

June 12, 2013

Glenn Reynolds notes the common thread to the DC scandals.

"How ironic is that? We wanted a president that listens to all Americans -- now we have one." That was Jay Leno's take on the Obama administration's expanding NSA spying scandal, which has gone beyond Verizon phone records to include Google, Facebook, Yahoo and just about all the other major tech companies except, apparently, for Twitter.

The NSA spying scandal goes deep, and the Obama administration's only upside is that the furor over its poking into Americans' private business on a wholesale basis will distract people from the furor over the use of the IRS and other federal agencies to target political enemies -- and even donors to Republican causes -- and the furor over the Benghazi screwup and subsequent lies (scapegoated filmmaker Nakoula is still in jail), the furor over the "Fast And Furious" gunrunning scandal that left literally scores of Mexicans dead, the scandal over the DOJ's poking into phone records of journalists (and their parents), HHS Secretary Kathleen Sebelius' shakedown of companies she regulates for "donations" to pay for ObamaCare implementation that Congress has refused to fund, the Pigford scandal where the Treasury Department's "Judgment Fund" appears to have been raided for political purposes -- well, it's getting to where you need a scorecard to keep up.

But, in fact, there's a common theme in all of these scandals: Abuse of power. ...

David Brooks reviews an interesting book. Interesting in that it reveals and displays the unhappiness of the American left at a point in time before we learned about the massive data-mining undertaken by the government. Interesting also in that it is written in the narrative style of the "USA Trilogy" by John Dos Passos.

... Packer rarely comes out and says what he thinks. This is a book of nearly pure narrative, and his meanings are embedded in the way he portrays people, those he likes (outsiders) and those he doesn't (bankers, the political class). There are some passages of outright analysis in this book to show that America is "unwinding," that the structures of everyday life are crumbling, that the nation's leaders have "abandoned their posts," that the void has been filled with "the default force in American life, organized money." But I doubt the analytic passages together would fill more than a few pages of this 434-page book.

The stories that do fill its pages are beautifully reported. There are a few dominating figures who pop in and out, like Jeff Connaughton, the perfect political No. 2, who in the early 1980s hitched his wagon to Joe Biden and became an aide, a fund-raiser, a lobbyist and a Washington insider. But during the financial crisis Connaughton grew disillusioned with politics, and he gives Packer an absolutely brutal portrait of Biden as a coldblooded operator, a staff-abuser and a people-user, who cares about nothing but his own presidential ambitions. (This portrait is cartoonishly overdrawn.)

There is Dean Price, a young go-getter who opened a chain of truck stops and then fell for some crackpot suggestions that the world was about to run out of oil and moved off into biodiesel. After being the political flavor of the month for a while with his speeches on energy, he was charged with not paying his taxes, his company tanked and things ended badly.

There is Tammy Thomas, a woman from Youngstown, Ohio, who worked hard in the city's auto parts plants and took an early retirement buyout as the local economy crumbled around her. She lost a large chunk of her savings in a Ponzi scheme. Outraged at the changes around her, she has become an activist and community organizer.

To repeat, Packer does an outstanding job with these stories. "The Unwinding" offers vivid snapshots of people who have experienced a loss of faith. As a way of understanding contemporary America, these examples are tantalizing. But they are also frustrating. The book is supposed to have social, economic and political implications, but there is no actual sociology, economics or political analysis in it.

By "the unwinding," Packer is really referring to three large transformations, which have each been the subject of an enormous amount of research and analysis. The first is the stagnation of middle-class wages and widening inequality. Depending on which analyst you read, this has to do with the changing nature of the information-age labor market, changing family structures, rising health care costs, the decline of unions or the failure of education levels to keep up with technology.

The second is the crushing recession that began in 2008. Depending on which analyst you read, this was caused by global capital imbalances, bad Federal Reserve policy, greed on Wall Street, faulty risk-assessment models or the insane belief that housing prices would go on rising forever.

The third transformation is the unraveling of the national fabric. Depending on which analyst you read, this is either a gigantic problem (marriage rates are collapsing; some measures of social connection are on the decline) or not a gigantic problem (crime rates are plummeting, some measures of social connection are improving).

Packer wants us to understand these transformations, but ultimately, narrative and anecdotes are not enough. They need to be complemented with evidence from these long-running debates and embedded in a theoretical framework and worldview. ...

The above by David Brooks reviewing a book by the New Yorker's George Packer is a good illustration of why the American left cannot understand the damage done by the current administration. To see how things might be different, and we could once again have an economy that could generate as many as one million jobs in a month as it did during the recovery of the Reagan Presidency we have Forbes contributor, **Carl Schramm**, who makes the moral case for policies that foster growth.

... The moral implications of non-recovery causes Washington to look culpable for human costs that politicians would just as soon not consider. In every recession or slow-growth situation, every one of them, the poor pay a higher price. Just the same, in most recoveries the poor do better than the rich. Think about it. Right now well off people hardly know that recession-like conditions persist. In fact, the incomes of the top one percent have climbed steadily through the last few years.

Poorer Americans, including black people, have had to deal with the problem of chronic unemployment and retreat entirely from the labor force. How is it that advocates for the poor

don't really seem to understand that when our economy doesn't grow there is no possible way that poverty will ever be reduced? Perhaps it's because the poor are now permanently attended to by the profession of community advocates.

In America, even as the world uses the American model of entrepreneurial capitalism to push back poverty, we have institutionalized poverty as an intractable social condition! The ideological solution is to take from the rich despite the tautological reality that their invested capital creates all the new jobs. If you don't think the poor can or want to work, that they should be permanent wards of the state, and you wrap yourself in the feel-good pop-morality of "social justice," what other solution can you reach? Tragically, America's cadre of public policy professionals seems to believe the poor will always be with us, at pretty much the same percent of population, no matter what. Thank goodness China, India and, now, countries in Africa don't buy this assumption!

Where in the rhetoric of those who advocate for the poor does one ever hear of the eradication of poverty outright through the expansion of minority entrepreneurship and the growing up of scale businesses? The notion that somehow entrepreneurial capitalism is not what the poor could use to their benefit is bolstered by a set of memes that serve to make growth itself somehow morally questionable. Experts in community activism and social work, as well as some philanthropic supporters and growing numbers of college students, appear to believe that it is better that people live in an eco-friendly static state of near-poverty than be cogs in the destruction of the environment that is the inevitable (but not really true) cost of economic growth.

In a confused world of economic policy there is only one true north – growth! Growth means the expansion of human welfare at home. Public policy that is not first and foremost focused on economic expansion of our own economy imposes unnecessary and horrific costs on individuals, most importantly the poor, right here in America.

Here's how old Pickerhead is. When traveling from Rhode Island to Valley Forge for the 1957 Boy Scout Jamboree, he can remember the train stopping periodically for ice for the air conditioning system. CNN has a story on the man who helped create the [ice business in America](#).

Frederic Tudor not only introduced the world to cold glasses of water on hot summer days, he created a thirst people never realized they had.

In 1805, two wealthy brothers from Boston, Massachusetts, were at a family picnic, enjoying the rare luxuries of cold beverages and ice cream.

They joked about how their chilled refreshments would be the envy of all the colonists sweating in the West Indies.

It was a passing remark, but it stuck with one of the brothers. His name was Frederic Tudor, and 30 years later, he would ship nearly 200 tons of ice halfway around the globe to become the "Ice King."

Ice man cometh

Nothing in Tudor's early years indicated that he would invent an industry.

He had the pedigree to attend Harvard but dropped out of school at the age of 13.

After loafing for a few years, he retired to his family's country estate to hunt, fish, and play at farming.

When his brother, William, quipped that they should harvest ice from the estate's pond and sell it in the West Indies, Frederic took the notion seriously. After all, he had little else to do. ...

USA Today

Obama's power grab

The common thread running through his scandals is an abuse of power.

by Glenn Reynolds

"How ironic is that? We wanted a president that listens to all Americans -- now we have one." That was [Jay Leno's take](#) on the Obama administration's expanding NSA spying scandal, which has gone beyond Verizon phone records to include Google, Facebook, Yahoo and just about all the other major tech companies [except, apparently, for Twitter](#).

The NSA spying scandal goes deep, and the Obama administration's only upside is that the furor over its poking into Americans' private business on a wholesale basis will distract people from the furor over the [use of the IRS](#) and other federal agencies to target political enemies -- and even donors to Republican causes -- and the furor over the Benghazi screwup and subsequent lies (scapegoated filmmaker [Nakoula is still in jail](#)), the furor over the "Fast And Furious" gunrunning scandal that left literally [scores of Mexicans dead](#), the scandal over the DOJ's poking into phone records of journalists (and their parents), HHS Secretary Kathleen Sebelius' [shakedown of companies](#) she regulates for "donations" to pay for ObamaCare implementation that Congress has refused to fund, the [Pigford scandal](#) where the Treasury Department's "Judgment Fund" appears to have been raided for political purposes -- well, it's getting to where you need a [scorecard to keep up](#).

But, in fact, there's a common theme in all of these scandals: Abuse of power. And, what's more, that abuse-of-power theme is what makes the NSA snooping story bigger than it otherwise would be. It all comes down to trust.

The justification for giving the government a lot of snooping power hangs on two key arguments: That snooping will make us safer and that the snooping power won't be abused.

Has it made us safer? Anonymous government sources quoted in news reports say yes, but we know that all that snooping didn't catch the Tsarnaev brothers before they bombed the Boston

Marathon -- even though they made extensive use of email and the Internet, and even though Russian security officials had warned us that they were a threat. The snooping didn't catch Major Nidal Hasan before he perpetrated the Fort Hood Massacre, though he should have been spotted easily enough. It didn't, apparently, warn us of the Benghazi attacks -- though perhaps it explains how administration flacks were able to find and scapegoat a YouTube filmmaker so quickly . But in terms of keeping us safe, the snooping doesn't look so great.

As for abuse, well, is it plausible to believe that a government that would abuse the powers of the IRS to attack political enemies, go after journalists who publish unflattering material or scapegoat a filmmaker in the hopes of providing political cover to an election-season claim that al-Qaeda was finished would have any qualms about misusing the massive power of government-run snooping and Big Data? What we've seen here is a pattern of abuse. There's little reason to think that pattern will change, absent a change of administration -- and, quite possibly, not even then. Sooner or later, power granted tends to become power abused. Then there's the risk that information gathered might leak, of course, as recent events demonstrate.

Most Americans generally think that politicians are untrustworthy. So why trust them with so much power? The evidence to date strongly suggests that they aren't worthy of it.

Glenn Harlan Reynolds is professor of law at the University of Tennessee. He blogs at InstaPundit.com.

NY Times

[The Big Money](#)

by David Brooks

THE UNWINDING

An Inner History of the New America

By George Packer

434 pp. Farrar, Straus & Giroux. \$27.

Danny Hartzell grew up near Pittsburgh, the son of an alcoholic father who left him largely unsupervised. His wife, Ronale, was also raised by parents who were alcoholics, and her mother drank rubbing alcohol when the other kind wasn't available. Often they lived out of their car, and Ronale went to bed hungry when her mother was too drunk or unable to feed her.

Danny and Ronale met and fell in love in Tampa. Both dropped out of high school. When the recession hit in 2008, Danny was laid off from his \$10-an-hour job at a factory that made plastic bags. He was in his late 30s, short, overweight, deaf in one ear and missing several teeth. His voice was loud and hoarse. Ronale was also obese and missing teeth. She suffered from diabetes.

They were fiercely attached to each other and to their children, but had few connections beyond that. As George Packer writes in "The Unwinding," a gripping narrative survey of contemporary

America, the Hartzells were “estranged from their surviving relatives, most of whom were heavy drinkers. They had few friends, and no church (though they were Christian) or union (though they were working class) or block association (though they wished the area was safe enough for the kids to go trick-or-treating). They hardly gave a thought to politics.”

In the spring of 2009, their daughter was found to be suffering from bone cancer in her left leg. The next 18 months were consumed by her treatment. Cockroaches infested their apartment. Ronale stopped cooking, and they lived off pizza, Velveeta Cheesy Skillets and Salisbury steaks, which were \$2.28 for a package of six. Danny got a part-time job at Target, but one morning he was told to come in when his daughter had a doctor’s appointment. He didn’t bother to call to get the day off. He just didn’t show up and ended up losing his job.

Finally, Danny and Ronale decided to get false teeth. They went to the dentist and had their gums taken care of and some residual teeth pulled, which left them completely toothless. Each was fitted with a gleaming set of new teeth. But Ronale left the dentist’s office in pain. She took the teeth out and never put them back in. Danny stopped using his too.

Danny got a job at Walmart, but he hated it. Packer summarizes his views: “He hated the superior attitude of the managers, . . . the customers who interrupted him while he was shelving stock to ask where the frigging bananas were, the fact that he was an ‘associate’ instead of an old-school ‘employee.’ ” He complained loudly to his colleagues, and one day a manager warned Danny about his bad attitude. His pride injured, Danny stopped showing up and lost that job too.

The Hartzells are just one of the families scraping their way through the modern economy in Packer’s deeply affecting book. He’s giving us the story of the nation’s economic transformation from the ground up.

Packer has clearly modeled this book on the novels of John Dos Passos’ “U.S.A.” trilogy (1930-1936), which came out in the pit of the Great Depression. Dos Passos followed the scattered lives of a dozen or more fictional characters, interspersing their stories with short biographies of real historic figures, stream-of-consciousness passages and “newsreels” — collages of modern headlines and song lyrics to evoke the spirit of the times. He enveloped it all in his fervent left-wing politics; the trilogy was, for all its avant-garde style, meant to arouse working-class consciousness and protest.

The characters in Packer’s book are real, not fictional. Packer is a staff writer for The New Yorker who produced some of the finest journalism about the Iraq war (including an outstanding book called “The Assassin’s Gate”). But like Dos Passos, he too includes newsreels and short biographies of major figures. His book is also infused with a strong left-wing economic populism. He paints an admiring portrait of the Massachusetts senator Elizabeth Warren, whose political views seem to coincide with his own.

He seems to be disappointed in or critical of Democrats whom he regards as too close to the financial establishment, like Barack Obama, Joe Biden, Larry Summers, Tim Geithner and Robert Rubin. He seems to sympathize with anti-establishment outsiders, whether they are Occupy Wall Street organizers, the writer Raymond Carver or even the libertarian renegade Peter Thiel. He seems to regard members of the American establishment like Oprah Winfrey, Colin Powell, Jay-Z, Alice Waters and Sam Walton as soulless, hypocritical, pathetic or

opportunistic. He seems to dislike Republicans and especially [Tea Party](#) types, who are portrayed spitting out their words, practicing mustard gas politics and motivated by blind hatreds.

I use the word “seems” a lot because Packer rarely comes out and says what he thinks. This is a book of nearly pure narrative, and his meanings are embedded in the way he portrays people, those he likes (outsiders) and those he doesn’t (bankers, the political class). There are some passages of outright analysis in this book to show that America is “unwinding,” that the structures of everyday life are crumbling, that the nation’s leaders have “abandoned their posts,” that the void has been filled with “the default force in American life, organized money.” But I doubt the analytic passages together would fill more than a few pages of this 434-page book.

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Packer wants us to understand these transformations, but ultimately, narrative and anecdotes are not enough. They need to be complemented with evidence from these long-running debates and embedded in a theoretical framework and worldview.

To the extent that Packer offers a framework, it is that the nation's elites have failed. The organized money class has captured Barack Obama and rigged the game for itself: "The statesmen and generals had become consultants and pundits. The Army was composed of professionals, not citizens. The public schools were leaving the children of the whole people semiliterate."

Anybody who covers Washington and Wall Street knows there is an awesome amount of self-dealing in America's power centers, most of it perfectly legal. But in what sense has this elite — which comes from the finest universities and is the most diverse and equal-opportunity elite in history — failed? This is the sort of question "The Unwinding" doesn't help answer.

Moreover, this rot-at-the-top theory doesn't really explain wage stagnation, inequality, the Great Recession or changes in social capital. It doesn't fully cohere with many of Packer's complex, rich stories. For example, it doesn't really help us understand how much the Hartzells should be held responsible for their own decisions — dropping out of school, not using their new teeth, quitting jobs because a customer occasionally asked where to find the bananas.

I wish Packer had married his remarkable narrative skills to more evidence and research, instead of just relying on narrative alone. Combine data to lives as they are actually lived.

When John Dos Passos wrote the "U.S.A." trilogy, the left had Marxism. It had a rigorous intellectual structure that provided an undergirding theory of society — how social change happens, which forces matter and which don't, how society works and who causes it not to work. Dos Passos' literary approach could rely on that structure, fleshing it out with story and prose.

The left no longer has Marxism or any other coherent intellectual structure. Packer's work has no rigorous foundation to rely on, no ideology to give it organization and shape. But the lack of a foundational theory of history undermines the explanatory power of "The Unwinding," just as it undermines the power and effectiveness of modern politics more generally.

Forbes

[When Economic Policy Isn't Focused On Growth, The Poor Suffer Mightily](#)

by Carl Schramm

It's been a long time, as in years, since we've had a certain sense that the economy is or might be set to enjoy sustained growth. We are so eager for good news that any upward pointing

indicator gets celebrated in the media, in part because it confirms the political biases of many people in the press about the worth of President Obama's stimulus policies.

But, even the most recent jobs data indicating that unemployment fell to 7.5 percent is clouded by the realization that the number of people who left the labor market grew to a record high. It suggests fairly clearly that the lower rate of unemployment is what economists call "artificial" data. The number of permanently unemployed and those working in jobs well below their skill levels persists. Just ask this year's college graduating class about its prospects.

Indeed, I believe that the recent GDP "recovery" (an unsatisfactory 2.5 percent annualized in government estimates) of Q1 from the disastrous Q4 of last year will likely be followed by a very disappointing final result for the year. There is a very real chance that as the Affordable Care Act with its explicit and hidden taxes takes hold that we may seldom if ever see annualized growth of 3 percent again! Three percent is the minimum that lets our country grow and provide full employment, eventuates reductions in poverty, and the ability of private investment to really burst forth such that innovation takes shape.

Yet, in the true believer column, Washington's political economists continue to argue that higher income taxes are the economic cure. They actually believe that the latter will boost federal revenues, and that the revenues will stimulate the economy because they'll foster for more government spending.

To me, adding tax hike gasoline to the economic fire looks like the recipe for what must surely will be the perfect storm that economists seldom consider – igniting a negative multiplier. More taxes coupled with nominally positive interest rates will produce lower levels of capital investment, reduced numbers of new firms, and continuously lower levels of real employment. Oh, and let's add to all this the presumed movement of 1/6th of the economy, healthcare, onto the federal budget. For good measure throw in the IRS scandal – its existence touching every business decision – for evidence that this same hubristic federal government seems to be losing its credibility over economic affairs...

In looking into the future, economists seldom if ever consider the worst case scenario. If they did, they would have to confront a dimension of economics that is largely unconsidered in the literature, namely, the moral issues of lost opportunity. Imagine if recovery from the Depression had been better managed? Think of President Roosevelt, largely ignorant of economic issues, setting the global price of gold in his bed every morning!

Suppose the U.S. had followed the more considered economic policy of European nations and our Depression had ended three years earlier? Three more years of growth in our history would have yielded incalculable benefits, not the least of which would have likely been a faster end to World War II, perhaps an avoidance of the Cold War altogether, and an earlier onset of the integration of blacks in the economy. The "War on Poverty" and all the social welfare theory and the bureaucratic apparatus it spawned would like not have been necessary. Much of what Michael Harrington wrote of in 1960 in his hugely influential *The Other America: Poverty in the United States* was that part of our population that never recovered from the Depression. Lost growth and its positive impact on human welfare can never be recovered.

Before dismissing this as some kind of irrelevant "what if" thought experiment, consider the implications of President Kennedy pragmatically dismissing the overwhelming ideological advice

of Galbraith and the Cambridge economists, and pushing for a tax cut that kicked off the enormous expansion of the 1960s? He saw that Roosevelt-style stimulus wasn't producing job growth. The tax cut brought many families out of poverty and produced a period of wealth from which we continue to benefit today. It was the surge in growth that permitted America's baby boomers to get educated at the college level for one thing. Every family with college educated parents is at least one million dollars ahead in terms of earnings over a lifetime.

The moral implications of non-recovery causes Washington to look culpable for human costs that politicians would just as soon not consider. In every recession or slow-growth situation, every one of them, the poor pay a higher price. Just the same, in most recoveries the poor do better than the rich. Think about it. Right now well off people hardly know that recession-like conditions persist. In fact, the incomes of the top one percent have climbed steadily through the last few years.

Poorer Americans, including black people, have had to deal with the problem of chronic unemployment and retreat entirely from the labor force. How is it that advocates for the poor don't really seem to understand that when our economy doesn't grow there is no possible way that poverty will ever be reduced? Perhaps it's because the poor are now permanently attended to by the profession of community advocates.

In America, even as the world uses the American model of entrepreneurial capitalism to push back poverty, we have institutionalized poverty as an intractable social condition! The ideological solution is to take from the rich despite the tautological reality that their invested capital creates all the new jobs. If you don't think the poor can or want to work, that they should be permanent wards of the state, and you wrap yourself in the feel-good pop-morality of "social justice," what other solution can you reach? Tragically, America's cadre of public policy professionals seems to believe the poor will always be with us, at pretty much the same percent of population, no matter what. Thank goodness China, India and, now, countries in Africa don't buy this assumption!

Where in the rhetoric of those who advocate for the poor does one ever hear of the eradication of poverty outright through the expansion of minority entrepreneurship and the growing up of scale businesses? The notion that somehow entrepreneurial capitalism is not what the poor could use to their benefit is bolstered by a set of memes that serve to make growth itself somehow morally questionable. Experts in community activism and social work, as well as some philanthropic supporters and growing numbers of college students, appear to believe that it is better that people live in an eco-friendly static state of near-poverty than be cogs in the destruction of the environment that is the inevitable (but not really true) cost of economic growth.

In a confused world of economic policy there is only one true north – growth! Growth means the expansion of human welfare at home. Public policy that is not first and foremost focused on economic expansion of our own economy imposes unnecessary and horrific costs on individuals, most importantly the poor, right here in America.

CNN

The surprisingly cool history of ice

Until two centuries ago, ice was just an unfortunate side effect of winter. But in the early 1800s, one man saw dollar signs in frozen ponds.

by Linda Rodriguez

Frederic Tudor not only introduced the world to cold glasses of water on hot summer days, he created a thirst people never realized they had.

In 1805, two wealthy brothers from Boston, Massachusetts, were at a family picnic, enjoying the rare luxuries of cold beverages and ice cream.

They joked about how their chilled refreshments would be the envy of all the colonists sweating in the West Indies.

It was a passing remark, but it stuck with one of the brothers. His name was Frederic Tudor, and 30 years later, he would ship nearly 200 tons of ice halfway around the globe to become the "Ice King."

Ice man cometh

Nothing in Tudor's early years indicated that he would invent an industry.

He had the pedigree to attend Harvard but dropped out of school at the age of 13.

After loafing for a few years, he retired to his family's country estate to hunt, fish, and play at farming.

When his brother, William, quipped that they should harvest ice from the estate's pond and sell it in the West Indies, Frederic took the notion seriously. After all, he had little else to do.



Frederic convinced William to join him in a scheme to ship ice from New England to the Caribbean.

Tudor reasoned that once people tried it, they'd never want to live without it. During the next six months, the brothers pooled their money and laid out plans to ship their product to the French island of Martinique, where they hoped to create a monopoly on ice.

No one believed the idea would work. In fact, no ship in Boston would agree to transport the unusual cargo, so Frederic spent nearly \$5,000 (a big chunk of the seed money) buying a ship of his own.



On February 10, 1806, The [Boston](#) Gazette reported, "No joke. A vessel with a cargo of 80 tons of ice has cleared out from this port for Martinique. We hope this will not prove to be a slippery speculation."

It did.

Although the ice arrived in Martinique in perfect condition, no one wanted to buy it.

Tudor desperately explained how the cold blocks of ice could be used in the stifling Caribbean heat, but islanders weren't convinced.

After an inauspicious start, William pulled out of the partnership.

The following winter, Frederic was on his own. Remarkably, he drummed up enough money to send another shipment of ice to the Indies.

But when a trade embargo left much of the [Caribbean](#) off limits for two years, Frederic was left twiddling his thumbs. Meanwhile, the Tudor family fortune had dwindled in a shady real estate deal in South Boston.

Despite financial woes, Frederic persisted, and his ice business finally turned a profit in 1810.

But a series of circumstances -- including war, weather, and relatives needing bailouts -- kept him from staying in the black for too long. Between 1809 and 1813, he landed in debtors' prison three times and spent the rest of the time hiding from the sheriff.

Breaking the ice

Perhaps it was his Yankee entrepreneurial spirit, or perhaps monomania, but Tudor was obsessed with the idea that ice would make him rich.

During the next decade, he developed clever new techniques to convince people that they actually needed ice, including a "first one's free" pitch.

While living in a South Carolina boarding house in 1819, Tudor made a habit of bringing a cooler of chilled beverages to the dinner table.

His fellow boarders always scoffed at the sight, but after a sip or two, they'd inevitably fall in love with his ice.

Tudor traveled around the country and convinced barkeeps to offer chilled drinks at the same price as regular drinks -- to see which would become more popular.

He also taught restaurants how to make [ice cream](#), and reached out to doctors and hospitals to convince them that ice was the perfect way to cool feverish patients.

The truth is that people never knew they needed ice until Tudor made them try it. Once they did, they couldn't live without it.



By 1821, Tudor's business was strengthening.

He'd created real demand for his product in Savannah, Georgia; Charleston, South Carolina; New Orleans, Louisiana; and even Havana, Cuba.

But he still needed to refine his operation.

Enter Nathaniel Wyeth, an innovator who became Tudor's foreman in 1826. By using a horse-drawn plow to cut the ice into large grids, Wyeth invented a much faster harvesting method.

He also put an assembly process into place. Laborers sawed the blocks apart and plunked them into canals to float them downstream. Then a conveyor belt would hoist the blocks from the water and carry them up to icehouses, where they'd be stacked up to 80 feet high.

Still, only one-tenth of the ice harvested made it to sale. What's worse, the whole operation was incredibly unsafe. In addition to those towering stacks of ice, numb hands, sharp instruments, and frigid waters made the process dangerous. The 300-lb. blocks of ice could slide easily, knocking down men and breaking their limbs. Ice harvesters often developed "ice man's knees," which were bruised and bloody from days of shoving solid ice.

Despite these drawbacks, Wyeth's ingenious methods were a major improvement on prior harvesting practices.

With the inventor by his side, Tudor asserted his long-fomenting monopoly and became known as the "Ice King."

Tudor's reputation solidified in 1833 when he shipped 180 tons of ice halfway across the world to British colonists in Calcutta.

The venture was so successful that it reopened trade routes between India and Boston.

Back at home, Tudor continued to dominate the scene. By 1847, nearly 52,000 tons of ice traveled by ship or train to 28 cities across the United States.

Nearly half the ice came from Boston, and most of that was Tudor's. He also maintained ice-harvesting rights to key ponds throughout Massachusetts.

Even Henry David Thoreau watched Tudor's workers harvest Walden Pond and waxed philosophic about the scene in his diary: "The pure Walden water is mingled with the sacred water of the Ganges."

The end of the Ice Age

Frederic Tudor died in 1864, finally rich again. By that time, everyone with access to a frozen body of water was in on the action. Ice boomtowns sprouted along the Kennebec River in Maine, where farmers found year-round employment.

The 1860s became the peak competitive period of American ice harvesting, and Tudor's company prospered. Even during the Civil War, when the South was cut off from ice supplies in the North, the ice industry continued to grow in New England and in the Midwest.

As American society grew more accustomed to fresh meats, milk, and fruit, the ice industry expanded into one of the most powerful industries in the nation.

At the turn of the 20th century, nearly every family, grocer, and barkeep in America had an icebox. But ironically, America's dependence on ice created the very technology that would lead to the decline of the ice empire -- electric freezers and refrigerators.

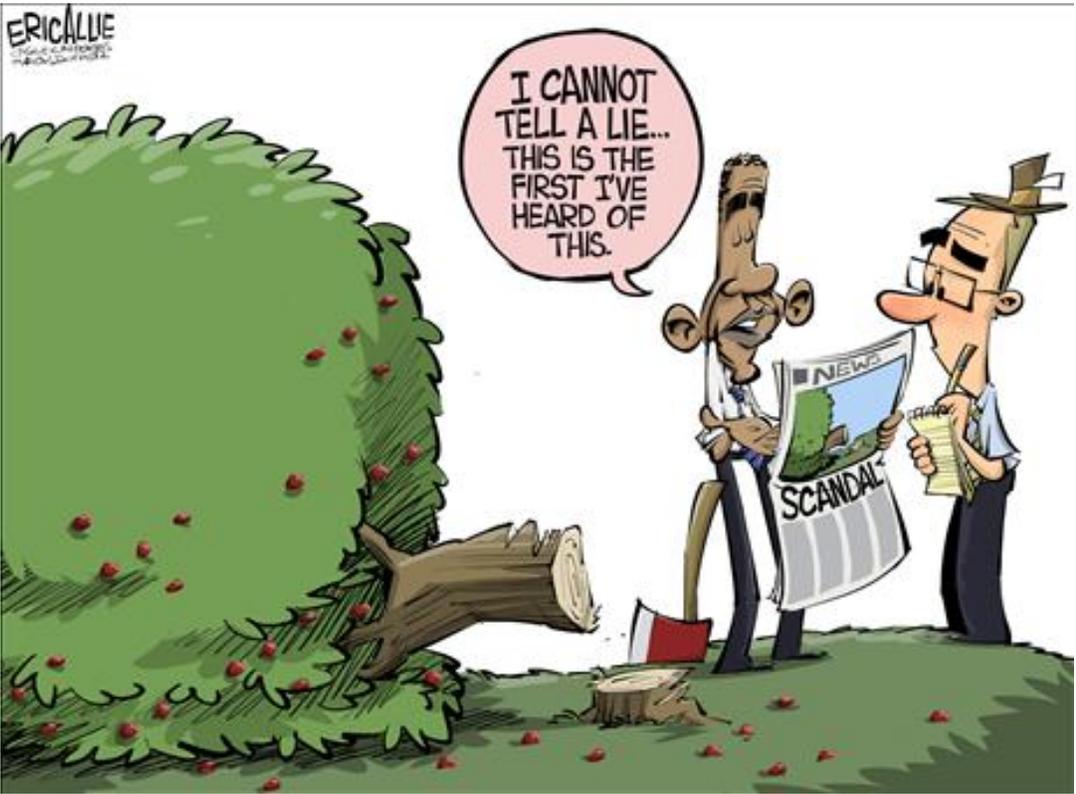
During the early 1900s, these appliances became more reliable, and by 1940, 5 million units had been sold. With freezers allowing people to make ice at home, there was little need to ship massive quantities across the country.

Today, the ice industry pulls in \$2.5 billion a year, but it's nowhere near as dominant as it used to be. Most of the business is from pre-packaged, direct-to-consumer ice (the stuff you buy for your beer cooler).

Still, that doesn't mean we shouldn't be grateful. The next time you put your lips to a slushie, or an iced tea, or a chilled martini, or a cold beer on a hot day, take a moment to thank the crazy Yankee who had the vision to turn water into money.



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