years. It has led to a great increase in federal debt, inadequate regulatory protection against systemic risk and underinvestment in our people and infrastructure. Regressive tax policies have increased market-driven inequalities that could have been offset through progressive taxation.

False choices, grounded in ideology, have kept us from effectively addressing all these issues. The next president must do his utmost to avoid being drawn into these Potemkin battles.

At this critical juncture, we face both the most significant economic upheaval since the Depression and the long-term challenge of successfully competing in the global economy.

We have no choice but to move beyond such false dichotomies and toward a balanced pragmatism whose goal is broadly shared prosperity and increased economic security.

Robert E. Rubin, Treasury secretary from 1995 to 1999, is a director of Citigroup. Jared Bernstein is a senior economist at the Economic Policy Institute and the author of "Crunch: Why Do I Feel So Squeezed?"

Editorial Observer ▪ Carol Giacomo

Whispers of war

NEW YORK

It is a frightening notion, but it is not just the Bush administration discussing, if only theoretically, the possibility of military action to stop Iran's nuclear weapons program.

Of course, no president or would-be president ever takes the option of using the military off the table, and Barack Obama and John McCain are no exceptions.

What is significant is that inside Washington's policy circles these days — in studies, commentaries, meetings, congressional hearings and conferences — reasonable people from both parties are seriously examining the so-called military option, along with new diplomatic initiatives.

One of the most thorough discussions is in a report by the Washington-based Bipartisan Policy Center, founded by four former senators — Republicans Robert Dole and Howard Baker and Democrats Tom Daschle and George Mitchell — to devise policy solutions both parties might embrace.

The report warns that the next administration "might have little time and fewer options to deal with this threat." It explores such strategies as blockading Iran's gasoline imports, but it also says that "a military strike is a feasible option and must remain a last resort."

Its authors include Dennis Ross, top Mideast adviser to Obama, and former Senator Dan Coats, a McCain adviser.

Ashton Carter, a senior Pentagon official in the Clinton administration, wrote a paper for the Center for a New American Security, a prestigious bipartisan think tank, that asserts military action must be seen as only one component of a comprehensive strategy "but it is an element of any true option."

At a conference in September in Virginia sponsored by the Washington Institute for Near East Policy, "surrogates" for McCain and Obama insisted America must focus on preventing Iran from developing a bomb, not on allowing Iran to produce one and then deterring its use.

"John McCain won't wait until after the fact," declared the columnist Max Boot, from the McCain team. The Arizona senator has previously said risking military action may be better than living with an Iranian nuclear weapon (and to his regret jokingly sang a song about bomb, bomb, bombing Iran).

Richard Danzig, Obama's surrogate, said his candidate believes a military attack on Iran is a "terrible" choice but "it may be that in some terrible world we will have to come to grips with such a terrible choice."

Early in the primary campaign, Obama declared that as president he would sit down in his first year in office with — among others — Iran's president, Mahmoud Ahmadinejad. (He has been reparsing that commitment ever since.)

Among the experts, a lot of talk about the military option — this time in Iran.

Given the global economic meltdown and other crises, it is not surprising if the American public is largely unaware of this discussion. What makes me nervous is the similarity to what happened in the run-up to the Iraq war.

In those days Americans were reeling from the shock of 9/11 and completely focused on hunting Al Qaeda in Afghanistan. In Washington, though, talk quickly shifted to the next target — Iraq.

Bush administration officials drove the discussion, but the cognoscenti were complicit. The question was asked and answered in policy circles before most Americans knew what was happening. Would the United States take on Saddam Hussein? Absolutely.

As a diplomatic correspondent for Reuters in those days, I feel some responsibility for not doing more to ensure that the calamitous decision to invade Iraq was more skeptically vetted.

This time the debate is not so one-sided. Most experts acknowledge that military action poses big risks and offers no guarantee of destroying Iran's nuclear program.

Both presidential candidates have also promised new diplomatic initiatives. McCain talks of tougher sanctions and Obama proposes a comprehensive approach involving sterner penalties, more compelling incentives and direct talks with Iran.

Ross, who was top Mideast negotiator for the first President George Bush and for President Bill Clinton, said that in the prelude to Iraq, nearly all of the talk focused on military action.

He says this time experts are taking a harder and more systematic look at all the options — including force — because diplomatic efforts have failed to slow Iran's rush to master nuclear technology.

"I want to concentrate the mind and make people understand, 'Look, this is serious and you don't want to be left with only those two choices' " — war or living with an Iranian bomb, he said.

With Iran projected to produce enough fuel for a nuclear weapon by 2010, the next president is going to have to concentrate his mind quickly.

We hope he, unlike George W. Bush, will encourage a broader public debate about all of America's options, and the high cost of another war. I will certainly be a lot more skeptical.

Carol Giacomo is a member of the New York Times editorial board.

Paul Krugman

When consumers capitulate

PRINCETON, New Jersey

The long-feared capitulation of American consumers has arrived. According to Thursday's GDP report, real consumer spending fell at an annual rate of 3.1 percent in the third quarter; real spending on durable goods (stuff like cars and TVs) fell at an annual rate of 14 percent.

To appreciate the significance of these numbers, you need to know that American consumers almost never cut spending. Consumer demand kept rising right through the 2001 recession; the last time it fell even for a single quarter was in 1991, and there hasn't been a decline this steep since 1980, when the economy was suffering from a severe recession combined with double-digit inflation.

Also, these numbers are from the third quarter — the months of July, August, and September. So these data are basically telling us what happened before confidence collapsed after the fall of Lehman Brothers in mid-September, not to mention before the Dow plunged below 10,000. Nor do the data show the full effects of the sharp cutback in the availability of consumer credit, which is still under way.

So this looks like the beginning of a very big change in consumer behavior. And it couldn't have come at a worse time.

It's true that American consumers have long been living beyond their means. In the mid-1980s Americans saved about 10 percent of their income. Lately, however, the savings rate has generally been below 2 percent — sometimes it has even been negative — and consumer debt has risen to 98 percent of GDP, twice its level a quarter-century ago.

Some economists told us not to worry because Americans were offsetting their growing debt with the ever-rising values of their homes and stock portfolios. Somehow, though, we're not hearing that argument much lately.

Sooner or later, then, consumers were going to have to pull in their belts. But the timing of the new sobriety is deeply unfortunate. One is tempted to echo St. Augustine's plea: "Grant me chastity and continence, but not yet." For consumers are cutting back just as the U.S. economy has fallen into a liquidity trap — a situation in which the Federal Reserve has lost its grip on the economy.

Sooner or later, consumers were going to have to pull in their belts.

Some background: One of the high points of the semester, if you're a teacher of introductory macroeconomics, comes when you explain how individual virtue can be public vice, how attempts by consumers to do the right thing by saving more can leave everyone worse off. The point is that if consumers cut their spending, and nothing else takes the place of that spending, the economy will slide into a recession, reducing everyone's income.

In fact, consumers' income may actually fall more than their spending, so that their attempt to save more backfires — a possibility known as the paradox of thrift.

At this point, however, the instructor hastens to explain that virtue isn't really vice: In practice, if consumers were to cut back, the Fed would respond by slashing interest rates, which would help the economy avoid recession and lead to a rise in investment. So virtue is virtue after all, unless for some reason the Fed can't offset the fall in consumer spending.

I'll bet you can guess what's coming next.

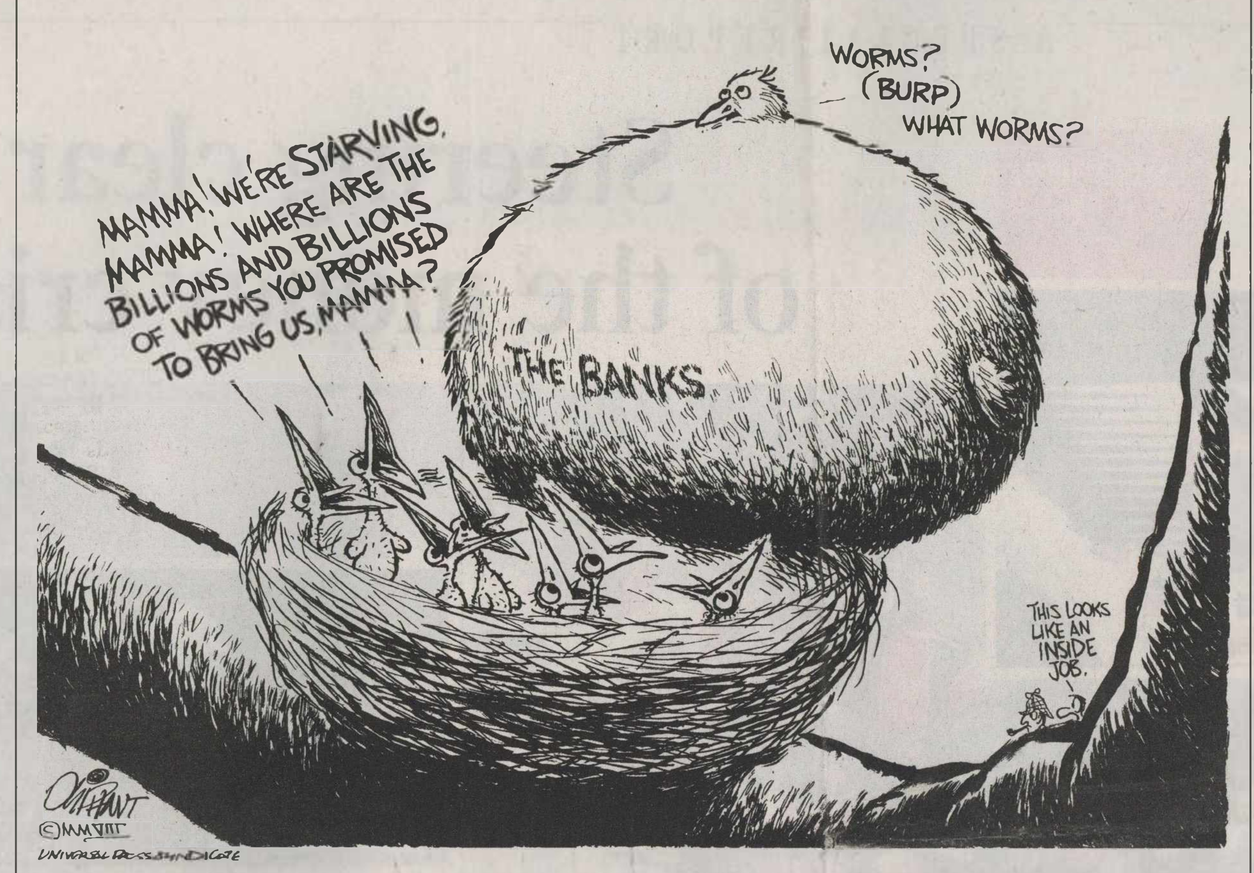
For the fact is that we are in a liquidity trap right now: Fed policy has lost most of its traction. It's true that Ben Bernanke hasn't yet reduced interest rates all the way to zero, as the Japanese did in the 1990s. But it's hard to believe that cutting the federal funds rate from 1 percent to nothing would have much positive effect on the economy. In particular, the financial crisis has made Fed policy largely irrelevant for much of the private sector: The Fed has been steadily cutting away, yet mortgage rates and the interest rates many businesses pay are higher than they were early this year.

The capitulation of the American consumer, then, is coming at a particularly bad time. But it's no use whining. What we need is a policy response.

The ongoing efforts to bail out the financial system, even if they work, won't do more than slightly mitigate the problem. Maybe some consumers will be able to keep their credit cards, but as we've seen, Americans were overextended even before banks started cutting them off.

No, what the economy needs now is something to take the place of retrenching consumers. That means a major fiscal stimulus. And this time the stimulus should take the form of actual government spending rather than rebate checks that consumers probably wouldn't spend.

Let's hope, then, that Congress gets to work on a package to rescue the economy as soon as the election is behind us. And let's also hope that the lame-duck Bush administration doesn't get in the way.



David Brooks

A national mobility project

America's government spending is growing at an astounding pace. Congress and the president have thrown hundreds of billions into stimulus packages, domestic programs, military spending and other initiatives. Total federal spending is growing at a 13.8 percent annual rate.

Has all this money done anything to actually stimulate private economic activity? Not that you'd notice. Consumption is cratering. The U.S. economy just experienced the sharpest real drop in consumer spending since 1974.

The lesson here is that we have a right to be skeptical of so-called stimulus packages. The Federal Reserve can effectively stimulate the economy. There are certain automatic government programs, like unemployment insurance, which also do it. But the history of the past century suggests that politically designed, ad hoc stimulus packages rarely work.

Often they get the timing wrong; they come too late to do any real good. Often they get the pressure points wrong; the economy is simply too complicated for lawmakers to know where to apply the stimulus patch. Almost always, they get psychology wrong. When you give people a chunk of money in the midst of economic turmoil, they don't spend most of it. They save it.

Nevertheless, economists continue to propose new stimulus ideas with unshaken confidence and over the next six months, the government will almost certainly pass more gigantic programs. Republican economists are talking of plans larger than $100 billion, and Democratic ones are hatching plans in the $300 billion range.

Bad policy ideas are coming in profusion. There are plans to bail out automakers. There are plans to issue more rebate checks (even though the last ones didn't work). Barack Obama is proposing one-time tax credits for small businesses that are hiring. This is an ineffectual ploy that would shower federal money on those few firms that would be hiring anyway while doing nothing for companies in struggling sectors.

These and other plans amount to an economic sugar rush. And yet the political climate being what it is, something big is going to pass.

In times like these, the best a sensible leader can do is to take the short-term panic and channel into a program that is good on its own merits even if it does nothing to stimulate the economy over the next year. That's why I'm hoping the next president takes the general resolve to spend gobs of money, and channels it into a National Mobility Project, a long-term investment in the country's infrastructure.

An infrastructure resurgence is desperately needed.

Major highway projects take about 13 years from initiation to completion — too long to counteract any recession. But at least they create a legacy that can improve the economic environment for decades to come.

A major infrastructure initiative would create jobs for the less-educated workers who have been hit hardest by the transition to an information economy. It would allow the U.S. to return to the fundamentals. There is a real danger that the U.S. is going to leap from one over-consuming era to another, from one finance-led bubble to another. Focusing on infrastructure would at least get Americans thinking about the real economy, asking hard questions about what will increase real productivity, helping people who are expanding companies rather than hedge funds.

Moreover, an infrastructure resurgence is desperately needed. Americans now spend 3.5 billion hours a year stuck in traffic, a figure expected to double by 2020. The U.S. population is projected to increase by 50 percent over the next 42 years. American residential patterns have radically changed. Workplaces have decentralized.

Commuting patterns are no longer radial, from suburban residences to central cities. Now they are complex weaves across broad megaregions. Yet the infrastructure system hasn't adapted.

The smart thing to do is announce a short-term infrastructure initiative to accelerate all those repair projects that can be done within a few years. Then, begin a long-term National Mobility Project.

Create a base-closings-like commission to organize federal priorities (Congress has forfeited its right to micromanage). Streamline the regulations that can now delay project approval by five years. Explore all the new ideas that are burgeoning in the transportation world — congestion pricing, smart highways, rescue plans for shrinking Midwestern cities, new rail and airplane technologies. When you look into this sector, you see America is on the cusp of another transportation revolution.

A mobility project would dovetail with the energy initiatives both presidential candidates have offered. It would benefit from broad political support from liberals and business groups alike. It would rebalance the economy, so there is more productive weight to go along with Wall Street wizardry.

Smart investors are going to take advantage of the current panic to make money. A smart president could take advantage of it to build something that will last for decades and decades to come.

MEANWHILE ▪ Timothy Egan

Who's going to start the fire?

MISSOULA, Montana

Under the Big Sky on election's eve, the cold gold cottonwood leaves catching the late October light, Lolo Peak holding its first dusting of snow, the season feels ritualistically right.

But a free-floating edginess clings to the air, a sense of possibility over the prospect of a new president, and righteous anger that things are going to be very bad for a long time.

I can't shake this line from Jon Tester, the freshman senator from Montana. Since the $700 billion bailout was first introduced, his office has been flooded with calls and letters — uniformly unforgiving toward the Masters of the Universe who destroyed the U.S. economy. Tester said people "want to see the executives that drove Wall Street into the ground in orange suits picking up cans along the side of the road."

It's a comforting image, in a comeuppance sort of way. Imagine all those hedge fund managers and soft-skinned bonus brats stooped over litter through the long night of a Montana winter.

For now, the villains have been identified, though they have yet to be paraded through the village square. Polls show banks and Wall Street are blamed for the staggering blow to the economy. By two-to-one margins, people blame Republicans over Democrats. But they also blame their neighbors for taking on too much debt.

If Americans are walking without a skip in their step, and maybe with a pitchfork in one hand, you can't fault them. Gallup found that one in five people say their finances have already been hurt "a great deal." On Tuesday, consumer confidence fell to the lowest level since the Conference Board started tracking popular sentiment 41 years ago. A bare 11 percent say the country is headed in the right direction.

We Americans are not a nation of whiners, despite what Phil Gramm has said (and he's a prime candidate for road crew.) But where does this jet stream of anxiety go after the election?

During the Great Depression, it found its violent outlets. In Iowa, farmers stormed a courtroom in mid-session, demanding that a judge not sign any more foreclosure notices. The judge was dragged from the courthouse and taken to a nearby hanging tree. His life was spared only when the mob's cooler heads (an oxymoron?) prevailed.

In Congress, at the time, taxes were raised on the wealthy, with a whiff of genuine class warfare in the air and cries of "Soak the rich!" And the wise men of finance offered few nuggets of hope, only a clunker or two of infinite despair during an age W. H. Auden called "the low, dishonest decade." The economist John Maynard Keynes was asked if there was ever a worse time.

"It was called the Dark Ages," he said. "And it lasted 400 years."

Our battery-life of pessimism is not that long, and never will be. As dark as the End of Days-Bush Era has become, most of us see some sunshine in the forecast. The Pew Research Center Poll this week found that 64 percent still believe in this sentence: "As Americans we can always find ways to solve our problems and get what we want."

But there will be blood, from Main Street to the mall. You see it every hour: businesses closing, cutting back, people walking away from houses with nothing but bad memories.

And yet Wall Street has not answered for its misdeeds, having set aside nearly $20 billion to pay in bonuses for 2008. You've just destroyed the economy — here's your reward! Even Lehman Brothers managed to sock away $2.5 billion in future bonuses before filing for Chapter 11, according to Bloomberg.

Wall Street has not yet answered for its misdeeds, its reckless gambles.

We want shelter from the storm and a pound of flesh. But how much time will a new president have? A year? A hundred days? A month? The expectations cycle, like our culture, moves at the speed of a text message.

FDR, the high standard for changes by a new president, got out of the gate like Seabiscuit on a sugar-cube high. In his first week in office, he was urged to nationalize the banks, as Bush has done in large measure. Instead, Roosevelt closed the banks for most of a week, and when they opened again, he assured all Americans, they were safe — now backed, for the first time, by the faith and credit of the United States.

It's debatable whether he saved capitalism, as many historians have said. But Will Rogers certainly got it right: "If Roosevelt burned down the Capital, we should cheer and say, 'Well, we at least got a fire started, anyhow.'"

Somebody has to start a fire. That's what Americans will be looking for after next Tuesday. And quick. Otherwise, expect people to begin fitting executives in fluorescent orange vests for penance work on the side of the road — or worse.

Timothy Egan writes Outposts, a column at nytimes.com.

LETTERS | TO THE EDITOR

How to define victory

In "What Vietnam teaches us" (Views, Oct. 29), Henry Kissinger provides the reader with a few "observations."

Kissinger addresses "victory." He writes: "The purpose of war is victory" and "victory needs to be defined as an outcome achievable in a time period sustainable by American public opinion."

I am surprised by these superficial "observations" and I doubt if these guidelines will help the American president make the proper decisions about war and peace.

The purpose of war should be the achievement of a political, strategic objective, not necessarily victory. Victory — the defeat of the enemy — is often not required, or even possible, and sometimes counter-productive, when the political objective is taken into consideration.

Contrary to what Kissinger argues, victory must not be defined in a time period sustainable by American public opinion, but rather *world* public opinion. At a minimum, the public opinion of the strategic partners of the United States should be considered.

This has become evident in Afghanistan and Iraq. Hopefully, the next U.S. president will formulate more effective guidelines with a global perspective. Victory, as defined by Kissinger, does not exist anymore.

Ingo Piepers, *Amsterdam*

Back to the basics

Good for Thomas Lovejoy, Tim Flannery and Achim Steiner ("We did it, we can undo it," Views, Oct. 28) for laying out the only solution to our environmental problems that sounds both effective and safe, in contrast to mad-scientist schemes like launching giant mirrors into space.

Indeed, all we need to do is prop up the system and the method that has been proven over a billion years. The system is called life and the method is known as photosynthesis.

This planet urgently needs a globally coordinated land-restoration project that spans the continents.

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Two good candidates

Divisiveness is a natural result of a hard fought campaign. But after the U.S. election, we Americans need to pull it together.

America is at the most serious economic crossroads in decades. The presidential candidates have well thought out plans. Each candidate is of good character and intellectually and emotionally prepared.

If John McCain wins, Americans can be proud to have chosen a man with many years of experience, strong conviction, independent thinking and heroic character.

If Barack Obama wins, we can be proud that the country neither accepted nor rejected a candidate based on race but elected a dynamic leader for his qualifications. America will have made history.

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Comments?

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