

“plebiscitary republic with a personal presidency.” And then Argentina suggests the possibility of a wife succeeding a husband, for a 16-year run. Might that even happen here, one wonders?

Howell and Moe correctly blame much that is wrong with congressional legislation on the perverse incentives of individual members of Congress, who seek wastefully to bring pork to their districts. One can’t do anything to cure this, they argue, and thus we need a strong presidential system. But there is a congressional response to minoritarian misbehavior of this kind, and that is to nationalize congressional elections as Newt Gingrich did in 1994. We saw partial efforts to repeat this in the Tea Party congressional elections of 2010 and 2014. That doesn’t require the kind of impossible constitutional amendment the two authors propose, and it wouldn’t threaten political liberty. But neither of these is considered by the two authors.

Howell and Moe dismiss the Constitution as a “relic,” the title of their book. I do not know whether they have seen real relics. I have, and I venerate them, as is proper. I feel the same way about the Constitution, notwithstanding any imaginary amendments I might concoct in my mind.

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### **Frank: A Life in Politics from the Great Society to Same-Sex Marriage**

Barney Frank

New York: Farrar, Straus and Giroux, 2015, 400 pp.

As a social scientist, it is easy to forget that policy is ultimately made by people—real, living human beings participating in real-world institutions. At the center of American public policymaking is Congress, an institution largely populated by forgettable names and faces. Barney Frank is not one of those. His recent book, *Frank*, which takes us from his earliest days in Boston politics to his recent retirement, reminds us why. It also reminds us of the give-and-take process of legislating. Whatever one’s own policy preferences, *Frank* offers a variety of lessons on the congressional process.

*Frank* is not an academic book, despite its author’s professed academic pretensions. It is, however, a book academics can learn from. Plus, as a book heavy with the author’s infamous wit, it is generally an

enjoyable and humorous read. *Frank* goes a long way toward rebuilding his tarnished reputation, yet is occasionally marred by the congressman's indulgence in partisan rancor, which he admits to being "good at."

*Frank* is essentially an attempt to explain two trends in American life. The first is the tremendous increase in social acceptance of LGBT individuals. The second is the increase in general public skepticism toward government. While never exactly explaining why, Barney Frank sees these two trends in conflict. For Barney, acceptance of LGBT people is almost synonymous with support for big government, so of course he's puzzled at the diverging trends. He never considers that perhaps both are driven by experience. Greater exposure to LGBT individuals has likely reduced discrimination, while greater exposure to government has perhaps increased skepticism toward it.

The congressman sees the case for big government as a "no brainer." As his primary evidence, Frank cites the federal ban on lead under President Nixon, which he claims resulted in fewer brain-damaged children. Of course, he either ignores or is ignorant of the facts that the federal government for decades promoted the use of lead paint and that, by the time of the 1970s bans, the use of lead paint in new residential construction had already largely ended. Nor does he confront the fact the prevalence of lead paint is far worse in government-run public housing than in comparable private housing. And that's just a single example of Barney's selective reading of the facts to fit a preexisting bias toward government action.

Where the book succeeds is in reminding us that Congressman Frank had a long, noble career reversing government harms. His leadership in redressing the harm done to Japanese Americans under FDR's internment alone outshines the accomplishments of most members of Congress. His work on eliminating the worst homophobic and racist elements of our immigration laws is beyond commendable. His first bill introduced as a state representative was aimed at reducing government involvement in the bedroom by repealing Massachusetts's sodomy law. Congressman Frank has also been a loud and consistent advocate for ending our failed, costly drug war. And of course there are his many efforts at achieving marriage equality. These are just a few of his notable achievements in helping individuals have freer lives.

Of particular interest is that many of these victories were incremental. *Frank* could have easily been subtitled: “In Defense of Political Pragmatism and Compromise.” Frank repeatedly recalls stories where allies accused him of selling out or when he saw allies engaging in strategies that he saw as ineffective, if not counter-productive. One instance, related to the 1993 March on Washington for gay equality, was when Frank talked a group of gay soldiers out of performing a “Rockettes” dance routine, which he believed would have reinforced stereotypes.

These discussions are perhaps the most valuable in the book. Whatever their substance, Barney Frank had a number of legislative victories. Anyone engaged in, or studying, the relationship between government and social change could learn a lot from this book.

Frank also inadvertently makes the case against compromise, at least in the area of financial regulation. I got to know Congressman Frank during my time as a Republican staff member for the Senate Banking Committee, where I primarily handled issues related to mortgage finance and housing, including oversight of Fannie Mae and Freddie Mac. Coincidentally, my time on Capitol Hill began just as Congressman Frank was ascending to the role of lead Democrat on the Financial Services Committee. He readily admits he “had not thought a great deal” about financial markets prior to taking this leadership position.

The later third of *Frank* addresses both the financial crisis and the passing of the Dodd-Frank Act. Two of the author’s objectives are to rebut the arguments that “liberals pushed lenders into making loans that were highly unlikely to be paid” and that “Democrats blocked Republican efforts to rein in Fannie Mae and Freddie Mac.” His argument against the second claim is that Republicans were largely “in charge” during the years leading up the crisis. Bush was in the White House, and Republicans held majorities in both houses of Congress for much of that time.

Those facts are obviously correct. And I can attest that certain Republicans, like Senator Robert Bennett, were as much obstacles to reform as any Democrat. Congressman Frank, however, excuses himself and other Democrats from blame by making the correct observation that many Republicans supported Fannie Mae and Freddie Mac and opposed increased regulation. By Washington standards, everyone’s sin is no one’s sin, yet this offers the public little comfort. Moreover, it ignores the fact that, while many Republicans opposed

strong regulation of Fannie Mae, the only members of Congress that supported bank-like regulation of Fannie Mae were on the Republican side. Congressman Frank admits the he “had been too optimistic” about the financial health of Fannie and Freddie, but then he blames it on the Bush administration’s efforts to increase their housing goals.

In attempting to clear his own name, and those of fellow Democrats, Congressman Frank argues that many Republicans were right there alongside him. Yes, the companies had protectors in both parties, but that does not explain Congressman Frank’s many bold statements about the companies before the crisis. In 2003, for instance, Frank stated that Fannie and Freddie should not be subjected to the same level of safety and soundness practiced by the Office of the Comptroller of the Currency, which regulated, among others, such companies as Citibank. For Frank, even the widely accepted poor supervision of Citibank would have been too much for Fannie and Freddie.

He also claims that “liberals made three separate efforts” to reduce poor mortgage lending. What he fails to mention is that none of these efforts actually addressed the worst drivers of mortgage default: borrower equity (loan-to-value) and borrower credit history. Frank repeatedly whitewashes his role by claiming he was “overly optimistic” about the health of Fannie and Freddie and implying that that is sufficient to explain away his opposition to subjecting Fannie and Freddie to bank-like regulation. Despite the fact that his “roll the dice” comment, said in regard to regulating Fannie Mae and Freddie Mac, comes in the middle of a discussion about safety and soundness, he claims it wasn’t really about safety and soundness. The fact is that Congressman Frank was never really bothered by the potential for a large taxpayer bailout of Fannie and Freddie or by the possibility of their contributing to a boom and bust in the housing market. His creditability would be bolstered by simply being more direct about placing so little weight on financial stability. A constant theme in financial regulation is the tradeoff between stability and expanding the availability of credit. Directly addressing this tradeoff could have added significant insight to the book, as well as to the larger financial stability debate.

What *Frank* does convey, contrary to many Republican claims, and which is completely consistent with my experience, is that Congressman Frank was the not primary obstacle to reform. Understandably, the book focuses on negotiations in the House. But the really tough battles and substance were actually hammered out in

the Senate, and the primary obstacle there was Maryland Senator Paul Sarbanes. The retirement of Senator Sarbanes, who led the Democrats on the Senate Banking Committee, was the only reason that reform of Fannie Mae passed in 2008 rather than earlier. The successful 2008 Fannie Mae reforms, which were supported by Frank, were essentially the reforms proposed by Senator Richard Shelby that Sarbanes had opposed. With Sarbanes retired and Dodd back from his failed presidential campaign, Republicans and Democrats were quickly able to reach agreement. I can personally attest that Congressman Frank was a reasonable and pragmatic part of those negotiations. He didn't advocate protecting the taxpayer, but he was willing to engage in negotiations with others who did.

Frank also discusses negotiations over both the creation of the Troubled Asset Relief Program (TARP) and the passage of the Dodd-Frank Act. Given his prominent role and support of both pieces of legislation, it is not surprising that he speaks of them favorably and is dismissive of any objections. But then, this is not an objective book nor does it pretend to be. Nevertheless, Frank offers a valuable picture of the process. Frank admits, for example, that TARP was generally embraced because of the lack of any obvious alternative. And Frank's criticism of Senator Richard Shelby's objection to TARP was that Shelby had not offered any alternative. This might seem odd if it were not such a common perspective on legislative matters. The bias for action over reflection in Congress is on full display here.

Given the ever-growing number of financial crisis and reform memoirs, including a book-length coverage of the passage of Dodd-Frank by Robert Kaiser, one could reasonably inquire whether there's anything left to add from Dodd-Frank's supporters. Frank's narrative is largely consistent with Kaiser's, but since Barney Frank and his staff were some of Kaiser's primary sources, anything else would have been surprising. But Frank, as an author of Dodd-Frank, does give his views on its intents and limitations. While this doesn't exactly constitute legislative history, it does help inform the objectives of Dodd-Frank, and many have argued that Dodd-Frank might not quite work out as promised. Accordingly, Frank's assertions, while providing context and background as to legislative intent, should be taken with several large grains of salt.

Now back to the issue of compromise. If there's one word that is an accurate description of our financial regulatory system, it is "compromised." We have neither the Wild West imagined by some on the

Left nor a well-run, comprehensive regulatory system. What we do have are massive guarantees, creating considerable moral hazard, combined with regulators more intent on making cheap credit widely available than they are on achieving stability. I would submit that either a completely free market or completely nationalized system would perform better than our current compromised system (obviously I prefer a free market). The American financial system's long string of crises and bailouts is a direct result of the sort of compromise that *Frank* praises. It is also why many across the political spectrum rightly see Dodd-Frank as failing to end too-big-to-fail.

In his first year in Congress, Congressman Frank tells us he joined the Banking Committee because he cared about housing. The sorry story of Fannie Mae and Freddie Mac is that filling a committee tasked with overseeing our financial system with people who have little interest or knowledge in financial stability is a recipe for disaster. The book does, however, provide an interesting case study in how the jurisdictional structure of congressional committees influences the substance of legislation. The fact that so many policymakers who have been involved in banking regulation come from a pro-housing subsidy perspective may well explain a number of flaws in our financial system. Pulling housing out of the banking committees could significantly improve the quality of our financial regulatory system.

Barney Frank, like the rest of us, has many failings. He admirably admits to several. His political career serves as a useful reminder of where pragmatism and compromise can succeed, but also where they can fail with dangerous consequence. For these reasons alone, *Frank* offers a valuable, if flawed, read.

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### **The Tragedy of European Civilization: Towards an Intellectual History of the Twentieth Century**

Harry Redner

New Jersey: Transaction Publishers, 2015, 257 pp.

The image of the sinking Titanic's band playing a requiem to the ship-builders' hubris presaged that of concentration camp inmates playing classical music as their fellow Jews were being herded toward the infamous ovens. In both cases, the tragedy unfolding around