



On the money: Brock dissects the economic debate

Anatomy of thought

Ed Smith

American Gridlock: Why the Right and Left Are Both Wrong - Commonsense 101 Solutions to the Economic Crises

H Woody Brock

Wiley, 304pp, £18.99

The US economist H Woody Brock isn't satisfied with feeling that, on balance, he is on the right side of the argument. He wants to use every logical and rational tool at his disposal to prove it and, in doing so, to move the argument on to a higher plane.

American Gridlock: Why the Right and Left Are Both Wrong is a sparkling, trenchant and highly unusual book. It points its intellectual firepower at half-baked columns and chat-show sound bites. But the real targets are lawmakers and the voters who put them in office. Brock wants better government and he believes that better thinking will provide it. *American Gridlock* is his impassioned plea to the US governing classes.

Brock begins by describing current political discourse across the Atlantic as "a dialogue of the deaf". He accuses pundits on both the left and right of failing to offer reasoned analysis, simply waiting instead for opportunities to rehearse ready-made prejudices. He is exasperated by the "gotcha" culture of debate, in which pundits devote all their energy to exposing mistakes – however trivial – made by their opponents.

However, Brock isn't content merely to lament a cultural decline. He believes he can identify its underlying causes and redress them. He points his finger at the demise of deductive logic – in which conclusions are deduced from

first principles – and the dominance of inductive logic, where examples are piled on top of each other in order to give the appearance of an overwhelming argument.

In the age of mass information, Brock argues, induction can be used to "prove" almost anything. In response to newspaper columns beefed up by Google searches, Brock quotes TS Eliot's questions: "Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?"

American Gridlock is illuminated by journalistic aphorisms as well as by philosophical rigour. For instance, Brock coins the term "phliberalism", or phoney liberalism. If liberalism demands equality between all types of people, Brock argues, then surely that should include the equal rights of all generations, including those not yet born?

Echoing David Willetts's book *The Pinch*, Brock argues that there is nothing particularly "liberal" about policies that end up mortgaging the future of the next generation. Yet this is far from a tribal book: Brock is just as scathing, if not more so, about the Republicans, whom he calls the "no party" – the party in Congress that simply blocks everything.

Brock identifies several central areas of public policy where he believes the current debate in the US is pitched along the wrong battle lines. The row about reducing the deficit v stimulating growth fails to distinguish between differing types of deficit; the shrill arguments about health care obsessed over the issue of demand without addressing the question of how to expand supply; and despite all the analysis of the threat of China, the west has focused insufficiently on an optimal bargaining strategy.

The chapter on the financial crisis is an example of Brock's methodology. He concedes that greed – so often invoked as an underlying problem – clearly played a role in the crisis. But human greed is a constant, whereas the opportunity to be greedy fluctuates. So, rather than railing at greed, Brock argues, we should instead focus the debate on the variables: greed cannot be regulated; excess leverage can. Recall here the old story about the Danish king Cnut: "While the courtiers railed against the waves crashing upon the shores of Denmark, their wise king counselled them to construct sea walls instead of bewailing the state of nature."

American Gridlock is not just for policy wonks; it has a moral dimension, too. It argues that top earners should pay a higher rate of tax, in line with the winner-takes-all nature of modern society. Taxes should respond to the amplification of the luck factor. Brock recalls a conversation with the Australian tycoon Kerry Packer: "Woody, when you meet someone very successful who thinks he deserves his success, you know you've met a real jerk!" ▶

► This book is intended as a riposte to the intellectual pessimism that pervades the west. There is, however, a difference between pessimism and scepticism. At times, I was able to follow Brock so far but no further towards an Apollonian world of logical clarity and win-win policies. It is one thing logically to analyse the superiority of deficits targeted on infrastructure projects compared with deficits spent on benefits – the former creates a new railway system, the latter doesn't. But when and where to build new railways can only be a matter of judgement, just as it is a matter of judgement for politicians to assess how far an electorate will tolerate having its benefits (and expectations) squeezed. Even armed with better logic, there is no escaping the primacy of good judgement.

As a non-scientist, I am not quite as confident as Brock that the big issues can be resolved by logic alone. Yet it is a long time since I have read a book combining such mischief, clarity and deep seriousness. I finished *American Gridlock* far more enlightened and optimistic than I was when I began it. ●

Ed Smith's new book "Luck: What It Means and Why It Matters" is published by Bloomsbury on 29 March (£16.99)

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