APOLOGIA AND THE 2008 FINANCIAL CRISIS

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Plan II Honors Program
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May 08, 2020

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ABSTRACT

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The 2008 financial crisis was one of global proportions. Its roots were in the United States' financial services industry and eventually spread to countries in the Eurozone. In addition to the material effects it had on families and workers in America, it also caused some to question the integrity and stability of the philosophy that its economy was built upon. The people who were responsible for answering this question, in addition to many others, were government figures such as Timothy Geithner, Ben Bernanke, and Henry Paulson. They had the task of explaining to America why they took the actions they did to address the crisis. This project will analyze whether or not Geithner, Bernanke, and Paulson engaged in apologia, also known as defense rhetoric, in their framing of the crisis.

ACKNOWLEDGEMENTS

Thank you to Trish, who has been such an unbelievable mentor: I really would not have been able to accomplish half the things I've done and been proud of without you. Thank you to Dr. Galbraith, for teaching a wonderful class my junior year that inspired my thesis topic and for being an amazing second reader. Thanks to Mom and Dad and the rest of my family for still making home feel like home even in lockdown. And last but definitely not least, thank you to Lauren, Eric, Jarrett, Druv, Harika, Teja, and Carolyn for keeping me both sane and laughing constantly, and also for reminding me that there's so much I have to be grateful for—even when I complain about writing (through my own fault and volition). Love y'all so, so much. It's been real!

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INTRODUCTION

This project talks about blame. It's something we both avoid and crave, dodging it when it's directed at us, but then aiming it at others when it's convenient—and often doing both simultaneously. We love it because in times of confusion and uncertainty, blame presents a possible explanation and a source of understanding. It's been said before, but people are afraid of the things they don't know, and having something to point to—like blame—can be just as comforting as holding on to hope.

Today

In modern history, economic recessions have been officially elevated to the status of "scary", in large thanks to the events of the 2008 financial crisis that threatened to take down global economies. The word "recession" has recently started to float around again in media circles, starting as early as June of last year, mainly in context of this year's upcoming presidential election. On June 23, 2019, an opinion article in *The Hill* warned: "A recession before the election, the best economic analysts project, is unlikely, though not out of the question. An economic showdown next year, is probable" (Hunt). A couple of months later, on August 15, 2019, *CNN* noted that the yield curve on the 30-Year US Treasury indicated it was probable that "the economy loses some steam," potentially threatening President Trump's reelection chances (Enten). This language was cautioning but hesitant, and while people might have begun mentally preparing themselves for a recession, I don't think it was on anyone's radar that a recession on the scale of 2008 would actually occur—much less triggered one that would be triggered by a pandemic.

But on April 1, 2020, an article by *The New York Times* stated that "[t]he United States, the world's largest economy, is almost certainly in a recession" (Goodman). In that same article, Harvard economist Kenneth S. Rogoff was quoted as saying, "I feel like the 2008 financial crisis was just a dry run for this," adding that, "if this goes on for a long time, it's certainly going to be the mother of all financial crises" (Goodman). Economist Ian Goldin's analysis is that "[w]hile this crisis is different in its origins from the last one, it is following a similar cycle of collapsing consumer and stock market confidence, leading to a spiraling down of demand, growth, employment, and incomes." This is kind of terrifying, and not for want of reason. While the roots of the 2008 financial crisis lay mostly in the actions of private Wall Street and financial industry actors, a domino-effect of repercussions ultimately caused ordinary Americans to bear the brunt of the greatest and most immediate impact.

And one could argue that what made the 2008 financial crisis so bad was precisely its reach and complexity. Also known as "The Great Recession," the crisis "disrupted housing markets, mortgage markets, and finance and credit market generally" (Wilson). Although a combination of factors contributed to its eventual spread, the catalyst was a sudden rise in subprime lending by mortgage companies.

2008

Subprime lending is lending targeted specifically toward people who have weak credit histories, and this phenomenon really took off in the couple of years leading up to 2008 ("Subprime Lending"). Because these loans are, by nature, riskier compared to prime loans, they also typically have higher interest rates ("Subprime Lending"). So, subprime lending was "financed in large degree" by collateralized debt obligations, or CDOs, a type of financial

derivative whose assets act as collateral in case the loan defaults (Tardi). While this might be a workable idea in theory and in some cases of real-life practice, CDOs become especially risky when "[b]oth issuers and bond buyers lacked adequate information about [CDOs'] risk characteristics" in these credit-default swaps, or swaps in which "issuers offered guarantees to persons buying their bonds" (Wilson). And this is exactly what happened once this practice started getting popular and increasingly out of hand.

In the run-up to 2008, these inherent risks to subprime loans were increased when securities agencies like Moody's and Standard & Poor's started to get involved. The agencies would bolster the bonds with high ratings, many of which were unfounded, "usually [giving] the high-priority bonds top investment grades—…without adequate information" (Wilson). This risk and ambiguity kept building debt, which eventually became layered "through several stages of financial intermediation," ultimately damaging the financial integrity of institutions of all sizes—from small grassroots lenders to seemingly-safe government-backed enterprises like Fannie Mae and Freddie Mac, and even to international hedge funds (Wilson). One of the most shocking consequences of this was the collapse of Lehman Brothers—it was the fourth-largest investment bank in the US when it made history by declaring the country's largest-ever bankruptcy, with $639 billion in assets and $619 billion in debt (Lioudis). But an arguable even more shocking statistic was the 225% increase in US foreclosure filings from 2006 to 2008 (Christie). Translated, this meant 861,664 families lost their homes (Christie).

The crisis reached its crux in October 2008, when Congress passed the Emergency Economic Stabilization Act (Wilson). This act most famously included the creation of the Troubled Asset Relief Program, better known as TARP, which approved the use of "as much as $700 billion to buy distressed financial assets and to inject capital into banks" (Wilson). While

$250 billion of that was committed to help stabilize various banking institutions, another $70 billion of it was committed to stabilize American International Group (AIG) alone ("U.S. Department of the Treasury"). Only $46 billion was committed for programs helping hard-hit families and homeowners avoid foreclosure ("U.S. Department of the Treasury").

With numbers like those, it wasn't surprising that TARP faced much initial public backlash. In addition to the fact that it had the real potential to be enormously expensive, many critics were afraid that it would set a precedent for future government bailouts. More importantly, it was possible that banks and various financial institutions would view this as encouraging moral hazard, meaning "a lack of incentive to take care" in engaging in risky action (Varian 724). Ben Bernanke, former Chairman of the U.S. Federal Reserve who himself played a major role in the creation of TARP, even admitted in 2009 that: "Certainly, all the interventions created moral hazard, sending a perverse message that 'too big to fail' financial firms will be rescued no matter how badly they screw up, encouraging Wall Street traders to start gorging on risk again" (qtd. in Grunwald).

In addition to Bernanke, there were two other major figures who were integral in managing the crisis: Henry Paulson, who served as Treasury Secretary under President George W. Bush, and his successor, Timothy Geithner, who served under President Barack Obama. Importantly, this trio share what B.L. Ware and W. A. Linkugel described presidents Nixon, Truman, and Kennedy as also all having shared—the experience of having "stood trial before the bar of public opinion regarding the propriety of some public or private action" (273). Because Bernanke, Paulson, and Geithner were probably some of the most identifiable figures in the handling of the crisis, the rightness of their words and actions were heavily scrutinized by a public that had felt wronged.

For Nixon, Truman, and Kennedy, Ware and Linkugel say that “in each case the accused chose to face his accusers and to speak in defense of himself” (273). What is unique about these defenses is that in these cases, there was “an attack upon a person’s character, upon his worth as a human being” (Ware and Linkugel 274). And this is significant because “[t]he questioning of a man’s *moral nature, motives,* or *reputation* is qualitatively different from the challenging of his policies” (Ware and Linkugel 274). This same sort of questioning seems to be in line with what happened to Bernanke, Paulson, and Geithner both during and post-2008. As will be discussed more in-depth later on, one of the most common criticisms the three all faced was that they deliberately lied to the American public in order to advance their own policy goals. It also seemed to many Americans that, in balancing justice between Wall Street and Main Street, they were tipping the scales in favor of Wall Street and all the vices that it represented.

However, in his memoir *Stress Test*, Timothy Geithner points out that although eventually “the financial system repaid all our assistance” and that American taxpayers even “turned a profit from our crisis response,” “[m]ost Americans still believe we threw away billions or even trillions of their hard-earned dollars to bail out greedy banks” (15). His words makes it sound like the public’s persisting belief that they suffered an injustice doesn’t only not match up with the facts, it actually directly contradicts them. And Geithner seems to feel that the American public is holding him, Bernanke, and Paulson responsible for what seems to be a chain of morally questionable actions and even for the unraveling of the crisis in general. Whether or not this is blame is fair is subjective.

So, what rhetorical strategies contribute to the fact that “most Americans” still believe that, if what Geithner says is true? It seems impossible that in the presence of a set of truths given by one person, the perception of those truths by others appears to blatantly ignore them.

How can there be a set of facts—good things that ended up happening that Geithner says have benefited most Americans—and a story describing effects that don't match up with those facts? And does Geithner—and Greenspan and Bernanke—engage in apologia in order to counter it?

APOLOGIA

At its core, apologia is “a public speech of self-defense” (Ware and Linkugel). However, as proposed in their 1973 essay, Ware and Linkugel say that every instance of apologia is unique, resulting from a specific “[*posture*] of rhetorical self-defense” tailored to the situation the apologia is addressing. Around thirty years later, James Jasinski would expand Ware and Linkugel’s original four postures—those of absolution, explanation, vindication, and justification—to five by adding that of “seeking acquittal”.

Jasinski describes seeking acquittal as “[acknowledging] the charge and [responding] directly to it with a declaration of ‘not guilty’ or ‘I didn’t do it’”—basically, the equivalent of pleading not guilty in trial (20). Conversely, seeking absolution requires admitting guilt and asking for forgiveness—or pleading guilty and hoping that the judge and/or jury goes easy on the defendant (20). The posture of attempting an explanation involves “[offering] an account” of what happened in order to “make the audience members less likely to want to condemn the action based on their new knowledge of the circumstances” (Jasinski 21). Essentially, it gives the defense a chance to explain their side of the story. And seeking vindication is different from the previous postures in that it is an indirect response— not only is the accusation “never directly acknowledged,” but it is not “given any legitimacy by the accused” (Jasinski 21). Jasinski says that vindication is usually carried out through “various strategies of indirection,” such as through ad hoc argumentation. Finally, justification is the last and most ambitious of the five possible postures—it “seeks a major redefinition or transformation of how the entire situation is conceptualized,” so much so that the goal is to “change the act (or acts) in question into something justifiable or even praiseworthy” (Jasinski 21).

In addition to these postures, there are four strategies Ware and Linkugel say are commonly used in apologia: denial, bolstering, differentiation, and transcendence. Denial can be broken down into four subcategories—denial of substance, denial of intent, denial of extent of consequences, and indirect denial (Jasinski 21). Jasinski describes the act of bolstering as an individual "link[ing themselves]…to abstract values…or by associating the person or institution with valued objects" in order to improve their image (21). Differentiation is described as "[seeking] to create necessary distinctions that redefine the questionable act and/or some element of the situational complex," similar to the concept of dissociation (Jasinski 21). Lastly, the strategy of transcendence "tries to effect a significant definition or reinterpretation of the questionable act" (Jasinski 21).

Apologia will often involve the accused taking an overarching posture and supporting it by using one or more of these strategies. And the goal of these rhetors more or less remains the same—they're most often concerned with self-defense or "image repair" (Jasinski 21). Since Bernanke, Geithner, and Paulson acted as the public faces of the management of the crisis that upended so many Americans' lives, it seems plausible that they, too, may have engaged in apologia to mitigate the damage and save their self-image.

If they did, it might provide an explanation for this pervasive apparent cognitive dissonance. If they didn't, then there's something else at play. Either way, exploring this possibility will allow us to get that much closer to understanding how public crises are understood, managed, and mitigated.

WHO WE'RE LOOKING AT

I chose to focus specifically on Timothy Geithner, Ben Bernanke, and Henry Paulson because they were who most Americans—and op-ed authors—seemed to direct their anger toward. Essentially, they were face of the government that bailed out Wall Street by sacrificing Main Street. And each one of them apparently came to realize this, subsequently writing memoirs to offer their personal accounts of what happened.

I had originally wanted to approach this from an economics angle by asking the question, "Why didn't anyone predict this?" But I realized that the answer to that question was going to involve some, "Some people did," some, "That's just the way economics is," and most importantly, a lot of "We don't know." Taking that route would have involved a lot of looking at apologia for economics as an academic discipline—but arguing for or against economics' validity and accuracy isn't really that helpful.

And since it seems like pure facts can't explain everything in this particular case, approaching the issue from a human-centric dimension felt a bit more appropriate. Too often, public discourse ends up involving "He said, she said"- type exchanges, which is what seems like is happening here and confounding the issue at hand. So, taking varying personal accounts of a single event and analyzing how those individuals have chosen to frame their stories may inform a more concrete understanding of the situation. At the very least, it may lead us to a point where we can discuss what they emphasized as being important and see where the disconnect in their understanding and the public's was.

CRITICISM

Filtering out specific and substantial criticisms from the general expressions of anger and anxiety that a majority of Americans felt in the years surrounding 2008 is not easy. As almost everyone has experienced at some point in their lives, strong emotions can cloud both reason and language, making it all the more difficult to identify the problem that's causing it.

In this instance, most of the anger directed at Geithner, Bernanke, and Paulson involved their handling of the crisis itself, and not so much their failure in preventing it from happening in the first place (e.g., fixing the actions of the mortgage and lending companies). TARP and the government bailouts of large financial institutions and corporations, specifically, were some of the public's most cited complaints. This project will look at specific and targeted criticisms of Geithner, Bernanke, and Paulson, such as their involvement in enactment of TARP and advocacy both for and against certain bailouts.

In addition, one of the more common criticisms brought attention to the fact that the handling of the crisis was political when the matter itself was not. Laurence Ball, an economics professor at Johns Hopkins University, stated that "everybody" thought this was the case, from "Elizabeth Warren…[and] Bernie Sanders saying this is a giveaway to the rich," to "conservatives saying this is socialism taking over the banks" (qtd. in Robb). This seems like a pretty clear-cut case where many different groups of people can agree that something was bad. But it also seems possible that this was a case where the realities of the situation just didn't allow for the ideal to occur—being able to feasibly fix the problem without getting politics involved. Either way, Ball says what he, "in [his] opinion, [establishes] with absolute certainty…is that the explanation about legal authority and collateral was simply not correct," but more importantly, that "the fact that those three impressive people say it again and again, very strongly, does not

make it true" (qtd. in Robb). This brings up another point of contention—the fact that the account given by these three figures may very well simply just not be true, no matter how much they may will it to be. This is an especially relevant caution to take given the fact that we have three instances of what may very well be similar accounts. While repetition can be a very powerful tool, accountability is still held by the truth.

Ultimately, these common critiques will be important to understanding the dynamics of the situation as a whole.

Geithner

There definitely seems to be less dissatisfaction with Timothy Geithner than with Ben Bernanke and Henry Paulson, but he's not blameless by any means. Sorkin says that the question of "[Why] would you give a dollar to a bank when you can give it to an American?" still "lingers…in the minds of many Americans who feel that the inequality they hear so much about (and experience firsthand) [as] a direct result of Geithner's actions" ("What Timothy Geithner Really Thinks"). Additionally, Sorkin calls Geithner both "a Wall Street puppet and a servant of the so-called banksters," an opinion he says many Americans share ("What Timothy Geithner Really Thinks"). But Sorkin says the "main challenge" that Geithner faces in getting people to believe his account is the fact that "to believe that the bailout truly worked, you have to believe that the other side of the cliff would have been worse," making his argument "something of a counterfactual one, a hypothesis that will always be open to interpretation" ("What Timothy Geithner Really Thinks").[1]

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[1] While I personally tried my best to give all of these arguments a fair assessment, I couldn't help but think this as well.

According to Sorkin, Geithner's "fundamental problem" is that "[even] those who concede TARP's success can find fault with it" ("What Timothy Geithner Really Thinks"). He points to Dean Baker, an economist and co-founder of the Center for Economic and Policy Research, who says: "It's impossible to know whether the economy would have bounced back more quickly and we would be closer to full employment now without the bailouts, since none of us know what other policies would have been pursued," but "we do know that we would have been freed of the albatross of a horribly bloated financial sector that sucks the life out of the economy and redistributes income upward to the very rich" ("What Timothy Geithner Really Thinks"). And Baker says, "For that fact, Timothy Geithner bears considerable responsibility" ("What Timothy Geithner Really Thinks"). So, if there are any faults with Geithner, at the very least they include his having guaranteed the continuation of a failing system.

Bernanke

Ben Bernanke generally faced much harsher criticism than did Geithner. In an article titled "Tough Criticism for Bernanke," Douglas Elliott, an Economic studies fellow at Brookings, gives Bernanke a B+ for his first term as Fed Chairman (qtd. in O'Hara). He explains that the B+ must be explained through two grades, "a rather low one for the bubble period and an 'A' since about September of [2008]" (qtd. in O'Hara). But to be fair, Elliott also says that "[very] few chairmen could have performed as well in responding to the full blown crisis" (qtd. in O'Hara).

Bernanke gets a B- and A- from professor Catherine Mann of Brandeis University and Diane Swonk, the chief economist of Mesirow Financial, respectively. Swonk explains her grade by saying that Bernanke "was slow to acknowledge the depth of the crisis, but once he

understood the degree of the losses we were risking, he acted aggressively and decisively to right the situation," and that the Fed "helped to measurably stem the extent of those losses" (qtd. in O'Hara). Last but not least, our very own Professor James Galbraith gives Bernanke an "'F' for foresight, an 'A' for effort, a 'D' on financial reform. Overall, you might stretch that to a 'C'" (O'Hara). "But in graduate school," Galbraith reminds us, "'C' is not a passing grade" (qtd. in O'Hara).

Unlike Geithner's critics, Bernanke's critics have also questioned his foresight and action—or lack of. Bernanke is an economist and an academic, and so duly faces a bit more pressure and scrutiny. Specifically, economists have pointed out how Bernanke had been dismissive of Hyman Minsky's theory that "stability itself eventually becomes destabilizing" (qtd. in Norris). Bernanke had, in his book "Essays on the Great Depression," said that Minsky had "'argued for the inherent stability of the financial system but in doing so have had to depart from the assumption of rational economic behavior," adding that he "[does] not deny the possible importance of irrationality in economic life; however it seems that the best research strategy is to push the rationality postulate as far as it will go" (qtd. in Norris).

Bernanke is also commonly chastised for remarks he made in March 2007, saying that "the impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained" ("The Economic Outlook"). This comment did not age well, as the financial crisis was triggered by a housing market crash, as Bernanke himself later acknowledges. So, Neil Irwin writes in the *Washington Post* that, "The question in assessing Bernanke…is what he could have and should have done differently in 2006 and 2007 that could have reduced the severity of the crisis, or even prevented it altogether."

The fact that Bernanke is placed under a little more scrutiny is expected—he's an established academic with what should be a thorough understanding of how markets and the economy work. As a governor of the Federal Market Open Committee, he has also had more concrete experience working with government and policy. He's held to a higher standard, and the complaints against him seem to accurately reflect that.

Paulson

Henry Paulson actually directly addresses much of his own criticism in his memoir, but he does leave some charges unacknowledged that are worthy of mention. Similar to Geithner, Paulson lacks the sort of formal training in economics that Bernanke does, but he is the only one out of the three with the closest ties to Wall Street, as the ex-CEO of Goldman Sachs. And very understandably, many people were both unhappy and suspicious of the fact that "$12.9 million of the bailout money went to Goldman" (Gordon).

Additionally, one of the most-repeated phrases among his critics is Paulson's purported inaction. Christopher Whalen, managing director of Institutional Risk Analytics, says that Paulson "is condemned first and foremost for lack of leadership and a lack of honesty," contending that "he can't say it's not his job…As a Cabinet official and as a fiscal officer of the United States, he has a keen interest in systemic risk" (qtd. in Gordon).

Time magazine says that the "three main gripes" against Paulson include his arriving "late to the party in battling the financial crisis, letting Lehman Brothers fail…and [pushing] the big bailout bill…through Congress [that] has been a big wasteful mess" ("25 People to Blame for the Financial Crisis"). A *New York Times* article says that some bankers who were involved in the Lehman deal said "they [did] not recall Mr. Paulson talking about Lehman's impaired

collateral" and that Lehman's failure was "emblematic of the miscalculations by the government in reacting to the crisis" (Nocera and Andrews). Additionally, both him and Bernanke came under fire for "squandering precious time and political capital" with their $700 billion bailout plan to buy bad mortgage-backed securities from various banks (Nocera and Andrews). It seems like waste—of both time and money—is the theme here.

All three

As a group, the trio faced especially harsh criticism, and one of the most extreme examples come from Matt Taibbi of *The Rolling Stone*. In an especially scathing article, Taibbi outlines five charges directed at all three men: Lying to pass the bailout, lying about lending, lying about the health of the banks, lying about the bonuses, and lying about the bailout being temporary.

Taibbi says that we, the taxpayers, were told that the bailout "[prevented] another Great Depression…[that] the money has all been paid back, and [that] the government even made a profit". But, he says, in actuality these "bailout deceptions" were some of the "biggest and most elaborate falsehoods ever sold to the American people". Rather than simply having the taxpayer "[step] in temporarily…to prop up the economy and save the world from financial catastrophe," what actually happened was "committing American taxpayers to permanent, blind support of an ungovernable, unregulatable, hyperconcentrated new financial system that exacerbates the greed and inequality that caused the crash, and forces Wall Street banks like Goldman Sachs and Citigroup to increase risk rather than reduce it" (Taibbi). Taibbi presents an account—his account—of what happened, which stands in stark contrast to what he says was the story fed to the public by Geither, Bernanke, and Paulson.

Geithner, Bernanke and Paulson have also been accused of making an exception of moral hazard for Lehman Brothers. In an article in the *New York Times,* Andrew Ross Sorkin writes, "Some have speculated that Geithner, Paulson and Bernanke let the bank fail in order to send a political message about their vigilance" ("Where Was Geithner in Turmoil?"). This "180 degree turn in a day-and-a-half" of not bailing out Lehman Brothers and letting it fail but then bailing out AIG soon after, is described by many as being a "bad mistake," and made even worse because it is "one that [Geithner, Bernanke, and Paulson] have not owned up to" (qtd. in Robb). This inconsistency in action adds even more to the confusion.

But what Ball says is a main takeaway from the crisis is that "you've got to be really careful listening to government officials," and that even though "Paulson, Bernanke and Geithner are correctly viewed as the class of government officials as far as very intelligent, competent, dedicated public servants," "the story they're telling is just not accurate" (qtd. in Robb). He says, "what irks me is that they have not owned up at all to any kind of mistake and they've invented this alternative history of what happened on the Lehman weekend that just isn't accurate" (qtd. in Robb). It just seems like the main problem here is that the story Paulson, Bernanke, and Geithner give aren't satisfactory, and that there's something still missing, and looking closer might help us find what that is.

TIMOTHY GEITHNER – "STRESS TEST"

Geithner served as the president of the Federal Reserve Bank of New York beginning in 2003, and would hold that post all throughout the unfolding, culmination, and aftermath of the 2008 financial crisis. Some may say that because of this, his role at the New York Fed was even more important than his time at the White House, and it's clear that his time actions at the New York Fed were important talking points in his nomination and confirmation as Treasury Secretary.

In a 2008 blog post in response to his nomination for Treasury secretary by President Barack Obama, the *Wall Street Journal* described Geithner as being "relatively young, largely unknown and a proud workaholic" (WSJ). Yet despite this, the WSJ said that because Geithner "had a seat at the table since the credit crisis erupted…he'll be criticized for having a major role in a government response that hasn't always instilled confidence in financial markets—even if it prevented a wider financial meltdown."

Andrew Sorkin of the *New York Times* seemed to feel similarly. In his take on the nomination in an article titled, "Where Was Geithner in Turmoil?", he says "Mr. Geithner's involvement in several ultimately ill-fated efforts to buttress the American financial system is the very same reason some Wall Street C.E.O.'s…question whether he's up to the challenge" that comes with being Treasury Secretary. Sorkin quotes a Wall Street executive who said, "He was in the room at every turn of the crisis," and that, "You can look at that both ways." But perhaps most scathing was Sorkin's short, sharp claim that "Mr. Geithner is clearly a 47-year-old wonder boy." Enter "Stress Test," published in 2014—Geithner's response and a personal account of the crisis and what he calls "a history from one policymaker's perspective" of someone who "had more of an accidental path to history" (Geithner 20, 21).

Denial

At first glance, Geithner seems that he might read like an open book, freely admitting mistakes and saying things that sound surprisingly self-aware. He shamelessly acknowledges the fact that the reasons "[c]onventional wisdom still holds that we abandoned Main Street to protect Wall Street—except on Wall Street, where conventional wisdom holds that President Obama is a radical socialist consumed with hatred for moneymakers," were "partly my fault, failures of communication and persuasion" (Geithner 17, 18). But behind this display of acknowledgment, there isn't much true substance. Geithner doesn't really give weight to these two competing complaints—instead, he suggests that the only mistake at hand was the government's failure to communicate its message in a way that made sense to both Main Street and Wall Street, and not that his actions were actually wrong.

A similar sort of deflection occurs when he talks about the moment Lehman filed for bankruptcy. Geithner says he felt "defeated," and that they had "tried to do what we could with the powers we had, improvising strategies on the fly, but the fire was burning out of control" (189). While they had "stretched the limits of the Fed's authority in all kinds of ways," "those limits were real," and the Fed "couldn't carry the burden of averting disaster on its own" (Geithner 189). He says they "needed the full resources of the U.S. government to be deployed," and so "the political system would have to help rescue the financial system" (p. 189). He asserts that they "hadn't done it on purpose"— "it" being to let Lehman fail— but that "after all the no-bailouts rhetoric, the world naturally assumed we had consciously decided to teach Wall Street a lesson" (190). He says that although "[m]uch of the media reaction actually suggested Lehman's failure was a good thing," him and the others "hadn't chosen to draw a line," that instead, they had been "powerless, not fearless" (190).

By deflecting like this, Geithner effectively implies that whatever consequences arose from his actions were not intentional, and any failure to avoid disaster was not on him, but rather a result of his limited authority. And this rejection of the idea that they made any sort of conscious decision makes it seem like Geithner is participating in denial of intent—where an individual says they "did not mean to do it" or that they "did not plan for these consequences to occur" (Jasinski 21). The effect of doing so here is that it limits the scope of power Geithner and his associates had in managing the situation.

Transcendence

Taking this idea of limitation in context of the disclaimer Geithner opens with can give us a fuller picture of the story he is giving. In the beginning of his book, he dispels any notion that this is an "if-only-they-had-listened-to-me memoir," saying that although "[n]ot every choice was right…[w]e almost always did what I thought was right and necessary, within the very real limits of our authority at the time" (18, 19). And this idea of limitation is something that Geithner firmly grasps on to. Very early on in the book, he makes clear that the reader knows his authority at the New York Fed was limited in the scope of managing the crisis. He says that his "power to constrain risk in the financial system did not extend to the entire financial system," and that in fact, his authority was "disturbingly limited" (81). He paints himself as being in an inherently disadvantaged position, saying the New York Fed's efforts "weren't much of a countervailing force against the vast sums of money looking for opportunity in an expanding global economy" (100).

But Geithner also admits that "[n]one of [these efforts] were enough," because "[i]n the end, we still ended up with a raging inferno" (115). He concedes that they "certainly could have

been more prescient, more forceful, more imaginative," but says that they "were human" (115). Moreover, their "limited authority left [them] with limited options" (Geithner 115). So, even though he says he "supported almost every choice at the time," the possibilities of what those choices could have been were restricted, and this completely changes the implication of what he's saying. If what the choices could have been weren't that great in the first place, then his statement doesn't end up meaning much. It seems like Geithner wants praise without the risk that comes with taking actions worthy of praise.

In presenting a David and Goliath sort of contrast, Geithner attempts to redefine the narrative. The prevailing belief is that the government did have a strong arm of power, so lack of power wasn't a problem; rather, it was how they decided to employ that power that was questionable. Geithner's description almost reverses that. He insists that in reality, his scope of power was narrow, especially when taken in context of the global economy. Geithner and his team are the little guy in this version of the story, almost an underdog, and that seems to put them on the same side as the normal American citizen.

But sometimes he says some things that make it hard to believe he can empathize. Very early on, he says, "Pointing out that the downturn could have been much worse won't help pay [Americans'] rent or feed their kids. But it's true" (16). I want to say that he wants to sound like he's coming across like he's being refreshingly honest, but it just sounds a bit insensitive. It's also a non-falsifiable statement—no one can actually prove that it could or would have been worse—but it plays into his message that his job was merely one of containment and mitigation, and not of magically solving the country of its economic problems.

One of the biggest problems was the severe lack of regulation in the financial system. Geithner describes the regulatory system as being "balkanized…riddled with gaps and turf

battles," "full of real and perceived sources of capture" with "nobody accountable for the stability of the entire system" (96). This, he says, was "the real danger" (104). And the problems were so bad largely because they were structural. Geithner likens it to the "Wild West," saying that even with reforms in place, "[t]he Wild West with better plumbing was still the Wild West" (104). Regarding Wall Street, Geithner simply quotes President George W. Bush, who said it had "gotten drunk" (106).

Directing attention toward these systemic issues supports the idea that Geithner couldn't humanly have fixed all of these things on his own. He was aware of this expectation too, saying that it was "a horrible feeling" to know that "[t]he world was looking to us," but also knowing that "the Fed alone didn't have the authority to prevent disaster" (200). So instead, he says he "tried not to be paralyzed by it or sit around whining about [their] limited options," that he "tried to be disciplined about focusing on the problems in front of [them], thinking about ways [they] could help make things better, trying to anticipate where the fire would spread next" (200).

Lastly, Geithner drives home the fact that he had no true legal authority to enact any sort of revolutionary change—an issue in which he addresses his critics directly. He says:

> Some critics have argued that in a truly existential crisis, central bankers have responsibilities that transcend the law. They say we should have done whatever had to be done to avoid a chaotic collapse of Lehman and worried about the consequences later…But we were not going to grant ourselves extralegal power (207-208).

Similar to before, Geithner draws a line at where his power ends, this time just a bit more explicit. But he also does something much different here, which is rejecting the idea that this was a truly unique situation in which the rule of law did not matter. The crisis was bad, but it didn't warrant that level of command.

In the case of the looming recession at the time, Geithner says that the financial system was the "conduit between the Fed and the economy" and the fact that it was broken made this

specific recession unlike any other (277). “In a normal recession,” Geithner says, “loosening monetary policy to lower the cost of borrowing is a relatively quick and effective way to boost the economy,” but doing that wasn’t possible here (277). He emphasizes the unique and unprecedented nature of this crisis, and his description of all of these the complexities does seem like an attempt to redefine the situation. Geithner asks, “[the] Fed, the Treasury, and the FDIC had done a lot to stabilize the financial system…So why was the financial system still falling apart?” (276). He says that the “most obvious catalyst was the collapse of the broader economy,” that this “vicious cycle of financial and economic contraction was gaining momentum, and no one was sure how it would end,” and that “[fear] of a depression was making a depression more likely” (277). The picture he paints makes the problem seem hopelessly enormous and makes overcoming it look all the more spectacular.

Differentiation

If Geithner is David, finance is Goliath. But the distinction isn’t always made clear, especially in the beginning of his book. Geithner says that he “did not view Wall Street as a cabal of idiots or crooks,” and he acknowledges his reputation of being known as a “Wall Street ally” (85). However, he also admits that “selection bias probably gave [him] an impression that the U.S. financial sector was more capable and ethical than it really was” (85). Geithner also describes the financial sector as being “an inherently risky business” and “a collection of profit-maximizing individuals with profit-maximizing shareholders,” so he says he was “rarely shocked by reports of rapacious behavior” because he “took it as a given” (90). His descriptions are a bit disorienting—he’s criticizing finance one moment, and the next he’s saying that he’s okay with it.

Although his relationship with Wall Street was nuanced and complicated, Geithner's role in managing this crisis is still that of a public servant. Wall Street, on the other hand, represents private interests, and so this is one line Geithner insists on making clear that he has never crossed. And the longer the crisis goes on, the more forceful he becomes in establishing this fact. Later in his book, he an exchange during a Congressional oversight panel with Damon Silvers— an attorney for the AFL-CIO— in which Silvers mistakenly claims Geithner used to work in banking:

> 'I've never actually been in banking,' I interrupted. 'Well, a long time ago,' he said. 'Actually, never,' I replied. 'Investment banking,' Silvers retorted. 'Never investment banking,' I said. 'I've spent my entire life in public service at the Treasury and the Federal Reserve' (336).

This exchange stands in great contrast to his earlier approaches toward the subject. It seems in this instance that Geithner wants to clearly align himself with Main Street and separate himself from Wall Street. His awareness of the danger this possible association presents becomes even more apparent when he talks about AIG, saying that the bonuses paid to AIG executives "quickly became shorthand for government coddling of Wall Street," and he was "perceived as the coddler-in-chief" (328). It makes sense that he would want to dispel any notion that he was condoning this behavior, and distance himself from it.

The issue is that Main Street and Wall Street are, traditionally, paired terms. As defined by Perelman and Olbrechts-Tyteca, paired terms are philosophical binaries that stand in opposition to one another. At the risk of oversimplifying, Wall Street represents the interests of the elite, and Main Street stands for the vast majority of American citizens that the former excludes. What Geithner seems to be doing here is trying to take a stance that appears like he's siding with Main Street through dissociating himself from Wall Street. But the assumption that

dissociating from Wall Street automatically associates one with Main Street is faulty—there's no transitive property that exists to ensure that realignment happens.

But doing so might also be a bit of a double-edged sword. By attempting to remove himself completely from Wall Street, it might come across that Geithner is also against the foundational economic system that holds it up—capitalism. This fear is evident in the various statements Geithner makes about nationalization. He refers to rumors beginning to circulate that the task force "intended to nationalize [Citigroup]" were indeed "shaking confidence in the entire banking system, because nationalization would mean steep losses for investors" (314). In response to those rumors, he says they "tried to push back against the idea that preemptive nationalization was an appealing option" (324). Yet this resistance created a new dilemma—that "[a]s vital as it was to show we weren't looking to nationalize systemic firms, it was even more vital to show we wouldn't let them fail" (Geithner 315). So, in addition to dissociating himself from Wall Street, Geithner was in a position where it seemed necessary to also dissociate himself from the polar opposite of it. And it places him somewhere in the vague middle.

Bolstering

That middle ground isn't well-defined at all, which makes it hard for the reader to easily see where Geithner truly stands. But he makes some statements that give hints as to where he seems to want to be.

Geithner spends a bit of time talking about TALF, a relatively little-known program that didn't receive as much airtime as TARP did, even though it was "remarkably effective" program, "reviving stalled credit markets that were vital to the American Dream" (280). This "American Dream" is similar to capitalism in the fact that it has always been a quintessential and defining

part of working America. More importantly, it has long been historically manifested through the achievement of homeownership. And this crisis, which had its roots in faults in mortgage lending, strikes at the very heart of this idea. It's almost an existential threat.

In addition to his support of the American Dream, Geithner repeats that he prioritizes justice. He says that "end[ing] the crisis, repair[ing] the damage it had inflicted, and reviv[ing] the economy…was our most important obligation, as well as the best path to a measure of justice for victims of the crisis" (291). Justice, in this context, acts almost like a God term, or a word that represents an "ultimate value" in a symbol system (Henderson 23). Essentially, these words imply some sort of absolute or inherent goodness. By injecting them into statements, there is usually a sense of immediate association with virtue, and it seems like that is what Geithner is doing here. He's arguing that no matter what actions he did take, nor their consequences, his pursuit of justice makes it okay. It's almost like a reverse-Machiavellian mindset where the means justifies the ends. Bolstering, or associating himself with these values, signals that Geithner is a good person, even if his actions may seem questionable.

In the very beginning of his book, Geithner says one of the issues he most struggled with during the crisis was having to "project an air of confidence" that he didn't feel (11). Yet early on in the first chapter, Geithner reminds the reader that currently, "the financial system is alive and flourishing again," adding, "[t]hat's partly because of the strategy I helped design and execute, which is why I'm often described as a 'Wall Street ally'" (16). There's a bit of a disconnect first in what he says he felt and then in how he describes it. The lack of confidence he says he had in 2008 doesn't seem to match up with the confident language he uses describing that "strategy…[he himself] design[ed] and execut[ed]." Second, that statement does at least four things: 1. He sets forth what seems like an indisputable fact (that the economy is not only back,

but strong), 2. He claims credit for making it happen, 3. He acknowledges the public's perception that he's a "Wall Street ally," and 4. He's not mad about it. And he states this so confidently, even proudly, that it almost seems like he's doubling down on this identity that he's claimed of being a successful problem-solver. This is why his preface of having a lack of confidence is so confusing; if anything, it would seem to undermine the power of his later statement. But most importantly, it also links him with achieving improbable success—an accomplishment that anyone would want to be associated with.

BEN BERNANKE – "THE COURAGE TO ACT"

Ben Bernanke has had a long history with the Federal Reserve, first serving on the Board of Governors from 2002 to 2005, and then becoming Chair in 2006. He would serve in that position for two terms, under both President George W. Bush and President Barack Obama, until leaving in 2014 and joining the Brookings Institution as a Distinguished Fellow.

In 2008, a *Time* magazine article described Alan Greenspan's successor as having a "duller, more predictable tenure" whose "efforts have been a success—sort of" (Fox). But other people scrutinized Bernanke's actions a bit more heavily, even going so far as to create cartoon videos criticizing the Fed's bond-buying program of quantitative easing, using terms like "The Bernank" that would become part of the "economic zeitgeist" (Malekan). However, Bernanke seems to have been able to achieve some sort of redemption for himself. That very same cartoon-creator would, in 2018, admit that Bernanke was right in pursuing quantitative easing, and that he himself was "mostly wrong" (Malekan).

The article says that Bernanke's decisions at the time ended up being right, but this revelation came an entire decade later. Bernanke's memoir, published in 2015, came a couple years before some of his critics conceded. And taking a deeper look into it might reveal more reasons why.

Differentiation

It doesn't take long to realize that Bernanke is much more straightforward than Geithner. Right off the bat, he tells the reader that, "My academic career began auspiciously…I remember seeing a book on my parents' shelves, with a title something like *Your Gifted Child*. I knew perfectly well what it was about". Bernanke's academic career would continue with him teaching

at some of the nation's most prestigious universities—including the Stanford Graduate School of Business and New York University—before becoming a tenured professor at Princeton and eventually becoming chair of the Department of Economics there. Bernanke's pedigree is definitely impressive, and his background as an academic was probably one of the most distinctive aspects of his involvement as chairman of the Fed.

Initially, this meant that there was a significant learning curve in his transition from academia to public service; one that involved communication mishaps. Bernanke mentions a speech on deflation he gave early in his new position as chairman that "saddled [him] with the nickname 'Helicopter Ben'" (64). He says, "As it turns out, many Wall Street bond traders had apparently not delved deeply into Milton's oeuvre," and so "[t]hey didn't see my remarks as a hypothetical discussion by a professor," rather, "they took it as a policymaker's signal that he was willing to push inflation too high, which would devalue their bonds" (64).

Bernanke's experience in academia did provide him experience and a mindset that was different from other members of the Federal Open Market Committee. Bernanke says he believed that "[p]olicymaking is more likely to be consistent and communication effective when both are underpinned by a coherent intellectual framework," and this self-proclaimed ideology is something that he will continue to advocate for throughout his memoir (38). However, Bernanke's academic tendencies weren't always necessarily a positive. He says that his predecessor, Alan Greenspan, harbored some doubts about him— that "[a]lthough [they] got along fine," Bernanke suspected Greenspan "saw [him] as too academic, and consequently naïve about the practical complexities of central banking," an opinion Bernanke acknowledges "was not without merit," as "doubtless in FOMC meetings and speeches [he] harped on the need for policy transparency too much for his taste" (68).

These statements all paint a picture of Bernanke being almost like an outsider, vaguely reminiscent of the way Geithner said he never really felt natural as a public speaker. However, it also seems like Bernanke really wants this to be a memorable part of his legacy—that he was truly different from past chairmen. And not only did his background provide a unique perspective, but new and different values. Bernanke says that, "[a]s an academic, I had always valued frank discussion, which allowed new ideas to surface and be thoroughly vetted," and "[f]or that reason I tried to encourage more spontaneous exchanges among Committee members, who had become accustomed to reading prepared statements" (123).

In line with this push for frank discussion was also a greater push for transparency. Bernanke says himself that he had "come to the Fed as an advocate of transparency, mostly because [he] thought it would make monetary policy more effective if the markets and the public understood [their] thinking" (416). Just as importantly, he says "transparency about the Fed and [its] policies also was essential for the greater battle of winning the public's trust" (416). This included taking what he called "the unprecedented step, of a Fed chairman, of beginning a series of regularly scheduled press conferences" (497). The purpose of these press conferences was to "send a subliminal message," with "the feel of an economic seminar rather than a news conference in a more political venue" (Bernanke 497). And later on, "[t]o get our story out and explain what we were doing and why," he says he "continued to engage as much as possible with audience outside of Washington and Wall Street in venues rarely used by previous Fed chairmen" (523).

This whole financial crisis was unprecedented by anything else in recent history, and Bernanke looks like he wants to make sure he stands out, too. It appears he is trying to create an image of being deliberately untraditional for a Fed chairman, because unprecedented times call

for unprecedented measures. And it's an effort that doesn't go unnoticed, and more importantly, it dissociates him from some ideas that people might associate with traditional bureaucracy. By emphasizing his academic background, he gets rid of any notion that he's a career politician-turned-policymaker. By reiterating his initiatives of implementing measures for greater transparency, he's dismissing possible suspicion of anything that might even resemble shady closed-door meetings.

And just like Geithner, Bernanke also takes care to state that he has no business with Wall Street at all. He recounts a conversation with Scott Pelley of *60 Minutes*, in which he tells Pelley: "'You know I come from Main Street. That's my background,'… 'And I've never been on Wall Street. I care about Wall Street for one reason and one reason only—because what happens on Wall Street matters to Main Street'" (415). He adds, "I explained that if we failed to stabilize financial markets and restart the flow of credit, someone like my father, who once borrowed to build a new and larger store a block away from the original one, would be out of luck" (416).

However, the fact that Bernanke is not, in any shape or form, a politician, is probably the important distinction. He says that when he became chairman, he "resolved to be nonpartisan" (433). And he talks about politicians in the third person, saying, "[p]oliticians, as usual, tried to have it both ways," while referring to himself "as [a] politically independent central [banker]" (293, 191). He also had to defend himself before Congress, "testify[ing] many times before angry legislators trying to explain why we had to do what we did," but acknowledging that "Congress, of course, was only reflecting American public opinion" (286). During one of these hearings, he mentions something that he "had never done before and would never do again"— he says, "Under the camera lights and the stern glare of committee members…I spoke

extemporaneously from rough notes I had jotted down just that morning rather than from a prepared text…The economics professor in me took over" (314). Using this example to draw attention not only back to his identity as an academic, but to his discomfort at being in that environment really solidifies this distinction.

And Bernanke's experience dealing with politicians ended up having lasting effects. At the time of writing, he says: "My experiences in Washington turned me off from political parties pretty much completely. I view myself now as a moderate independent, and I think that's where I'll stay" (433).

Bolstering

Bernanke gets pretty fed up with the criticism at one point, saying: "At this point in my tenure, I didn't care about the commentary, or about bond traders' anger at being wrong-footed. I just wanted to do the right thing" (557). Later, he grows a little more impatient, saying: "When the criticism devolves into name-calling or screaming, I pass" (146). This might not be virtue-signaling exactly, but it's pretty reminiscent of it. While he attempts to dissociate himself from certain negative perceptions, Bernanke also makes an effort to associate himself with honest ideals.

He has already said that he was a proponent for greater transparency and opposed the "anachronistic" and "secretive" policymaking at the Fed (56). So, it seems like the opposite of secretive is what he wants people to think of when they think of him. It feels like Bernanke wants to paint himself as being an honest man, and a hardworking one at that. He says that "[l]ike his father," he became "distracted and unhappy" when he "could not usefully occupy [his]

time" (193). Bernanke even discloses that "[t]his character trait ('flaw' is probably a better word) had caused some tension with Anna[2] early in our marriage" (193).

This reinforcement of being sincere and honest and hardworking presumably works to add to Bernanke's credibility in both his recounting of the story and in his tenure as chairman. And when he makes statements like, "I often reminded myself that we weren't appointed to be popular. We were appointed, to the best of our abilities, to develop and implement policies that were in the long-run interest of the American people," he's reminding his readers of this, too (424).

It's important that Bernanke makes clear he was not only on the side of the American people, but that he also was defending a greater good. When talking about the possibility of bailing out Thornburg Mortgage, a smaller mortgage company that was struggling, he says, "in my heart I knew that use of our emergency authority could only be justified when it served the broad public interest," and that "[w]hether the firm was in some sense deserving or not was irrelevant…" (204). By aligning himself with the public interest, it not only paints him in a more virtuous light, but also acts to justify actions that might not have been popular. As long as they served the public good, and Bernanke says they did, then they were not only permissible, but morally right.

Denial

There is something that comes off a bit more defensive about Bernanke than Geithner, even though Bernanke acknowledge his missteps more openly than Geithner does. For example, in talking about the lead-up to the crisis, Bernanke says that "[w]hatever the validity of these

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[2] Anna is his wife!

arguments [defending it] in the abstract, in practice we used our unfair-or-deceptive authority infrequently, and we failed to stop some questionable practices," adding that "[t]he hole in our logic was that, as lending standards deteriorated, the exception became the rule" (103). He even lumps himself with the "other regulators" when he says that "by [the time he became chairman], as with many of the steps we and other regulators took in 2006 and after, it was too late," because "[w]ith inadequate oversight, greedy and unethical lenders had made hundreds of thousands of bad mortgage loans" (106).

This might be that even though Bernanke does admit his mistakes, they're often placed in context of other people's wrongdoings or factors outside of his control. When he says, "[w]e failed to take sufficient account of the effects of falling house prices (and the resulting mortgage delinquencies) on the stability of the financial system," there are really two parties at play—his own failure and the overall conditions of falling home prices (113). When he talks about a "rookie mistake" he made early on in his tenure as chairman, he says: "Assuming that my words would be taken at face value was my first mistake…Thinking that we were off the record, I told her that I was frustrated by the market participants' inability to grasp the plain English meaning of my statement. Second mistake" (125, 126). He says that when the reporter with whom he had spoken, Maria Bartiromo, described their conversation, "[m]arkets reacted instantly," and that "[a] wave of criticism followed…but [he] had learned an important lesson about the power that [his] words now carried" (127).

All of these different occasions all involve some sort of outside agent or factor in addition to Bernanke himself, and so the blame he takes on ends up being spread among all of them. By bringing in these external factors, it becomes plausible that the consequences of his actions

weren't solely because of him. He can deny having intentionally caused those effects, even if he admitted to making mistakes.

This also contributes to the idea of newness and unfamiliarity of the situation he's been dealt. He explains that "from the vantage point of early 2007, the economy's good performance…led [him] and others at the Fed to conclude that subprime problems—though certainly a major concern for affected communities and the housing sector generally—were unlikely to cause major economic damage" (136). However, he admits that they "failed to anticipate that problems in the subprime mortgage market could trigger an old-fashioned financial panic, albeit in a new, unfamiliar guise" (136). There's no way he could have foreseen this happening if it was completely different from anything that had happened before. Moreover, if he was blindsided by this, then there's no way he could have prevented or intended the effects that resulted from his actions.

Perhaps what best illustrates this denial of intent is Bernanke's emphasis on communication and his philosophy towards it. Like was mentioned before, Bernanke placed great importance on increasing transparency at the Fed, including having regular communication with the press. But Bernanke wasn't without his own communication mishaps. Learning from his experience with Maria Bartiromo, he says he was "painfully aware that the Fed chairman's remarks can easily be misunderstood or overinterpreted," and he "knew that if [they] began holding regular news conferences, there would be no going back" (185). Here, it seems like he's pushing off liability for anything that he might be criticized for saying, because it might have been "overinterpreted".

He says they were so aware of this possibility that when debating a possible Fed rate cut, senior Board staff "worried about the 'optics' for central bank independence" so soon after a "well-publicized White House meeting" (189). It got so bad that he said:

> We sweated every word. Should I say that additional rate cuts 'may be necessary' or 'may *well* be necessary?' Should I say that we stood ready to take '*substantive* additional action' to support growth or '*meaningful* additional action'? The absurdity of our discussion did not escape us, but we had learned through bitter experience that a single word often mattered (190).

He adds that their goal was to "send the markets as clear and strong a signal as possible, while still allowing us enough wiggle room to change course if necessary" (190). It definitely sounds now like Bernanke is hyperaware and extra conscious about how his words might be construed, and that rather than be criticized for them, will use them to his advantage.

This is really interesting, because now it seems like denial of intent doesn't work. It sounds like the exact opposite is happening—that Bernanke *is* intending to create a certain outcome, just one a good one this time. He describes using this strategy in a congressional testimony soon after Lehman's bankruptcy, saying, "Paulson and I were deliberately quite vague when discussing whether we could have saved Lehman…we had agreed in advance to be vague because we were intensely concerned that acknowledging our inability to save Lehman would hurt market confidence and increase pressure on other vulnerable firms" (289). But he adds:

> Today I wonder whether we should have been forthcoming…our caginess about the reasons for Lehman's failure created confusion about the criteria for any future rescues. Would it have been better for market confidence to have admitted that we were unable to save Lehman? Or was it better to maintain ambiguity, as we did, which suggested we still had the capacity to carry out future interventions? I don't know (289).

Bernanke's own doubts and uncertainties even now are an interesting show of humility. By questioning his own actions, he admits that there is credibility to the criticism he's received, but the questions he asks are open-ended, implying that there's really no way to know. If he doesn't

even know now, in retrospect and with more information than he did back then, then there's no way he could have known at the time.

> There are times that Bernanke defends his actions. On bailing out Bear Stearns, he asks: In retrospect, was it a mistake? Some economists have argued that it was a mistake…In making the decisions we made on March 2008, we could not know all that would transpire. But even in hindsight, I remain comfortable with our intervention…Our intervention with Bear gave the financial system and the economy a nearly six-month respite, at a relatively modest cost. Unfortunately, the respite wasn't enough to repair the damage already done to the economy or to prevent panic from breaking out again in the fall (224, 225).

Even in his defense, he denies the possibility of having known what could have happened. This isn't an unreasonable claim.

Denial of intent only really becomes a problem when the lack of foresight into consequences is so egregious and obvious that it looks like carelessness. And although Bernanke uses this defense a lot, I'm not sure he can be accused of being careless.

Transcendence

Like Geithner, Bernanke talks a lot about the systemic failures that led up to the crisis, but his approach to the situation is a bit more holistic. Bernanke offers an analogy:

> If a hurricane knocks down a house, you can blame it on the strength of the hurricane or on structural deficiencies in the house. Ultimately, both factors matter. A destructive financial crisis is analogous… [and the] financial crisis of 2007-2009 had several triggers… (83).

In this particular case, the structural deficiencies were the systemic problems, and the strength of the hurricane was the rise of the housing bubble. And again, just like Geithner does, Bernanke describes the US financial regulatory system as being "highly fragmented and full of gaps," adding that "[i]mportant parts…were inadequately overseen (if overseen at all)" and "critically," that "no agency had responsibility for the system as a whole" (94). And he stretches the problem even further back than Geithner does, saying that "[t]he reasons for this fragmentation were both

historical and political," that "[h]istorically, regulatory agencies were created ad hoc in response to crises and other events" and "[p]olitically, conflicts between competing power centers within government…and special interests…have routinely blocked attempts to rationalize and improve the existing system," so that the result was "a muddle" (94, 95). But overall, it's the same story, same villains, same victims.

But Bernanke does admit that "[c]learly, many of us at the Fed, including me, underestimated the extent of the housing bubble and the risks it posed," also adding that it raised two questions. The first, "[W]hat can be done to avoid a similar problem in the future?" and a second question that is "even more difficult": "Suppose we had done a better job of identifying the housing bubble in, say, 2003 or 2004? What, if anything, should we have done? In particular, should we have leaned against the housing boom with higher interest rates?" (Bernanke 90).

Bernanke almost goes about this the way an academic would. By presenting these different questions and hypotheses, he also reframes the issue by introducing the reader to new possibilities they might not have previously considered. And these possibilities really could be anything, mostly because of the fact that this sort of crisis was so uncommon. He says that even "[t]he Fed's economic models, and economic forecasting models in general, do a poor job of incorporating the economic effects of financial instability, in part because financial crises are (fortunately) rare enough that relevant data are scarce" (160). And adding to the singularity of this situation was the fact that even in the past, the "recurring financial panics in the nineteenth and early twentieth centuries often began with bank runs triggered by events that, considered alone, didn't appear serious enough to cause a systematic crisis" (Bernanke 137). And one of the most important things was that people understood that Bernanke was dealing with something that he could only do his best to contain, not solve, mostly because although this crisis was "similar

in structure to, though differing in many details from, the panics of the nineteenth and early twentieth centuries" (Bernanke 243). This meant Bernanke could only look to those events for guidance, which is why he "saw [the Fed's] responses to the panic as fulfilling the classic central banking role of lender of last resort" (Bernanke 243). According to Bernanke, this was truly different and unprecedented. Saying so definitely tempers expectations the public might have had of the government's readiness and capability to handle the crisis. So, just like Geithner did, Bernanke creates a lower threshold of impressiveness, making the actions that they did take look a whole lot better than they actually might have been.

But Bernanke introduces the idea of "TITF"— "too interconnected to fail"— when he talks about Bear Stearns (215). TITF, in comparison to "too big to fail," shares a core idea with a different emphasis. This philosophy referred to the fact that Wall Street firms had not only become increasingly bloated over the years, but so deeply engrained in the economic and financial systems that they had also become increasingly intertwined. "Too interconnected to fail" just redirected attention toward the real root of the problem—the interconnectedness was what made everything so much more complicated.

And it's something that Bernanke understandably has problems with, asking: "Why were we bailing out Wall Street when so many ordinary Americans needed help? Wall Street and Main Street are interconnected and interdependent, I explained…Why were we creating moral hazard by rewarding failure?" (223). He's aware that his actions might look unfair, and more importantly, that there would be larger repercussions. The worst would be potential positive reinforcement of moral hazard among these firms, which would contribute to the problem even more.

However, he also wants the American public to know that the firms themselves were suffering, too. He says:

> I pointed out that, even with our action, Bear Stearns lost its independence, its shareholders took several losses, and many of its 14,000 employees likely would soon lose their jobs. ‘I do not think it is a situation that any firm would willingly choose to endure,’ I told Senator Tim Johnson of South Dakota….’And I believe that if the American people understand that we were trying to protect the economy and not to protect anybody on Wall Street, they would better appreciate why we took the actions that we did (223).

This is where things get really interesting. He’s almost humanizing these firms by showing that their employees were people, too. It seems like Bernanke wants to appear like he’s doling out justice equally, but it’s not so much leveling the playing field as it is just tilting one slightly down in an attempt to shut the other team up a bit. But he says that this meant they would now be facing two challenges: “The first would be to do the right thing. The second would be to explain to the public and politicians why what we did was the right thing” (223, 224).

And this leads to perhaps the most obvious attempt to redefine the situation. By grouping everyone together, Bernanke not only seems to be trying to get the teams in the same league, but to actually put everyone on the same team. He says:

> Some of the critics were ideologues (the free market is always right) or uninformed (the economy will be just fine if a few Wall Street firms get their just deserts). Some simply railed against the unfairness of bailing out Wall Street giants but not the little guy on Main Street. Personally, I felt considerable sympathy for this last argument. (I would wince every time I saw a bumper sticker reading ‘Where’s my bailout?) But it was in everyone’s interest, whether or not they realized it, to protect the economy from the consequences of a catastrophic failure of the financial system (261).

He says that Wall Street and Main Street shouldn’t view themselves as being pitted against each other, but instead to focus their efforts on achieving a common goal—overcoming the failure of the financial system. It’s an impressive attempt to try and unify them against a common enemy, and for him specifically, to bring his readers a little bit closer to his side.

HENRY PAULSON – "ON THE BRINK"

In his *Rolling Stone* piece, Matt Taibbi describes Henry Paulson as a being a "hulking, shaven-skulled *Alien Nation*-esque form of [a] Treasury Secretary" who "committed $700 billion in taxpayer money to rescue Wall Street from its own chicanery and greed" (Taibbi). Other critics were a little less harsh, saying that they "[weren't] convinced that Mr. Paulson's overall performance [was] up to speed, seeing it as overly reactive rather than proactive" (Weisman and Anderson). Some even said that "Mr. Paulson and his Treasury team [couldn't] shoulder all of the criticism aimed at the federal government over its handling of the crisis" (Weisman and Anderson).

Paulson's memoir, "On the Brink", is a pretty forceful response to these charges. Although his term as Treasury Secretary only lasted three years, he had much to say about how he managed the crisis during that time, and most importantly, managed to save the entire US financial system from collapsing onto itself.

Bolstering

Like Matt Taibi noted, Henry Paulson is a big guy, and his words seem to confirm having a personality to match. In the preface he says: "I'm a candid person by nature and I've attempted to give the unbridled truth. I call it the way I see it" (xiv). And then, just in case his readers need a reminder, he follows up with this immediately on page 1 with: "I'm a straightforward person. I like to be direct with people." Paulson's rationale for following this philosophy was "simple," saying that "in business, as in life, we should not do just what is legal but what is right" (36). And the theme of "doing the right thing" is something that's been hinted at by both Geithner and

Bernanke, but never as explicitly stated like here by Paulson. However, what is right is always subjective.

It seems like Paulson wants to say that in this context, being on the right side of justice means standing behind the American taxpayers. He says that while organizations like the Government Sponsored Enterprises (GSEs) such as Fannie Mae and Freddie Mac "had a duty to protect their shareholders," his duty was to "protect the taxpayer" (162). But a man in his position often was wedged between these two competing interests. One especially "awkward" situation was when he proposed to "get FHFA [Federal Housing Finance Agency] to put the GSEs into receivership" (Paulson 162). He had told Congress previously that,"[i]f you've got a squirt-gun in your pocket, you may have to take it out," but that "if you've got a bazooka, and people know you've got it, you may not have to take it out" (Paulson 151). This was one point in which he had to use the "bazooka"—referring to emergency powers—and something he told Congress he "did not intend to use" (Paulson 163). "But," he says, "there was no alternative" (163). Basically, blowing the bazooka here is okay when normally it might not be, because Paulson is doing the right thing. He applies this same line of thinking to the government's approach to Lehman. Paulson says he "emphasized that there would be no public assistance for a Lehman bailout and that we would be looking to the private sector to help the buyer complete the acquisition" (186).

And Paulson is more than just talk—he makes sure to demonstrate that he actually means what he says and that he truly cares for the average American. After the GSE "crisis," he said that he wanted to address the employees at Freddie Mac, something that "[m]any people at Treasury couldn't believe" he wanted to do, especially with "a group that was sure to be angry with [him]" (173). But he says "[i]t was simple," that he "felt bad for them, and they deserved to

hear straight from [him] where they stood" (174). And, he "wanted them to know that [his] actions had not resulted from any fault of theirs" (174). In this meeting, he says that he was "very direct," telling them that "the odds were low that they would ever recapture the equity value that had been lost" but "emphasized that as long as they kept learning, honing their skills, and helping Freddie perform its vital function, their careers would likely remain intact" (173). He says: "It was a difficult meeting, but I was glad I went" (174).

This sounds like his version of tough love—honesty that might sting a bit, but that would be more helpful than lying about the reality of the situation. By reiterating the importance of being straight and honest, Paulson tells the reader that this is a virtue he stands for and that they should associate with them. It seems very plausible that Paulson is using that not only as a line of defense against any possible criticism he might face, but also as something that would boost his own public image.

Paulson manages to bring this up even when you least expect it. On page 321, he says:

> Though I often focused on what many people might consider the esoteric aspects of finance—commercial paper funding, credit default swap rates, or the triparty repo market—I cared deeply about the loss of value in the equity markets. It meant so much to the average citizens—to their retirement security and to their sense of confidence (321).

The web he manages to draw here is pretty interesting. In the middle of the bigger picture and of the livelihoods of average American citizens are these obscure financial ideas that Paulson cares so much about. And so, by extension, he cares about the citizens, too.

Differentiation

The importance of Paulson making clear that he's on the people's side is easily understood when taken in context of his background. Before moving into public service, Paulson

was the CEO of Goldman Sachs, arguably one of the most—if not the most—iconic financial institutions. And it's definitely one that will be hard to shake.

This is a role that Paulson still holds close to him. When he says how President Bush asked him, "How did this happen?", Paulson says it was "a humbling question for someone from the financial sector to be asked—after all, we were the ones responsible" (46). It's clear that Paulson still identifies as part of the private financial industry.

However, he makes an effort to show that he's not just a white-shoe banker anymore. Instead, he's a Treasury secretary with a different mindset than most of his predecessors. For example, he says that, "[t]ypically, the Treasury secretary had not spent much time with the heads of the various Treasury agencies and bureaus," but he "believed that face-to-face communications would help [them] avoid mistakes and improve morale" (49). He says that although "[t]hroughout [his] career [he] had made a point of answering questions directly," it was challenging and "different as a government official," because "[he] knew what [he was] going to be asked, but [he] had points [he] wanted to make," and "had to find a way to get them out no matter what questions came [his] way" (274). Paulson is similar to Bernanke in this vein, emphasizing the value of communication and transparency.

And Paulson did try to bring some of his own lessons from his experiences on Wall Street to the federal government, but quickly realized that they weren't directly translatable. He says:

> No one has ever accused me of being too smooth. I come at people aggressively and tell them how I think a problem should be solved. I listen to anybody with a good idea, then I make sure that the best solution is adopted. While this approach worked for me in business, I found that decision making is much more complex and difficult in Washington, particularly on Capitol Hill (54, 55).

Although this initially might seem like a problem, it does work to set Paulson apart from the other policymakers in D.C. It makes it so that were someone to try and compare him to his

predecessors or colleagues, it would be more of an apples to oranges comparison, rather than a direct apples to apples one.

And this is something Paulson takes pride in. He says that while he's "no diplomat" and "terrible on protocol—where to stand and that sort of thing," he does "know how to get things done" (53). Part of this required him to "keep in constant touch with Wall Street CEOs…To know what was really going on, we had to get behind the numbers we monitored on Bloomberg screens" (Paulson 63). Now, being on the other side—that of Wall Street—became essential to getting things done in government and for Main Street. By using his private industry background to explain both how and why he chose to make certain decisions and take certain actions that may seem questionable, Paulson is actually able to both differentiate himself from traditional government without compromising his identity as ex-CEO. While having history on Wall Street isn't necessarily a bad thing, it has the potential of carrying stigma that might be hard to shake. Now, Paulson doesn't have to worry about that as much since he's able to explain how that background actually helps solve issues like what some may consider the traditional inefficiency of government.

But this doesn't necessarily mean that Paulson wants to be associated with the more unpopular characteristics of Wall Street. He says he was "as appalled as anyone at Wall Street's pay practices, particularly the flawed incentive structures," which he had "tried to avoid at Goldman Sachs" (260). He says that when he was CEO, he "did [his] best to align incentives with long-term performance," that he "knew compensation was too high industry-wide," but explained that ultimately "[he] couldn't change that," because they "needed to be competitive if we were going to have the best people" (260). By choosing to align himself with some aspects of his private industry background but not others, Paulson is able to manipulate his experiences to

his advantage and try to get his readers to associate him with the parts that make him a different—but more effective and decisive—government leader.

And one of the most highly criticized events of the crisis was the government's handling of Bear Stearns, Lehman Brothers, and AIG. It was hard for many people on both Main Street and Wall Street to understand why the government would choose to bail out Bear and AIG, but not Lehman. President Bush even asks Paulson why not Lehman, and Paulson attempts to explain the differences between them, telling him: "There was just no way to save Lehman. We couldn't find a buyer even with other private firms' help. We will just have to try to manage this" (216). He adds that "[t]he Lehman situation differed from Bear's in another important way," because "[t]he Bear assets that JPMorgan left behind were clean enough to secure sufficiently a $29 billion Fed loan," but "an evaluation of Lehman's assets had revealed a gaping hole in its balance sheet," which "was why [they] needed a buyer" (p. 209). For AIG, Paulson told President Bush that "[w]ith luck…the system could withstand a Lehman failure, but if AIG went down," they "faced real disaster" (223). This was because "[m]ore than almost any financial firm [he] could think of, AIG was entwined in every part of the global system, touching businesses and consumers alike in many different and critical ways" (Paulson 223). More specifically, its failure had the potential to be much worse than Lehman's given "its size and the damage it would do to millions of individuals whose retirement accounts it insured" (Paulson 236). In other words, AIG was the perfect embodiment of the dangers of Too Interconnected To Fail.

But most importantly, critics were concerned that the government's inconsistency with its responses to these firms would make it appear that it was rewarding moral hazard. And Paulson says he "made clear" that moral hazard was "something [he didn't] take lightly" (224). However,

he also says there was an important distinction to be made—that "unlike with Bear, there had been no buyer for Lehman," and "[f]or that reason…[Paulson] never once considered it appropriate to put taxpayer money on the line in resolving Lehman Brothers" (225).

It seems like Paulson is trying his hardest to strike a balance between establishing his credibility on matters involving Wall Street while also avoiding the negative press that often comes with actually being a part of it. While Geithner is pulled in both directions of the opposite poles of his paired terms, Paulson seems to be actively leveraging being on one side of his—Wall Street—to further strengthen and improve his own image on the opposite side, serving as a public government official. Geithner is being pulled apart by his paired terms, but Paulson seems to be finding a way to get his to work together.

Denial

Like both Geithner and Bernanke, Paulson doesn't really engage in denial of substance or in saying that he *didn't* do whatever it is people were criticizing him for. Neither does he participate in denial of extent of consequences. In fact, he admits "misread[ing] the cause, and the scale, of the coming disaster" that was the financial crisis, and that when he said in 2007 that "subprime mortgage problems were 'largely contained,'" he "could kick [him]self" today, because he was "just plain wrong" (47, 66).

And even as big of a proponent as he is of being honest and straightforward, he did say things that many people interpreted at the extreme. When talking about Lehman, he says that he "ought to have been more careful with [his] words," because "[s]ome interpreted them to mean that we were drawing a strict line in the sane about moral hazard, and that [he] just didn't care about a Lehman collapse or its consequences," even though "[n]othing could have been further

from the truth" (225). And that was a "painful bind that [he] all too frequently found [him]self in as a public official," because "[a]lthough [it was his] nature to be forthright, it was important to convey a sense of resolution and confidence to calm the markets and to help Americans make sense of things" (Paulson 225). However, he says that "[b]eing direct and open with the media and general public can sometimes backfire," because it "might actually cause the very thing you hoped to avoid" (225).

This is probably the most conspicuous example of denial of intent that Paulson shows in the entire book. It shows that his intentions of his actions were good, even if their consequences may have been bad. But other than this, there really isn't a huge pattern of denying anything—no deflection or any sort of carefully-calculated roundabout description, and it aligns with the rest of his identity as being a straight-shooter.

Transcendence

Paulson ends his book by saying: "As I prepared to leave office, I knew that we had succeeded in averting the collapse of the system," adding, "[a]s controversial as TARP and our other actions had been, they had prevented a much greater disaster that would have caused far more pain to the American people" (433). Of course, the "much greater disaster" is unproven and a counterfactual. And he uses the same tactic when he says it "[pained him] tremendously to have the American taxpayer be put in this position [of being in a no-growth economy]," but that it was "better than the alternative'" (275). Paul Kanjorski, a Democratic Pennsylvania representative and chair of the Capital Markets Subcommittee, even pointed out the issue with this, telling him, "The average American people don't really know what you are really talking about when you say it is going to cost us far less than the alternative," and that Paulson "needed

to clearly explain the ramifications of an electronic run on the money market system" (288). Just like Geithner and Bernanke did, it looks like Paulson is relying on counterfactuals and other worse hypothetical outcomes to try and say that the course of action he took was what would lead to the best possible outcome. Yet the problem persists that there is no way to prove that it would definitively be the best, that any other possible outcome would have been worse.

Counterfactuals aside, Paulson seems to be using this opportunity to reveal the various political obstacles he faced during his tenure as Treasury secretary. One of these was the sensitivity of market response to press leaks initiated by Senate staffers. He says they were "oblivious as to how that might affect the markets we were trying to save" (307). Regarding meetings with the senators themselves, he says they "seemed like a setup," that they "weren't negotiations, [they] were just arguments" (309). At one point, he says they were "getting nowhere on the release of TARP money," and he felt that they were "getting beaten up by a leaderless group of posturing Democratic senators" (309).

What made things even more complicated was the fact that it was a presidential election year. Things got so derailed because of this that Paulson says even though they had "devised TARP to save the financial system," "[n]ow it had become all about politics—presidential politics" (290). And as frustrated as Paulson was, so was everyone else. Paulson says he "understood that many of my fellow citizens viewed the bailouts—if not the whole financial industry—with bitterness and anger" (433). But "[t]hough [he] shared some of their feelings, the crisis did not shake [his] faith in the free-market system," because he has "yet to see an alternative to our system that can provide as many people not only with their needs but also with the promise of much better lives" (Paulson 433). This is probably the biggest defense of capitalism and the free-market system that we've seen from any of the three figures. By claiming

this, Paulson is essentially saying that saving this system was worth everything he chose to do, and maybe even more. But, of course, he was "struck by the irony of [his] situation" (408). He says:

> To protect free-enterprise capitalism, I had become the Treasury secretary who would forever be associated with government intervention and bank bailouts. The speed with which the crisis hit had left me no other choice, and I had set aside strict ideology to accomplish the higher goal of saving a system that, even with all its flaws, was better than any other I knew—I had been forced to do things I did not believe in to save what I did believe in (408).

Paulson is really taking control of the narrative here in a forceful way, admitting that he actually had to carry out actions in the short-term that went against his own beliefs in order to defend them in the long-term. It might look like a huge contradiction at first, but through this he demonstrates that there might actually be a possible way to reconcile apparent hypocrisy with a consistent story and the truth.

CONCLUSION

In their accounts, Timothy Geithner, Ben Bernanke, and Henry Paulson all seem to have taken an interesting combination of postures and strategies of apologetic speech. All three definitely appear to be engaging primarily in justification, essentially redefining the situation so that the actions in question become “praiseworthy” (Jasinski 21). The underlying message in all of their stories seems to be that they were forced to make hard but necessary decisions—necessary in order to save the financial system, and because the system is so foundational, to ultimately save the taxpayers. This seems mostly like a blanketed, indirect response to multiple charges. However, they also don’t dismiss the reality of the unpopularity of their actions. In this way, they attempt an explanation so that citizens are “less likely to…condemn the action” based on the circumstances of the situation that they outline. This is a direct response to specific charges.

As to the strategies they use, it seems like a little bit of all four: denial (specifically denial of intent), bolstering, differentiation, and transcendence. Some charges they do acknowledge and address directly (attempt an explanation). But others they choose to semi-acknowledge and defend somehow, either by saying that they were forced to do it, had no other choice but to do so, or that there were extraneous factors just completely out of their control. This is justification.

The most commonly employed strategy they appeared to use was differentiation and denial of intent. They all really tried to stress that as public officials in this situation, they faced different pressures and difficulties than the average citizen. They also all tried to describe themselves in a unique way—Geithner as someone who never personally meant to be in the spotlight, Bernanke as an academic, and Paulson as someone with a more intimate understanding of Wall Street.

They also all denied that they ever intended to cause harm.[3] Instead, they reframed the situation to show that their hands were often either tied and their actions forced. The charges they did acknowledge as legitimate were often defended by saying they were a means to a higher, more noble end goal—for example, that of saving the economic theory and system that defines America.

Lastly, they were all, to some extent, unashamedly unapologetic. And I think that ultimately translated into transcendence. They didn't just fix the crisis; they were trying to restore confidence in a fundamental belief system—and whether that system was worthy of being believed in is another story for another time.

In sum,

POSTURES:

1. Justification (indirect response)
2. Explanation (direct response)

STRATEGIES:

1. Denial of intent
2. Bolstering
3. Differentiation
4. Transcendence

Finally, the answer to the question of whether or not they engaged in apologia is a qualified yes. They did try to provide an explanation as to the reasoning behind some of their most controversial decisions, but it seemed like they still didn't really think there was anything to truly apologize for.

[3] But who wouldn't?

Other readers seem to agree with this conclusion. In a *New York Times* book review of "The Courage to Act," Michael Kinsley says that although the book is "a bit of a slog," it is "undoubtedly the best account we will ever have of how government and financial institutions dealt with what has come to be known as the Great Recession" (Kinsley). Kinsley states that "Bernanke is persuasive in arguing that (a) [the recession] was pretty damned great (i.e., terrible) and (b) he and his colleagues at the Fed deserve credit for the fact that it wasn't a heck of a lot greater." James Surowiecki, in a review for *The New York Review of Books,* concedes that, even though the memoir is "a somewhat dry book," it is still "a persuasive, if self-interested, corrective." He says that it offers "a surprisingly rigorous discussion of the economics and theory of monetary policy and the management of financial crises" in addition to "help[ing] us understand why even the most capable technocrats sometimes fall short of our expecations."

It's a little different for "Stress Test." Michael Lewis, in his review for the *New York Times*, opens with simply: "He's written a really good book—we might as well get that out of the way." But he says that "[t]he story Geithner goes on to tell blames everyone and no one," that while "[a] few of the important people with a privileged view expressed concerns about the risks being taken…most said nothing" but "Geithner counts himself in the minority." Ultimately, Lewis concludes that "[t]here's hardly a moment in Geithner's story when the reader feels he is being anything but straightforward" and that "I doubt many readers will put his book down and think the man did anything but his best." Lewis doesn't give Geithner much credit at all, ending by saying: "On his feet he might have stammered and wavered. That in itself was always a sign he was unusually brave." And Paul Krugman's review of "Stress Test" in *The New York Review of Books* was just as harsh. He says, "It's an ironic tale for Geithner to be telling" and that the

book is “meant to be a story of successful policy—but that success is defined not by what happened but by what didn’t.”

“On the Brink” survived some softer blows. In Roger Lowenstein’s review for the *New York Times,* he concludes that “[s]ome less-than-perfect decisions were hardly to be avoided,” and that the book “bolsters the view that however little he anticipated the bust, he did his earnest best to restore order.” James Freeman of the *Wall Street Journal* agrees, saying that Paulson’s case is “made persuasively, if inadvertently.”

And lastly, it should be mentioned that this paper would have worked equally well, if not better, by analyzing these works through the lens of crisis rhetoric. Crises require that there “must be a feeling that core values or the vital systems of a community are under *threat*” in addition to “a high degree of uncertainty” (Hart and Tindall 5). ‘t Hart and Tindall list nine key challenges of crisis leadership, one of which includes the challenge of delimitation, or “managing public expectations of the nature, scope and duration of crisis support that will be provided and determining principles for targeting and rationing such support among often ill-defined social and territorial ‘victim’ communities” (7). In the case of bailing out banks, questions related to delimitation, including, “What if corporations receiving support kept coming back for more?” start to arise (Hart and Tindall 7). There are also questions related to another challenge—that of sense-making, like “Why didn’t they see it coming?”—that could have been used to examine this same issue (Hart and Tindall 6).

DISCUSSION

I want to end by giving my personal reaction to these three memoirs, especially in context of the current situation at the time of writing. Reading these accounts really did make me empathize with all three figures more, and what is interesting is that these memoirs simultaneously gave a more human dimension to the issue, but also kind of took away from it. In the end, there's a better understanding of the personal difficulties the three of them faced, but it also just makes you question why they couldn't have empathized with the average citizen more and tried harder to minimize the damage they felt. The central moral of the story that the government sacrificed the good for the taxpayers in order to save the corrupt banks still stands.

The fact that Geithner, Bernanke, and Paulson were all eventually successful in terms of saving the system and helped the government even make a profit in the end doesn't address this core issue. And it seems like it was a lose-lose situation from the beginning—no matter how much they deny having intended to contribute to or encourage moral hazard in the system, the very fact that these banks survived was enough to prove that they *did* encourage moral hazard. Their focus was too much on saving the banks and not enough on punishing them for their mistakes.

Additionally, their argument that what they did—saving the banks—was better than the alternative—letting them fail and the entire system crash, leading to even potentially worse outcomes for citizens in the end—is based on a counterfactual. That criticism is valid and difficult to argue against. There's no way to prove that the alternative really would have been worse. However, this was a tough situation, and typically, any action is better than inaction, so I do believe they deserve credit at least for doing something.

Perhaps what is most frustrating is the feeling that the government/academics/we the people don't always fully learn from the past. That frustration was felt back in 2008 and I know it's what many people feel now. Future mistakes are inevitable, but they shouldn't simply be reiterations of ones that have already been made.

What we are living through right now is the impossible problem of having to weigh immediate effects against long-term ones. Right now, I'm not sure if the situation is as simple as life versus a livelihood. It very well may be. But it is also the case that some people's livelihoods just aren't enough to allow them the resources to easily preserve life. Right now, self-preservation means self-isolation. Self-isolation necessitates keeping around two weeks' worth of food at home so people can minimize trips to the store, to be able to deal with the increased costs of using more electricity or gas or internet with the kids at home, to keep up with bills and rent with reduced pay or no work at all. And although we've come up with some really amazing ways to help, like pick-up school breakfasts and lunches, there are still countless families and individuals who simply don't have the means to stockpile essentials for two weeks at home. What do we do for them? $1200 in and of itself is not a solution. It's better than nothing, certainly, but it is both short-term and costly. What do we do about the industries that are also trying to cope with this new reality? What about the small businesses?

Then again, how can you responsibly tell citizens that it is okay and fine to leave their homes in the pursuit of re-opening the economy, while still under the threat of a virus that has claimed tens of thousands of lives and will doubtless keep taking more?

I am not a congressman or politician or cabinet member. But I am a citizen and a taxpayer and someone who has put their faith in a democracy and government that has promised to take care of me. And there are a lot of conflicting feelings right now. I didn't vote for this

president, I don't agree ideologically with most of Congress, the members of whom confirmed the president's cabinet appointees. It's an election year, so that part of me wants them to fail, selfishly. But the overwhelming part of me hopes they can succeed, with bipartisan effort. I'm just hoping that this experience shows us not only that there are certain massive, gaping holes in our government and healthcare system we have to fix, but some that are in our trust in each other.

I'm guessing this is how a lot of people felt back in 2008 and 2009 as well. This experience truly adds a new dimension to this project that I never would have expected, and it makes the analysis even harder.

Geithner, Bernanke, and Paulson do have a valid point in that everything ended up turning out okay. There were winners and there were losers, but that happens inevitably. They might have spent a lot of money (Paulson may have had to pull out the bazooka) but in the end they made it back and more. Sure, it was a gamble, but it paid off. And if the problem lies in the fact that they even had to gamble in the first place, then it seems to me that the problem is one of ideology.

I don't know if I have the authority to say what the lessons we should have learned from 2008 and previous were, but I think we all just need to be a little kinder to one another and give people the benefit of the doubt, no matter how hard it might be.

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