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# American DICLO DI

How the new American government will shape the future: a symposium

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# American Dutlook ANUARY/FEBRUARY 2001

### YOUR WINDOW ON THE FUTURE

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To counter slumping economic growth and enhance their reelection prospects, Congress and the Bush administration need to move fast on bipartisan tax reform and encourage a less restrictive monetary policy. Lawrence Kudlow

Richard Thomas, Alan Skrainka, Gregory Valliere, and Robert Hormats

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Panel discussion Marshall Wittmann, William Paxon, Albert From, Douglas Bailey, and Mark Mellman

### BUSINESS AND THE ECONOMY

### Edwin S. Rubenstein

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As Daniel Webster noted, "Of all the contrivances for cheating the laboring classes of mankind, none has been more effective than that which deludes them with paper money."

Lawrence Parks

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### SOCIAL CONCERNS

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Attempts to replace crumbling real communities with virtual, cyberspace ones may actually exacerbate tribalism and social conflict.

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## **Celestial Jukebox**

Without control over their product, record companies and artists must now dance to their customers' tunes.

### **Jonathan Little**

usic industry pundits from around the world seem agreed that we are on the cusp of one of the great transitions of music history. It's now more than 120 years since Thomas Edison made his memorable recording of "Mary Had a Little Lamb," and all subsequent developments in the music industry have been evolutionary transitions in the formats, or "containers," of music: from wax cylinder to shellac disc, then the long-playing vinyl record, audiocassette, and compact disc-with all sorts of new formats now being predicted. Soon, however, we may see the demise of the physical product altogether, replaced by direct access to music anytime, anywhere, via the Internet, television, or even mobile phones.

As music is increasingly delivered in

intangible streams of electrons, industry analysts expect many of the present structures, conventions, terminologies, and paraphernalia of the music industry to change radically in the next few years. Before long, every single piece of music ever recorded will exist on remote computer servers, so-called celestial jukeboxes. Distribution will then be just a question of access. The major record labels, however, continue to frustrate the rapid spread of this technology, and it is the new "dot.coms"-the new music technology companies-that are leading the way, generating the greatest excitement and producing some striking innovations. The press has spoken a great deal recently about the controversial music-swapping website Napster, which operates in ill-defined copyright

Rather than simply relying on payment for downloads (which could be very cheap or even free), a prime source of revenue in the future might lie in marketing the consumer information many Internet companies will hold.

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