

# editorial

## THE FREE PRESS AND THE POSTAL SYSTEM

Freedom of the press is highly prized in America. Yet increasingly in our semi-controlled economy, people are losing sight of what being "free" really means. What would you think of a would-be publisher who complained to you that he was poor but worthy and that, therefore, in order to be "free" to publish, he was going to force you and your friends to contribute money to support his business? You would properly conclude that such a person hadn't the foggiest notion of what freedom is all about.

Yet this is precisely the position being widely promoted by an organization called the "Committee for Diversity of the Press," self-described as representing the intellectual journals which "constitute a kind of early warning system, alerting a society to the concerns of tomorrow" and as "the 'seedbed' of the culture." Its members do indeed constitute a considerable spectrum of important American journalism: *AMERICA*, *ATLAS*, *THE ATLANTIC*, *CHRISTIAN CENTURY*, *COMMONWEAL*, *HARPERS*, *HUMAN EVENTS*, *(MORE)*, *THE NATION*, *THE NEW REPUBLIC*, *NEW YORK REVIEW OF BOOKS*, *PROGRESSIVE*, *ROLLING STONE*, *SCIENTIFIC AMERICAN*, *SOCIETY*, *WASHINGTON MONTHLY*, and *THE WRITER*. In article after article and in pages of Congressional testimony, representatives of these magazines have trotted out "freedom of the press" as a justification for continuation of the second class mail subsidy, which is threatened with phaseout by the U.S. Postal System.

Although large publishers such as *TIME* and *READER'S DIGEST* and their lobby group—the Magazine Publishers Association—have also protested the proposed rate increases, their arguments have not been as insidious or as misleading as those of the intellectual publications. The MPA's position can be seen by most people for what it is—rather baldfaced economic self-interest, much like that of farmers or shipbuilders who have grown accustomed to thinking of government subsidies as their "right." But it is the small publishers who are invoking freedom of the press as an excuse for subsidy—and moaning about the impending death of small periodicals. Their basic argument is that the proposed rate increases will force many such magazines out of business, thereby causing "social hazards" be-

cause the diversity of views expressed will decrease.

What are the facts about postal costs and the impending rate increases? First of all, the law under which the Postal Service was reorganized requires both (1) that total revenues equal total operating costs, and (2) that each class of mail pay its own way. Yet as of 1972, according to a study by economist George M. Wattles (*JOURNAL OF LAW & ECONOMICS*, April 1973), while first class mail generates 28% more revenues than its costs, second, third, and fourth class mail each costs far more than its revenues—by 60%, 36%, and 40%, respectively. In addition, Congress subsidizes the whole operation to the tune of nearly a billion dollars. Thus, taxpayers and first class mail customers are forced to subsidize the other classes of mail, particularly second class (magazine) users. The proposed second class rate increases are designed to phase out these subsidies over a several year period.

Secondly, what impact will the proposed increases have, *in fact*, on American magazines? Committee for Diversity of the Press representatives are fond of quoting the total dollar impact of the increases—in the millions for large publications such as *TIME*—which makes for scary, impressive reading. But they neglect to place such figures in the context of a magazine's total expenses. In the case of *REASON*, for instance, the cost of second class postage in a recent month was only 2.3% of total production and fulfillment costs. And *REASON* operates with a very small budget for such things as artwork and articles, with unpaid editors, and with very low overhead. It's hard to imagine that the impact on *THE NEW REPUBLIC* or *THE NATION* could be larger than this figure.

Small intellectual publications are still further subsidized by the second class rate *structure* (which is *not* being changed), which charges considerably more for each page of advertising than for each page of editorial content. Thus, a magazine like *TIME* or *READER'S DIGEST* with a very large fraction of advertising pages must pay far more per copy than *REASON* or *THE NATION*. Yet the editor of *THE NATION* has gone so far as to imply just the opposite by noting that the cost *per pound* of mailing his magazine is greater than that of magazines with more advertising (be-

cause his magazine is much lighter, since it has few pages of advertising)—a true but completely irrelevant point.

What the small magazine people are saying amounts to the claim that if postal rates are raised to full-cost levels, the resulting (5 to 10%) increase in magazine prices will cause enough loss of subscribers as to drive many magazines into bankruptcy. This point is never made explicitly or quantitatively; occasionally some pious words are offered about the plight of "lower income Americans." *In fact*, however, it is middle class, mostly middle- and upper-income Americans who buy the vast majority of magazine subscriptions, particularly subscriptions to the smaller-circulation intellectual magazines. To claim that vast numbers of these people will stop subscribing because of 5 to 10% price increases is laughable. Although rising paper costs and other production cost increases do pose difficulties for small-circulation opinion magazines, any magazine that dies "because of" second class postage increases will die because its readers and advertisers did not believe in it.

We at *REASON* wish to be on record as opposing any form of *forced* subsidy for our product. We support the efforts of the Postal System to end mail subsidies, and oppose the bills introduced by Senators Goldwater, Kennedy, and Nelson to stretch out or rescind the proposed increases. Further, we advocate the prompt repeal of the private express statutes, which prohibit competition in the delivery of first class and some other categories of mail. Opening the mails to full competition would lead, in short order, to a reduction in first class rates (to about 7½¢ per ounce, based on 1972 costs), and would make it even more urgent for the other classes of mail to be self-supporting. Once competing private companies were well established nationwide in all categories of mail, Congress could then phase out (or sell off) the Postal System.

The pious defenders of postal subsidies in the name of press freedom should remember history—and their own government's recent Watergate exploits. (Do you *really* feel safe entrusting your mail to agents of the State?) The only way to ensure freedom of the press is to keep the government out. A free and independent press cannot afford to be dependent on government subsidies. □

ROBERT POOLE, JR.

# foreign correspondent

## MAKING WATERGATE LOOK GOOD

Buenos Aires, Argentina. Last February, my *REASON* column carried some thoughts on the possible outcome of the Argentine general elections being held last March. If you care to know what happened in relation to what was predicted, so-called Scenario number 1 (see *REASON*, February 1973, p. 28.) was the result, in a modified version. The Liberation Front, with a Peronist candidate, easily won with 49 percent of the votes; the Radical Party was a poor second with 20 percent and my candidate, Manrique, was third with around 15 percent, in a rather good showing (Manrique had a chance of winning only if the Peronists abstained or had no candidates to vote). The Nueva Fuerza got 2 percent, being the party which spent more money than everyone else, including the winner.

But the story does not end there, as it should. After 45 days of the new government, the President—a dentist called Campora—resigned in order to call new elections without veto (ex-Dictator Peron had not been allowed to be a candidate). These new elections for President only, were held in September and the obvious outcome was that Peron won. However, the most interesting side of the process is that Peron has come as the leader of Law and Order, naming as Economy Minister the head of one of the two Businessman Associations (the one more protectionist), to the dismay of young leftist followers.

*Yet, the real trouble is in the Universities.* In what many believe is a risky tactical move, the Peronists consciously delivered control of all National Universities (which in this country are the biggest and, generally, the more prestigious) to Peronists of the far left, and they are crushing ahead with professors and the content of courses, in a wild, unstoppable persecution of teachers and ideas. At present, many professors have been fired, others still resigned in protest, and some—such as your correspondent—are trying to stay at all cost, in order to avoid leaving the place free and open for the new appointees, the majority of whom have dubious or no academic qualifications and, worse, are totally clear in their aims of indoctrination instead of education.

The outcome of *this* clash is easier to predict: by the time this article is printed we shall probably all be out and the problem is that there is no other place to go.

## THE GRASS IS GREENER

To proceed with another, more pleasant subject, I have been reading lately with interest about the “deschooling” alternatives proposed by Illich, Goodman and others, especially focusing on their libertarian possibilities. I understand that one of the main complaints against the present school system in the U.S.A. is its bureaucratization and centralization. This may be relatively true, but you should bear in mind that, as it stands, it is one of the less centralized educational organizations of the world.

Do you recall a movie called *BLACKBOARD JUNGLE*, of the early fifties, with Bill Haley’s “Rock Around the Clock” as musical theme and Glenn Ford in the leading role? I shall always remember that what most impressed me in that film was the extraordinary fact that, when (at the beginning of the picture) Ford applies for a job as a teacher, it is the manager of the public, secondary school himself who says, “Okay, start right now.” This was and still is incredible to any European or Latin American observer, who lives in a society where public schools are nationally centralized, governed by a national Ministry of Education which employs all teachers and personnel of the country, and in which textbooks and courses are more or less determined by national authorities. This is what happens in France, Italy and most Latin American countries, and, I believe, in almost all the others. So much for *your* bureaucratization!

I really don’t want to punish you, gentle readers of *REASON*, with another comment on *the* issue, but I feel I must tell you that, for this correspondent, the way Americans are handling the Watergate thing is the most brilliant example of American democracy in action, and is opening new frontiers on the fundamental problem of relationships between the Government and citizens. A trend started with the Pentagon Papers, the disclosure and denunciation of this kind of political

malpractice shows, among other things, that the U.S.A. is *not* decadent but, as always, open to change and has an exemplary regard for civil liberties. All governments of the world are doing, with even less restraint, things like Watergate—always in the name of “national security.” The demythologization of that concept and its practical consequences makes the U.S.A. a leader, in the best possible sense of the word, among all the other nations. This is *not* the prevalent view around here, but many people who customarily—sometimes with cause—have criticized U.S. imperialism, are realizing the real strength and values of “the American way.”

## DIPLOMACY?

Regrettably, strange acts still flourish among American bureaucrats. The latest here is an unexplainable and gross mistake of the local charge d’affaires, a Mr. Max Krebs, who unabashedly sent a memorandum to our Economy Minister criticizing some aspects of the government package of laws proposed to the Congress, in a tone sometimes close to disrespectful and threatening. (It is as if the French Ambassador to the U.S. were to send a memorandum to the Secretary of Commerce—not even to the State Department—advising the government not to pass a certain law and threatening negative consequences from the French government.) Imagine the reaction of the Minister, the press and anti-yankee public opinion!

Finally, as you may have noticed, in Uruguay the President dissolved the Congress, closed some newspapers and installed himself as the representative not only of the people but, in fact, of the Armed Forces. Really, the social, economic and political situation in that country was bad and deteriorating, but the prescription seems worse than the malady. If the recent Argentine experience of a military regime taught us something, it is that at the end of the experience the situation shall be worse. Brazil’s case is something altogether different and, in itself, another story. Meanwhile, Latin Americans still try to work, progress, love and live peacefully. They—we—are not succeeding. ■

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