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SUMMARIES OF IMPORTANT NEW RESEARCH FROM THE NATION'S
UNIVERSITIES, THINK TANKS, AND INVESTIGATIVE PUBLICATIONS

ECONOMICS AND BUSINESS

Unsung Shipping Revolution

Stewart Taggart, "The 20-ton Packet," in *Wired* (October 1999), 520 3rd Street, 3rd floor, San Francisco, California 94107.

The technological revolution has lowered business costs, especially shipping. In the past 20 years, observes Taggart, the cost of shipping goods between Asia and the U.S. has fallen by two-thirds. Transportation now accounts for only 1 percent of a product's cost, "making country of origin largely an afterthought in purchasing decisions."

Unloading freighters used to be a labor-intensive business that could take weeks. But North Carolina trucker Norman McLean revolutionized global shipping in 1956 by inventing a large cargo container which could be unhooked from a truck and loaded onto a ship.

Today's container ships are getting bigger and bigger. In 1966, the average ship carried 600 containers; now, 5,000-container ships are typical. Denmark's Maersk Line is launching a new 6,600-container ship every three months. Analysts think it's theoretically possible to build a 25,000-container ship.

Such giant ships strain the capacity of the biggest ports. Rotterdam, Europe's largest port, uses 50 robots to unload ships, but even though these robots can work through night and fog, they're barely able to handle a huge ship. So some firms, most notably FastShip, are building smaller vessels which can move more

quickly and go to more ports. FastShip hopes that, by 2002, its fleet can move time-sensitive goods between Philadelphia and Cherbourg, France, in seven days—ten days faster than a giant ship.

Taggart argues these highly efficient container ships are the unsung heroes of global trade. Falling transportation costs, he writes, have put "downward price pressure on any internationally traded good you've bought since the mid-'70s."

SOCIETY

The Reactionary Progressives

Mary Eberstadt, "The Schools They Deserve," in *Policy Review* (October-November 1999), Heritage Foundation, 214 Massachusetts Avenue N.E., Washington, D.C. 20002.

Twentieth-century education has been a battle between traditionalists, who think schooling requires fact-based teaching and objective testing, and "progressives," who are fact-averse and test-phobic. The reigning progressive "guru," reports Eberstadt of *Policy Review*, is Harvard professor Howard Gardner.

In best-selling books Gardner theorizes that there are either eight or nine different kinds of intelligence, including "mathematical-logical," "bodily kinesthetic," and "interpersonal." Each child is supposedly best at only one or two kinds; so a one-size-fits-all curriculum can't reach both a quiz show whiz and Mr. Touchdown. Therefore, a cur-

riculum has to appeal to all eight or nine intelligences, particularly since one type mustn't be "privileged."

This relativism, Eberstadt notes, leads to "howlers." For instance, Gardner writes that "hands-on involvement" (a favorite progressive gimmick) "must be approached carefully, especially with children"—when teaching the Holocaust!

Gardner has many disciples in schools of education and expensive private schools, yet progressivism may be on the wane. Countless parents "have voted for standards and content with their feet" by fleeing to schools that offer traditional education: witness the popularity of charter schools and vouchers, not to mention America's 1.5 million home schoolers.

The success of E. D. Hirsch's Core Knowledge Foundation, which has enlisted over 400 schools in its fact-based curricula, is additional evidence of rebellion against progressivism. "A counter-culture," Eberstadt concludes, is declaring "a hundred years of progressive experimentation is enough."

Making Sense of the Census

Unkept Promise: Statistical Adjustment Fails to Eliminate Local Undercounts, as Revealed by Evaluation of Severely Undercounted Blocks from the 1990 Census Plan. CMBC 59-512. U.S. Census Monitoring Board: Congressional Members, Post Office Box 610, Suitland, Maryland 20752.

Debate continues over whether the best way to ensure an accurate count in the 2000 Census is by counting Ameri-



cans directly (the old-fashioned way) or by using "statistical sampling" to estimate the national population mathematically. The congressional half of the U.S. Census Monitoring Board argues that "statistical sampling" will miss the undercounts that do occur and add additional people to already overcounted areas.

The researchers studied 5,170 areas counted by the Census in its 1990 post-enumeration survey, which used statistical sampling to test the Census's accuracy. They found Census statisticians made faulty adjustments. For example, the statisticians tinkered with their equations to increase the number of African-American women aged 18-29 to adjust for undercounts in ghettos. But this change did not result in more accurate counts in poor communities; it only added people to better-off black neighborhoods.

In Chicago, Chicago Housing Authority staffers found the Census didn't count 3,500 people of the Robert Taylor Homes, a housing project. But statistical sampling only added 673 people. Elsewhere in Chicago sampling failed to adjust for overcounts. The white Lincolnwood neighborhood was overcounted by 29 percent, while the black neighborhood of Bronzeville was undercounted by 17 percent. If used, the statistical sampling method would have boosted the population of Bronzeville by only 4.4 percent—and raised the overcounted population of Lincolnwood by another 1.1 percent.

"The solution," the congressional members conclude, "is to actually count people better, not to rely upon a statistical adjustment incapable of addressing the problem."

SCIENCE AND ENVIRONMENT

Private Property Protects Nature

Karl Hess Jr. and Tom Wolf, "Treasure of La Sierra," in *Reason* (October 1999), 3415 South Sepulveda Boulevard #400, Los Angeles, California 90034.

Thoreau Institute senior associates Hess and Wolf examine the Trinchera and Taylor Ranches in Colorado to show that landowners protect the environment better than government.

In 1843, French explorer Charles Beaubien acquired a million acres of land in southwestern Colorado from the Mexican government. In 1851, after the land became U.S. territory, Beaubien sold small parcels to local Latino farmers, on the condition these farmers had the traditional Mexican rights to graze, hunt, and cut wood in the adjoining lands.

The northern half of the land, Trinchera Ranch, was eventually bought in 1969 by Malcolm Forbes. The other half, La Sierra Ranch, was purchased by entrepreneur Jack Taylor in 1960—on the condition that local residents still had the right to "pasturage, wood, and lumber and so-called settlement rights" on the property.

With clear title to Trinchera Ranch, Forbes convinced the Colorado legislature to allow him to create a program known as Ranching for Wildlife, which restricts the use of the property to hunters who pay as much as \$8,750 for the chance to shoot elk, cougar, and other animals. Trinchera uses the funds to keep its property in pristine shape and even reintroduce lost species like bighorn sheep.

Taylor's clouded title to the La Sierra Ranch led to a more troubled history. He and local residents squabbled, sometimes violently, over uncertain, shared rights to timber and wildlife on the ranch. By 1981, Latino activists launched a costly lawsuit, *Rael v. Taylor*, and the ranch suffered from arson and poaching.

In 1988, Taylor died without a will, and his son Zack faced huge death taxes, growing legal bills, and local hostility. In 1993, an arsonist torched his house. By joining Ranching for Wildlife, Taylor paid the death duties, but to pay his legal bills, he had to cut much timber on his land, which infuriated radical environmentalists.

In 1997, a federal judge settled *Rael v. Taylor* in favor of Taylor, but still his legal bills and hostile neighbors remain. Hess and Wolf propose that some of these neighbors sell their land to Taylor in return for a share of the elk-license fees. They also suggest that Latino stockmen be allowed to graze cattle on the Taylor Ranch for free in the summer if they help restore Taylor Ranch habitat and keep their cattle on their own property in winter. A nonprofit resource bank would oversee limited logging by small farmers

in return for ensuring the conservation of the remaining forest.

The Taylor Ranch with its history of government entanglements, Hess and Wolf conclude, is the most troubled link in a chain of private hunting reserves in Colorado and New Mexico. But if Taylor can peacefully settle with his neighbors, "a private wildland of vast proportions" will be created, "an island of conservation hope in a grim sea of failed federal management."

Saving the Swamps

Jonathan H. Adler, "Swamp Rules: The End of Federal Wetlands Regulation?" in *Regulation* (No. 2, 1999), Cato Institute, 1000 Massachusetts Avenue N.W., Washington, D.C. 20001.

For over two decades, federal regulators have issued increasingly draconian decrees over the nation's wetlands. But lately property owners have been winning in the courts, overturning a Corps of Engineers regulation that bars dredging of wetlands and convincing judges such restrictions are unconstitutional "takings" of private property.

Environmentalists complain that

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without federal control, states would compete in a “race to the bottom” to see who could drain the most swamps. Adler of the Competitive Enterprise Institute finds no evidence for this. In the nineteenth and early twentieth centuries, many federal laws, such as the Swamp-land Acts of 1849, 1850, and 1860, did a great deal of damage to fragile wetlands through flood control, dam-building, and artificially cheap flood insurance. Scholars calculate these programs eliminated 30 percent of the wetlands in the lower Mississippi Valley.

But long before the federal government began regulating wetlands in 1975, many states—including 14 of the 15 states with the most wetlands—had responded with their own conservation programs. Thanks to these state programs and more efficient agriculture, the amount of U.S. wetlands drained annually fell from 800,000 acres in the 1930s to under 290,000 by the early 1970s.

The Corps of Engineers, which oversees U.S. wetlands, is infamous for inefficiency. One developer withdrew his application to drain 0.0006 acres—26 square feet, about half the size of a ping-pong table—after the Corps sat on his request for 450 days. Often the Corps insists a developer create wetlands in amounts equal to what is drained. But these “mitigation projects,” which can cost as much as \$30,000 an acre, don’t always create new wetlands and often create wetlands that don’t improve a habitat.

Far better, Adler argues, are voluntary conservation measures where farmers are paid a federal subsidy of about \$1,000 an acre to preserve or restore wetlands. These subsidies increased wetlands by 160,000 acres between 1992-96. Private conservation groups are also effective: In 1994 Ducks Unlimited saved 50,000 acres of wetlands—at no cost to the taxpayer.

The carrots of voluntary conservation are more effective than the sticks of regulation, says Adler. He urges Congress to transfer the \$80 million Corps of Engineers wetland conservation budget to the conservation reserve fund—and promise that farmers who volunteer to preserve wetlands won’t be hit by mandatory regulations later. “Both the states and private

groups would do more,” he writes, “if the federal government got out of the way.”

OTHER COUNTRIES

Armed and Dangerous Extortion

Nicholas Eberstadt, “The Most Dangerous Country,” in *The National Interest* (Fall 1999), 1112 16th Street N.W. #530, Washington, D.C. 20036.

North Korea is a failure, and 1998 probably marks the ninth straight year its economy shrank. Eberstadt of the American Enterprise Institute reports North Korea’s leadership must now “focus on day-to-day survival.” This makes the nation a dangerous one.

When Kim Il Sung launched the Korean War and created North Korea in 1950, the dictator believed he could unite the Korean peninsula under a socialist government controlled by his family. His plan was “a careful, calculating, high-risk gamble” and not implausible. South Korea’s government, until the early 1980s, was quite unstable, with turmoil at every presidential succession.

But from about 1985, South Korea became a stable nation with a thriving economy. So North Korea “made a tactical decision in the 1980s to lean heavily on the Soviet Union.” When Soviet subsidies ended, the North Korean economy went into “a steep downward spiral.”

Its economy can only be cured through free trade and free markets, but its Communist rulers know such moves would lead to their ouster. So they have decided to be “a permanent recipient of government-to-government handouts”—and to extort such largesse they have boosted military spending substantially.

In 1994, for example, North Korea and the U.S. signed an “agreed framework” in which North Korea said it wouldn’t develop nuclear weapons. Since then, North Korea has been given 500,000 barrels of free oil each year. An international agency was also created to give North Korea two “safe” nuclear reactors at a cost of \$4 billion. These two programs alone, Eberstadt says, make North Korea “the largest recipient of American aid in all of East Asia.”

North Korea has created an “enormous underground site” at Kumchang-ri which could be a sneaky effort to develop nuclear weapons. In 1999, North Korea allowed American inspectors to visit Kumchang-ri in return for 500,000 tons of food. Similarly, when North Korea fired a multi-stage ballistic missile over Japan in 1998, it said it would stop building missiles—in return for another \$1 billion in subsidies.

Eberstadt suggests North Korea’s ruling elite hope to terrify the West by creating a nation “too lethal to fail.” Yet sooner or later, he argues, North Korea will collapse, and Western appeasement will only have made matters worse. For as long as the West rewards North Korean adventurism with handouts, the North will be an “insatiable state” more prone to aggression.

Europe Is No Model

Pietro S. Nivola, “Are Europe’s Cities Better?” in *The Public Interest* (Fall 1999), 1112 16th Street N.W. #540, Washington, D.C. 20036.

Activists opposed to “urban sprawl” look to European cities as models for Americans to emulate. But Brookings fellow Nivola argues there are many unpleasant reasons European cities tend to be more compact, including

- *High taxes.* Gasoline taxes make fuel cost as much as four times more in Europe. Sales taxes on a new, medium-sized car are 37 times higher in Denmark than in America. These taxes make cars too expensive for most working-class Europeans, who must use mass transit.

- *Ruinous farm subsidies.* French agricultural subsidies, for instance, are 12 times higher than American levels, which explains why Paris is circled by farms.

Nivola likewise warns that Italy’s downtown streets have lots of small shops because zoning laws severely restrict large stores and massive payroll taxes prevent small businesses from growing. “Italy may have succeeded in conserving clusters of small businesses in its old cities and towns,” Nivola says, “but perhaps at the price of abetting double-digit unemployment in its economy as a whole.”



CENTRALIZATION FROM THE ROOSEVELT ERA...

During the New Deal, pollster Elmo Roper asked Americans how much a government should do. The chart at the left shows people's responses. At the end of Franklin Roosevelt's presidency, Americans were divided (38 to 37 percent) about whether "centering of more activities in Washington" was a good or bad thing. A majority believed Roosevelt was largely responsible for this change; 27 percent said the same thing would have occurred with a Republican president.

