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## The Portland Spectator, February/March 2008

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# ECONOMY ON THE DIVE

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\* A Closer Look at Hanjin

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February/ March 2008



# The Portland Spectator

## Honor Liberty Virtue

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### MEMBER OF THE COLLEGIATE NETWORK

The Portland Spectator is published by the student publication board of Portland State University and is primarily staffed by volunteer writers. The Portland Spectator is funded through incidental student fees, advertisement revenue, and private donations.

All signed essays and commentaries herein represent the opinions of the writer and not necessarily the opinions of the magazine or its staff.

The Portland Spectator accepts letters to the editor and commentaries from students, faculty and staff at Portland State University. Please limit your letters to 300 words.

We reserve the right to edit material we find obscene, libelous, inappropriate or lengthy. We are not obliged to print anything we do not consent to. Unsolicited material will not be returned unless accompanied by a stamped, self addressed envelope. Submission constitutes testimony as to the accuracy.

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### Printing Costs

Cost of each issue: \$0.50

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person and is available for individual sale and subscription requests.

### WELCOME TO THE PORTLAND SPECTATOR

The Portland Spectator believes that the academic environment should be an open forum, where there is a chance for rational and prudent conservative arguments to be heard.

The current environment of political correctness, political fundamentalism and mob mentality stifles genuine political debate.

We encourage the expression of diverse ideology to promote thought-provoking discussions.

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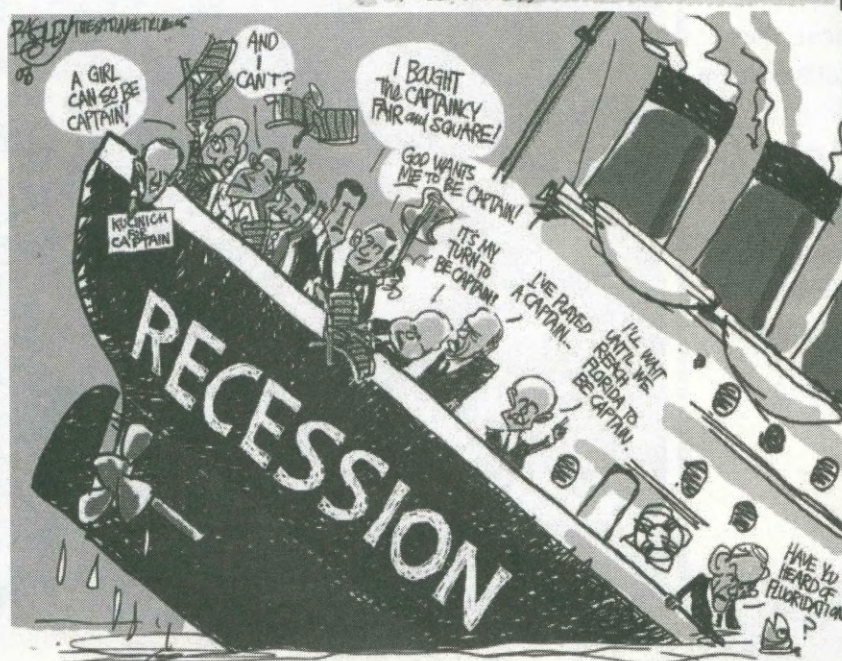
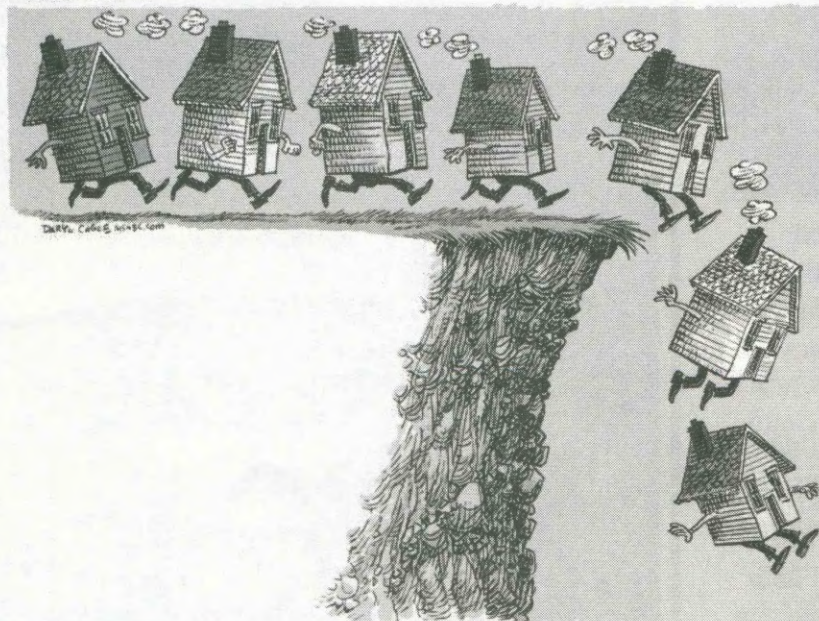
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# BRIEFS

*Dear Reader,*

Imagine how closed off from reality we would be if we didn't share each other's differences? We are all very fortunate to co-exist in a diverse campus that is rich in heritage, custom, and ideology.

Since The Portland Spectator is a publication that expresses views on a variety of topics from a conservative stance, it's outstanding how much feedback is received. This is exactly what we look for from everyone.

Portland State University has very impressive publications such as The Daily Vanguard, The Rearguard, The Portland Review, and now KPSU.

Thanks to the variety of views that are shared through these publications and on campus in general, we are all able to contribute opinions for shaping possible solutions to problems we face in our world today.

With each idea, opposition always follows. It is good to keep in mind that *opposition* also allows us to continue finding solutions to problems.

If you are a student who wishes to share and help formulate opinionated articles about problems that are campus oriented, global, national, or local, then The Portland Spectator invites you to join our diverse staff.

It's important to continue to search for ways that can solve problems and this can be done through the expression of different views. This particular space will also be dedicated to everyone who wishes to write their opinions about the publication and the conservative ideology in general.

*Sincerely,*

*TM Lopez*

## Good Quality Bio-Diesel Produced from Rare Plant

In 2006, the discovery of a portentous poisonous plant grown on 98 million acres in India led to the global promotion of an alternative substitute for fuel. The plant, known as *Jatropha*, has since then been researched and found in various tropical parts of the world including Mexico, the Caribbean, Central and South America.

Today, a Los Angeles based Bio-Feedstock Development Company, known as Global Clean Energy, is focusing on the commercialization of the oil extracted from the seeds of this plant. The oil will be used for the production of good quality bio-diesel.

Cultivated on non-agricultural land, the plant does not require a lot of water to survive.

Bio-Feedstock companies such as GCE affirm that the cost for *Jatropha* oil will be less than the cost of crude oil. According to GCE, the plant is less expensive to produce in comparison to other alternative fuel producing crops such as rap seed or corn oil.

## LISTEN UP MEN Drinking Too Much Soda Leads to Gout

According to studies from The American College of Rheumatology, men who consume a significant amount of soft drinks or beverages containing fructose run a higher risk of developing gout in their 40s. 46,000 men were followed and tested. After a 12 year follow up, 755 men were diagnosed with cases of gout.

Results suggest that gout is caused by too much uric acid in the blood (hyperuricaemia) that formulates acid crystals around the joints, causing severe swelling and pain to an individual. Dietary habits, alcohol intake, high blood pressure, weight, and age are all factors that can determine the risk of obtaining gout.

Studies have concluded that men who



consume one to two servings of soft drinks or beverages containing high amounts of fructose, run an 85 percent higher risk in suffering from gout when compared to men who consume one serving per month.

### **High Speed Internet It's the Solution to Online Traffic Jams**

A lot of Americans are dealing with a different kind of rush hour through internet traffic jams.

In an article by the *New York Times* titled ...*Fear of the Internet Traffic Jam*, many industry groups and technology analysts state that internet users are experiencing and will continue to experience heavy traffic on the internet.

This is in part due to internet video streaming, internet video connection to television, video communications, peer to peer file sharing, web e-mail file transfers, and multi-person online gaming.

For those who don't have high-speed internet, they will have the most difficult time with experiencing internet traffic.

This isn't such a big deal for us today but specialists like Tim Pozar, an engineer and a co-owner of the Internet Services Company, United Layer, in San Francisco, states that "we're running out of horsepower to accommodate the demand...of using the bandwidth-hungry video applications on Websites."

There will soon be a need to "handle traffic" from more Internet enabled devices like cell phones, and shortages of electrical power for data centers in places like San Francisco.



Benazir Bhutto

June 21, 1953- December 27, 2007

**K**nown as one of the youngest chief executives in the world at the age of 35 and as the first woman to serve as Prime Minister in an Islamic country, Benazir Bhutto will now be remembered as the dedicated woman who gave her life in the fight for Democracy.

During her service to Pakistan as Prime Minister, hunger, housing and healthcare were her top priorities. In her intent to modernize Pakistan, Bhutto built schools all over the country and introduced electricity to the countryside.

Rest in Peace Benazir Bhutto. Thanks for your contributions to the world.

For more details on her biography go to  
[www.achievement.org](http://www.achievement.org)



# The Balancing Act

America: land of the proud and land of the free.  
Also, land of the rich?

*"All I see are sidewalks paved with cement...  
where's the gold? Where are the mountains of  
dollars piled in the streets?"*

That's what my grandfather asked when  
visiting the United States for the first time.  
Apparently, many others also literally believed  
such rumors, rumors  
that led

immigrants like him to  
this land of opportunity.

Imagine how inviting  
the Golden Gate Bridge  
was for many  
Americans and  
immigrants who  
desired the thrill of  
finding and literally  
picking gold not  
necessarily from man  
made streets, but from  
mother earth.

For the majority of  
Americans today,  
obtaining money is not as easy as the rumors  
spread throughout the generation of my great  
grandparents. Most of us value highly what we  
make and we recognize the efforts placed in  
obtaining that "all-so-mighty" dollar.

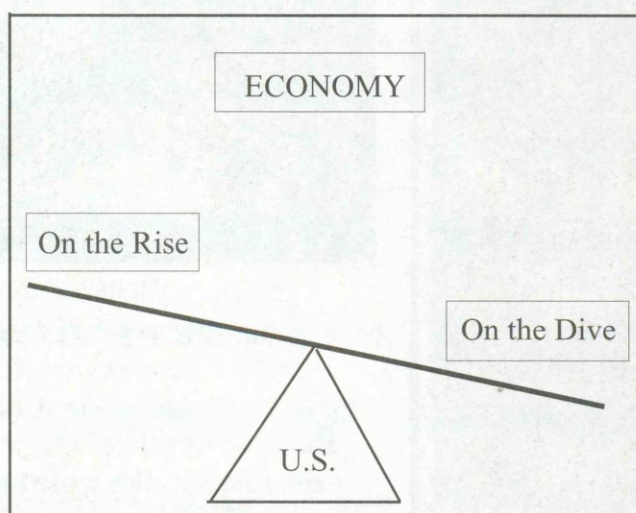
Despite the wonderful opportunities this  
motherland offers, we still face serious issues  
with the economy.

Many blame the problem on a fiscally  
irresponsible Congress and feel that balancing  
the country's budget will make a great solution.  
Some feel that raising taxes will alleviate the  
government's debt while this would in fact  
aggravate debt on some taxpayers... Others  
believe that reducing taxes will encourage  
investment within the nation for the stimulation  
of the economy, although, this may lead to  
conspicuous consumption for many who would  
only sink into deeper debt by spending borrowed  
money.

The mortgage crisis is part of the problem as  
Mikel McDaniel mentions in this issue, but it is  
not the sole reason.

It seems as though America's economy  
keeps slipping and slipping downwards. Just  
when will the economy stop plummeting? We  
see this through the devaluation of the dollar,  
through the falling prices in the housing

market, and in the  
skyrocketing prices in  
consumer purchases.  
Surely no one favors the  
rising cost of  
gas right?  
Great difficulty lies when  
trying to immediately  
solve all of the economic  
problems in this country,  
yet, the truth is that the  
economy will always find  
itself on a seesaw. There  
are times when it will rise  
and there are times when  
it will dive.



In times of balancing that seesaw, it's  
important that we maintain a clear idea of  
our nation's reality. The point is that despite  
realizing that our economy isn't at its greatest  
point, we can still leave some room for  
optimism.

Would you say America is land of the rich?  
Truly, America is land of the hardworking  
individual who doesn't give up in earning that  
dollar.

Keep in mind, America has not lost its  
reputation for offering fantastic opportunities.  
She still retains its stance in the world as  
provoking the "Gold Rush" that continues  
beckoning and provoking all Americans and  
immigrants to come and pick the gold and  
rake the mountains of dollars found within  
innumerable opportunities and hard work.





Portland State  
UNIVERSITY



# THE ALMIGHTY DOLLAR

## Understanding money and the government's responsibility towards it

By Mikel McDaniel

**I** imagine you step up to the counter in a convenience store and ask for a package of chewing gum. The clerk reaches behind himself, selects the flavor you indicated, and sets the package in front of you. In response, you pull from your wallet a crisp \$1 bill and set it on the counter alongside the gum. The clerk leaves the dollar on the counter, looks up at you, and mildly cocks his head. The clerk snorts, "What the hell would I want with a dollar?"

This situation may seem surreal to the modern American, where most of us don't normally bother to question the domestic value of the dollar. However, if it weren't for merely two sections of the U.S. Code this scenario might not appear so alien. So what exactly is a dollar? Who decides how much they're worth? And why do we never use any other media for transactions?

In a simpler economy, transactions are typically done more directly, where one party offers a quantity of some product or service in exchange for another product or service that they desire. Barter systems quickly establish themselves to standardize the exchange of goods, and prices naturally emerge from the process of unregulated haggling.

People quickly begin to think beyond their immediate transactions and start recognizing the value of certain goods as objects of trade as opposed to thinking only of a good's intrinsic utility. For example, you may find a good deal on wool, and though you have no use for the wool, you happen to know a tailor who would give you a good deal on some tobacco in exchange for it, so you buy the wool strictly as a trading medium.

In such a system, a very small number of materials will eventually emerge as standard currency as a result of two economic pressures: large transactions and savings. When it comes to making exchanges on very large scales, such as when buying

a house, a boat, or an army, common goods lose their practicability, as it would take many tons of wool or grain to compensate such high-value products.

As people also start thinking to the future, there comes the question of what materials are good for long-term savings. And, again most common goods are opted against, since many of them do not last when stored; for example, grain will rot and it is again impractical to store it in large quantities. Thus rare and durable luxury goods become preferable currencies.

Most people probably know, the most popular currency in history has been gold, and the reason has been that it answers the pressures of both large transactions and savings better than all other materials.

First of all, gold is very rare so a small amount of it can compensate big exchanges. Also, gold – being a metal – is very durable and can last indefinitely in storage. Obviously, however, these two facts don't distinguish gold from other precious metals and gems, such as silver and diamonds.

One of the winning characteristics of gold as a currency is that it is easily malleable and divisible, thus it can be cut and shaped as

needed to make the most exact transactions. Thus, without any government stipulation or economic regulation, gold has frequently and naturally emerged as the preferred currency among traders. Often, of course, governments have minted gold and distributed it in standardized coins, bars, or other shapes, but this has typically been to serve as a guarantee that the gold in hand is of an exact amount and quality, not to stipulate the gold's value. Eventually, however, even gold reaches the limits of its practicability as an on-hand currency.

Carrying around even small amounts of metal everywhere you go can still be cumbersome, and storing it for savings isn't always safe.

The earliest banks offered to safeguard people's

**"This situation may seem surreal to the modern American, where most of us don't normally bother to question the domestic value of the dollar. However, if it weren't for merely two sections of the U.S. Code this scenario might not appear so alien."**



gold for long-term savings and even offered to pay interest on the deposits for the opportunity. Once the gold was in their vaults, the bank could then loan it out to other customers, charging an interest rate for the service. So long as the income from their loans was larger than the debt to their investors, the banks made a profit.

When an investor would deposit gold at the bank, he or she would receive a bank note in return that proved ownership of the gold. These notes proved much easier to carry around than actual gold, and people immediately realized that they could conduct transactions strictly with bank notes instead of continually withdrawing their gold from the bank every time they wished to make a payment. Thus we have the emergence of paper money.

Occasionally, problems would arise from the private banks' system of loans and credit, especially when their loans would fail to be paid back on time or at all, causing them to increase interest rates on loans so as to not lose their investors' gold. These increases stifled business and other private interests, as people became unable to borrow money for new ventures.

Such problems were relatively short lived, and always self-correcting, as a bank that didn't balance its savings holdings with its loans would lose business to other banks that were better managed. But a few scares and recessions jolted the United States government into an interventionist mood, and in 1913 it organized the Federal Reserve to serve as the central bank of our country.

The thinking went that if shortages in money supplies were forcing banks to occasionally charge higher interest rates on loans, then the government would provide more money to the banks when they needed it in order to keep interest rates low (and, hopefully, keep business growing).

Up until the twentieth century, an American could theoretically take paper money to a bank and exchange it for gold, removing the dollars from circulation and replacing it with the dollars' tangible assets.

This ceased to be the case as the gold standard was abandoned and replaced by a complex system of guarantees trickling down from the federal government through the nation's banks; basically,

these were assurances that the dollar in your hand does in fact have value. Instead of banking notes representing real materials, the United States now operates what is called a "fiat money" system, wherein the government decides what money is and how much of it exists in circulation. §§ 486 and 489 of Title 18 of the U.S. Code serve to prohibit the circulation of any currency other than U.S. dollars in American markets.

While enacted under the aegis of combating counterfeiters, these sections of the USC in fact serve to establish a legal monopoly on all currencies by the United States Mint.

While there are arguable benefits to fiat money, one of its greatest sources of criticism is its tendency to subtly tax citizens through inflation. The problem arises when the government in charge of the fiat

currency decides to spend money it doesn't have, an endeavor usually financed by selling government bonds or printing new paper money.

This increases the quantity of dollars in circulation and thus devalues all existing dollars, since the value of a good is inversely proportional to its rarity. The government is thus able to pay off its debts and fund new projects without technically

raising taxes; however, the end result is still the same: citizens end up paying for the government's deficit.

No matter how thick the walls of your personal vault, the government can still easily extract the wealth hidden within if it is kept in dollars. This is why there is a general tendency for goods and services to cost more money over time – these things aren't necessarily in higher demand or in shorter supply, our dollars are simply worth less than they were in years past.

The cycle of inflation can only be expected to stop in one of two ways, the first of which is if our politicians miraculously begin to properly manage their budgets. The other way requires Americans to kindly request that their government hold all wealth accountable in tangible assets once again, and to offer them some reliable means of saving their money even against the tides of pernicious inflation and irresponsible deficit spending.

If the gold standard is reasserted as the proper measure of wealth, then our nation's politicians will be automatically relegated to the burden of honestly managing our tax dollars.

"The cycle of inflation can only be expected to stop in one of two ways, the first of which is if our politicians miraculously begin to properly manage their budgets."



# Oregon's Relationship with International Markets

By T.M. Lopez

**A**llured by the variety of products like gourmet chocolates, Tillamook Cheeses, unique clothes, and artsy home accents, have you ever caught yourself browsing inside a *Made in Oregon Store*? For many years I passed it without ever really caring to go inside, at least not until a friend visiting from France started acting eccentrically when she saw that Oregon actually

manufactured a few of its very own products.

Her excitement made me notice that Oregon can produce far more than just souvenirs.

A vital part of Oregon's economic success is its dependence on international markets. Foreign nations import billions of dollars worth of products made from Oregon.

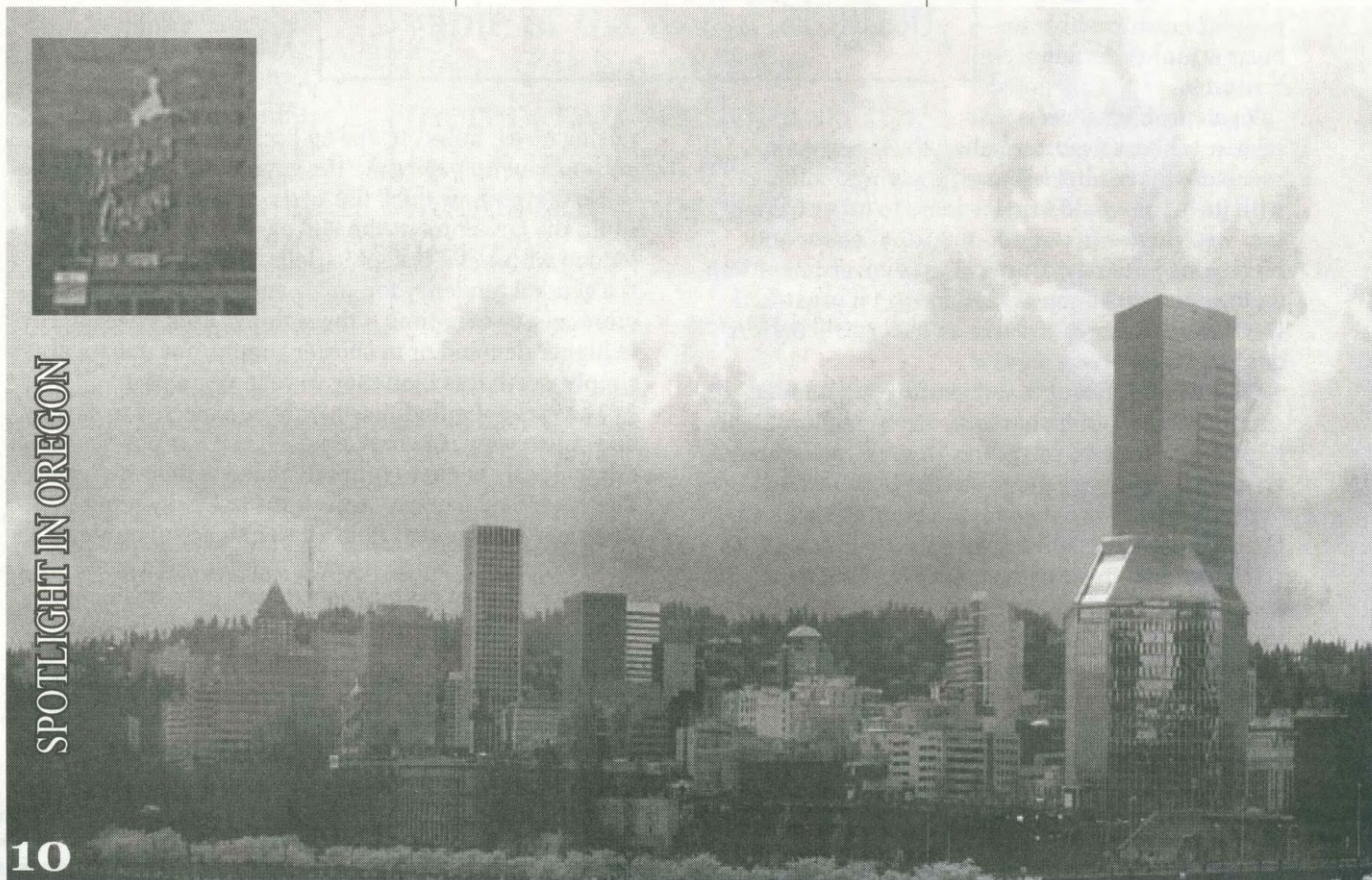
According to the International Trade Administration of the U.S. department of commerce, 43

percent of Oregon's products consist of computer and electronic materials. Of the remaining 67 percent, 12 percent is made up of transportation equipment, 10 percent of machinery, another 10 percent of crop production and the remaining 25 percent is composed of wood and chemical products.

Just how successful would you think Oregon is in the trade industry? In 2007 Oregon gained nearly



SPOTLIGHT IN OREGON





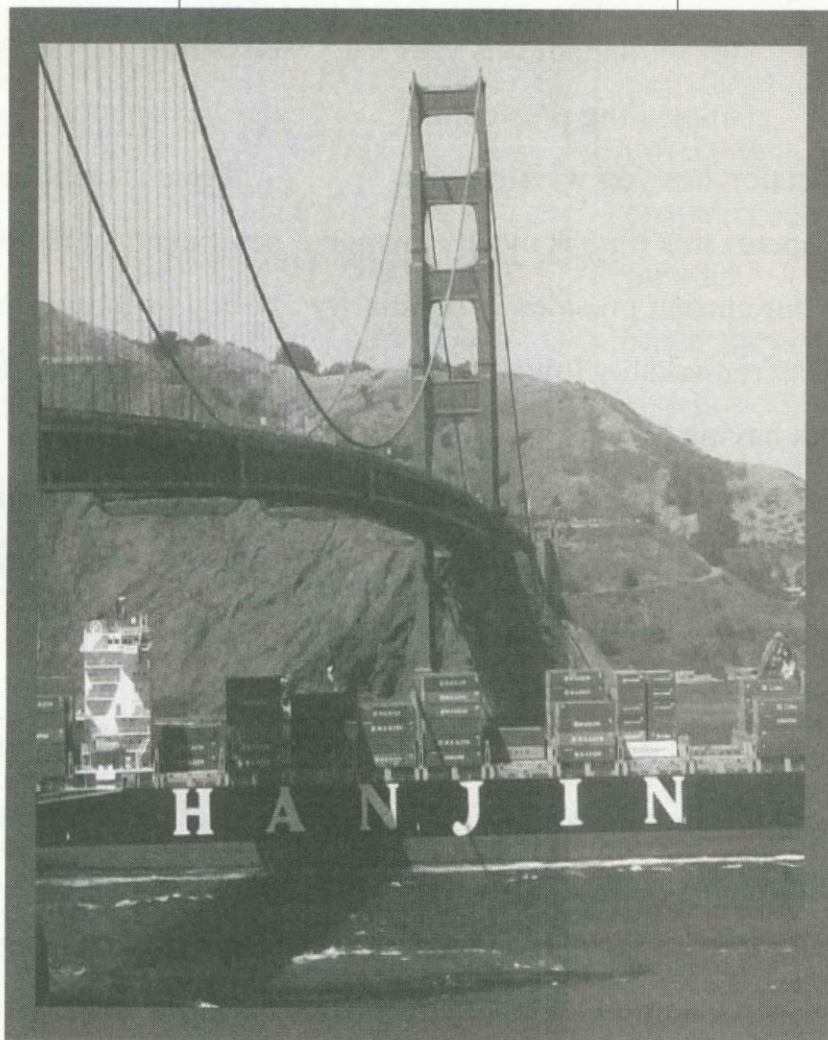
17 billion dollars alone in exporting products all over the world. In fact, according to the news site, *Oregon Business*, Oregon ranks among the top 15 states in exports per capita.

Would you be surprised if Canada was the number one country that contributed in spending to almost three billion dollars in 2007? It's true. Oregon's partnership with Canada gained the state nearly three billion dollars last year. Statistics from Oregon's National Trade Data rank Canada, Japan, China, South Korea and Malaysia as the top five trading partners. Over eight billion dollars worth of products made in Oregon were shipped to these countries in 2007.

After recovering from the recession in 2001, Oregon continues to grow

economically particularly through its reliance on international markets that allow all exporting industries within the state to continue increasing revenue each year.

#### CORPORATE SCOPE:



**HANJIN IN OREGON**  
Oregon's most prominent method of exporting goods, found through the shipping industry, runs business with one of the world's largest freight carriers, Hanjin.

Established in South Korea,

Hanjin Shipping has served the world with transporting goods from country to country for over 30 years. The company's service to the Port of Portland recently began in 2000, granting more opportunities for Oregon's global and regional trade.

As documented by Trade Administrators of the U.S. Department of Commerce, "Oregon's export shipments of merchandise in 2007 totaled \$16.5 billion." In 2003 10.4 billion was exported, meaning that the revenue increased by nearly 59 percent last year.

The opportunity found within the trade industry simply reassures the fact that there are various methods that assist in keeping

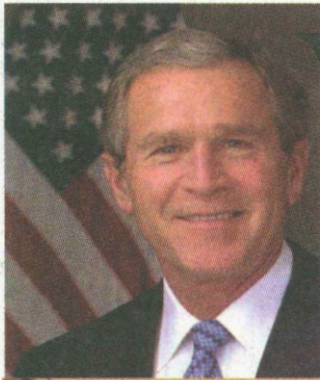
the economy afloat. Shipping companies like Hanjin facilitate the exportation of products made in Oregon to the international market.



# Populism in 2008

## Where Exactly Do Citizens Fit in the U.S. Government?

By Mikel McDaniel



**Y**ou would not be alone if the climate of this year's impending presidential election has you worried. The impetus this time is mostly change — our current president's popularity is so remarkably low that simply not having "Bush" as your last name has become a sincere qualification for candidacy.



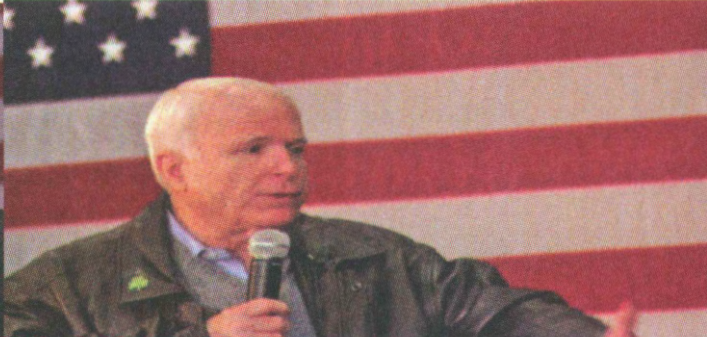
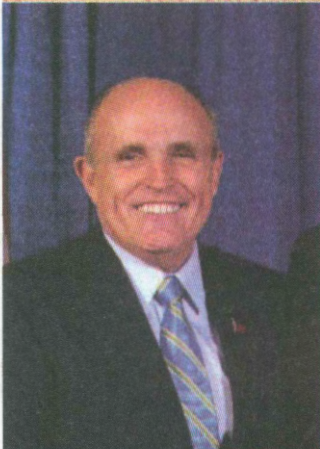
Unfortunately, when we focus too much on what we don't want, our ballots tend to neglect what we actually do want. The cliché of blind populism formerly associated with Democrats is now familiar to politicians of all stripes.

With the threat of populism now so prolific, it may be a good

time to consider what exactly we take to be the role of The People in our government.

Populist sentiments are the sentiments of the people — a populist policy or candidate is one that generally appeals to the public. If something pleases the people, isn't it just good democracy to let it succeed? Not necessarily.

The powers of our government are organized into a republic, the entire point of which is to collect the sovereign powers of the people into an organized body that acts according to checks and balances for the good of the people. Political authority is not divided equally among all individuals and





representatives; rather, specific powers are invested to special individuals through prescribed means.

Senators make the law and serve by election. Supreme Court Justices interpret the law and serve by appointment from the President, who in turn serves by election. The demands of the majority

of citizens are not necessarily authorized by a republic. If the throng of the masses was allowed to determine government process, our society would not be too far removed from a simple anarchy.

Thomas Jefferson put it, “though the will of the majority is in all cases to prevail that will to be

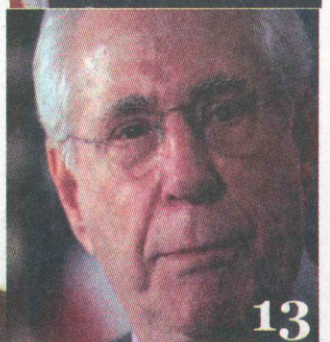
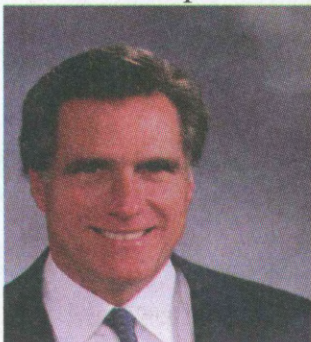
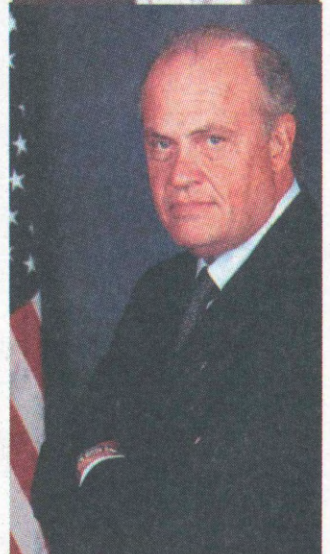
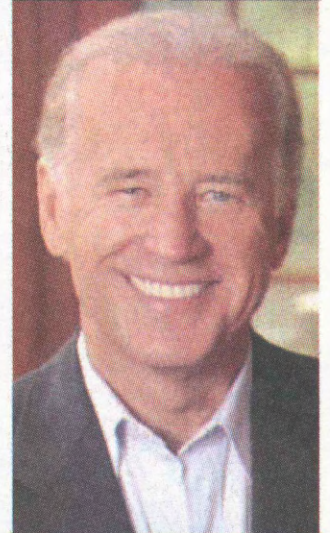
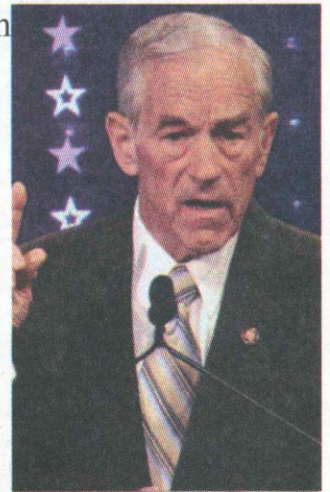
*“The powers of our government are organized into a republic, the entire point of which is to collect the sovereign powers of the people into an organized body that acts according to checks and balances for the good of the people.”*

righteous must be reasonable”.

Not only do the different branches of the government provide checks for each other, they also provide checks against the people of the nation themselves.

Populism can be dangerous

because it undermines the fundamental reasons for which we have an organized government in the first place. The different elements of statecraft, jurisprudence, diplomacy, finance,





and military affairs are all highly specialized avenues, and they require the efforts of sincere experts.

The whims of popular demand tend to display no level of expertise in any field of knowledge whatsoever. It is for this reason that populism is often considered a poor

guide in matters of public policy – any politician who bows to such popular demands negates the very reason for his station's existence.

However, it doesn't take long when treading this line of reasoning to arrive at a system wherein the private citizen has no power over his own government on the grounds that he is not a qualified political expert.

The aim of a good republic is to navigate this narrow channel, neither washing up dry upon the banks of authoritarianism, nor crashing headlong into the rocky

cliff of anarchy. The interest of efficient and effective political process keeps some power out of the hands of the everyday man, while the interest of maintaining a society that is at all morally palatable keeps other powers firmly within his hands.

When you approach the upcoming

election, sincerely examine a candidate's qualifications to represent our country.

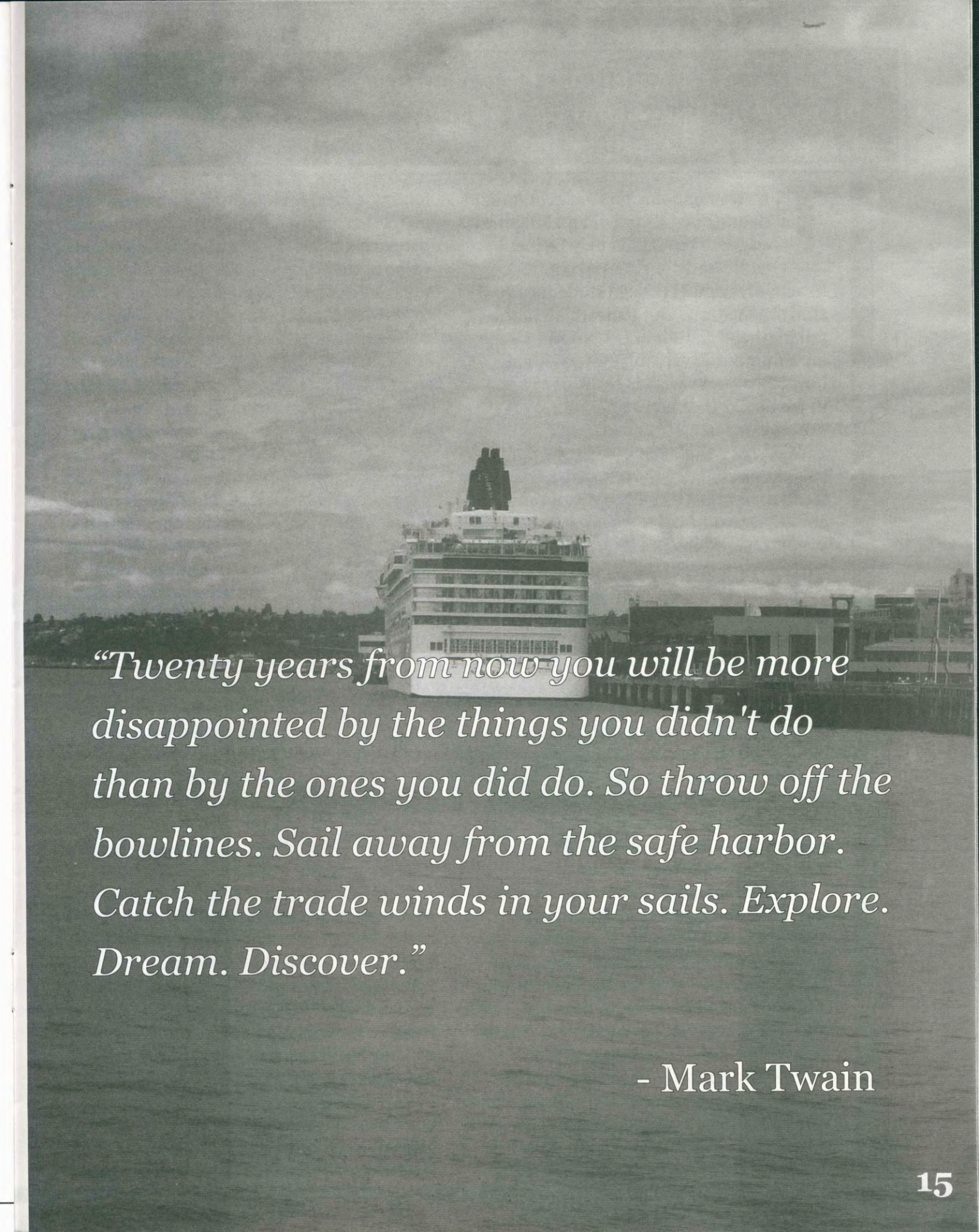
A panhandler on a street corner may agree with you on every political issue from abortion and gay marriages to foreign policies and immigration, but this does not make him a viable candidate for

President of the

United States. Similarly, a wise person will look beyond partisan rhetoric and investigate the actual mettle of every man and woman who asks permission to lead our nation.

“A panhandler on a street corner may agree with you on every political issue from abortion and gay marriages to foreign policies and immigration, but this does not make him a viable candidate for President of the United States.”





*“Twenty years from now you will be more disappointed by the things you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.”*

*- Mark Twain*



# A GLANCE AT THE HOUSING MARKET

## Homes, Mortgages, and the Government's Plan to Rescue Them

By Mikel McDaniel

**T**he tremendous flurry of economic doomsday-talk bristling along the edges of the media may be just sufficiently boring and confusing to actually compel college students to try studying instead. But beneath all of the talking-head chatter and technical jargon lay a number of valuable lessons about how the modern world actually works, in particular the values and nature of Americans.

Most households in the United States spend more money than they earn, a trend maintained largely by loans and credit. One particular type of loan is called a mortgage, which is a loan that uses a borrower's home as collateral (i.e. the borrower's home is forfeit if they fail to repay the loan).

The sizes of such loans are then naturally connected to the value of a prospective borrower's home, with more valuable homes providing larger mortgages. As with all loans, lenders earn profit by charging interest on the loan's repayment. Mortgage interest rates are determined by lenders after evaluating a borrower's reliability – often calculated by considering a person's credit history, income status, and stated intentions for the loan money.

Lenders will often offer what are called sub prime mortgages to homeowners with bad credit histories or otherwise poor indicators of reliability. Sub prime mortgages typically have low introductory interest rates that are set to increase after a stated period of time to rates significantly higher than regular mortgages.

Recently, home prices in the United States have fallen drastically, rattling the entire American economy. A great many sub prime borrowers have seen their interest rates climb beyond their means,

forcing record foreclosures of homes as people are unable to pay their loans. Some people simply choose to stop paying once the value of their home drops below the price of their mortgage, thus making it cheaper just to lose the house than to pay the bills.

The question of what has caused this crisis is messy and there is plenty of blame to go around. One often cited cause is the emergence of the mortgage market.

Previously, a homeowner would go to a bank, the bank would give the homeowner money, and the homeowner would pay back the money with interest. Now, however, financial institutions are creating securities out of their mortgage debt. When they give money to homeowners, banks now sell the debt they incur to private investors on the market, who then earn the interest usually paid to the bank (like a corporate bond, but with a person's home as collateral).

A common response when a new type of security hits the markets is overvaluation. Drove of investors scrambled to get their hands on the newly available mortgage debt, sharply driving up demand. The first problem comes when investors' attraction to the new security compels them to begin spending more money on the securities than they are actually worth.

This inflated demand eventually causes a correction as investors are hit by the realization that they are losing money. The second problem – in this case – was when banks attempted to meet the growing demand for mortgage-backed securities by increasing supply. Lending requirements became lax, it became an easy time in American history to get a mortgage, and people who would previously have never even been considered for a loan were now being handed large sums of money.

This is attributed to the so-called "moral



hazard” of the new mortgage market: lenders feel freer to build up debt to unreliable homeowners because they are just going to sell it to someone else anyway. The risk of the investment can be handed down indefinitely. Naturally, many of these new borrowers have proven unable to repay their loans, and the falling prices of the homes used as collateral is leaving many investors in the red.

Another possible contributor to the crisis is the Federal Reserve. The Fed (as it is commonly called) sets the interest rate for banks in the United States, which is then reflected in the interest rates of loans to individual borrowers. When the Fed eases interest rates, it becomes easier for a person or business to get a loan, and when the Fed tightens interest rates, lenders are forced to follow suit.

Following the dotcom crash of the late 90s, the Fed had interest rates set to historically low levels to help encourage a recovery. Many blame the Fed for not being stricter in this regard, driving up the value of homes and allowing irresponsible borrowers to get away with easy loans.

In an op-ed piece featured in *The Wall Street Journal*, then-Chairman of the Federal Reserve Alan Greenspan addressed this accusation by pointing out that the Fed has since raised interest rates seventeen times before he retired in 2006, but the housing market barely responded at all. This, he indicates, suggests that the housing crisis stretches beyond the Fed, and indeed

beyond the borders of this country.

Greenspan makes the interesting case that the current housing crisis is only a small part of a larger crisis in interest rates that has been brewing since the fall of the Berlin Wall, which exposed the global economy to large numbers of low-cost, educated laborers, trivializing much of the home-grown talent in the labor market and flattening inflation concerns (which is a primary cause of rising interest rates).

*“The question of what has caused this crisis is messy and there is plenty of blame to go around. One often cited cause is the emergence of the mortgage market.”*

With so many families scheduled to be kicked out of their homes and with so many displaced already, the government (both Congress and the White House) has decided to step in. So-called “bailout” plans are working their way through the legislative process. The Bush Administration has claimed that it does not intend to assist borrowers with bad credit histories unable to pay their sub prime loans, but rather wishes to extend the date that interest rates rise on so-called Alt-A mortgages by five years.

Alt-A mortgages are usually given to homeowners with decent credits histories but with some other indication of unusual risk, typically an income status of self-employment. Such borrowers are generally considered reliable, but in this case have been stuck with steeply rising interest rates. Some members of Congress have gone as far as to suggest that the government should simply help families pay their mortgages directly; Senator Hillary Clinton recommended a reserve of \$5 billion be established to help homeowners keep their homes.



The prospect of such government assistance raises significant ethical questions. Many warn that any government interference in market forces will have long-term, disruptive consequences. Free market economies work primarily through their ability to self-correct in response to fluctuations, and government stipulation of economic activity that has historically borne negative effects. This also forces us to consider what we take to be the role of the government in economic matters.

Much of the distress can be attributed to irresponsibility on the part of both lenders and borrowers – so don't they deserve to lose their money? What precedent will be established if the government steps in now? It must be remembered that large welfare safety-nets increase recklessness. In effect, the government purchases risk from financial prospects by spending tax dollars.

On the other hand, is such a simple mistake enough to warrant taking away a family's home? Should our policymakers

emphasize the moral dimension of this crisis, or the economical dimension? Is there any difference between the two? How our country responds to this crisis will help define the character of a new generation of Americans.

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***“Much of the distress can be attributed to irresponsibility on the part of both lenders and borrowers... How our country responds to this crisis will help define the character of a new generation of Americans.”***







“Guilty of not believing in the Gods the City believes in, and of introducing other strange divinities; and he is guilty of corrupting the young.”

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# Hope, Unity and Change ———

## ——— Is this America's Vision of Reality?

by T.M. Lopez

**W**hat would you say Americans value most? Many patriots would attest that freedom is the most valued possession individuals possess. How to secure that freedom is a good question to ask.

If only violence were never an option, how wonderful the world would be. What if international conflicts were resolved through a game of wits between leaders? Try replacing bloody war baths with chess. Why not, right? Or, what if nations, instead of creating battles with millions of soldiers, took their best warrior and had them compete against each other like in the good old days of chivalry and knighthood? Usually, these "what if" questions never result with the answers we desire, but they do provoke us to think about the reality we live in.

Both Senator Barack Obama and Senator John McCain desire the power this country has to offer but what do these candidates offer us in return? In reflection to their campaigns, among their many promises, both candidates offer the American people hope, unity and change. But what do these words truly mean? And, will hope, unity and change bring about solutions to our nation's problems?

Harold D. Lasswell once wrote, *"Instead of recognizing the simple intensity of one's retaliatory destructiveness, one feels that the outside world is more destructive than it is in reality."*

between the seriousness of reality and the hope of an enchanting one. The point is, how destructive is the reality we live in?

John McCain and Barack Obama, two very influential and accomplished political figures highlight one extremity to the other.

John McCain's foreign and domestic policy experiences allow him to communicate with Americans the foreign dangers our country faces. Barack Obama on the other hand paints a hopeful picture of how our country's issues will go away if we all hold hands, unite and talk.

Both hold very different views on what America's reality is but both, instead of recognizing their own "retaliatory destructiveness" lead us down two different roads of what we face in America today.

Painted for us by Obama is a hopeful reality that will be fixed through civil unity and change. Obama undeniably has his strength. Everything about him is different and he inevitably de-attaches himself from the description of a "common person".

It is normal for us to want a leader who is more than common and the fact that he comes from a diverse background, possesses an "uncommon" last name and had exposure to ethnically rich learning environments, are all simple differences that reflect appeal and change.

His appeal is unmistakable to the many that are desperate and hopeful for unity and change, more so from the Democratic stance.

From the conservative stance, we can see a sense of unity with Obama in the sole regard that both have one common enemy: The Clintons.

But, despite Obama's charismatic being and



promises, we are presented to his drawbacks. He is a fancy rhetorician who encourages supporters yet, is he likely to fulfill his promises if he gains presidential power?

His plan to bring our troops back in a 16 month timetable is a hopeful idea but not a realistic one. A similar plan was created in the 60s when America wanted its troops back from Vietnam yet, as we know the results, it took many years for all American soldiers to come back home. To this day there is reasonable amount of American influence in Vietnam.

The idea of bringing American troops back home safely is completely understandable but military withdrawal will not stop the American influence that is already rooted in the Middle East and withdrawal is likely to happen gradually not in 16 spontaneous months.

Obama's ability to appeal is good because he motivates young adults and Americans of diverse backgrounds to partake in voting. He also depicts the formulation of change and the spread of hope if he is to be elected.

In a sense, his fancy rhetoric and optimism can be dangerous because he allows us to imagine a colorful world that leads

us away from a harsh reality. Whether Obama's enchanting world was created through hopeful innocence or lack of experience, we need him to explain in detail what his plans are with foreign policy so that we can determine how realistic his chances are of accomplishing those plans if he were to become president.

In regards to the question of unity, Obama demonstrates strength in acting with civility but he contradicts his words with unity through his unifying actions.

*"John McCain's foreign and domestic policy experience allow him to communicate with Americans the foreign dangers our country faces. Barack Obama on the other hand paints a hopeful picture of how the country's issues will go away if we all hold hands, unite and talk."*

Numerous times he's expressed that "when" he is elected president, "Americans will be able to take our country back".

As an American, this statement is personally offensive. Certainly, there is always room for progress and definite improvement with America, however there is a serious difference when he makes reference that America needs to be "taken back".

It's not like America has been stolen or hijacked; at least not yet, unless if our next elected president feels that the reality of foreign dangers can simply be solved through talking and holding hands.

It doesn't matter how many times Obama makes reference to Ronald Reagan, how can he bring about unity to those who seriously disagree with his ideology on issues such as fighting terrorism, Roe v Wade, or immigration reform?

Obama's vision for America can only



spread hope and unity among those who already agree with him. Change is inevitable but the solutions he offers are not the reality we all expect.

We do want a leader who can unify diverse people and interests but we also want rational solutions to the reality we face. True, not everyone will be satisfied with the decisions made or stances taken, no matter who is elected.

**F**or Americans to embrace John McCain, may take a little work. In fact where do we place John McCain? It's as though he were in Limbo. Many conservatives feel he is too Liberal. Many Liberals are too focused on wanting "change" that they feel having McCain in the white house, would be like having Bush III in office.

Exploring weaknesses and strengths is a commonality among everyone but when a weakness is found in a potential leader, this can go either one of two ways for the candidate; either being praised or socially crucified.

Americans desire a leader who is kind and compassionate but we also desire a leader who is willing to take initiative when necessary. McCain seems to be our man in that aspect and his strength lies with his bountiful

experience in dealing with the harsh realities of our world which he addresses to the public accordingly.

McCain definitely has drawbacks of course. The area of his experience is more concentrated on military strength and foreign policy. This leaves out one of America's most prioritized issues: our diving economy.

Americans desire a leader to be honest and

not pompous or above criticism. McCain has openly admitted to his limited knowledge on issues such as our economy.

"I know a lot less about economics than I do about military and foreign policy issues. I still need to be educated" said McCain in an interview by Stephen Moore of the Wall Street Journal.

His honesty is appreciated but many Americans ask themselves, is it enough for leaders like McCain to solely rely on advisors for issues such as the economy?

Now, McCain has had experience as a politician and congressmen since the early 70s, so is he being modest or is his honesty a strategy for reflecting on his weaknesses so that criticism of his expertise be lightened?

Either way, many Americans have viewed his leadership and potential leadership of the

*"His appeal is unmistakable to the many that are desperate and hopeful for unity and change, more so from the Democratic stance. From the conservative stance, we can see a sense of unity with Obama in the sole regard that both have one common enemy: The Clintons."*



country as innovative, programmatic and bold. As opposed to Obama's vision of hope and unity, McCain's vision is that of hope and security. The most important issue many Americans feel, is the security of America and in that regard, McCain appears as the strongest candidate who would focus on ensuring the security of this nation.

**T**he perceptions of leaders will always have contradictions. A leader may be perceived as too weak or too strong. We sneer at the weak and fear the strong. Those who take the road to the White House will be viewed as either one or the other.

Based on the stance of many issues in comparing Senator Obama to Senator McCain, Obama will be the candidate who envisions hope, unity and change as tools for strengthening his appeal to those who already agree with his ideology. For McCain, these are the tools to ensure the security of the nation.

Fancy rhetoric and generating a reality for America, solely based on hope for a unity that is not possible is not everything that is needed to govern a nation. Yet, it also takes experience in more than one area to govern a nation as well, with the example

of McCain having more experience of foreign policy above economics. After all, leading the United States requires a "creative entrepreneurial master politician" as well, as stated by a politically savvy Writer, Thomas E. Cronin.

Let's *hope* our next President will have what it takes to be compassionate but bold with the courage to take security initiative when needed.

Let's *hope* that what ever unity our next President

brings about, be a unity that creates a safer world rather than a more dangerous one.

Let's *hope* that the change our next President envisions be for the benefit of America rather than for the destruction of America. Keep in mind, one can always do more than simply *hope*.

*"As opposed to Obama's vision of hope and unity, McCain's vision is that of hope and security. The most important issue many American's feel, is the security of America and in that regard, McCain appears as the strongest candidate who would focus on ensuring the security of this nation."*

If you support Senator Obama for the presidency, simply consider this written piece as the expression of views from a voter who sincerely worries about the reality we live in.



## Want to Get Involved?

The Portland spectator is currently looking for staff. We have positions available for writers, editorial staff, and photography work. Benefits related to participation include: academic credit, resume references, and participation free of charge to conservative events. You do not have to be Conservative to get involved. If you have any interest in becoming involved, send us an e-mail at

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