



IN THIS ISSUE: NEW BOOKS I INTEND TO READ THIS SUMMER

Based on my browsing history, amazon.com is recommending these books to me. I think I will take them up on their suggestions!

Ending Big SIS (The Special Interest State) and Renewing the American Republic

(James DeLong)

Ending Big SIS is a sober look at the current crisis in politics and government. The surface problems are known to all: uncontrolled spending; exploding debt; legal and regulatory absurdity; imperious bureaucracy; misdirected investment; and crippled private businesses and institutions.

But these are actually symptoms, not basic problems. They cannot be cured until we face up to a deep crack in the structure of our political institutions. We have allowed special interest groups of all kinds – the Founders of the republic called them “factions” – to capture segments of the government and then use its sovereign powers to tax, legislate, spend, and regulate to promote their own agendas rather than the interests of the nation as a whole.

The book assesses the fears of the Founders, how their ideas governed our political arrangements for 150 years, and the rise of the special interest state in the 20th century. It analyzes the powerful forces that uphold Big SIS, and closes with some specific suggestions on how to reverse course.

Unintended Consequences: Why Everything You've Been Told About the Economy Is Wrong

(Edward Conard)

In the aftermath of the Financial Crisis, many commonly held beliefs have emerged to explain its cause. Conventional wisdom blames Wall Street and the mortgage industry for using low down payments, teaser rates, and other predatory tactics to seduce unsuspecting home owners into assuming

mortgages they couldn't afford. It blames average Americans for borrowing recklessly and spending too much. And it blames the tax policies and deregulatory environment of the Reagan and Bush administrations for encouraging reckless risk taking by wealthy individuals and financial institutions.

But according to *Unintended Consequences*, the conventional wisdom masks the real causes of our economic disruption and puts us at risk of facing a slew of unintended – and potentially dangerous – consequences. This book addresses many essential but overlooked questions, such as:

- If the United States had become a nation of reckless consumers rather than investors, why did productivity soar in the years leading up to the meltdown?
- If predatory bankers took advantage of home owners, why did down payments decline, thereby shifting risk from home owners to lenders?
- If the risks were easy to spot, why did top political and financial advisers encourage lenders to make unsound investments?
- If new regulations encourage banks to hold enough capital to fund withdrawals and not just loan losses, how will the economy underwrite the risks necessary to reach full employment?

Uncontrolled: The Surprising Payoff of Trial-and-Error for Business, Politics, and Society

(Jim Manzi)

How do we know which social and economic policies work, which should be continued, and which should be changed? Jim Manzi argues that throughout history, various methods have been attempted – except for controlled experimentation. Experiments provide the feedback loop that allows us, in certain limited ways, to identify error in our beliefs as a first step to correcting them.

Trend Analysis That Builds Business Decisions

Over the course of the first half of the twentieth century, scientists invented a methodology for executing controlled experiments to evaluate certain kinds of proposed social interventions. This technique goes by many names in different contexts (randomized control trials, randomized field experiments, clinical trials, etc.). Over the past ten to twenty years this has been increasingly deployed in a wide variety of contexts, but it remains the red-haired step child of modern social science.

This is starting to change, and this change should be encouraged and accelerated, even though the staggering complexity of human society creates severe limits to what social science could be realistically expected to achieve. Randomized trials have shown, for example, that work requirements for welfare recipients have succeeded like nothing else in encouraging employment, that charter school vouchers have been successful in increasing educational attainment for underprivileged children, and that community policing has worked to reduce crime, but also that programs like Head Start and Job Corps, which might be politically attractive, fail to attain their intended objectives.

No, They Can't: Why Government Fails-But Individuals Succeed *(John Stossel)*

The government is not a neutral arbiter of truth. It never has been. It never will be. Doubt everything. John Stossel does. A self-described skeptic, he has dismantled society's sacred cows with unerring common sense. Now he debunks the most sacred of them all: our intuition and belief that government can solve our problems. In *No, They Can't*, the New York Times bestselling author and Fox News commentator insists that we discard that idea of the "perfect" government – left or right – and retrain our brain to look only at the facts, to rethink our lives as independent individuals – and fast.

With characteristic tenacity, John Stossel outlines and exposes the fallacies and facts of the most

pressing issues of today's social and political climate – and shows how our intuitions about them are, frankly, wrong:

- the unreliable marriage between big business, the media, and unions
- the myth of tax breaks and the ignorance of their advocates
- why "central planners" never create more jobs and how government never really will
- why free trade works – without government interference
- federal regulations and the trouble they create for consumers
- the harm caused to the disabled by government protection of the disabled
- the problems (social and economic) generated by minimum-wage laws
- the destructive daydreams of "health insurance for everyone"
- bad food vs. good food and the government's intrusive, unwelcome nanny sensibilities
- the dumbing down of public education and teachers' unions
- how gun control actually increases crime

The Real Crash: America's Coming Bankruptcy – How to Save Yourself and Your Country

(Peter Schiff)

You might be thinking everything's okay: the stock market is on the rise, jobs are growing, the worst of it is over.

You'd be wrong.

In *The Real Crash*, New York Times bestselling author Peter D. Schiff argues that America is enjoying a government-inflated bubble, one that reality will explode with disastrous consequences for the economy and for each of us. Schiff demonstrates how the infusion of billions of dollars

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of stimulus money has only dug a deeper hole: the United States government simply spends too much and does not collect enough money to pay its debts, and in the end, Americans from all walks of life will face a crushing consequence.

However, if we change course, the road ahead will be a bit rockier at first, but the final destination will be far more appealing. If we want to avoid complete collapse, we must drastically reduce government spending – eliminate entire agencies, end costly foreign military escapades and focus only on national defense – and stop student loan or mortgage interest deductions, as well as drug wars and bank-and-business bailouts. We must also do what no politician or pundit has proposed: America should declare bankruptcy, restructure its debts, and reform our system from the ground up.

The New Leviathan: How the Left-Wing Money-Machine Shapes American Politics and Threatens America's Future

(David Horowitz and Jacob Laksin)

At a time when the national political debate is about inequality and fairness, bestselling author David Horowitz and coauthor Jacob Laksin have written an unsettling book about the distribution of power in America. Thoroughly researched and amply documented, *The New Leviathan* overturns the conventional wisdom about which end of the political spectrum represents the rich and powerful, and which represents the people.

The Democratic Party presents itself to the electorate as the party of working families and the poor. In the 2000 election campaign, Democrat Al Gore ran on the slogan “The People vs. the Powerful,” while President Obama describes himself as a “grassroots organizer” and a spokesman for “fairness” and “progressive change.” Such is the world of political myth. In reality, the Democrats and the Obama progressives represent the richest and most powerful political machine in American history. Backed by a near trillion-dollar treasury in

America's oldest and largest tax-exempt foundations, progressives outspend conservatives by a factor of seven to one.

In *The New Leviathan*, David Horowitz and Jacob Laksin examine this growing financial power of left-wing organizations and politicians. They show how left-wing foundations underwrote the political career of Barack Obama and how massive funding advantages for progressive proposals have disenfranchised American voters and shifted the national policy debate dramatically to the left. *The New Leviathan* draws connections between the Obama administration and progressive organizations from labor unions to media outlets to nonprofits to political groups, and shows how on key policy fronts – national security, immigration, citizenship, environment, and health care – the sheer force of left-wing financial resources has reconfigured the nation's political agenda.

The Road to Freedom: How to Win the Fight for Free Enterprise

(Arthur Brooks)

Entrepreneurship, personal responsibility, and upward mobility: These traditions are at the heart of the free enterprise system, and have long been central to America's exceptional culture. In recent years, however, policymakers have dramatically weakened these traditions – by exploding the size of government, propping up their corporate cronies, and trying to reorient our system from rewarding merit to redistributing wealth.

In *The Road to Freedom*, American Enterprise Institute President Arthur C. Brooks shows that this trend cannot be reversed through materialistic appeals about the economic efficiency of capitalism. Rather, free enterprise requires a moral defense rooted in the ideals of earned success, equality of opportunity, charity, and basic fairness. Brooks builds this defense and demonstrates how it is central to understanding the major policy issues facing America today.

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Spoiled Rotten: How the Politics of Patronage Corrupted the Once Noble Democratic Party and Now Threatens the American Republic

(Jay Cost)

The Democratic Party has long presented itself as the party of the poor, the working class, the little guy. As Jay Cost's sweeping revisionist history reveals, nothing could be further from the truth.

Why have the Democrats gone from being the people's party of reform to the party of special-interest carve-outs? In *Spoiled Rotten*, political analyst Jay Cost tells the story of the modern Democratic Party from the end of the Civil War to the present, tracing the sad decline of a once noble political coalition that is no longer capable of living up to its lofty ideals.

When Andrew Jackson formed the Democratic Party in 1828, he promised to stand up for the little guy against the rule of privileged elites. What has become of this promise? According to Cost, recent history has shown the Democrats to be anything but the party of and for the people. Instead, they have become a collection of special-interest groups feeding off the federal government, exchanging votes for subsidies and benefits.

With the creation of a partisan spoils system in the nineteenth century, both parties practiced the politics of patronage. But, starting with the New Deal, Franklin Delano Roosevelt used the power of big government to transform whole classes of society into clients of the Democratic Party. Urban machines, southern segregationists, and organized labor all benefited from this approach. FDR's successors – Truman, Kennedy, Johnson, and Carter – followed suit, turning African Americans, environmentalists, feminists, government workers, teachers, and a number of other groups into loyal Democratic factions. As a result, the Democratic Party has become a kind of national Tammany Hall whose real purpose is to colonize the federal government on behalf of its clients.

No longer able to govern for the vast majority of the country, the Democratic Party simply taxes Middle America to pay off its clients while hiding its true nature behind a smoke screen of idealistic rhetoric. Thus, the Obama health care, stimulus, and auto bailout health care bill were created not to help all Americans but to secure contributions and votes. Average Americans need to see that whatever the Democratic Party claims it is doing for the country, it is in fact governing simply for its base.

The Age of Austerity: How Scarcity Will Remake American Politics

(Thomas Byrne Edsall)

One of our most prescient political observers provides a sobering account of how pitched battles over scarce resources will increasingly define American politics in the coming years – and how we might avoid, or at least mitigate, the damage from these ideological and economic battles.

In a matter of just three years, a bitter struggle over limited resources has enveloped political discourse at every level in the United States. Fights between haves and have-nots over health care, unemployment benefits, funding for mortgage write-downs, economic stimulus legislation – and, at the local level, over cuts in police protection, garbage collection, and in the number of teachers – have dominated the debate. Elected officials are being forced to make zero-sum choices – or worse, choices with no winners.

Resource competition between Democrats and Republicans has left each side determined to protect what it has at the expense of the other. The major issues of the next few years – long-term deficit reduction; entitlement reform, notably of Social Security, Medicare, and Medicaid; major cuts in defense spending; and difficulty in financing a continuation of American international involvement – suggest that your-gain-is-my-loss politics will inevitably intensify.