

December 21, 2014

Sultan Knish writes on post-truth America.

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*When the lie came crashing down, Clinton and his defenders deconstructed the English language, questioning the meaning of every word in his sentence rather than admit that the lie was a lie.*

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*Bill Clinton lied. Obama tells stories. None of these stories have anything to do with reality. Lena Dunham's biography is a peek into a disordered mind that is incapable of grasping the concept of truth. In her world there are no facts, only stories that elicit emotional reactions. Obama's entire career rests on the same technique of telling stories for emotional effect without any regard for reality.*

*ObamaCare was an ugly collectivist bureaucratic dinosaur clothed in imaginary stories. The stories about it, about the economy, about the war are still being told. Added to it are new stories about racism. The stories are passionate, compelling and appealing. They are also completely unreal.*

*Progressives don't only live in a post-American world; they live in a post-Truth world. A world without facts and without truth is one in which the America that was cannot exist. ...*

Speaking of a post-truth world, K. C. Johnson of Duke lacrosse fame has a look at what he calls "UVA's troubled campus culture."

*James Ceaser recently became the first UVA professor to publicly speak out regarding the deeply unhealthy climate on his campus, exposed by the publication of the now-discredited Rolling Stone*

*article alleging multiple gang rapes at the school. (The sole source for each of these allegations appears to have been "Jackie.") Ceaser lamented how few people on campus appeared to care about the truth, and instead bowed to the passions of the mob. Events on campus have suggested, Ceaser perceptively observed, that "far from being an end in itself, the truth on our college campuses is now treated as a mere instrument of combat. It is wielded with feigned righteousness when it promotes a preferred cause and then abandoned when it produces the opposite result. In the end, this is the sad message that universities now convey."*

*Over the last several weeks, Ceaser has been a voice in the Charlottesville wilderness. The actions of President Teresa Sullivan's administration—joined by an array of professors and, most disturbingly, by the student newspaper—have provided an almost textbook example of a campus culture gone awry, with a massive rush to judgment compounded by an inability to admit error. ...*

And continuing this thread, [Ann Coulter](#) wrote a column saying one in five people who write for Rolling Stone are morons.

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*Not only did the UVA gang rape turn out to be a hoax, but then President Obama's own Department of Justice completed a six-year study on college rape, and it turns out that instead of 1-in-5 college coeds being raped, the figure is 0.03-in-5.*

*Less than 1 percent of college students are the victim of a sexual assault -- 0.6 percent to be exact -- not to be confused with the 20 percent, or "one in five," claimed by feminists and President Obama.*

*But neither the DOJ report, nor the UVA rape hoax have dissuaded Sens. Kirsten Gillibrand and Claire McCaskill from pushing their idea that the nation is in the grip of a college rape epidemic.*

*This week, Gillibrand dismissed the UVA outrage, saying, "Clearly, we don't know the facts of what did or did not happen in this case."*

*Actually, we know quite well what happened in this case. A disturbed young woman invented a fake boyfriend and a fake gang-rape to get attention, and an incompetent journalist acted as her transcriber. It was a total hoax -- just like the Duke lacrosse case, the Jamie Leigh Jones case, the Tawana Brawley case, and every other claim of white men committing gang-rape. ...*

**The Washington Post** had an interesting article on the finance industry and how it has become a "black hole" for generations of the best and brightest.

*The thing Deborah Jackson remembers from her first interviews at Goldman Sachs is the slogan. It was stamped on the glass doors of the offices in the investment bank's headquarters just off Wall Street, the lure of the place in two words, eight syllables: "Uncommon capability."*

*Jackson joined Goldman in 1980, fresh from business school and steeped in the workings of government and finance. She found crackerjack colleagues and more business than she could*

handle. She worked in municipal finance, lending money to local governments, hospitals and nonprofits around the country. She flew first class to scout potential deals — “The issue was, can you really be productive if you’re in a tiny seat in the back?” — and when the time came to seal one, she’d welcome clients and their attorneys to Manhattan’s best restaurants.

The clients would bring their spouses and go to shows. Everyone drank good wine. Her favorite place, in the heyday, was the 21 Club, which felt like an Old World library and went heavy on red meat. More than the perks, Jackson loved the work — the shared struggle of smart people trying to help the country, even as they banked big money. “It was all about solving problems,” she said.

Years later, she would come to see it differently, growing disenchanted with an industry she didn’t think was fixing much anymore.

Economic research suggests she was onto something. Wall Street is bigger and richer than ever, the research shows, and the economy and the middle class are worse off for it. ...

... It’s not that finance is inherently bad — on the contrary, a well-functioning financial system is critical to a market economy. The problem is, America’s financial system has grown much larger than it should have, based on how well the industry performs.

To understand how and why that is, think of money as water and the financial system as a series of pipes. Ideally, the pipes deliver the water from people who have stockpiled it (investors) to people who want to put it to productive use (entrepreneurs, executives, home buyers, etc.).

Over the past half-century, America’s financial industry built a whole bunch of new pipes. The sector grew six times as fast as the economy overall during the past three decades. Other advanced countries didn’t see anywhere close to that growth in their financial sectors.

Some of America’s growth was driven by Washington. Lawmakers kept encouraging financial innovation, which built a market for smarter investment bankers. They did that by changing the tax code to encourage businesses to hire financial whizzes who could spin ordinary income into certain, preferred types of investment income, and by loosening restrictions on the kinds of financial activities that the titans of Wall Street could engage in.

Extra pipes attracted better plumbers — the more the finance industry grew, the more it tugged at highly educated workers. ...

**Kevin Williamson** on the sad condition of New York City jails.

In April I wrote about the case of Jerome Murdough, 56, a homeless ex-Marine who was remanded to Rikers Island for attempting to shelter in the stairwell of a Harlem housing project. Murdough was mentally ill, with multiple psychiatric diagnoses and what his mother referred to as “beer problems.” His bail was set bizarrely high for a homeless vagrant — \$2,500 — and his mental condition necessitated oversight, with jail authorities ordering that he be checked every 15 minutes. He wasn’t. And neither was his jail cell’s heating system, which malfunctioned, and the abandoned homeless man was baked to death in captivity.

Naturally, nobody did anything wrong. Or so they said.

*Thirty-five-year-old Carol Lackner is not a homeless ex-Marine, is not locked up at Rikers Island, and, unlike Murdough, has not had demanded of her bail amounting to more money than she ever is likely to see — or even the \$2,500 that kept Murdough behind bars. She was released with no bail at all last week after being charged with falsifying records, filing false reports, and official misconduct. She was supposed to be watching over Murdough, but she neglected her duties, abandoned her post, and, according to prosecutors, lied about it. These are serious crimes. She was offered an indefensible plea deal — a mere misdemeanor — on the condition that she also resign from the New York Department of Corrections. She refused. ...*

*... If Carol Lackner did in fact falsify reports and lie about leaving Jerome Murdough to be baked alive, she should never have been offered a misdemeanor deal, nor should she get away with whatever relatively light punishment she will endure if convicted on her current charges. We can tolerate many things from those invested with the power to do violence on our behalf, but we cannot tolerate lies from them. Carol Lackner, Lois Lerner and a good selection of the leadership at the IRS, corrupt Travis County prosecutor Rosemary Lehmberg (as low a specimen of human grotesquery as public life has to offer) — nobody deserves what goes on at Rikers Island, but if anybody does, that's who it is. There's no hole deep enough.*

*That's our other national prison scandal: Who isn't in them.*

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## **Sultan Knish**

### **Life in Post-Truth America**

by Daniel Greenfield

Next month Americans will experience the fifteenth anniversary of the time that the President of the United States shook his finger at the country and informed it, "I did not have sexual relations with that woman, Miss Lewinsky. I never told anybody to lie, not a single time; never."



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questioning the meaning of every word in his sentence rather than admit that the lie was a lie.

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Clinton’s antics set the stage for a current administration which can never be caught in a lie because it’s lying all the time. Obama and his people don’t just lie, they lie about the lies and then they lie about those lies. Bringing them in to testify just clogs the filters with an extra layer of lies.

Invite Gruber to testify about the time that he admitted that the administration had been lying and the only thing that will happen is more lies being told by a man who is there only because he lied.

Like the old lady who explained her cosmology to Bertrand Russell as being “turtles all the way down”, with modern progressives it’s lies all the way down.

Lena Dunham served up a rape accusation against a conservative Republican named Barry only to hide behind the ambiguity of being an unreliable narrator. The unreliable narrator likewise takes the stage at the University of Virginia where a high profile case has dissolved into contradictory stories in which it becomes difficult to tell whether it was the reporter or her subject who was doing the lying.

The unreliable narrator has crossed over from a fictional device in novels to memoirs, journalism and into politics. Journalists repeatedly dismissed ObamaCare scandals by arguing that no one could have taken Obama’s claims at face value anyway. When Obama promised Americans that they could keep their doctors, the housewife in Topeka, the freelance programmer in San Francisco and the geologist in Tulsa were supposed to be as knowing as the Washington press corps and realize that he didn’t mean it.

Like Lena Dunham, Obama was an unreliable narrator. No one was ever supposed to expect the truth from him. The significance of Bill Clinton was not in his affairs, but in his cynicism. He got away with lying by dismissing the idea that anyone should have ever expected the truth from him. Obama expanded on his work by eliminating the base truth underneath the lies.

The device of the unreliable narrator puts truth out of reach. It says that there is no such thing as truth, only various perspectives on an event.

Lena Dunham doesn’t claim to be providing facts, only different versions of a story. The facts themselves cannot be retrieved because there are no facts. The man in question is no longer named Barry. Every descriptive detail about him might be equally false. The whole thing may never have happened, but it’s important to believe that it happened without ever expecting it to be true.

This is the Doublethink state of our progressive Oceania. We are expected to believe a lie while remembering that it’s a lie and therefore never really fooled us or caused anyone any harm.

We were supposed to believe Obama’s assurances about ObamaCare while knowing them not to be true. We are supposed to believe Lena Dunham and Jackie and Gruber while disbelieving them. “The essential act of the Party is to use conscious deception while retaining the firmness of purpose that goes with complete honesty,” Orwell wrote.



The conscious deceptions of the modern Doublethinkers depend on them telling a lie in the service of the greater truth. That pursuit of a greater truth built out of lies is what motivated a Rolling Stone article about fraternity rapists that even Mike Nifong would have turned his nose up at or Gruber's arrogant truths about lying. The greater truth gives them the firmness of purpose and the complete honesty.

Lena Dunham in BuzzFeed, the apologists for ObamaCare and the activist cheerleaders for Rolling Stone, insist that the facts are a technicality that is obstructing the greater truth. And the greater truth is a worldview that is out of the reach of facts and can never be disproven.

Bill Clinton and his allies deconstructed the English language rather than admit a lie. Their successors deconstruct reality. They deny that objective truth exists or even matters. They didn't lie because there is no such thing as truth. There are perspectives, some of which agree with Bill Clinton's version of reality or Lena Dunham's version of reality. And then there is Obama's version of reality.

Obama is the nexus of Doublethink. He is the man whom reporters have denounced as the greatest enemy of press freedom in a generation and whom they compulsively defend with every possible lie. Why do journalists protect and serve the man who threatened them, bugged and even tried to lock them up? They too have long ago become unreliable narrators of their own profession.

In the absence of facts, there can be no reality. There is only ideology.

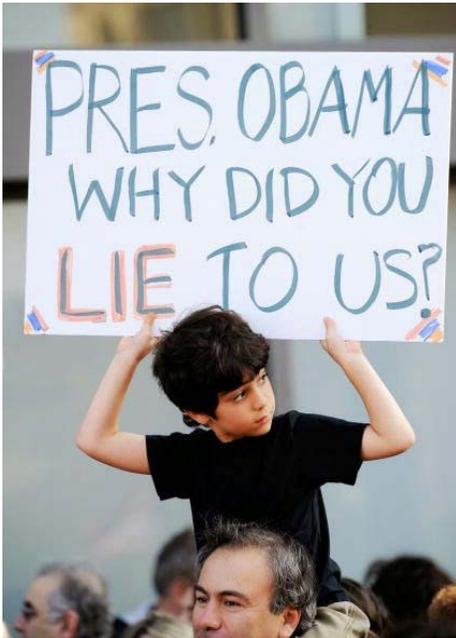
Obama doesn't simply lie. He exists in a truth-free zone. He doesn't stumble with any construction as clumsy as Kerry's "I actually did vote for the \$87 billion, before I voted against it." He does not start with truthful facts. His starting point is in an imaginary territory. It ends in an imaginary territory. If the two imaginary territories are different, it scarcely matters because neither place was ever real.

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truth. In her world there are no facts, only stories that elicit emotional reactions. Obama's entire career rests on the same technique of telling stories for emotional effect without any regard for reality.



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America had prospered because of a firm belief in a discoverable and exploitable reality. That was the country that could build skyscrapers and fleets in a year. Post-Truth America has little interest in big buildings because it's too busy enacting a psychodrama in which the earth is about to be destroyed. And fleets, like horses and bayonets and facts, are 19th century toys that are much less interesting than the manipulation of people through lies and deceit.

Lena Dunham's Barry and Obama's Barry are both imaginary creatures. They are the sophisticated products of disordered minds and a disordered civilization whose leading figures lie as instinctively and as shamelessly as any pre-rational culture that could not distinguish between lies and truth.

## **Minding the Campus** **[UVA's Troubled Campus Culture](#)**

by KC Johnson

James Ceaser [recently became](#) the first UVA professor to publicly speak out regarding the deeply unhealthy climate on his campus, exposed by the publication of the now-discredited *Rolling Stone* article alleging multiple gang rapes at the school. (The sole source for *each* of these allegations appears to have been "Jackie.") Ceaser lamented how few people on campus appeared to care about the truth, and instead bowed to the passions of the mob. Events on campus have

suggested, Ceaser perceptively observed, that “far from being an end in itself, the truth on our college campuses is now treated as a mere instrument of combat. It is wielded with feigned righteousness when it promotes a preferred cause and then abandoned when it produces the opposite result. In the end, this is the sad message that universities now convey.”

Over the last several weeks, Ceaser has been a voice in the Charlottesville wilderness. The actions of President Teresa Sullivan’s administration—joined by an array of professors and, most disturbingly, by the student newspaper—have provided an almost textbook example of a campus culture gone awry, with a massive rush to judgment compounded by an inability to admit error.

Close followers of higher education doubtless will recall the last time that Sullivan was in the news—in 2012, when the Virginia Board of Visitors [unsuccessfully attempted to remove her as president](#). Based on what we’ve seen over the past month, the Board’s initial judgment regarding Sullivan was absolutely correct.

Even Duke’s Richard Brodhead (most of the time) tossed in throwaway lines about the presumption of innocence during the lacrosse case. Sullivan, on the other hand, appears to have blindly accepted Sabrina Erdely’s fantastical portrayal of UVA without as much as a second thought. Upon publication of the *Rolling Stone* article, Sullivan suspended not merely Erdely’s target (Phi Kappa Psi), but—absent any explanation—all fraternities at the university. Sullivan hasn’t explained why she thought that collective punishment was appropriate in this situation, especially since it does not appear as if anyone in her administration performed any fact-checking of Erdely’s work. Sullivan took this action, we now know, based largely on the claims of Jackie, a UVA student who appears to have been involved in a [catfishing scheme](#) in which she [plagiarized lines from the teen drama \*Dawson’s Creek\*](#) to her intended paramour.

Incredibly, even when the version of events presented by Erdely and Jackie collapsed, Sullivan didn’t backtrack. She maintained the suspension of all fraternities, even though there appeared to be no rationale for the draconian move. (Some students and alumni [signed a petition demanding Sullivan’s dismissal for this arbitrary action](#), but most seemed supportive or afraid to challenge the president.) Sullivan refused to apologize for implying that some of her own university’s students were an [“evil” that lurked on her campus](#). She stood by her [apology to Jackie](#) and the student’s parents for the “type of conduct” that Jackie experienced, even though at this stage we don’t know if Jackie received any poor treatment from a UVA student. She promised to lead—[“We have a problem, and we are going to get after it”](#)—as if a “problem” could be identified, much less solved, without knowing all (or any) of the facts. Based on her public actions and remarks, it appears as if Sullivan might still believe that Erdely’s article is accurate.

The lesson sent to students by the leader of one of the nation’s finest universities: It’s OK to accept as true a story presented by a single source, and then take significant action based on what this single source said, provided that the single source conforms to the president’s ideological preconceptions.

That message has been clearly received. In perhaps the single most shocking item (of the many shocking items) published on the UVA affair, the assistant managing editor of the UVA student newspaper defended the paper’s rather one-sided coverage of the case. Julia Horowitz [said that she believed Jackie’s story](#) because it “rang true,” and because Erdely’s article “struck a chord” in her. Horowitz admitted that Erdely seemed to have made factual errors, but apparently didn’t see her role—as a student journalist—as seeking the truth. Instead, as Jackie’s story collapsed, Horowitz worried about letting “fact checking define the narrative.”

Sabrina Erdely couldn’t have said it better herself.

## Jewish World Review

### One in five people who write for Rolling Stone are morons

by Ann Coulter

In response to the total implosion of Rolling Stone's preposterous story about a fraternity gang-rape at the University of Virginia, the media have reverted to their Soviet-style reporting. They're not even saying: *We're choosing not to talk about UVA because it's a side show.* It's more like: *UVA? That's a school?*

Not only did the UVA gang rape turn out to be a hoax, but then President Obama's own Department of Justice completed a six-year study on college rape, and it turns out that instead of 1-in-5 college coeds being raped, the figure is 0.03-in-5.

Less than 1 percent of college students are the victim of a sexual assault -- 0.6 percent to be exact -- not to be confused with the 20 percent, or "one in five," claimed by feminists and President Obama.

But neither the DOJ report, nor the UVA rape hoax have dissuaded Sens. Kirsten Gillibrand and Claire McCaskill from pushing their idea that the nation is in the grip of a college rape epidemic.

This week, Gillibrand dismissed the UVA outrage, saying, "Clearly, we don't know the facts of what did or did not happen in this case."

Actually, we know quite well what happened in this case. A disturbed young woman invented a fake boyfriend and a fake gang-rape to get attention, and an incompetent journalist acted as her transcriber. It was a total hoax -- just like the Duke lacrosse case, the Jamie Leigh Jones case, the Tawana Brawley case, and every other claim of white men committing gang-rape.

Gillibrand and McCaskill: *Perhaps the accusations against Dreyfus were overblown, but that doesn't mean there's not an epidemic of Jews selling secrets to the Germans!*

We are truly in the middle of a rape epidemic: an epidemic of women falsely claiming to have been raped.

It's said that "women never lie about rape!" But the evidence shows that women lie about rape all the time -- for attention, for revenge and for an alibi. All serious studies of the matter suggest that at least 40 percent of rape claims are false.

The U.S. Air Force, for example, examined more than a thousand rape allegations on military bases over the course of four years and concluded that 46 percent were false. In 27 percent of the cases, the accuser recanted. A large study of rape allegations over nine years in a small Midwestern city, by Eugene J. Kanin of Purdue University, found that 41 percent of the rape claims were false.

To put it in terms Kirsten Gillibrand would understand, two in five women claiming to have been raped are lying.

So why are we always being hectored: *Only 2 percent of rape allegations are false!*

That oft-cited number comes from Susan Brownmiller's 1975 book, "Against Our Will" -- which sourced the claim to a mimeograph of a speech by a state court judge, who made a passing remark about a New York police precinct with an all-female rape squad. Nothing more is known about whether this was an actual study, and if so, what was examined, how the information was collected or the actual results. Nor can any trace of the speech, the precinct or the data be found.

In Women's Studies classes, that figure is called a "home run."

That's why the feminists are so anxious to move on from the UVA nonsense rape story. They want to move on *now* so they can come back to it later, when everyone's forgotten, and start citing UVA as their No. 1 example of the fraternity gang-rape culture.

It's crucial that we get a letter in the file that says, "This was total B.S." Otherwise, the UVA hoax will remain in an open file, marked "unresolved."

*All we're hearing now is, Enough! Enough! Don't be a bad winner. All this coverage is putting Jackie in a precarious emotional state. If you were a gentleman, you would drop the subject.*

Then in three months, they'll be bringing up the UVA gang rape as proof of a college rape epidemic. In six months, the case will show up in feminist textbooks.

Wait a minute! That was a hoax!

*We didn't agree it was a hoax. We conceded nothing.*

The Duke lacrosse case proves that. In an unusual move, after that gang-rape turned out to be yet another hoax, the players refused to accept the case being dismissed for "insufficient evidence," which is how prosecutors usually drop charges. They insisted on being declared "innocent."

This, the attorney general did. He also denounced the prosecutor, Mike Nifong, and saw that he was disbarred.

A few years went by, and then, this year, some douchebag wrote a book that claims "something happened" in the Duke case between the players and the stripper (who has since been convicted of murder). The book got a rave review from The New York Times.

With feminists, either you lose or the game was rained out.

So before anyone moves on from UVA, we need to get it in writing that this case was a hoax. Jackie's got to apologize to the fraternity; UVA's president has to not only apologize, but pay restitution to the Greek system for shutting it down for an entire semester; and Rolling Stone authoress Sabrina Rubin Erdely has got to swear that she will never, ever write again.

She cannot be an "investigative journalist." She cannot even write movie reviews. Remember, Sabrina: No means no.

Washington Post

[A black hole for our best and brightest](#)

*Wall Street is expanding, and the economy is worse off for it.*

by Jim Tankersley

NEW YORK — The thing Deborah Jackson remembers from her first interviews at Goldman Sachs is the slogan. It was stamped on the glass doors of the offices in the investment bank's headquarters just off Wall Street, the lure of the place in two words, eight syllables: "Uncommon capability."

Jackson joined Goldman in 1980, fresh from business school and steeped in the workings of government and finance. She found crackerjack colleagues and more business than she could handle. She worked in municipal finance, lending money to local governments, hospitals and nonprofits around the country. She flew first class to scout potential deals — "The issue was, can you really be productive if you're in a tiny seat in the back?" — and when the time came to seal one, she'd welcome clients and their attorneys to Manhattan's best restaurants.

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Years later, she would come to see it differently, growing disenchanted with an industry she didn't think was fixing much anymore.

Economic research suggests she was onto something. Wall Street is bigger and richer than ever, the research shows, and the economy and the middle class are worse off for it.

There's a prominent theory among some economists and policymakers that says the big problem with the American economy is that a lot of Americans don't have the talent to compete in today's global marketplace. While it's true that the country would be better off if more workers had more training — particularly low-skilled, low-income workers — that theory misses a crucial, damaging development of the past several decades.

It misses how much the economy has suffered at the hands of some of its most skilled, most talented workers, who followed escalating pay onto Wall Street — and away from more economically and socially valuable uses of their talents.

The financial industry has doubled in size as a share of the economy in the past 50 years, but it hasn't gotten any better at its core job: getting money from investors who have it to companies that will use it to generate growth, profit and jobs. There are many ways to quantify how that financial growth-without-improvement hurts the economy.

In 2012, economists at the International Monetary Fund analyzed data across years and countries and concluded that in some countries, including America, the financial sector had grown so large that it was slowing economic growth. Using a different methodology, the most prominent researcher on the size and economic value of Wall Street, a New York University economist named Thomas Philippon, estimates that the United States is sinking nearly [\\$300 billion](#) too much annually into finance.

In perhaps the starkest illustration, economists from Harvard University and the University of Chicago [wrote in a recent paper](#) that every dollar a worker earns in a researchfield spills over to make the economy \$5 better off. Every dollar a similar worker earns in finance comes with a drain, making the economy 60 cents *worse off*.

It's not that finance is inherently bad — on the contrary, a well-functioning financial system is critical to a market economy. The problem is, America's financial system has grown much larger than it should have, based on how well the industry performs.

To understand how and why that is, think of money as water and the financial system as a series of pipes. Ideally, the pipes deliver the water from people who have stockpiled it (investors) to people who want to put it to productive use (entrepreneurs, executives, home buyers, etc.).

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Extra pipes attracted better plumbers — the more the finance industry grew, the more it tugged at highly educated workers. Philippon is a French economist at NYU's Stern School of Business. He and a co-author, Ariell Reshef of the University of Virginia, have shown that from the end of World War II until the early 1980s, finance was just like any other desk job: The average Wall Street worker was paid about as much as the average worker in the private sector and was only slightly more educated.

But starting at about the time that Jackson joined Goldman, when Congress began tweaking investment-tax rates, Wall Street started drawing more educated workers. This made the average finance salary go up — from less than \$50,000 a year in 1981 (which is about \$100,000 in today's dollars) to more than \$350,000 a year in 2012.

Salaries rose even faster in the mid-1990s. The average finance worker began to earn more than a similar non-finance worker who had the same amount of schooling. Wall Street executives began to command salaries several times the rate that non-finance executives could.

In sheer dollar terms, it became irrational for almost any qualified American graduate to pass on a Wall Street job. By the mid-2000s, finance workers earned about 50 percent more than they would have in a similar job anywhere else in the economy. There are almost twice as many financial professionals in the top 1 percent of American income earners today as there were in 1979, [according to researchers](#) from Williams College, Indiana University and the Treasury Department. Almost 1 in 5 members of the top 0.1 percent work in finance.

You might think finance workers earned all that money because they were selling new and improved financial products that delivered more value — that helped get money more efficiently from investors who had it to entrepreneurs who could put it to profitable use. Research suggests that's not the case.

A few years ago, Philippon set out to study 130 years of financial-sector performance. He expected to find that performance improved as the industry grew in recent decades.

Philippon tracked the fees that banks and other asset managers take when they move money between investors and borrowers. In theory, the managers should charge less as their technology improves, because they become more efficient and more competitive with one another. (Or, if they charge the same amount, they should generate better returns for investors.)

That's how it works with, say, your laptop: As the technology improves, you can either buy a better computer for the same price as your last one or you can buy a clone of your last one for less.

In finance, Philippon found, the opposite is true. Financial firms pocket about 2 percent of the money that passes through their hands. That's basically unchanged from the price of finance in 1920, and it's actually an increase from the mid-1960s. "It seems that improvements in information technologies over the past 30 years have not necessarily led to a decrease" in the price of financial intermediation, he concluded in the paper.

What that means is that the growth of complex financial products has served primarily to boost income for the firms themselves, Philippon said. A [new paper](#) from researchers in the United Kingdom supports his findings. It analyzes decades of data on individual workers and finds no connection between financial professionals' specific skill sets and why they make so much more money than similarly skilled workers in other industries.

Those finance pros could have been doctors or researchers or product engineers. They could have gone into the business of solving human problems, commercializing big ideas and creating jobs. Almost anything they could have done, by Philippon's calculations, would have added more value — more growth and job creation — to the economy.

Today, fewer top graduates are heading to Wall Street than a decade ago, possibly because of the fallout from the financial crisis. But the industry still makes up just under 8 percent of the economy, two percentage points above what Philippon calls the optimal size of the sector, given its performance. It's still adding workers.

Deborah Jackson spent 21 years in the financial industry after she left Columbia Business School. Gradually, over 10 or 15 years, she began to suspect that her industry had stopped caring about solving problems.

She left Goldman in the 1990s for a boutique firm; she later launched an investment-banking practice focused on health-care technology. Her next itch to move was different — more existential. Shortly before the 2008 crisis, she left finance for good.

"It just lost its interest for me," she said. "It just became work instead of enjoying what I was doing."

When Jackson left Wall Street, she called it retirement. She day-traded to keep her brain engaged. But she knew she wanted to get back into the business world, somewhere she could solve problems again, where she could make a difference.

Then, in the course of some volunteer work, she started meeting female entrepreneurs, and she was taken with their ideas and energy. She co-founded an accelerator program for women building new mobile technologies. She helped organize an all-female "hackathon," where programmers get together to build something cool from scratch. She rented a home in the Hamptons and invited 18

women, all skilled coders, to start at 10 p.m. on a Friday. They worked around the clock until 4 p.m. Sunday, building an interactive game to show the horrors of sex trafficking.

Finally, she hopped into the job-creation space. She founded Plum Alley, a company focused on spurring innovation and job creation among female entrepreneurs. It can help them find money to get started (through a six-step plan to tap potential donors in their social networks) and help them find customers (through an online shopping site). She hired three highly educated women, then four more. The company recently moved to an office on Park Avenue South.

Jackson had found the meaningful work she'd been looking for, using knowledge in finance to try to create value in the economy. She had taken a risk and started a business. She's already thinking about expanding the company to help start-ups grow and thrive. "It kind of reminded me of the early days," she said. Like back at Goldman, all those years ago. Solving problems.

## National Review

### [Our Jails Are a Scandal](#)

*Partly because there are too few politicians locked up in them*

by Kevin D. Williamson

In April I wrote about the case of Jerome Murdough, 56, a homeless ex-Marine who was remanded to Rikers Island for attempting to shelter in the stairwell of a Harlem housing project. Murdough was mentally ill, with multiple psychiatric diagnoses and what his mother referred to as "beer problems." His bail was set bizarrely high for a homeless vagrant — \$2,500 — and his mental condition necessitated oversight, with jail authorities ordering that he be checked every 15 minutes. He wasn't. And neither was his jail cell's heating system, which malfunctioned, and the abandoned homeless man was baked to death in captivity.

Naturally, nobody did anything wrong. Or so they said.

Thirty-five-year-old Carol Lackner is not a homeless ex-Marine, is not locked up at Rikers Island, and, unlike Murdough, has not had demanded of her bail amounting to more money than she ever is likely to see — or even the \$2,500 that kept Murdough behind bars. She was released with no bail at all last week after being charged with falsifying records, filing false reports, and official misconduct. She was supposed to be watching over Murdough, but she neglected her duties, abandoned her post, and, according to prosecutors, lied about it. These are serious crimes. She was offered an indefensible plea deal — a mere misdemeanor — on the condition that she also resign from the New York Department of Corrections. She refused. She should thank whatever god she believes in that we no longer live in an age of eye-for-an-eye justice.

God and Norman Seabrook, that is.

The *New York Times*, having recollected for an instant that it is a newspaper, has been publishing a remarkable series of investigations into Rikers Island, which is a pit of infamy: beatings, rapes, torture, a dozen correctional officers at a time taken in a drug sweep. And the villain of the *Times* account is Seabrook, the president of the jailers' union. Like all union bosses, he has fought for more money and less work for his members. Unlike most other union bosses, he has fought measures to impose more meaningful penalties on corrupt and abusive guards, as well as more robust screening methods designed to keep his members from bringing drugs and other

contraband into the jails. Politicians and wardens alike fear him — he is the jailer in the prison of official cowardice.

Seabrook says that Murdough died because old and defective equipment makes it difficult to regulate cell temperatures. The *Times* reports that under Seabrook's leadership, jailers have enjoyed "large gains in salary and pension benefits." There's plenty of money for the union goons — Seabrook pulls in some \$300,000 a year — but not enough money to keep New York from roasting to death a vulnerable man remanded into its custody.

The New York jailers and their leaders are horrifyingly ordinary. A 2004 federal investigation into systematic abuse of prisoners at California's Pelican Bay prison found that the correctional officers' union punished whistleblowers, enforced a mafia-style code of silence, protected and rewarded abusive officers, and was a powerful political brake on reform efforts. Meanwhile, conditions written into the union's collective-bargaining agreement made internal investigations "almost impossible." The union is a political powerhouse that in some elections outspends the mighty California teachers' union — which has ten times the membership. The jailers' union made major donations to Governor Jerry Brown, Lieutenant Governor Gavin Newsom, and Attorney General Kamala Harris. The National Institute on Money in State Politics reports that Democrat Gray Davis's successful 1998 gubernatorial campaign enjoyed \$1 million in support from the penal union.

The corrupt and self-serving nature of our public-sector unions is easily discernible by anyone with eyes to see. Rikers Island and Pelican's Bay are unusual environments, to be sure, but the penitentiary is simply an extreme version of the relationship that exists between the individual and the state at all times: One side has a license to use force, and the other side can either knuckle under or take its chances. It is not mere coincidence that the politicians most hopelessly in thrall to the jailers are so-called progressives, whose schemes and ambition make them blind to the arrogations of the state and the existential need to limit them: with elections and criticism when we can, with Jefferson's blood of tyrants and patriots when we must.

If Carol Lackner did in fact falsify reports and lie about leaving Jerome Murdough to be baked alive, she should never have been offered a misdemeanor deal, nor should she get away with whatever relatively light punishment she will endure if convicted on her current charges. We can tolerate many things from those invested with the power to do violence on our behalf, but we cannot tolerate lies from them. Carol Lackner, Lois Lerner and a good selection of the leadership at the IRS, corrupt Travis County prosecutor Rosemary Lehmborg (as low a specimen of human grotesquery as public life has to offer) — nobody deserves what goes on at Rikers Island, but if anybody does, that's who it is. There's no hole deep enough.

That's our other national prison scandal: Who isn't in them.



*Speaking of cigars. . .*



*Dare we even suggest a caption contest for this. . .*



Hey the Muslims are right!  
**CRAZY THREATS WORK!**

Westerners are such pussies!



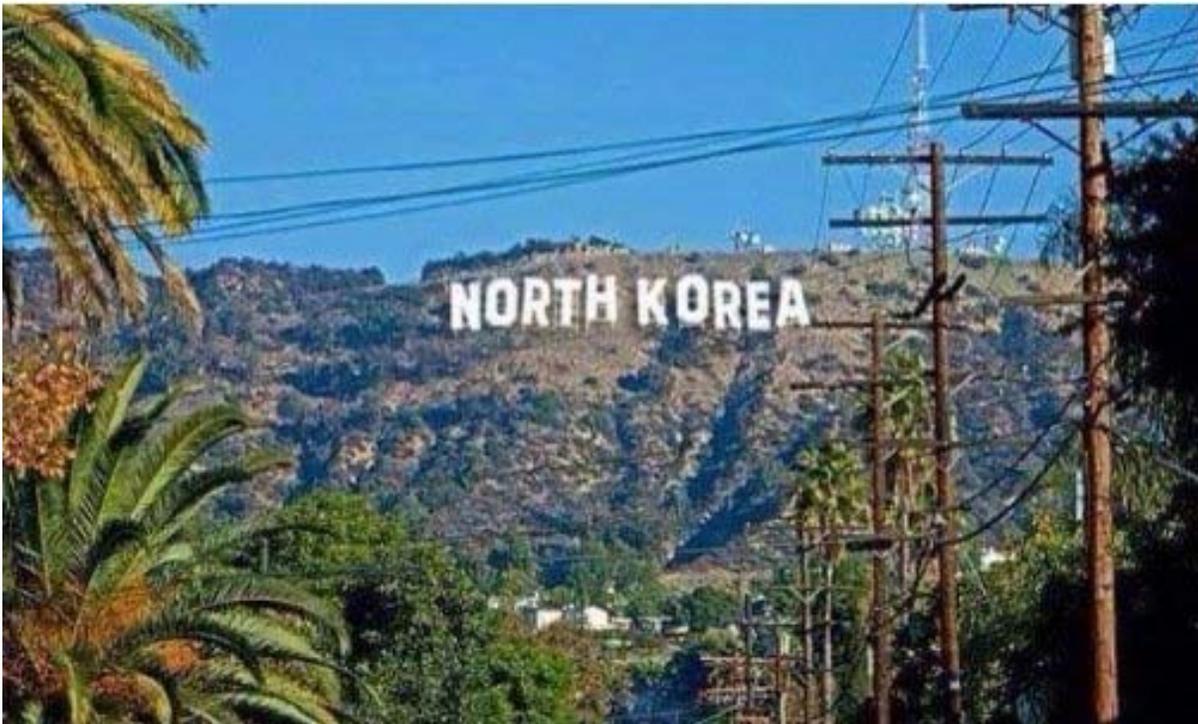
**SONY PICTURES**

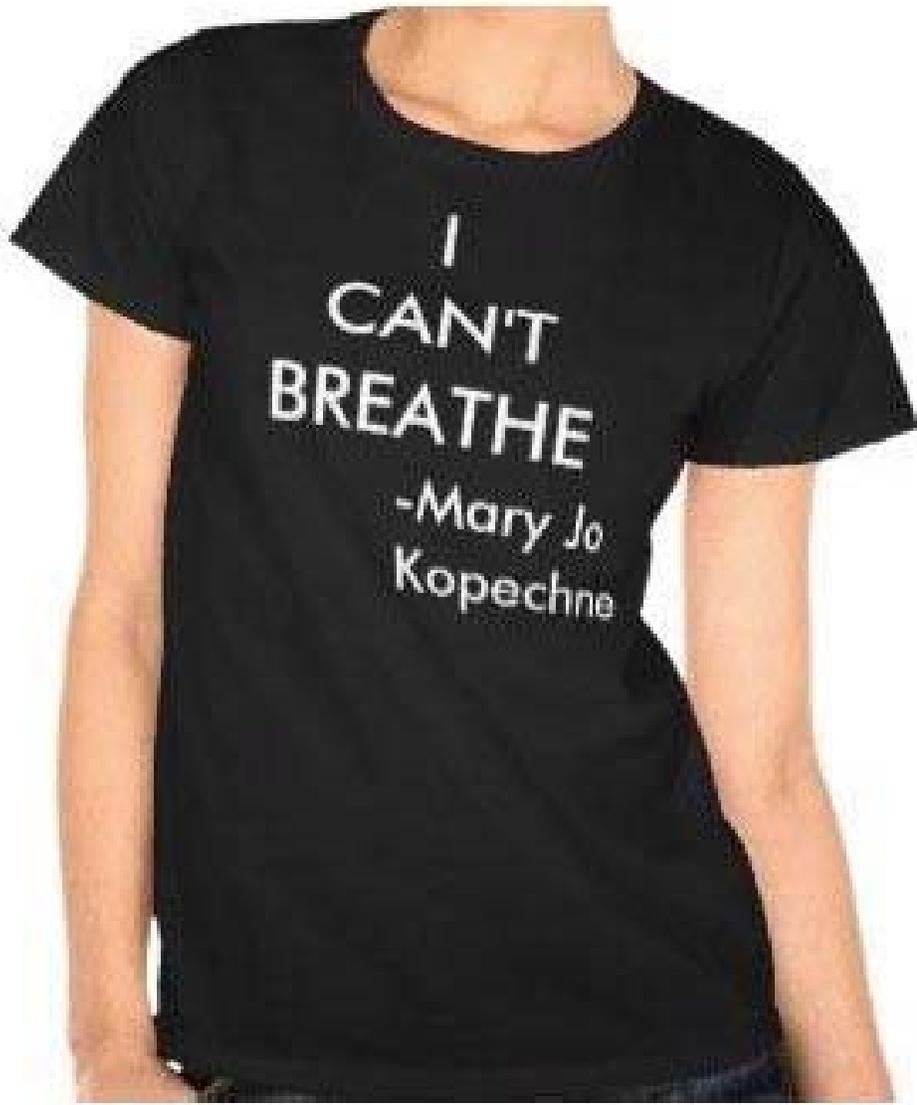
**ANNOUNCES NEW CHAIRMAN**

imgflip.com



*What next year's Academy Awards telecast will now look like.*





I  
CAN'T  
BREATHE  
-Mary Jo  
Kopechne