

The Little Book of Economics- How the Economy Works in the Real World
Greg Ip

Amazing how the emphasis must change post-2008

This would have been a good book in any timeframe, but it is targeted at a post-crisis world. He does a good job of explaining government debt and the problems thereof. An excellent background for understanding Europe's problems with the PIGS, the pros and cons of quantitative easing. I especially appreciate his catalog of five ways a country gets out of debt. Growth, austerity, bailout by an external party, inflation, and default. No other exits. Our optimism about growth is never-ending and never-fulfilled. Our appetite for austerity is nil. Nobody can or will bail us out, and the US ability to print money keeps us from default. That leaves... inflation. It leaves a good question: what assets will keep their relative value best as the country uses inflation to reduce its unsupportable levels of debt and entitlements? I'd say, buy a rental house in Washington D.C. and rent it to a bureaucrat.