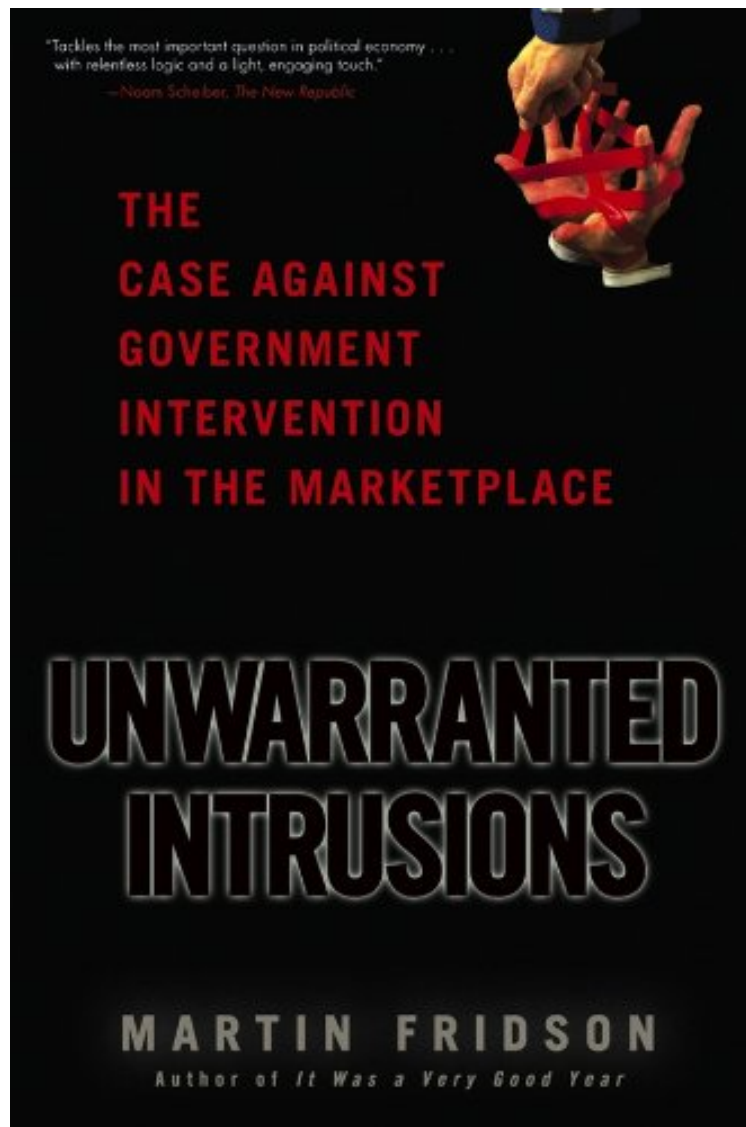


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Unwarranted Intrusions: The Case Against Government Intervention in the Marketplace

Martin S. Fridson

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Martin S. Fridson : Unwarranted Intrusions: The Case Against Government Intervention in the Marketplace before purchasing it in order to gauge whether or not it would be worth my time, and all praised Unwarranted Intrusions: The Case Against Government Intervention in the Marketplace:

9 of 10 people found the following review helpful. Stick It Where It Hurts By Katharine M. Hikel Citizens, rejoice! Marty Fridson, the D'Artagnan of finance, is back with his sharp and delicate sword, this time taking on the world of

subsidy. Fridson is the eminently readable writer, historian, and Wall Street financial whiz whose books "It Was A Very Good Year" and "How To Be A Billionaire" offer wicked glimpses into the world of wealth accumulation, happily skewering the institutions from which all our rich fantasies spring. He now takes aim at the perennial use of government (read taxpayers') money to support troubled and misguided programs - Social Security! The FDIC! Fannie Mae! - which, he says, are better off left to the self-correcting forces of the marketplace. Fridson gives lucid histories of government intervention - starting in 1867 with campaign-finance reform - showing that regulations and subsidized programs, dear to our hearts and psyches, that were created to reduce disparities in wealth and income, have generally achieved the opposite effect. Politically-motivated bailouts -- aid to farmers, rent control, and property tax breaks for businesses -- create artificial shortages and gluts, making some people (usually the upper tax brackets: agribusiness, landlords, and CEOs) better off, at the cost of making everyone else worse - locally and globally. And the only people these subsidies invariably benefit are the politicians, who promote them to grease whichever wheel of the voters' cart is squeaking the loudest. Market failure in any sector means disparity: goods and services are not allocated efficiently. Fridson says that government intervention in the economy is only appropriate when the market fails to produce an optimal outcome - in education, for example, where the need for skilled workers outweighs individuals' demands. Direct income support is also necessary for workers who can't find employment, or who are unable to participate in the labor market. But other subsidies, protections, and regulations (like restrictions on short-selling and margin buying, or federal assistance to the big mortgage lenders, Fannie Mae and Freddie Mac) generally benefit the privileged (brokers; middle- and upper-income home buyers), exclude low-to-moderate-income groups, and contribute to the sequestration of capital in the top ten percent. Fridson provides plenty of credible, readable data to back his points. "Unwarranted Intrusions" is so sharp that it's painless; this book makes reading the political news fun again. Buy two copies - one for yourself and one for your favorite Congressperson.

4 of 5 people found the following review helpful. Excellent primer on government's negative role in society. By John E. Tamny. Fridson is amazing. The research here is exhaustive, but at the same time highly accessible and enlightening. Fridson quotes everyone from classical economists such as Ricardo to contemporary politicians in showing how unwarranted intrusions by the government into our lives invariably makes us much worse off. For those who love to debate, this book is a must. Fridson uncovers the various myths about ethanol, payola, and our "low" savings rate. An essential book.

3 of 5 people found the following review helpful. Great book! By bootstar. Great text from Fridson - a must-read for anyone with any interest in the inner workings of the U.S. government's involvement in economy. Fridson exposes inefficiencies all over the place without sparing either side of the aisle. The writing is well-versed, but at the same time extremely easy to follow.

What happens when politicians substitute their wisdom for the market's? The result is usually a government subsidy that provides advantage to a special interest group only -- but costs everyone and drains the economy. In *Unwarranted Intrusions*, well-known financial commentator Martin Fridson turns his sharp eye for uncovering opaque financial reporting practices to the U.S. government and examines the economic reality of some of the most popular yet financially draining subsidies. Fridson debunks programs that claim to provide jobs, encourage savings, provide affordable housing, and preserve family farms -- among many others. *Unwarranted Intrusions* is a provocative and exhaustively researched challenge to prevailing political claims of programs that purport to protect the public good.

"UNWARRANTED INTRUSIONS MERITS INCLUSION IN THE SHORT LIST OF THE BEST BUSINESS BOOKS OF THE YEAR. MAKE THAT THE DECADE." -from the Boston Globe article, Politicians often play Robin Hood in reverse -- By Cecil Johnson (07/14/2006)

From the Inside Flap: Politicians invariably cite lofty purposes to justify government intervention in the marketplace. On closer examination, the intercessions usually turn out to be clever schemes for buying support from special interests with taxpayers' money. The already advantaged turn out to be the biggest beneficiaries, while the resulting misallocation of resources afflicts society at large. In *Unwarranted Intrusions*, well-known financial commentator Martin Fridson turns his sharp eye for investment deceptions and accounting ruses to subterfuges practiced by the U.S. government. His exhaustive research reveals politicians from both sides of the aisle basing legislation on elementary economic fallacies. George W. Bush and Hillary Clinton play their parts in the story, along with less likely figures such as Al Jolson and Bozo the Clown. The opening part, *A Nation of Subsidies*, focuses on government meddling that ranges from trade protection and publicly financed athletic stadiums to subsidies for the arts. You'll chuckle as Fridson gleefully debunks the supposed market failures that officeholders use to justify their machinations. Part two, *Restraint of Trade*, assails government intrusions into ordinary commercial activities, such as apartment rentals, the operation of automatic teller machines, and even television audience ratings. You'll be forced to reexamine your assumptions about protecting the public against volatile stock markets and music industry payola. In the final part, *Telling It Like It Isn't*, Fridson details how politicians rely on misrepresentations to foist badly conceived policies on the electorate. From exaggerating their impact on the nation's economic performance to periodically pretending to clean up campaign finance, Fridson shows that politicians repeatedly prove themselves to be masters of false advertising. Costly government intervention operates on such a vast scale that there is no chance of immediately dismantling it all. The good news is that one small victory can represent a

huge gain in public well-being. Filled with in-depth insight and practical advice, *Unwarranted Intrusions* will open your mind to the possibility of putting our dysfunctional system back on track.

From the Back Cover
Praise for UNWARRANTED INTRUSIONS "Marty Fridson has tackled the most important question in political economy: What are the consequences of government intervention in markets? Whether the subject is mortgage subsidies or record company payola or savings incentives, Fridson combines relentless logic and a light, engaging touch to demonstrate that intervention doesn't just make markets less efficient, it also advantages the big guy at the expense of the little guy. No one can afford to miss this analysis." —Noam Scheiber, Senior Editor, *The New Republic*

"Martin Fridson knows how to tell a good story. In *Unwarranted Intrusions* he recounts a series of spellbinding morality tales about what really happens when government intervenes in the marketplace. If the book were mainly about 'the cost of good intentions'—government over-reaching itself to rein in greedy capitalists—its message would be far less disturbing. It's really about the cost of bad intentions—about the unholy alliance between certain capitalists and government in general, irrespective of political party, to rein us all in." —Gene Epstein, Economics Editor, *Barron's*

"Much of our daily life involves choices among goods where the benefits don't match the costs—the arts, spectator sports, imports, education, health, research, and development. Until now, developing an appreciation of proper decision making in these areas was the province of economists who used technical and specialized techniques involving models for solving the free rider, externality, tragedies of the commons, and excusable consumption. Now, for the first time, Fridson provides a sharp, direct, focused, practical, and commonsense approach to navigating in these areas. Every investor, parent, teacher, economist, politician, and especially layman should have this incisive and important book." —Victor Niederhoffer, rated #1 commodity trading adviser 2003–2005 by *MAR* for funds over \$50 million, and author of *The Education of a Speculator and Practical Speculation*

"A free economy is the greatest engine of prosperity in history. Unfortunately, special interest groups from across the political spectrum constantly burden the market with what Martin Fridson properly calls unwarranted intrusions. In this book, he offers solid advice on taxes and trade. But the book is particularly delightful for Fridson's insightful analysis of topics that are rarely examined sensibly, such as short selling, radio payola, and ATM fees." —David Boaz, Executive Vice President, *Cato Institute*