

1 **Paul Krugman**

2 **Darling, I love you**

3 *(original at <http://krugman.blogs.nytimes.com>)*

4 Darling, I love you. OK, that's way too strong. But the new super-tax on  
5 bank bonuses proposed by UK's Chancellor of the Exchequer, Alistair  
6 Darling, sounds like a good idea, on first read. Bonuses awarded between  
7 9 December 2009 and 5 April next year will be subject to a 50% tax.

8 Are we afraid that the best and the brightest will leave high finance and  
9 pursue other occupations? That strikes me as a *good* thing: everything we  
10 know suggests that the rapid growth in finance since 1980 has largely  
11 been a matter of rent-seeking, rather than true productivity: it's hard to  
12 come up with any clearly productive financial innovations of recent  
13 decades other than the ATM.

14 Or are we worried that it's just unfair to discriminate against high-earning  
15 bankers? Bear with me while I stop laughing. More seriously, the whole  
16 sector has just been bailed out at immense taxpayer expense. Some  
17 payback seems entirely reasonable.

18 So, the details need analyzing. But on the face of it this looks entirely  
19 reasonable.

## Questions:

- 1) How is the new super tax on bank bonuses going to work and what is Paul Krugman's opinion on it?
- 2) What arguments does Krugman use to back his opinion?
- 3) Alistair Darling is the 'Chancellor of the Exchequer' (line 4) in the British government. What is the equivalent position within the Czech government?
- 4) Why, according to Krugman, is it good that the brightest brains should leave the finance industry and pursue other occupations? (lines 8 to 13)
- 5) Krugman contrasts 'rent-seeking' and 'true productivity' (line 11). *Rent-seeking* is quite a technical economic concept. Is rent-seeking good for the economy in general? Could you guess what it means?
- 6) Does Krugman think that innovations in the finance industry have been beneficial for society in general? (lines 8 to 13)
- 7) 'ATM' (line 13) stands for *automatic teller machine*. What does this machine do, what is it good for?
- 8) Does Krugman think that bankers are 'discriminated against'? (lines 14-15)
- 9) Who paid for the 'bailout' of the banking sector (line 16) and what was this bail out all about?

## Vocabulary:

other than (13) – different than, with the exception of

to discriminate against (14) – to make a distinction in favour of or against somebody based on their belonging to a group

to bail out (16) – save (especially financially)

on the face of it (18) – it seems that

You can find additional explanation and more examples to help you understand and use English words and phrases at <http://dictionary.reference.com>, <http://dictionary.cambridge.org/>, or <http://www.merriam-webster.com/>

Přejeme Vám mnoho studijních úspěchů.

Tým jazykové skupiny Spěváček: