DEAR FRIENDS AND SUPPORTERS,

This past February, Jason Riley authored his first Wall Street Journal piece as a Manhattan Institute senior fellow. Riley’s op-ed, “Still Right on the Black Family After All These Years,” marked the 50th anniversary of Daniel Patrick Moynihan’s seminal report warning about the rise of fatherless homes in the black community. Riley, who joins the Manhattan Institute after serving on the Journal’s editorial board, will be dedicating his time at the Institute to writing and speaking about the importance of individual responsibility—one of MI’s core principles—and its relation to upward mobility. Called “one of the nation’s rising political writers” by Charles Krauthammer, Riley is the author of the 2014 book Please Stop Helping Us: How Liberals Make It Harder for Blacks to Succeed, published by Encounter Books. As America’s greatest public policy challenges increasingly capture the minds of citizens in the run-up to the 2016 presidential election, Riley and other MI fellows will work to focus the public discourse on cultural norms and policy ideas that can further national prosperity and help all people realize their potential.

“The American left should start paying attention to...
Jason Riley.”
—Salon
One sector that holds exceptional promise—for both our economy and quality of life—is biomedical innovation. The mapping of the human genome and pharmacology’s incorporation of Big Data have put precision medicine—treatments tailored to an individual’s unique biochemistry—within reach. The U.S. Food and Drug Administration (FDA), however, has not kept pace with what science is making possible. Under the auspices of the Manhattan Institute’s Project FDA, former FDA commissioner Dr. Andrew von Eschenbach and MI fellows Paul Howard and Peter Huber are educating citizens and advising members of Congress on outdated procedures at the agency and ideas to overcome them. We are happy to announce that in February 2015, we have expanded our Project FDA advisory committee through the addition of former Oklahoma senator Tom A. Coburn, M.D., a devoted champion of FDA reform during his time in Congress.

The FDA’s outdated clinical trial protocols, in particular, have frustrated the translation of new discoveries into viable treatments. Many of these protocols were developed at a time when doctors and drug producers were focused on diseases that affected most people in the same way and were susceptible to one-size-fits-all cures—unlike numerous illnesses we are fighting today, such as cancer. One of our main reform recommendations—better incorporation of “biomarkers” (indicators of how individuals respond to treatments) into the drug approval process—was the subject of Howard and Huber’s March report, “Unlocking the Code of Health: Bridging the Gap Between Precision Medicine and FDA Regulation.” Howard and Huber previewed their findings in a February Wall Street Journal op-ed, “What Failed, the New Cancer Treatment or Regulations?” and are currently in the midst of a road show, convening events and policy briefings for biotech leaders across the country. We were pleased that Senators Lamar Alexander and Richard Burr cited Project FDA analysis in their January congressional report, “Innovation for Healthier Americans,” and that von Eschenbach was asked to provide the foreword.

Public policies that affect the pace of technological innovation are also a primary concern of senior fellows Mark Mills and Robert Bryce, who lead MI’s Center for Energy Policy and the Environment (CEPE). In a February CEPE report, Mills addressed the question of how America can retain its global leadership in basic research, which has been foundational to innovation and led to inventions that have dramatically improved the quality of our lives. He identifies misguided federal funding policies, such as directing funds toward short-term, industrial-type projects, including failed solar and lithium battery companies, and presents a reform agenda to revitalize America’s basic research enterprise. Bryce’s latest study, “The Hidden Corn Ethanol Tax: How Much Does the Renewable Fuel Standard Cost Motorists?” highlights the many problems associated with the federal mandate requiring fuel retailers to blend corn ethanol into the gasoline they sell. This ethanol mandate diverts corn from the food supply, driving up food costs; promotes inefficient and harmful land-use strategies; and imposes a collective $10 billion annual tax on motorists. Bryce publicized these and other reasons to repeal the mandate through an op-ed in the New York Times, “End the Ethanol Rip-Off,” and his study’s findings were cited in a USA Today editorial, “End the Ethanol Mandate.”

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The importance of regulatory reform—in regard to healthcare, energy, and the economy more broadly—was a major topic of discussion at the 2015 national meeting of the Manhattan Institute’s Adam Smith Society, a program based at top U.S. business schools. For the past several years, MI has been investing in the intellectual formation of young people pursuing MBAs—the next generation of entrepreneurs, executives, and financiers. Through this initiative, we aim to educate students and young alumni about what is at stake in public-policy debates and instill in them a deeper appreciation for the moral underpinnings of the free-enterprise system. I am happy to report that the Adam Smith Society now has a membership of more than 2,500 students and alumni, with chapters established, or in formation, at 22 business schools, most of them among the highest ranked.

The recent national meeting, held in New York the weekend of February 27–28, was our biggest yet—a sign of how far we’ve come since starting this program four years ago. In attendance were 240 MBA student and alumni members from schools including Harvard, MIT, Duke, and Stanford. The meeting featured presentations by business leaders whom we hope the students will seek to emulate; leaders who have combined professional success with dedicated advocacy for the free-enterprise system: Cliff Asness, co-founder of AQR Capital and MI trustee; Ed Conrard, former partner at Bain Capital; Thomas Fanning, CEO of Southern Company; Marilyn G. Fedak, vice chair emeritus of AllianceBernstein and founder of the Marilyn G. Fedak Capitalism Project; Harvey Golub, former CEO of American Express and MI trustee; Daniel Loeb, CEO of Third Point LLC and MI trustee; and Anthony Scaramucci, founder and managing partner of SkyBridge Capital. Students also heard from a panel of policy analysts—including from National Review, Bloomberg, New York Times, Forbes, and Wall Street Journal—on issues that will, or at least should be, at the forefront of debates surrounding the 2016 presidential election.

Our long-term goal for the Adam Smith Society is to cultivate a network of influential, successful business leaders committed to the fundamental principles of the market economy. To that end, this year we have continued to expand the infrastructure of professional chapters for alumni members, providing MBA graduates with opportunities to continue their education on public policy and free-market thought. In January, Chicago and Austin joined New York as cities with Adam Smith Society professional chapters; we intend to found a San Francisco chapter later this year. Professional chapters have regular events with market-minded authors and executives and keep members engaged in the broader national community. As members of the alumni network, these young men and women have the support of the Manhattan Institute—and one another—to espouse policies that can enable our economy to flourish.

The Manhattan Institute’s Young Leaders Circle (YLC) provides New York’s young professionals across industries with a unique forum to discuss free-market ideas and public policy. At our monthly cocktail parties, members enjoy intimate evening lectures and lively discussions with scholars and leading public figures. Our January YLC forum featured Rupert Murdoch, executive chairman of News Corp and chairman and CEO of 21st Century Fox. In conversation with MI senior fellow Judith Miller, Murdoch discussed his views of the media and the current political landscape.

If you or someone you know might be interested in learning more about the Young Leaders Circle, please contact the MI Benefit Office at 212-599-7000 or e-mail ylc@manhattan-institute.org.
The closing panel of the Adam Smith Society national meeting, featuring Daniel Loeb and Campbell Brown, founder of the Partnership for Educational Justice, dealt with the question of K-12 education reform—a long-standing focus of the Manhattan Institute’s state and local policy efforts and agenda to encourage economic mobility. For decades, MI fellows have stood for school choice, competition, and innovation, explaining that these reforms are of greatest benefit to disadvantaged kids. In New York and other cities nationwide, charter schools, in particular, have made a high-quality education a real possibility for thousands of poor children who would otherwise be stuck in failing district public schools. As defenders of a dysfunctional educational status quo, including union leaders and their political allies, continue to peddle false information about charters and seek to limit their growth, our scholars have been inserting real facts into the debate, debunking the most prominent anti-charter myths, and pointing to ways that the charter community can do even better.

Our most recent education research project in this area sought to evaluate the claim by charter opponents that charters systematically “push out” low-performing kids. In New York and other cities nationwide, charter schools, in particular, have made a high-quality education a real possibility for thousands of poor children who would otherwise be stuck in failing district public schools. As defenders of a dysfunctional educational status quo, including union leaders and their political allies, continue to peddle false information about charters and seek to limit their growth, our scholars have been inserting real facts into the debate, debunking the most prominent anti-charter myths, and pointing to ways that the charter community can do even better.

The obstacles to the reform and improvement of public education include the political influence of public-sector labor unions—an influence that threatens the capacity of government generally to provide key public services. In his landmark book, Government Against Itself: Public Union Power and Its Consequences, published by Oxford University Press, MI senior fellow Daniel DiSalvo demonstrates that public labor differs in essential ways from its private-sector counterpart. No ordinary interest group, it derives its extraordinary power from a unique set of advantages that threaten the general interests of citizens. These include a steady stream of income from legally mandated member dues that are directed toward political influence of public-sector labor on the social compact—examining, for instance, the question of whether states with higher rates of public-sector unionization incur greater health care cost obligations.

MI’s efforts to improve governance at the state and local levels have also involved a focus on the trend known as “overcriminalization,” the expansion of the criminal code into realms in which it has no place, discouraging entrepreneurship and threatening the liberty of citizens. Our legal policy team recently published a book, Government Against Itself: Public Union Power and Its Consequences, which explores the impact of public-sector labor on the social compact—examining, for instance, the question of whether states with higher rates of public-sector unionization incur greater health care cost obligations.

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reverse the overcriminalization trend in other states. In February 2015, we cosponsored an event on this issue in Lansing, Michigan, with the Mackinac Center for Public Policy. On the heels of our Lansing event, media coverage, and promotion of the Institute’s policy research in the state, members of the Michigan House of Representatives announced the formation of a working group to identify antiquated or unnecessary criminal statutes for repeal and prescribe penalties that better fit the crime; our report “Overcriminalizing the Wolverine State: A Primer and Possible Reforms in Michigan” had recommended precisely this. As we did in Ohio, MI will continue to promote reform in Michigan, as well as in North Carolina, where we will focus our efforts later this spring.

With presidential exploratory committees forming and preparation for the 2016 primaries in full swing, we expect many of these and other core MI issues to be at the forefront of public debate. As the year continues, MI fellows will continue to work to shape the climate of opinion, educating citizens about the nature of our domestic challenges and solutions to consider. Thank you very much to MI’s friends and supporters who make our work possible.

Sincerely,

Lawrence J. Mone
President

THE FIFTEENTH ANNUAL MANHATTAN INSTITUTE
ALEXANDER HAMILTON
Award Dinner
MAY 11th, 2015

The Alexander Hamilton Award Dinner was established to honor individuals who have done inspired work to better civic life. This year, the focus of the dinner will be New York City and innovations in public safety and K–12 education. With pressure building to roll back the policy achievements of the past 20 years, we choose to underscore the principles that have helped drive New York City’s renaissance. The efforts of this year’s honorees, MI senior fellow and criminologist George Kelling and Success Academy Charter Schools founder and CEO Eva Moskowitz, epitomize MI’s vision for a New York that is safe, entrepreneurial, and full of opportunity for all citizens. The dinner is also a key source of financial support for the Manhattan Institute. All proceeds from this year’s event will go toward enabling MI’s New York agenda—in particular, our efforts to advance policies that build upon the work of our honorees.

For information on joining the dinner committee or buying a table or individual tickets, or to make a leadership gift, please contact the MI Benefit Office at 212-599-7000 or e-mail hamiltondinner@manhattan-institute.org.

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Vanessa Mendoza, Executive Vice President
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Howard Husock, Vice President, Policy Research
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Leigh Harrington, Vice President, Communications & Marketing

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