



JUNE 2007 - LEADERSHIP LETTER #18

Highlights from ***THE AMERICAN:*** ***A Magazine of Ideas*** Vol. 1, No. 4, © American Enterprise Institute 2006

Hello again everyone ...

This issue will bring you some tidbits from a magazine you may not have discovered ... and one that's very valuable for ...

- business executives
- politicians and policy leaders
- environmentalists
- energy leaders
- social and civic leaders
- educators

I also enjoy **The Week** magazine, which brings me relevant news snippets in a condensed, readable format.

The American is different: It looks **closely** at important national business, economic, energy, environmental and cultural issues ... and brings better clarity and uncommon wisdom to your focus.

I hope you enjoy my highlights of the May/June 2007 issue!

As always, this and all past **Leadership Letters** can now be found on our website at www.henseyassociates.com!

Regards,

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IN PRAISE OF ...

THE AMERICAN: A (new) Magazine of Ideas

Some highlights of the May/June 2007 Issue

Vol. 1, No. 4, ©American Enterprise Institute, 2006

Published six times a year, this magazine is different. It goes in depth on issues that matter, often with surprising findings.

Well illustrated and well written, it's a very good read for ~\$30/year (special rate), available by calling 1-888/295-9007 or going to www.american.com.

- The **Pay-for-Performance** Hall of Shame: It's not just certain CEO's who are overpaid. They nominate Katie Couric, Shaq O'Neal, Halle Berry, and Kerry Wood ... all "entertainers" of one kind or another.
- Young economist Justin Wolfers uses the **dynamic of gambling** to "make remarkably accurate forecasts on everything from elections to new-product revenues (such as Best Buy)." I suspect gamblers are more accurate than other predictors because they have skin in the game.
- The **upside** of income inequality is that it dramatically improved the lives of the poor in China or India, because it accelerates economic growth that raises the standard of living for both rich and poor. In the US the rise in income inequality also accompanied a rise in the payoff to education and skill development.
- Inexpensive and widely available, coal is the energy that powers over two-thirds of China's economy. It's also the world's **worst** environmental problem, using methods that severely pollute both air and water, create climate-warming gases, and kill thousands of miners each year. China has 16 of the world's 20 most polluted cities.
- The **Grameen Bank**, a micro lender in Bangladesh, helps start many micro or home businesses for people (mostly women) in developing countries. Claiming to be much more effective than government to government loans (which mostly enrich the rich), it's been recognized by a Nobel Peace Prize.

- **Movin' Out:** Andrew Liveris is an Australian dedicated to American values of free enterprise and freedom. Yet, as CEO of Dow Chemical, he's been shifting Dow plants overseas. The reason, he says, is that US **natural gas** prices make US manufacturing uncompetitive. And that is a result of inept US energy policies.
- **Bio-fuels or Bio-fools?** Bio-fuels can only be economic if oil prices are high. Then there's the question of efficiency: several studies show that it takes more energy to produce a gallon of ethanol than that gallon will provide in turn. Biggest beneficiaries: corn producers like ADM and GM seed producers like Monsanto.
- Much of what Americans think they know about **air pollution** is false, due to government regulators, environmentalists and media hype. Air pollution has been decreasing across the US in **all** pollutant categories, while coal usage increased 60%, auto miles 93%, diesel truck miles 112%, and GDP 114%.
- "Greener than wind or solar, geothermal energy ... could provide 2,000 times our current power needs." One reason it's not pursued more is that big energy firms lack the expertise to connect geothermal installations to the electricity grid.
- Energy independence is a slogan, but energy **security** may actually be achievable. Currently most of our oil is imported from Canada and Mexico, Saudi Arabia, Venezuela, and Nigeria! Since 1975, energy consumption per GDP has fallen almost 50%. Also oil is a decreasing share of US energy consumption.

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