

Directions:

1. Show evidence of a close reading.
2. Answer the questions at the end of the text.
3. Write a one-page reflection in your WN.

Start Up the Risk-Takers

Reading the news that General Motors and Chrysler are now lining up for another \$20 billion or so in government aid — on top of the billions they've already received or requested — leaves me with the sick feeling that we are subsidizing the losers and for only one reason: because they claim that their funerals would cost more than keeping them on life support. Sorry, friends, but this is not the American way. Bailing out the losers is not how we got rich as a country, and it is not how we'll get out of this crisis.

G.M. has become a giant wealth- destruction machine — possibly the biggest in history — and it is time that it and Chrysler were put into bankruptcy so they can truly start over under new management with new labor agreements and new visions. When it comes to helping companies, precious public money should focus on start-ups, not bailouts.

You want to spend \$20 billion of taxpayer money creating jobs? Fine. Call up the top 20 venture capital firms in America, which are short of cash today because their partners — university endowments and pension funds — are tapped out, and make them this offer: The U.S. Treasury will give you each up to \$1 billion to fund the best venture capital ideas that have come your way. If they go bust, we all lose. If any of them turns out to be the next Microsoft or Intel, taxpayers will give you 20 percent of the investors' upside and keep 80 percent for themselves.

If we are going to be spending billions of taxpayer dollars, it can't only be on office-decorating bankers, over-leveraged home speculators and auto executives who year after year spent more energy resisting changes and lobbying Washington than leading change and beating Toyota.

I've been traveling all across the country on a book tour, and every evening I return to my hotel with my pockets full of business cards from inventors in clean energy. Our country is still bursting with innovators looking for capital. So, let's make sure all the losers clamoring for help don't drown out the potential winners who could lift us out of this. Some of our best companies, such as Intel, were started in recessions, when necessity makes innovators even more inventive and risk-takers even more daring.

Yes, we have to shore up the banking system, which underpins everything; and finding a fair way to prevent hardworking people, who played by the rules, from losing their homes to foreclosure is both right and essential for stability.

But beyond that, let's think, talk and plan in more aspirational ways. We're down, but we're not out. As we invest taxpayer money, let's do it with an eye to starting a new generation of biotech, info-tech, nanotech and clean-tech companies, with real innovators, real 21st-century jobs and potentially real profits for taxpayers. Our motto should be, "Start-ups, not bailouts: nurture the next Google, don't nurse the old G.M.'s."

To be fair, the stimulus package that the Obama team and the Democrats in Congress recently passed — with virtually no Republican help — goes some way toward doing just that. Hat's off for that. Now let's do more.

The renewable-energy business — wind, solar and solar thermal — was almost dead in this country. Most new projects stopped last fall because they depended for their financing on selling their renewable energy tax credits to Wall Street firms. As those Wall Street firms went bust or suffered steep losses, they had no need for tax credits because they had no profits to offset. The stimulus package created a mechanism for renewable energy innovators to bypass Wall Street and monetize their tax credits directly through the U.S. Treasury, for any project that starts between now and the end of 2010.

The wind and solar industries in America “were dead in the fourth quarter,” said John Woolard, chief executive of BrightSource Energy, which builds and operates cutting-edge solar-thermal plants in the Mojave Desert. Almost five gigawatts of new solar-thermal projects — the equivalent of five big nuclear plants — at various stages of permitting were being held up because of a lack of financing.

“All of these projects will now go ahead,” said Woolard. “You are talking about thousands of jobs ... We really got something right in this legislation.”

These jobs will be in engineering, constructing and operating huge solar systems and wind farms and manufacturing new photovoltaics. Together they will drive innovation in all these areas — and move wind and solar technology down the cost-volume learning curve so they can compete against fossil fuels and become export industries at the “ChinIndia price,” that is the price at which they can scale in China and India.

That is how taxpayer money should be used to stimulate: limited financing, for a limited time, targeted on an industry bristling with new technology start-ups that, with a little push from Uncle Sam, won’t just survive this crisis but help us thrive when it is over. We need, and the world needs, an America that is thriving not just surviving.

Source: Thomas Friedman, *New York Times*, 2.22.09

Write a thesis statement for this essay:

Who is the intended audience?

Possible topics for your WN:

- Do you agree or disagree with the author’s thesis? Why? Why not?
- What is the author not saying? What are some counter-arguments to his thesis?
- What are some techniques used by the writer to strengthen his writing? How is the essay structured?
- Create a topic of your own.