



IN THIS ISSUE: DOES A BIG COUNTRY NEED TO DO BIG THINGS? YES. DO WE NEED A BIG GOVERNMENT TO DO THEM? NO.

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INTRODUCTION

WHAT I DID ON MY SUMMER VACATION

I am still savoring my summer vacation, taken last August. It was my first since, well, since the last recession-that-felt-like-a-Depression lightened the workload similarly, and allowed me to get away. That would have been 2001-02, but this year's was the first vacation since the advent of email that I was away from it for so many days (ditto Internet, TV, radio, newspapers and magazines). It was great! I didn't miss much that I couldn't catch up on later, a reminder that the daily cacophony of news and information with which we inundate ourselves is often just a lot of noise. Remind me to do that again!

Where did I have to go to escape civilization? I had to go into a forest – into the deep wilderness of ... New Jersey. Yes, I know: New Jersey is a small, northeastern, urban and suburban state. But let me assure you, it has forests. My siblings and I (and spouses and kids) rented a cabin in Stokes State Forest, located along the Kittatinny Mountain Ridge. The Forest connects to the Delaware Water Gap National Recreation Area, a visit to which inspired the subject matter for this issue of *Growth Strategies*.

1 – BUILDING BIG THINGS

Left-leaning TV cable network CNBC and one of its left-leaning show hostesses, Rachel Maddow, have come in for much ridicule in the conserva-

COUNTRY MUST BE COUNTRY WIDE

For those of you unfortunate enough not to be country music fans (and more's the pity, because those folks bring it), "Country Must Be Country Wide" is a song by Brantley Gilbert about the fact that every state in the Union has got parts, places and territory that are country [<http://tasteofcountry.com/brantley-gilbert-country-music-be-country-wide-video/>]. What, in this context, is country? It's where there are cowboys, hillbillies, farms, pick-up trucks, shotgun racks, good huntin' and fishin', good barbeque, addresses like 378 route 523, country music on the radio, and locals talking with drawls and twangs – "stone cold country by the grace of god." It's America, baby. (Oh, and throw in NASCAR too; attended my first race a few months ago and it was another piece of American culture that must be experienced.)

My sister Arlene and brother-and-law George live out in the country of New Jersey (to complete the picture George is a retired semi-truck driver). The only Obama bumper sticker I saw out in the country of this very Blue state was not, shall we say, supportive. While there we visited the Delaware Water Gap National Recreation Area, which germinated the following thoughts.

tive blogosphere over their promotional advert featuring the Hoover Dam. The thrust of the spot is "we don't build big things anymore" but that we

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should. The thrust of the ridicule has been that the dam couldn't be built today owing to the EPA, OSHA, NLRB, AFL-CIO, DOJ, NIMBY and the entire left-leaning edifice of Maddow and her ilk, who are more likely to crusade for the destruction of current dams than for the building new ones.

BOTH SIDES HAVE THEIR POINTS

Building the Hoover Dam was not uncontroversial, to say the least [<http://www.nationalreview.com/articles/282096/maddow-about-damned-dam-arthur-herman>]. But it has proven to be fantastically beneficial to millions of Americans (flood control, hydroelectric power, recreation, and water for homes, farms and factories). Truly, it has allowed the desert to bloom.

Public goods like dams are not excludable (their use is not limited to paying customers), so only government can provide them, right? Well, as economist Jodi Beggs points out [http://www.huffingtonpost.com/jodi-beggs/public-goods-public-by-ne_b_887118.html], there is certainly a case to

be made for private ownership of seemingly public goods. The questions to be asked are:

- Do the benefits to society of these projects outweigh the costs?
- Could private enterprise provide this good or service if the government did not undertake the project itself?
- Is there a compelling reason to ensure that everyone have access to this good or service?
- If so, is there a way to ensure access without wholly providing the good or service?

In support of the case for private ownership Beggs cites Dingmans Bridge, which provides a crossing of the Delaware River between Pennsylvania and New Jersey, and is one of the last private toll bridges in America. Ironical she should mention it, because for the past 40 years Dingmans Bridge was supposed to be deep under the water behind the Tocks Island Dam.

2 – THE BIG DAM THAT NEVER GOT BUILT

Although the dam was never built, 72,000 acres of land were acquired by the US government, often by condemnation, including farms, homes, and businesses. Whole towns disappeared when people had to move away, including many historic roads and structures that featured prominently in the Revolutionary War. This land now constitutes the Delaware Water Gap Recreation Area, which I visited last August on my summer vacation. It was eerie, haunting, beautiful and amazingly empty on a warm summer's day within a 90-minute drive from Manhattan (okay, maybe two hours).

Many of the condemned homes, farms and buildings still exist, abandoned [[\[ters.com/\]\(http://www.ghostwaters.com/\)\]. As I drove through the area I could not help but think something has gone terribly wrong here, but what? Is it a story of government incompetence or good intentions gone bad? Or perhaps a story of NIMBYism run amok to throttle progress, development and future opportunity for future generations?](http://www.ghostwa-</p></div><div data-bbox=)

From wikipedia.com:

The Tocks Island Dam Project was under consideration prior to the 1955 flood, which caused several deaths and immeasurable damage to the Delaware River basin. The need for flood control brought the issue to the national level, and in 1965 a proposal was made to

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Congress for the construction of the dam. The Tocks Island National Recreation Area was to be established around the lake, which would offer recreation activities such as hunting, hiking, fishing, and boating. In addition to flood control and recreation, the dam could be used to generate hydroelectric power, and, more significantly, the water stored in the lake would be pumped to supply water to the cities of New York and Philadelphia.

There was much local opposition to the project. My sister and brother-in-law have been locals for over 40 years and I can tell you, it's still a touchy subject. The dam was disapproved by a majority vote of the Delaware River Basin Commission in 1975. With the United States still funding the Vietnam War, financial considerations came to the fore. Also, the geology was questionable for what would have been the largest dam project east of the Mississippi River.

In 1992, the project was reviewed again and rejected with the provision that it would be revisited ten years later. In 2002, after extensive

research, the Tocks Island Dam Project was officially de-authorized.

WHAT ARE THE LESSONS OF THE TOCKS ISLAND DAM THAT NEVER GOT BUILT?

Well, if we apply Beggs' qualifications, we find that the project's benefits did not outweigh its social, political and economic costs. It would have been nice to know this before all that land, and all those homes, farms and businesses were condemned and abandoned by force. Would the dam have prevented the recent damaging floods in New Jersey and Pennsylvania? No, the recent floods were off the Passaic River, not the Delaware. Have New York and Philadelphia experienced major water and/or electricity shortages in the past 40 years that the dam would have ameliorated? Not apparently.

So we are left with this: even with highest purposes, best intentions and smartest people, government tends to get things wrong. It is not just the law of unintended consequences, but the law of government efforts having the opposite effect of those intended.

3 – WHAT EVER HAPPENED TO REINVENTING GOVERNMENT?

In 1992 the concerns over government debt, deficits and unfunded liabilities were national issues (sad, ironic and maddening, isn't it?). So strong were these concerns that they drove a Presidential candidate, Ross Perot, to the largest vote ever received (nominally and percentage-wise) by a national third-party candidate. After Bill Clinton won that election – largely because of the votes Perot took away from George Bush – the newly-elected President would famously say, "The era of big government is over." Oh, were that it was so.

That same year saw the publication of a book by David Osborne and Ted Gabler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* [http://www.amazon.com/gp/product/0452269423/ref=as_li_ss_tl?ie=UTF8&tag=newgeogrcom-20&linkCode=as2&camp=217145&creative=399369&creativeASIN=0452269423]. Oh, were that it was so. The most compelling concepts in that book (to me) were the privatization and contracting-out of government services – the transformation of government from the entity that provides services to the entity that sees needed services are provided.

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What happened? The concept of reinventing government is still alive, at least on the local and state levels; David Osborne is still fighting the good fight with the Public Strategies Group [[http://](http://www.psg.us/)

www.psg.us/], but as he writes, “Reinventing public institutions is Herculean work.” And at the federal level we have had orgies of spending, debt and deficits.

4 – MY CONCLUDING THOUGHTS

We still need to do big things, and there is certainly a case to be made that government should do them. Jordan Wolf [<http://www.policymic.com/articles/that-government-is-best-which-governs-least>] offers three reasons: markets can fail to be efficient; markets, even when they succeed at being efficient, can do wrong; and human fallibility.

But generally I agree with the thought that government should get out of the way (Keystone pipeline, anyone?). How ironic the opposition to building big things comes from the political left, the greens, Bananas (Build Absolutely Nothing Anywhere Near Anything), public employee unions and other

proponents of big government. Big Labor generally supports infrastructure projects, but not universally, and only on its prohibitively expensive terms [<http://barneymccoy.wordpress.com/2011/10/26/xl-pipeline-getting-the-facts-straight/>].

Meanwhile, a whole generation of underemployed blue collar youth is coming up, with few prospects and little of the can-do ethic that once propelled us to do big things. The President recently bemoaned this too – citing the Hoover Dam and Golden Gate Bridge – but he does not realize big government is now more of a hindrance to, than an agent of, needed and desired change.

The Consumer Demand Index is a monthly survey of American households’ buying decisions for the next 90 days. Unlike other measures of consumer “confidence” or “sentiment,” the CDI measures what percentages of US households WILL BE making purchases in the next 3 months across a wide range of durable

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