

MATTHEW HOH

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Matthew Hoh is a young foreign service officer who recently resigned from his post in Afghanistan. He was serving as the acting political adviser for a U.S. Army brigade combat team that was engaged in four provinces bordering Pakistan – the areas considered to be the very crucial parts in terms of where the insurgency is.



Matthew Hoh's resignation [letter](#) in protest of the war in Afghanistan has put him in the media spotlight. In his [letter](#) he states that he has lost confidence in the current strategy, not "how we are pursuing this war, but why and to what end."

He goes on to say, "Thousands of our men and women have returned home with physical and mental wounds. The dead return only in bodily form to be received by families who must be reassured that their dead have been sacrificed for a purpose worthy of such futures lost, love vanished and promised dreams unkept. I have lost confidence such assurances can any more be made. As such, I submit my resignation."

MORE ON MATTHEW HOH FROM AN IN-DEPTH ARTICLE IN THE [WASHINGTON POST](#)

"Hoh's "first ambition in life was to become a firefighter, like his father. Instead, after graduation from Tufts University and a desk job at a publishing firm, he joined the Marines in 1998. After five years in Japan and at the Pentagon -- and at a point early in the Iraq war when it appeared to many in the military that the conflict was all but over -- he left the Marines to join the private sector, only to be recruited as a Defense Department civilian in Iraq. A trained combat engineer, he was sent to manage reconstruction efforts in Saddam Hussein's home town of Tikrit....In 2005, Hoh took a job with BearingPoint, a major technology and management contractor at the State Department, and was sent to the Iraq desk in Foggy Bottom. When the U.S. effort in Iraq began to turn south in early 2006, he was recalled to active duty from the reserves. He assumed command of a company in Anbar province, where Marines were dying by the dozens...Hoh came home in the spring of 2007 with citations for what one Marine evaluator called "uncommon bravery," a recommendation for promotion, and what he later recognized was post-traumatic stress disorder" after losing a friend in a deadly helicopter crash in Anbar.

MORE:

[Matthew Hoh resigns to stir debate on Afghanistan. Mission ...](#) *Christian Science Monitor*

[Matthew Hoh Resigns: State Department Official Quits Over Afghan War](#) *Huffington Post*

[Matthew Hoh: new poster boy for critics of Afghanistan war ...](#) *Christian Science Monitor*



[More on the area where he worked_ PBS](#) and Key Facts on Afghanistan by a Joint Institute for the Study of War [HERE](#) (Kunar and Nuristan, Rethinking U.S. Counterinsurgency Operations)

[Download the Report Here](#)

THE ECONOMY

We learned this week that the American economy grew for the first time in a year and there was another seemingly positive sign, the closely watched Case-Shiller home price index rose 1 percent. If that sounds like good news to you, not so fast. Economist Robert Shiller of Yale University -- yes he IS the Shiller of the Case-Shiller home index -- is not so sure. Plus, Martin Wolf, the chief economic commentator at the *Financial Times* joins us.

From CFR:

The *Financial Times* reports that the U.S. Federal Reserve's draft plan to limit bankers' compensation [could arouse concerns](#) about its compatibility with newly agreed international rules. The paper says the move raises questions about what effect the discrepancy will have on U.S. and European banks. The Federal Reserve announcement [linked previous compensation packages to "excessive risk taking," \(Federal Reserve\)](#) which it said contributed to financial instability. The plan it [proposes \(WSJ\)](#) for the top twenty-eight financial institutions in the United States to prove their pay schedules do not encourage excessive risk-taking and that their companies have good governance and risk management. The pay standards would apply to all employees whose jobs individually or collectively affect the riskiness of the firm.

The Obama administration's pay czar [also announced \(Christian Science Monitor\)](#) a separate crackdown on pay at seven bailed-out companies on Thursday. The *Christian Science Monitor* says the Fed and Treasury decisions on executive pay [were an inevitable response](#) to political pressure by the U.S. public. Time Magazine reports that steep cuts in executive pay [could start a "brain drain"](#) of U.S. talent.

More from the CFR's Roger Kubarych in which he [discusses](#) formulating guidelines for compensating financial executives during the G-20 Economic Summit available [here](#).

[DJIA Futures Rise Slightly After Case-Shiller Data - Wall Street Journal](#)

Has The Real Estate Market Bottomed? *Forbes*

Stocks move higher in early morning trading *The Associated Press*

Stocks mixed at opening *Washington Post*

Mortgage Rates Rise This Wk; 30-Yr Fixed At 5.03% -Freddie *Wall Street Journal*

Economy grows in 3Q, signals end of recession *AP*

US growth figures a 'welcome milestone': White House *AFP*

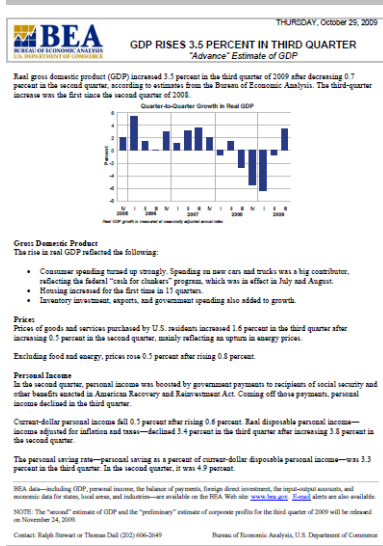
US Stocks, Commodities Rally as Dollar, Bonds Drop on GDP *Bloomberg*

US STOCKS SNAPSHOT-S&P 500 futures briefly dip after data *Reuters*

This week:

http://www.bea.gov/newsreleases/national/gdp/2009/pdf/gdp3q09_adv_fax.pdf

Dollar Falls as Stock Gain Spurs Risk Demand Before GDP Report *Bloomberg*



False Reading: Brisk GDP Growth Can't Last *Wall Street Journal*

America's Potemkin Economy *Reuters*

The Fed plan **proposes (WSJ)** for the top twenty-eight financial institutions in the United States to prove their pay schedules do not encourage excessive risk-taking and that their companies have good governance and risk management. The pay standards would apply to all employees whose jobs individually or collectively affect the riskiness of the firm.

PANELISTS

Robert Shiller

Robert J. Shiller is the Arthur M. Okun Professor of Economics, **Department of Economics** and **Cowles Foundation for Research in Economics**, Yale University, and Professor of Finance and Fellow at the International Center for Finance, Yale School of Management. He received his B.A. from the University of Michigan in 1967 and his Ph.D. in economics from the Massachusetts Institute of Technology in 1972. He has written on financial markets, financial innovation, behavioral economics, macroeconomics, real estate, statistical methods, and on public attitudes, opinions, and moral judgments regarding markets.



His repeat-sales home price indices, developed originally with Karl E. Case, are now published as the **Standard & Poor's/Case Shiller Home Price Indices**. The Chicago Mercantile Exchange now maintains **futures markets based on these indices**. He has been research associate, **National Bureau of Economic Research** since 1980, and has been co-organizer of NBER workshops: on behavioral finance with Richard Thaler since 1991, and on macroeconomics and individual decision making (behavioral macroeconomics) with George Akerlof since 1994.

He writes a regular column "**Finance in the 21st Century**" for **Project Syndicate**, published around the world, and "**Economic View**" for *The New York Times*.

He is co-founder and chief economist of **MacroMarkets LLC**.

His home page is robertshiller.com.

ARTICLES:

Here is the paper Shiller mentions on the show this week entitled "[The Rising Tide Tax System: Indexing the Tax System for Changes in Inequality](#)"

Economic View - Can Talk of a Depression Lead to One? *New York Times*

Economic View - Why Home Prices May Keep Falling - *NYTimes.com*

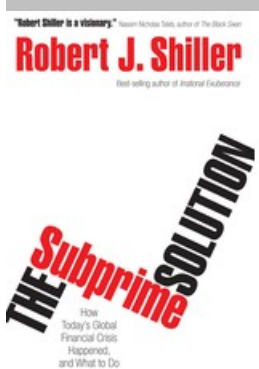
Yale's Robert Shiller on the Outlook for Home Prices - *TIME*

Robert J. Shiller: Animal Spirits Depend on Trust - *WSJ.com*

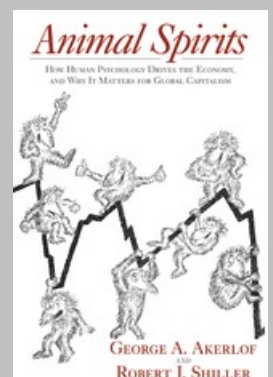
The home-price bubble can't be back already -- can it? *Chicago Tribune*

BOOKS:

Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism



The Subprime Solution





Martin Wolf

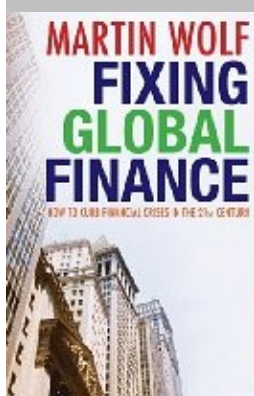
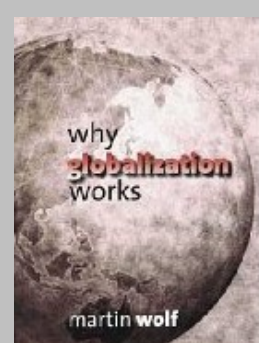
Martin Wolf is Associate Editor and Chief Economics Commentator at the Financial Times, London, writing a weekly column on the world economy and a fortnightly column on the UK.

He is a Forum Fellow at the World Economic Forum in Davos, Switzerland, where he has served as a panel moderator and was a senior economist for ten years at the World Bank's

division of international trade.

He was Director of Studies at the Trade Policy Research Centre, London, and has advised governments and international organizations on trade and economic integration. Martin has won several prestigious awards for his journalism, including the "Ludwig Erhard Prize for economic commentary," "Commentariat of the Year 2009" at the Comment Awards, sponsored by Editorial Intelligence, the CBE (Commander of the British Empire) in 2000 "for services to financial journalism" and the Decade of Excellence Award at the 2003 Business Journalists of the Year Awards.

He is also the author of several books and numerous articles on global economics and political economy, including, most recently, [Why Globalization Works](#). The book is the definitive statement of the case for market-based globalization. Explaining how globalization works as a concept and how it operates in reality, Martin Wolf carefully counters the arguments of anti-globalization activists and he argues that the biggest obstacle to global economic progress has been the failure not of the market but of politics and government, in rich countries as well as poor. He also examines the threat that terrorism poses and maps a scenario for achieving a global market economy that aims to make it work for everyone



[Fixing Global Finance: How to Curb Financial Crises in the 21st Century](#), describes how the current financial crisis developed (and those that have preceded it), and what we can do to help ensure global financial stability in the future.

In it, Wolf explains why global imbalances cause financial crises—including the one ravaging the United States right now—and he outlines the steps for ending this destructive cycle. Reviewing the global financial crises since 1980, he reveals their underlying patterns and argues that global economic security depends on emerging economies and their ability to develop robust financial systems based on domestic currencies. Sharply and clearly argued, Wolf's prescription illustrates why he has been

described as "the world's preeminent financial journalist.... [More from the Leigh Bureau](#)

MORE:

[FT.com- Martin Wolf](#)

[MARTIN WOLF - Economix Blog - NYTimes.com](#)

Martin Wolf's latest columns:

[How mistaken ideas helped to bring the economy down](#) *Financial Times*

[Why curbing finance is hard to do](#) *Financial Times*

[How to manage the gigantic financial cuckoo in our nest](#) *Financial Times*

[The rumors of the dollar's death are much exaggerated](#) *Financial Times*

[Britain's phony debate on slashing spending](#) *Financial Times*

[Finding a route to recovery and reform gets tough now](#) *Financial Times*

[Why narrow banking alone is not the finance solution](#) *Financial Times*

[This time will never be different](#) *Financial Times*

[Why Cable's mansions tax is right](#) *Financial Times*

[Why China must do more to rebalance its economy](#) *Financial Times*

[Do not learn wrong lessons from Lehman's fall](#) *Financial Times*

[Wheel of fortune turns as China outdoes west](#) *Financial Times*