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BACK ISSUES: Write for back issue list for current prices. Volumes 1-4 are available on microfilm from University of Southern California Library Micrographics Dept., University Park, Los Angeles, CA 90007. Volumes 5 and up are available from Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106. Indexed in *Historical Abstracts* and *America: History and Life*.

editor's notes

• **INVESTIGATIVE JOURNALISM.** We are pleased to announce the receipt of a new grant for the Reason Foundation Investigative Journalism Fund. We are actively seeking leads to worthwhile investigative projects, as well as qualified journalists interested in doing such reporting. If you fit into either category, let us hear from you.

• **RESPONSE TO NADER.** Senior Editor Tibor Machan conducted a highly successful media campaign against Ralph Nader's attempted "Big Business Day" in April. In addition to his editorial in *REASON*—"The Anti-Business Mentality"—Machan had op-ed pieces published in both the *New York Times* ("Don't Turn Employees into Police Informants," April 16) and the *Los Angeles Times* ("An Unexpected Defense of Businessmen's Rights," April 20). In both cases Machan argued for even-handed consideration of people in all professions as to possible wrong-doing, rather than singling out those in business for a presumption of guilt, as Nader's proposals seem to do. Machan's articulate arguments, perhaps helped by his identification as a professor of "Marxist economics," led to *Time* picking up a quote from his *New York Times* piece to conclude its own coverage of Big Business Day. [Not to worry, folks—Machan is teaching UCSB economics students *about* Marxist economics, not teaching them to *be* Marxists!]

• **CATALOGUED.** When you pick up your copy of *The Next Whole Earth Catalog*, due out in September from Random House, be sure to look for the section on Libertarian Periodicals. There you'll find a perceptive overview of the libertarian movement, followed by brief reviews of *Inquiry*, *Libertarian Review*, *SL's Liberty*, *Libertarian Vanguard*, and our very own *REASON* and *FRONTLINES*. While the Whole Earth folks found *REASON* somewhat "stolid," with "the air of a slightly stiff Rotarian [!] loosening his tie while he excitedly discusses abolishing the Income Tax," they praised it for revealing worthwhile truths and cited our "bold investigative report on curious United Farm Workers funding." For *FRONTLINES*, they had unmitigated praise. Terming it "lively, gossipy, and informal," they concluded that "there's probably no better way to gain a compact overview of the libertarians. Highly recommended."

• **FOR THE RECORD.** Ron Paul's much-quoted "SALT-Free Defense" from our March issue has now been reprinted in

the *Congressional Record*. Interested readers will find it on page H2317, March 27, 1980.

• **SUPER-GLUE BROADCAST.** David Mathisen, author of our exclusive report on FDA suppression of the medical uses of super glue, was the featured guest on Clark Weber's "Contact" program on radio WIND in Chicago, April 30, the same program that last fall featured *REASON* author Patty Newman debating Cesar Chavez on the points in "Who's Bankrolling the UFW?" (Nov. 1979).

• **PRIVATE SPACE PROGRAM.** If you were thrilled by the photos of the surface of Mars sent back by the Viking landers, here's your chance to participate personally in the space program. Although one of the two landers went dead in March, the other is expected to continue transmitting valuable scientific data for up to 10 more years. There's just one problem. NASA funding cuts threaten to eliminate the relatively modest budget for processing and analyzing the Viking data. Hence, the San Francisco section of the American Astronautical Society has set up a voluntary program to raise \$1 million for this purpose. Your tax-deductible contribution will keep the computers humming and the analysts computing—and perhaps set a healthy precedent for voluntary support of space efforts. Send it to the Viking Fund, Box 7205-R, Menlo Park, CA 94025.

• **TRITIUM UPDATE.** Shortly after our March article on the hysteria in Arizona over tritium release from a luminous-dial factory, an editorial in *Science* made much the same point. Merrill Eisenbud of the New York University Medical Center pointed out that the radioactivity of tritium is so weak that if all the tritium and carbon-14 (also a "soft beta emitter") used in 1978 by all US biomedical institutions were to be discharged by a single incinerator stack, the dose to the public would meet existing standards within a few tens of meters from the stack. Eisenbud pointed out that NRC and EPA regulations permit biomedical institutions to incinerate such wastes but that none have chosen to do so, *for fear of adverse public reaction*. Instead, they have "opted to accept the burden of unnecessary record-keeping and inspection procedures, as well as the expense of shipping their wastes to distant burial grounds."

—R. P.

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- ✓ How to make Uncle Sam pay for your hobby
- ✓ 9 tax-favored businesses
- ✓ The triple tax break enjoyed by family partnerships
- ✓ Tax-free barter: the feds hate it, but you're safe with these methods
- ✓ Year-end tax planning: *now* is the time to start—especially under the new tax law
- ✓ Starting a business? Watch for these tax landmines. Your 4 basic choices for tax treatment. Pros and cons of each. Which of these 3 accounting methods is best for you?
- ✓ Those "fearsome" IRS computers: half of the letters they generate are wrong
- ✓ 3 tax gimmicks you should avoid like measles
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- ✓ The mail-order tax shelter: too straightforward for the wheeler-dealers, but ideal for the honest businessman or investor
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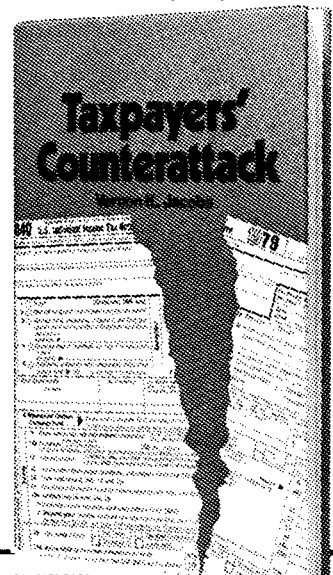
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editorial

For many Americans, the bungled attempt to rescue the hostages in Iran felt like the last straw. "My God," one acquaintance remarked the next day, "can't we do *anything* right any more?" A numbing malaise has spread across the land, as failure after failure in foreign policy parades across our TV screens and daily newspapers.

Yet it would be a mistake to identify the failings of a president with a failing of America. At the very moment when three RH-53 helicopters were breaking down in the desert, hundreds of small boats were setting out across the Florida Straits to bring Cuban refugees from the port of Mariel to this country. Day by day the numbers mounted: 350, 1,500, 3,500, 8,000, 15,000, 30,000, 43,000, 55,000 . . . and the total continued climbing at press time.

Talk about foreign policy victories! Here was the socialist paradise of Fidel Castro — self-styled leader of the Third World, darling of leftists everywhere — hemorrhaging away its individualists once again. The country that seeks to export its "revolution" to the Caribbean and Africa is now described by former Castro aide and propagandist, Carlos Franqui, as "the mother prison, totally surrounded by water" (*American Spectator*, May 1980). Every Cuban must carry an internal passport at all times or be thrown in jail. Thousands are detained in prisons and labor camps. The economy is a disaster: the meat ration has been cut from 12 ounces every nine days to 12 ounces every 45 days; even black beans are in short supply, and *tobacco* must now be imported from Spain. Cuban officials in Washington estimate that as many as 200,000 people would like to emigrate to this country; that's on top of the 800,000 who have come here in the past two decades (out of 9.8 million people).

Handed this golden opportunity to contrast freedom with socialism, the Carter administration blew it again. First the State Department ordered boat owners not to go to Mariel to pick up refugees. When that had no effect, it hinted that only the first 3,500 people would be accepted, the rest deported. Then it agreed to accept them all "conditionally" for 60 days, to give immigration officials time to decide who is unacceptable. It has also begun handing out citations to boat owners, carrying penalties of up to \$1,000 for each refugee carried!

The actions of the Cuban freedom-seekers — State Department morons notwithstanding — are a ringing affirmation of the continuing attractiveness of America, a country founded on the idea of individual rights. Third World demagogues can harangue and denounce all they want, but the fact remains that individuals everywhere seek political and economic freedom — the opportunity to build a better life, with some reasonable chance of success and without fear of repression.

The United States once based its foreign policy, such as it was, on being a beacon of freedom to the rest of the world. Instead of propping up favored dictators and overthrowing disfavored ones, the US government minded its own business. And in those days that business consisted largely of providing a federal court system and maintaining sufficient defense forces to deter attacks. The results were twofold: the American idea attracted immigrants who wanted to build better lives here, and

it inspired revolutions — not socialist revolutions, but revolutions against tyranny.

We could overcome America's malaise by restoring this country as a beacon of hope to freedom-seekers everywhere. That would require more than just giving up largely futile attempts to stage-manage world events. Specifically, it would require both a determined effort to restore real personal and economic freedom in this country *and* a willingness to open our doors to all who are willing to risk everything to get here.

What would this latter entail? To begin with, it would mean a complete reversal of the State Department's hostility to refugee sealifts like that from Mariel. It would also mean abolishing the untenable distinction between *political* and *economic* refugees. Under this doctrine, refugees from Haiti, for example, have been harassed and jailed after making the perilous 800-mile voyage to Florida. Apparently, because brutal dictator "Baby Doc" Duvalier is not a Communist, the Haitians are considered to be "merely" seeking economic gain (such as three meals a day instead of starvation) — not unlike, incidentally, most of the Cubans arriving from Mariel. (This distinction perpetuates the false dichotomy between personal and economic freedom that underlies so much government meddling in our society.)

To be sure, many Americans are honestly fearful that under such a policy this country would be swamped by people who would become both a burden on the taxpayers and a social problem. Already, cries of fear and resentment are being heard from south Florida. To reassure such people, it would be reasonable to couple the new immigration policy with specific reforms along the following lines:

- Limit taxpayer-funded assistance to noncitizens to a relatively brief period after arrival.
- Repeal minimum wage laws so as to expand the market for labor.
- Abolish government programs mandating bilingualism.

Such policies would make it clear that the United States welcomes people who will take responsibility for their own lives and be productive citizens — as it did in the 19th century when most of our grandparents came here.

Fair-minded people of all political persuasions — liberal, conservative, libertarian — should support this kind of open-door policy. Conservative columnist George F. Will is one who would. In his syndicated column, Will had this to say about the exodus from Mariel:

Such people are a resource more precious than all the oil under Saudi Arabia. They are the kind of people who built America, who made it a beacon to the world, and who can help revitalize it. America can never have enough of them.

Robert Poole, Jr.



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Editor, Gold Newsletter



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letters

Unreasonable Interpretation?

I find it difficult to believe the name of your magazine is **REASON**, for no reasonable individual could possibly put the construction that Mr. Machan managed to put upon my remarks in *TV Guide* (Editorial, May).

The question put to me was: "Do you handle someone who may have something to hide, any differently from a Baryshnikov or a Horowitz?" Wouldn't you? If you believed you knew the facts behind a murder or a theft or an egregiously immoral act, and you had the chance to confront the alleged perpetrator on television, wouldn't you handle him in a fashion utterly different from that you'd use in profiling an artist? If Machan believes that because I mentioned "businessman" in my answer that signifies I am anti-business, he is more paranoid than any reasonable person has a right to be.

Come off it! Like you, I'm the beneficiary of the system under which we live and prosper. I revere it, appreciate it, and revel

in the chance, the freedom it gives me, to criticize or question when the system sometimes goes awry.

Mike Wallace
CBS News
New York

Mr Machan replies: No doubt I indulged in a bit of hyperbole at Mr. Wallace's expense. Yet one would have to strain to put a benign construction on his comment. He immediately assumed that "someone with something to hide" must mean people in business. Why the kid gloves for university life, science, and the arts? The visibility and obvious profit-seeking behavior of business make it a convenient target in a climate of an ethics of self-sacrifice. This hides the more subtle evils perpetrated by members of other institutions. Mr. Wallace and *60 Minutes* ought to take on some more difficult tasks than revealing what caters to popular envy, namely, the occasional misdeeds of those explicitly set on earning money. As to Mr. Wallace being "the beneficiary of the system," surely he doesn't expect this to prove anything. Jane Fonda, Ed Asner, Michael Douglas, and countless others are unabashedly anti-capitalist yet flourish through the system. Even Ralph Nader would amount to little without the system. It is actions that speak loud and clear here, not mere assurances!

your concern is a matter covered by news, radio, and television each day.

But what are you doing about the Americans who have died and others who will die in the months ahead because of the long continued failure of the Food and Drug Administration to approve the licensure of cyanoacrylate?

Ask your staff to obtain for you a copy of the May issue of **REASON**. The front cover and the story on pages 20 to 27 detail the incredible record of the Food and Drug Administration in this matter. You have been shocked by many things the government bureaucracy does or fails to do, but I believe you will agree that this case wins the "Idiots' Award."

You seek the approval and support of our European allies in connection with some of our problems. They have authorized the use of this lifesaving product for 10 years.

You have a problem in connection with the unlawful detention of the 50 Americans in Iran. Some suggest the use of a naval blockade—but you have no such problem in connection with aiding the larger lifesaving of Americans at home. No battleships—no blockade of Washington.

I respectfully suggest you get the head man of the FDA on the phone and advise him, "Approve the license within 5 days or your resignation will be accepted."

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Nader Needs It

Dandy editorial in the May issue, Mr. Machan. Boy, you sure hit the nail on the head. Hope old Nader reads it! Keep up the good work!

R. Mathews
Sedona, AZ

Unglue the FDA

The cover and story on body glue (May) is a good example of what is wrong with our government. Enclosed is my letter to President Carter suggesting action he should take.

Thanks for **REASON**—I enjoy it.

Willis H. Hall
Detroit, MI

Dear Mr. President:

You are properly concerned about the lives and welfare of 50 Americans held in our Embassy in Iran. Their detention and

Keep Politics Out of It

I have just read in the May issue ("The Human Value of Sex") how homosexuality and bisexuality "generally do reflect a detour or blockage on the pathway to full maturity as an adult human being..."

So much for libertarianism. I am cancelling my membership in all libertarian organizations, discontinuing subscriptions to all libertarian publications, and stopping payment on a check to the Ed Clark campaign.

Thank you for opening my eyes. A political system or philosophy is only as good as those people who partake in it. If bigots run the show, their policies will reflect bigotry. Libertarianism is no different. The fact that this outrageous article could appear in a libertarian publication is proof of this.

See to it that your filthy Nazi newsletter no longer finds its way into my mailbox. I already get enough junk mail and other mind pollution as it is.

David Freece
St. Clair Shores, MI

The editors reply: We thought we didn't need to explain to our readers the difference between stating a psychological/biological conclusion about sexuality and making a *political* or even social judgment about the matter. If it is true that homosexuals and bisexuals are not fully mature human beings, this has absolutely no implications for treating such persons any differently from their fellow citizens, and it needn't even have any social implications—for example, whether one should invite such a person into one's home. There are all kinds of failures of the fullest human development possible, from missing one toe to not having read Shakespeare. But Shakespeare haters need not become outraged at our suggesting it—we'll defend to the death your right to miss out on the experience.

Who Gets to Own Alaska?

Chuck House's article, "Who Gets to Destroy Alaska?" (Apr.) presents a facet of the controversy over Alaska's lands that is not often seen in the lower 48. As in any political battle, the issue is being fought among those who have the high stakes that are required to devote time and money to present their case.

The consumer/taxpayer who usually ends up paying the bill is busy looking

after his own affairs. The news media and the politicians seldom pay attention to those few on the sidelines who do see what is going on and try to speak out.

The article expresses many Alaskans' fears of changes that may be wrought by the National Park Service. Yet it is disappointing, because House only hints at the basic issue when he says that the Alaskans are "quick to dispute the premise that only land 'protected' by the federal government will survive destruction." He offers no alternative to federal "protection." Instead, it appears that Alaskans equate "freedom" with their habit of using the federal lands of Alaska as they please.

Ninety percent or more of the lands of Alaska are still owned by the federal government. Federal ownership means that decisions on how the lands are to be used will be political decisions, made in Washington.

Since political decisions are most influenced by those who can give the impression of exerting the greatest pressure, and since political pressure depends in part on head counts, and since Alaska has well below one half of one percent of the total population of the United States, you can be sure that Alaskans will have little to say about how Alaskan lands are managed so long as they are owned by the federal government....

A decision to turn federally owned lands over to private owners would be a political

decision in itself, of course, but one which has a greater chance of success. If the question of public vs. private ownership of lands (and all other resources) were brought out in the open and honestly studied and discussed, more people in this country would realize that the outcome of the debate will affect their right to own a home or to build one on the vacant lot they may have purchased. Then Alaskans might well have greater support from the outside.

C. R. Batten
Sacramento, CA

March On!

I was very impressed by the March issue. The articles on radiation by Cohen and Brucer were straight to the point. The biggest surprise was the *SALT* article by Ron Paul. This is the first clear presentation I've seen of the underlying reasons for the drive to curb foreign intervention by the U.S. The article reminded me of the line from *Butch Cassidy and the Sundance Kid*: Rules? In a knife fight?!

Rudebarbs was another good one. I had never seen the strip before; it's a knockout. May your presses never stop.

J. H. Phillips
Austin, TX

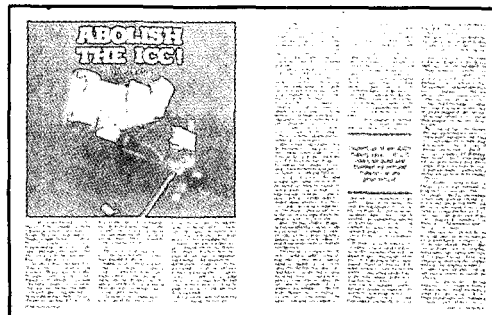
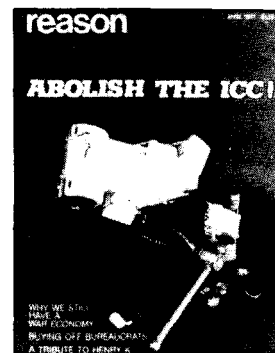
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REASON's demolition of the case for transportation regulation?

April 1977

\$1.25

In this issue REASON's irreverent Tim Condon takes on the ICC—and leaves not a single regulation standing. Among the other articles in this issue are Bruce Bartlett's explanation of why we still have a war economy, ex-bureaucrat Abe Kalish's plan for phasing out bureaucrats, Tibor Machan's defense of the relevance of philosophy, and Jeff Riggenbach's interview with Timothy Leary. Plus: Murray Rothbard on conspiracy theories of history, a report from South Africa, and a profile of energy analyst Petr Beckmann.



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Underground GNP

I found your Trends item (Mar.) on the growth of the underground economy in the United States encouraging, but have difficulty with numbers of such magnitude. Turning to the *World Almanac* for help, I discovered that \$500 billion gives the underground economy a Gross National Product roughly that of France and twice

that of Great Britain.

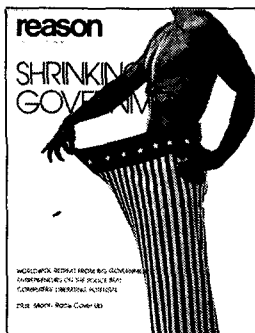
Perhaps libertarians, agorists, and anti-government allies should reevaluate our allocation of money. The most efficient use of our resources in the development of a free nation might be to purchase England!

Seriously, this information in your March issue, considered along with your statistics on government beneficiaries in April (Trends), portend the future of the State-controlled economy. J. Neil Schulman's prediction in *Alongside Night* of the countereconomy all but starving the government out of existence as soon as 1999 now seems quite realistic.

Ron Chusid
Des Moines, IA

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Land Use for the Landed Gentry

As one who led the successful fight to defeat a state land-use plan in Vermont, I can testify to the accuracy of Jim Davidson's remarks (Viewpoint, Apr.) on land-use control schemes as a device to suppress the undesirable lower class.

On one occasion during the Vermont battle an extremely wealthy environmentalist, a financial mainstay of the land-use control forces, wrote letters to the editor advocating strict zoning as a birth control device, arguing that if poor families were unable to find small lots on which to build houses, they would limit their family size and live elsewhere—presumably in tenements.

On another occasion a prominent legislator said, in a debate with me at Dartmouth College, that farmland was so priceless a resource that it had to be kept in production at all costs. "And what if the old farmer and his wife want to sell out and retire to Florida?" I inquired. His reply: "Then we'll get rid of them and put somebody else in there who will keep on farming!" This forceful response left a number of Dartmouth students, ardent environmentalists all, visibly shaken.

On another occasion I was asked to present the case against the state land-use plan—which would have put the State in control of every single foot of the state—before the most rabidly socialist student body in the state (if not the U.S.), that of Goddard College. I pointed out how Quechee Lakes, a high-toned corporate development, had made its peace with the environmental controllers and was continuing to build fancy houses on \$60,000 lots. Then I cited regulations and statements of the environmental controllers making it perfectly clear that the target of their controls was not big corporate developments but people who wanted to build nontraditional and unsightly yurts and zomes and paint them purple—not to mention lower-

income working families. I could tell there was going to be a long debate on this subject after I left. A month later, the socialist third party in Vermont came out with its platform. It condemned the state land-use plan as a ripoff for the rich and the big corporations and a threat to the poor people of the state. God bless 'em!

The drive for land-use control has little or nothing to do with protecting the environment. That is merely an excuse. The real reason is to centralize power in the State, there to be exercised to the advantage of the ruling class. The controllers cannot tolerate diversity, freedom of choice, and worst of all, independence among the lower classes. Fortunately, 700 farmers and mechanics crowded a high school gym for a legislative hearing in Montpelier in 1974 and dealt that movement a death blow. May the citizens of other states emulate our example.

John McClaughry
Concord, VT

To the Founders' Defense

As a former participant at one of Cato Institute's summer seminars, I must take issue with John W. Harding's criticism of Cato's "Founding Fathers" ad in REASON. The fact is that, between the strains of "Cato Uber Alles" and Ed Crane's outstanding Peter Keating imitation, the student is presented with a seminar comparable with the best graduate schools in the country. I challenge Mr. Harding to attend Leonard Liggio's lectures on American foreign policy and maintain the claim that he is not listening to one of the builders of an authentic libertarian foundation. It is true, of course, that Cato would do well to add speakers from other sources such as the Reason Foundation. On the other hand, everyone didn't make it to the constitutional convention either—and of those who did, surely Mr. Harding does not entertain the schoolboy notion that all were heroic in stature? But as to the main lure of the advertisement—Cato's "Founding Fathers' Convention" does concern itself with person-to-person contact between individual seminar participants and "big name" speakers as claimed.

Phillip E. Jacobson
Fayetteville, NC

Neier Naughties

Linda Abrams's otherwise capable review of Aryeh Neier's *Defending My Enemy* (Apr.) left the reader with the impression that Neier, and the national ACLU during (Continued on p. 63.)

brickbats

□ **In the tropical peasants'** paradise of Cuba, the travel season has arrived. Thousands of eager overseas *turistas* readied themselves for their voyages by crowding the Peruvian Embassy the very instant the Communist guards were recalled (a move by Castro to punish the Peruvians for embarrassing his progressive regime). So enthusiastic were the holiday-goers that one onlooker exclaimed: "There are people in the branches of the trees, on top of the destroyed iron grating and even on the roof of the embassy. . . . there is virtually not enough room for a single other person in our embassy." The festive mood was accentuated by cheers of "Liberty! Liberty!" and "Down with Communism!"—a popular Cuban folk-saying. Of the 10,385 Peruvian travel customers, 80 percent were under 30 years of age. Said one of the more serious vacationers: "I feel like it is a new day. I have left the hell of Cuba." And an English student at the University of Havana rejoiced: "I came alive today. I was dead. I was like a robot, but now I am a man again. I don't want Castro's government telling me what to do." (You know how students are on the first day of vacation.)

Castro is expected to stay in Cuba. As a matter of fact, a major new push is on for what he deems the "voluntary" nature of "the fight for socialism and communism." Such "voluntarism" is belied by the sort of capitalist-roaders who, previous to the latest exodus, held several Cuban ships at bay, forcing them to provide safe passage to America. That insidious gang numbered 110. But now thousands upon thousands make a mad dash for the United States, Spain, Canada, Ecuador, Belgium, Argentina, Brazil, West Germany, Costa Rica, Sweden, and Peru. Those fleeing the Cuban SS by way of Florida were, of course, met by armed agents of the Immigration and Naturalization Service.

□ **Even greater experiments** in applied Marxism were being conducted in the Soviet Union, where People's Technology and Organization sweep the red State even now, despite some 63 consecutive bad-weather harvests. News from *Newsweek* is: "Kremlin leaders want to pump a larger share of state investment and resources into the private farms that manage to out-produce big collectives. By law, no Soviet citizen can farm a private plot larger than 1 acre. Nevertheless, private farmers work-

ing 1.4% of the country's arable land produce 61% of its potatoes, 34% of the eggs and 29% of the meat, milk and vegetable output. Communist critics are admittedly unhappy with the incentive for such production: profits. Some private farmers earn up to ten times the \$4,500-a-year maximum for collective-farm work."

The problems with the Soviet State super-farms escape even further into the bounds of the inexplicable when one considers the superior leadership available to them. To wit, the poetic Mr. President Leonid I. ("Leo") Brezhnev, just awarded the coveted Lenin Prize for Literature. (The citation is perhaps the most esteemed award in all the USSR in that it carries no prison sentence.) The subject of acclaim was the well-known Brezhnev trilogy—*Little Land*, *Rebirth*, and *Virgin Land*, personal memoirs published in 1978 (check your local bookstore). The gracious recipient proclaimed: "I believe we are obliged to pass on to the new generation all of value from our experience. I continue thinking of this, and if I find time, if I manage, I shall continue these notes. So please consider that I regard the award presented to me today as an assignment for the future."

Yet he underestimates his past works. Consider: "As you know, I am not a writer but a party functionary. But as every Communist, I consider myself mobilized by party propaganda and see my duty in actively participating in the work of our press." Such dedication must have proven the motive force behind this literary gem: "Time is passing quickly. It cannot be stopped. This imposes on us a special responsibility for the growing generation." To which only the master himself could adequately respond: "The most fearful enemy here is thoughtlessness, and heartless formalism, the inclination to clichés and twaddle."

□ **Not reaching** to nearly such thin-aided cultural heights was, naturally, the "heartless formalism" of the US government. As brought to public attention by the testy Alfred Kahn, bureaucratise continues to make impressive gains on the other national tongue (English). From a federal guidebook on the prevention of fires comes this enlightenment: "Prevention is the avoidance of fire occurrence. To the degree that prevention efforts are successful, the problems related to fire are completely avoided." (Is the Pulitzer committee lis-

tening?) The General Accounting Office entered the contest with this outstanding effort: "It is important to understand the various aspects relating to all factors in order to achieve a general feel for the classification mode of thinking as well as to be able to explain to staff why factors addressed on a position description have not necessarily been addressed on an assignment complexity evaluation." (Apparently neither team had any time-outs remaining.) But let's credit precision when we see it, as in this Department of Energy pearl: "The ad hoc transition team is temporary in nature."

□ **The oppressed members** of the New York City municipal transit unions got their chance to partake in the true spirit of American unionism before their strike succeeded in sucking the next to last drop from the taxpayers' necks. As reported by the Associated Press: "In Brooklyn, tires were slashed and windows smashed on 15 private buses parked in a motel lot. They had been chartered by private businesses to haul their employees to work during the strike. In the Bronx, police reported that strikers or their sympathizers stopped several private buses carrying passengers into the city and disabled them by removing their ignition coils. Also in the Bronx, a carload of strikers forced a private bus to the side of the street and broke its windshield wipers, making it unable to proceed in the foul weather." Then they broke other buses, tied up bridges into the city by parking their cars on them. . . . oh, you know.

□ **The United States**, you may have heard, entered into military action for the first time in five years by sending eight helicopters on a top-secret Iranian rescue mission. The crack all-armed forces team was not even to its rescue destination, however, when three of the eight airlift units went dead. The government, which spends in excess of \$120 billion annually on such military items, called off the caper.

Not surprisingly, helicopters quartered in the private sector perform far more reliably, particularly the one commanded by the popular Hollywood heart-throb Robert Redford. Robert the Handsome was just coptering into the Mt. Timpanogos Scenic Area in Utah, which is "closed to all types of motorized vehicles, including helicopters," when busted by the US Forest Service. An avid ecologist, Redford will no doubt use the incident as anecdotal material when next lecturing on the environmental evils of all development occurring within a 100-mile radius of the exclusive Redford ranch-style estate in the Utah wilds.

—Thomas Winslow Hazlett

trends

Utility Deregulation Forecast

Last year in this column we reported historical research revealing that around the turn of the century electric utilities were granted *competitive* franchises (see "Utility Revisionism," Aug. 1979, p. 14). In those days relatively orderly competition took place, only to be replaced by state regulatory commissions. The result, as documented by economist Gregg Jarrell, was *higher* prices and higher profits for the now-monopoly utilities.

Today's rapidly changing energy picture is causing some analysts to reconsider a competitive marketplace in electricity. Roger Sant of the Mellon Institute, for one, dismisses the idea of electric utilities as natural monopolies. In a recent Mellon study, *The Least-Cost Energy Strategy*, Sant points out that there's a wealth of competition for central-station electricity: gas for cooking and heating, oil for heating, cogeneration (production of on-site electricity) from industrial process heat, and compact total energy systems, to name just those commercially viable today (let alone the solar cells and windmills suitable for special cases today and perhaps more widespread use in the future). Sant forecasts a competitive energy economy in which local electrical distribution systems would select among suppliers of power for their customers.

But why stop there? How about competition in the distribution networks? Probably not by duplicate sets of lines, but by one firm underbidding the existing distributor and buying up its lines—that is, competition over time, rather than within territory. Something of this sort is taking place in North Carolina right now. Oil-burning Virginia Electric & Power Co. (Vepco) serves 22 counties in the northern part of North Carolina, charging residential customers \$58.59 per 1,000 kilowatt hours (kwh). Just to the south, coal-burning Carolina Power & Light charges only \$43.51. As a result, the chambers of commerce in 12 communities have created Operation Overcharge to lobby for Vepco to sell its North Carolina lines to Carolina P&L. The group has prepared a stockholders' resolution to that effect, for consideration at Vepco's annual meeting. The Carolina firm isn't supporting the petition but *is* negotiating with towns in Vepco territory and has won over several. Vepco, meanwhile, is fighting to preserve its monopoly.

Utility firms ought to realize that regu-

lation can be contrary to their long-term best interests, argues Sant. And he's supported by economist Kenneth Lehn of Washington University. For his doctoral dissertation Lehn examined the effects of differences in prevailing ideology among states on the cost of capital to utilities. He found that in states with a high degree of political liberalism—as measured by either 1972 voting for McGovern or 1975 ratings of House members by the Consumer Federation of America—the result could be higher interest rates on 30-year utility bonds amounting to as much as 163 basis points—a differential of over 15 percent in the average yield. Evidently, purchasers of bonds can discern that their risks are greater in states with a liberal political climate. One wonders what valuation those same investors would place on an openly competitive environment for electricity.

New Country Progress

One of the fondest dreams of many libertarians and other freedom seekers has been to set up a new country beyond the sovereignty of existing States, where true liberty would be the rule. Many such efforts have come to naught, but three more are under way at this time.

As we reported last October (see "Islands of Freedom," p. 32), a libertarian-oriented foundation has been assisting the indigenous Na-Griamel movement in the New Hebrides islands in the South Pacific. Last November the soon-to-depart colonial powers there—Britain and France—supervised elections for an independence government. The elections were won by the socialist Vanuaaku party, amidst charges of irregularities that have not been investigated. As a result, the free-enterprise Na-Griamel movement, with the tacit support of the French, declared the independence of its main territory, the island of Espiritu Santo, largest in the archipelago.

The new country calls itself Vemarana. According to a report in London's *Financial Times* (Mar. 19), it has kicked out the district commissioner, opened an office, and hoisted its own flag. Na-Griamel radio broadcasts for an hour each day, with "community service messages, threats to the Vanuaaku government, and sermons from [President] Jimmy [Stevens] to his followers." There are also passports, gold coins, and a free-enterprise-oriented constitution. All may come to naught, however, once the British/French pullout occurs (it was scheduled for May). Whether the new socialist government will leave

Vemarana in peace is an open question.

The other two projects are closer to home. One is Herbert Williams's island in the Rio Grande River: Cherokee Nation. The part-Cherokee retired Air Force colonel plans a free-enterprise tax haven, complete with gambling casinos, banks, a shipping registry, and retirement condominiums. The uninhabited 183-acre island was created in 1967 by Hurricane Beulah. Williams obtained title from the Mexican government in 1974 and is currently negotiating to obtain sovereignty. His negotiators include Arnold Burns, head of a Washington law firm that has drafted new constitutions for Namibia and Uganda, and former Washington, D.C. mayor Walter Washington. Williams plans a July 4 flag-raising celebration on the island.

Another idea for a new country has been to create an artificial island. The ill-fated Minerva project in 1971 had planned to build a concrete island on the semi-submerged Minerva Reefs, but the huge costs (as well as the King of Tonga's intervention) scuttled the project. Now, however, it looks as if the cost problem has been solved. A 31-year-old University of Texas architecture professor, Wolf Hilbertz, has developed a way to "grow" structures under water. The concept involves creating a framework out of wire mesh or reinforcing rods and running an electric current through it; minerals dissolved in the seawater are attracted to the negatively charged metal and aggregate on it, after some months forming a solid, load-bearing structure.

Thus far Hilbertz's largest structure, in the Virgin Islands, is an underwater building 20 feet high and 30 feet square at the base. He has also created two artificial reefs off the Texas coast. But the dream of his Marine Resources Company is to grow an entire island, independent of any existing State. Hilbertz searched for likely sites in international waters and found one—Alice Shoal—convenient to St. Croix, several hundred miles south of Cuba. He has secured permission from the US Coast Guard to use unoccupied Navassa island as a supply base while growing the island. It looks as if Minerva was only a decade ahead of its time.

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Mel Tappan, "A Statement of Purpose," P.S. LETTER Number 1

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they've gone ahead and built a \$10 million, 10-mile, four-lane freeway, entirely in the private sector (no tax money, no use of eminent domain).

The “they” in question is the West Houston Association, a group of land developers, financial interests, and major corporations. The rapid growth of West Houston has left the area short of roads and mired in traffic. Rather than wait for government to get around to doing it, the association members decided to build the needed roads themselves. Their freeway runs parallel to Interstate 10, linking Texas 6 to the town of Katy. In addition to the freeway, they have built new roads within their industrial areas bordering the freeway.

Although land acquisition and construction are costing \$1 million per mile, the association will not be charging a toll. The way they see it, their businesses will benefit greatly from improved transportation, and the value of their land will increase accordingly. And that is apparently enough of an incentive for them to shoulder the full costs themselves.

“If we didn't have government, who would build the roads?” runs an old refrain. Well from now on, don't you believe it.

Moves Toward Self-Defense

The days of the US government as the protector of the non-communist world seem to be numbered. Other Western governments are both talking and taking action to provide more of their own defense.

The Australian government, for example, has awakened from a decade or more of defense lethargy. Between now and 1985 defense spending will be increased from 2.6 percent of GNP to 3 percent. The army will be increased several-fold from its present 32,000 soldiers, the air force will replace its aging Mirage fighters with US F-16s or F-18s, and three or four new frigates will be added to the navy.

Japan, too, is under increasing pressure to up defense spending from the present miniscule 0.9 percent of GNP. Adding to the call has been Hosai Hyuga, president of the Kansai Economic Federation, Osaka's leading business organization. In a February speech Hyuga pointed out that even neutral Switzerland spends 1.9 percent of its GNP on defense. Citing a study of Japanese defense by the Research Institute for Peace and Security, he argued that Japan needs to spend at least \$3.3 billion more (beyond the present \$8.9 billion) to build a credible deterrent. A Soviet invasion would take but a week to overrun Japan, at its present level of defense, contends Hyuga—hardly enough time for allies to come to its aid.

Even Western Europe may have to take on more of its own defense burden. A Pentagon study by Adm. Henry Train and former Deputy Defense Sec. Robert Ellsworth suggests that America's long-term strategy should aim for “an autonomous European defense and deterrent capability.” Or, as columnist Jack Anderson summed it up, “our best bet would be to force Western Europe to fend for itself, instead of depending on Uncle Sam's protective umbrella.” Train and Ellsworth argue that decades of dependence have significantly weakened European capabilities and willingness. The withdrawal of all but a “small US force,” coupled with a promise of quick military backup in the event of Soviet attack, would lead to a renewal of Europe's own commitment to defense—not to mention major savings for long-suffering US taxpayers.

Property Rights Versus Conservation

Sen. Alan Cranston (D-Calif.) and photographer Ansel Adams are finding little support for their advocacy of large-scale federal involvement to “protect” California's Big Sur from development, a sign of the growing disillusionment with federal “solutions.” Cranston is plugging enactment of his bill to authorize \$100 million for the purchase of a 700,000-acre Big Sur Coast National Scenic Area to be supervised by the US Forest Service. Sen. S.I. Hayakawa (R-Calif.) and local Monterey County officials have criticized the action, calling the protection of Big Sur a local responsibility. Besides, the inimitable Hayakawa added, “They wouldn't have a McDonald's within 500 miles,” referring to the “hippies” who live there.

One property owner who is definitely not a hippie and who is being burned by state and regional red tape is Viktoria Consiglio, who bought a two-acre parcel with her husband four years ago and has since been unable to build on or sell the lot (she has, of course, been allowed to pay taxes on the property). The Consiglios made the down payment on the \$67,000 property in 1976 and planned to do most of the carpentry and wiring on their dream home themselves.

In 1978 they hit the first bureaucratic snag: the Monterey County Planning Commission denied them a building permit because the home might obstruct the view of passing motorists. Consiglio won her appeal to the County Board of Supervisors, but the regional Coastal Commission authority voted seven in favor and six against the Consiglios at a time when the required majority was of the entire 16-member commission. It has since been changed to approval by a majority of members *present*, which must have the Consiglios gritting their teeth. And then,

in January 1980, the state Coastal Commission refused to hear her appeal.

Why are the Consiglios being denied a permit to build a home on their property? Well, the regional commission says the house would "seriously compromise" the view; it would block "potential shoreline access opportunities"; and the home would not be "subordinate to the character of its setting." Viktoria Consiglio is dismayed that her rights could be so seriously tampered with in a country that, as her father told her when they left Germany in 1956, "has the best Constitution in the world." She says she will surround her home with cypress trees to screen it from the view of motorists who choose to look downward rather than straight at the ocean, and she will even grant the public access through her property.

But Consiglio's chances are slim when the Monterey County Superior Court hears her case. In the meantime, she has not been able to sell the property since it cannot be built on, and the state has not responded to her offer to sell it for use as a recreational preserve. The State has decided it likes the view from the Consiglio's property—but not enough to buy the property to keep as a wilderness area. The Consiglios are stuck with that job now.

And, as if to further taunt the Consiglios, the owner of an adjacent two-acre parcel has received permission to build a home. It's just that much less visible from the road to please the commissioners.

Is Animal Testing Relevant?

A recent *Science* article (Apr. 18) has called into question the human relevance of animal test data on carcinogens, as well as the no-risk policy of the Delaney clause on food additives.

Written by Gio Batta Gori, who recently resigned the post of deputy director, Division of Cancer Cause and Prevention, of the government's National Cancer Institute, the paper cites especially the "deliberate bias" built into animal experiments designed *not* to assess real-life human risk but only to study carcinogenesis and its possible mechanisms. With the *latter* as the goal, "positive" results—finding that something is carcinogenic—are more "fruitful" than negative ones—not showing harm. And as others have suggested, they are also more dramatic and more publishable.

The bias cited by Gori is evident in many ways. Only species that are most susceptible to tumors and cancer are selected. Gori argues that commonly used mice are from 30,000 to one billion times more cancer-prone than humans. Routes of administering the chemical are selected for their "convenience" rather than for their relationship to real-life metabolic processing.

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Nearly toxic "maximum tolerated" doses are used even though they "cause metabolic overloads that may unpredictably promote or retard a carcinogenic process, with outcomes that differ from species to species," and are "likely to derange normal homeostasis and create physiologic conditions with no real-life counterpart."

While some may regard this "deliberate bias" merely as prudence, Gori maintains that the results obtained have validity only for that experiment and are *not* generalizable to humans. He also notes that it is "impossible to prove safety beyond doubt." His answer to this, however, is *not* to ban "potential" carcinogens, since—to put doomsayers like Samuel S. Epstein in perspective—*age-adjusted* cancer rates are generally remaining the same or even decreasing. Rather, he argues that the "zero tolerance policy" of the Delaney clause either "ignores" or precludes from consideration many examples of "no-effect thresholds," so that this policy should be replaced by a "risks-benefits analysis" for each compound or class of compounds. Under the latter policy, scientists would no longer be "forced to produce clear-cut statements that, however convenient for the regulator, may not have scientific justification." Regulation could then be directed at improving "the quality of life for the living, not merely to extend life expectancy."

Senate Cuts Truck Regs

By a vote of 70-20 the US Senate has passed Sen. Howard Cannon's (D-Nev.) bill to partially deregulate trucking. It eases restraints on entry and on expansion of service, gives new freedom to raise or lower rates without approval by the Interstate Commerce Commission, and ends much of the industry's antitrust protection for collusive rate setting. Industry lobbyists attempted to water down the bill, but to no avail.

Even before the Senate action, the American Trucking Associations and their member firms had begun to see the handwriting on the wall. *Business Week* (Mar. 24) reported that "many trucking companies are quietly positioning themselves so that they can leap from the starting gate if Congress throws the industry open to competition." Although no major trucking firm has publicly supported deregulation, companies known to be doing strategic planning on pricing and route acquisition include Consolidated Freightways, Yellow Freight System, Roadway Express, and Delta California Industries. In addition, a number of nontransportation firms that have purchased trucking companies—such as ARA Services and Pepsico—don't share the traditional truck industry hostility to competition. These firms are likely to welcome a deregulated environment.

Thus, truck deregulation is beginning to resemble airline deregulation. As D-Day actually approaches, status quo rhetoric is starting to give way to realistic planning for the new opportunities ahead.

Income Tax Suspended

The Alaska legislature has voted to suspend indefinitely its personal income tax for residents who have lived in the state for more than three years since statehood in 1959. Aside from that, it has also voted to refund one-half of 1979 income taxes, and to adopt a law that requires the state to pay dividends to all residents from its Permanent Fund. (The Permanent Fund was set up in 1976 to hold the state's oil royalty money, which will exceed \$5 billion in mid-1981.)

The suspension of the income tax was an issue created almost single-handedly by Alaskan Libertarian representative Dick Randolph. Randolph sponsored an initiative to repeal the income tax (it will still be on the November ballot) and followed up by introducing a "radical" measure into the House to eliminate income taxes. Popularity and media exposure—resulting both from Randolph's own iconoclastic style and from the withdrawal of Alaska Governor Jay Hammond from a proposed debate between them—subsequently forced the legislature to take up the issue.

The present measure is a compromise that does not satisfy Randolph. He is challenging the "discriminatory" nature of the bill (since it taxes residents who have not lived in the state for more than three years at a gradually decreasing rate) and the fact that it does not remove the tax laws from the books.

Meanwhile, Alaskans will get not only their 1979 refunds but an additional \$50 oil dividend for each year they have lived in the state since 1959. Thus, a 10-year resident will receive \$500 this year, \$550 next year, and so on for the next four years, after which the \$50 base dividend may be changed. Reports in the *Los Angeles Times* and *Wall Street Journal* point to an increased base dividend because of the Fund's growing earnings. Each of the state's estimated 400,000 residents will have at his or her disposal this year an extra \$2,000 on the average from the tax refunds and oil-wealth plan.

Nationalizing Charity

There is no easy answer to sticky questions concerning who would care for the truly needy and handicapped if government welfare programs were repealed. But one could always point to the billions of dollars donated through private philanthropy as proof that charity need not be legislated. In 1978, total contributions hit a level of

almost \$40 billion, despite inflation and tight budgets.

That bounty is diminishing, a new study warns, and is gradually being replaced by government aid. Dr. Stuart Butler of the Heritage Foundation points out that changes in US tax laws since 1969 as well as new regulations governing foundations and inhibiting private charity are paving the way for government to sneak in through the back door. When adjustments are made for inflation since 1960, Dr. Butler observes, what seems to be a trend for increased charity is misleading. "Between 1960 and 1970 total real giving increased by 64 percent," he says. "In the eight years between 1970 and 1978, however, real giving increased by only 20 percent, despite the 106 percent rise when measured in current dollars."

Despite the tax inhibitions, public opinion polls show that people still believe in private charity. A Sindlinger survey commissioned for the study revealed that 7 out of 10 of those polled think that private organizations do a better job than government at providing charitable services, including welfare; 7 out of 10 also feel that the private sector, not government, should provide these services.

Butler further notes that tax laws make it more difficult for lower-income persons to donate to private charity, leaving tax incentives to those with higher incomes. This incentive is then criticized as a "tax loophole for the rich" and used as a rationale for further replacing voluntary support with state aid.

The study was published jointly by the Heritage Foundation and the Institute for Research on the Economics of Taxation.

Thinking about Gun Control

While it may seem at first glance that to be pro-gun control is to be anti-violence, recent trends are showing that this piece of popular wisdom is being eyed with increasing skepticism. A 1979 Decision Making Information poll showed 88 percent of the respondents agreeing that they had a constitutional right to keep and bear arms. An earlier (1978) DMI poll found that when asked "What is the best way to deal with the problem of violent crime?" only one percent of those polled mentioned gun control. A Gallup poll asking a similarly open-ended question—"What do you think is responsible for the increase in the crime rate?"—came up with not one single mention of firearms.

Furthermore, a glance at the results of Gallup polls over the past 20 years shows that an increasing number of Americans oppose the restriction of gun ownership. In 1959, 59 percent favored gun confiscation and 35 percent were opposed. By 1975, however, the number opposed had grown

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to 55 percent, and the latest (1980) poll has 65 percent opposed to banning handguns.

But this same Gallup poll also has 59 percent of those surveyed in favor of stricter gun control. How does one explain the discrepancy? The Second Amendment Foundation criticizes the Gallup survey for asking questions designed to elicit anti-gun sentiment, such as "Do you favor stricter gun control?" The SAF says this method "assumes that the respondent knows what laws are presently in existence...[and] are inclined to think that such laws are directed against criminals, never stopping to consider the likelihood that criminals will neither register nor turn in their handguns."

To back this up, the SAF has released a

study on Massachusetts's mandatory sentencing law (the Bartley-Fox Act) which requires a year in prison for carrying a firearm without a license. The study by SAF Research Director Bill Garrison notes that the Massachusetts homicide rate has not decreased significantly since the law went into effect five years ago; in fact, "for the first three quarters of 1979, the six Massachusetts cities with over 100,000 population experienced an increase in the rate of homicide which was twice the national average," according to FBI statistics.

Garrison adds that the number of defendants convicted of illegally carrying a firearm has actually decreased since Bartley-Fox, with plea bargaining continuing at its former rate. In addition, out of

12,000 robberies and 4,000 aggravated assaults involving firearms, a mere 120 of the defendants in those cases were imprisoned under the terms of Bartley-Fox.

Antigovernment Zeitgeist

Five different sources on the prevalent mood of the American people indicate a leaning toward more libertarian ideas today than in the recent past. The common denominators are taxes and intrusive government.

A poll conducted by Opinion Research, Inc., for the Ed Clark for President campaign of 1,200 persons between the ages of 18 and 40 had these results:

- 71 percent believe Social Security is not financially sound,
- 69 percent favor a constitutional amendment to balance the federal budget,
- 63 percent favor educational tax credits,
- 69 percent consider military spending on the defense of other nations excessive,
- 57 percent are against US involvement in the affairs of other nations, and
- 8 percent would support Clark versus Carter or Reagan.

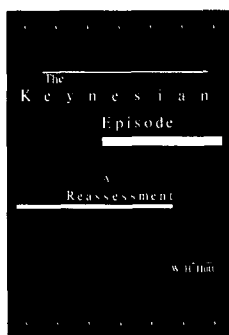
A second poll commissioned by Union Carbide Corporation and done by Roger Seasonwein Associates on 2,000 respondents showed that:

- 80 percent endorse economic growth as beneficial despite added pollution, taxes, or price hikes,
- 56 percent consider increased union power harmful,
- 45 percent consider increased corporate power harmful,
- 54 percent consider increased government power harmful, and
- 86 percent favor tax cuts for business if half of the reduction would go toward jobs, while 51 percent favor tax cuts unconditionally.

Meanwhile, a Harvard conference of 150 experts in business and taxes recommended tax-reduction legislation in 1981, with accelerated depreciation as the number-one priority. This would allow businesses to deduct from taxable income more of the cost of new plants and equipment. A poll commissioned by one of the cosponsors of the conference, New York Stock Exchange, and conducted by Garth & Associates found that 66 percent of the respondents were more likely to vote for a candidate favoring less government interference in business and 51 percent would vote for a candidate advocating business tax incentives.

Lastly, a current *Wall Street Journal* series on the federal income tax observed that 7 out of 10 Americans today believe that the income tax is too high, compared to 5 out of 10 two decades ago. The article attributed this decline to two main developments: inflation and lagging investment.

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By W. H. Hutt

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Born in 1899, W. H. Hutt graduated from the London School of Economics and based his academic career at the University of Cape Town. He is presently Distinguished Visiting Professor of Economics at the University of Dallas. Hardcover \$10.00, Paperback \$4.50.

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Legislating Equality

The Equal Employment Opportunity Commission, created to enforce the equal-pay-for-equal-work mandate of Title VII of the Civil Rights Act, is attempting to legislate sex discrimination out of existence, this time through an equal-pay-for-work-of-comparable-value doctrine. The theory seems to be that equal pay for equal work doesn't go far enough, because some occupations are primarily staffed by women and are therefore lower paid as a whole. So the idea now is to mandate that equal wages be paid for jobs requiring similar levels of skill, training, effort, and responsibility—for example, secretary and electrician.

Although the facts show that this is true (on the average, women earn two-thirds of what men earn), most proponents of the doctrine fail to recognize the complex market forces that determine wage rates. This is the problem that Prof. Cotton Mather Lindsay addresses in his paper, "Equal Pay for Comparable Work," published by the Law and Economics Center of the University of Miami. Basically, Lindsay upholds the validity of basing expectations on sex: women in the past have proven to be less reliable workers in terms of continuity because of childbirth, greater responsibility for the home and children, and transfers due to a husband's job relocation. Because of socialization, he adds, women have been less willing to invest time and money in developing nondomestic skills, thus lowering their market productivity and crowding them into less-prestigious occupations.

With more women moving out of such lower-paying jobs due to discontent and a more career-oriented lifestyle, Lindsay contends that forcing up the wages in the traditionally lower-paying jobs would make them even more attractive to women workers and thus retard the current exodus of women into male-dominated fields.

Heredity vs. Environment

The long-standing controversy over the relative influences of heredity and environment on human development has entered a new phase. An extensive new study of identical twins raised separately sheds new light on the strong influence of genetic heritage.

The study, begun in 1979, is the most exhaustive to date, utilizing the services of five doctors (three psychologists, one psychiatrist, and a behavioral geneticist) as well as outside professionals to guard against a bias toward certain conclusions. Although several fraternal twins are being used as controls, the main emphasis is on pairs of identical twins who were separated at birth and brought up in different en-

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vironments. Nine pairs have been studied thus far, with eleven more already located. The study asks 15,000 questions over the week-long examination, as well as giving physical and psychophysiological tests.

Psychologist David Lykken, one of the doctors involved in the study, says that there are traits that may be inevitable given certain gene combinations—and since identical twins share the same gene combination, even traits other than native intelligence show up in both. While intelligence (IQ) still shows the highest correlation between identical twins separately reared, the scores of such twins on most psychological and ability tests are “closer than would be expected for the same person taking the test twice,” *Science* magazine reports in an article on the study (March 21). Some of the similarities were the recurrence of the same names in the lives of the twins (spouses, children, pets), almost identical taste in terms of lifestyle, clothing, and amount of jewelry in some cases, and closely related medical histories.

The strong evidence surfacing from this study on the influence of heredity should help squelch some of the outrage directed at Robert Graham's sperm bank for Nobel Laureates. Graham has come under heavy attack from the media for suggesting that intelligence could have a genetic basis. Most of the protest is from egalitarians who cannot stomach the idea that people are simply born different. So far, five sets of parents and offspring have been awarded the Nobel prize, though this has been attributed to the presumably illuminating presence of the Nobel-winning parent.

Drugs Here to Stay, Report Says

The privately funded Drug Abuse Council has released a national report stating that more Americans than ever are using drugs and the trend is not likely to let up in the near future. The report criticizes drug laws and law enforcement agencies for their unrealistic expectations about the use of law to eliminate drug use, saying that, for example, “Beyond a doubt... use of criminal law to deter marijuana use results in more harm to society than is warranted by present knowledge regarding its potential harm with moderate use.” One obvious harm is the \$6 billion in federal funds that has been spent since 1971 to control drug use, to no avail.

The council noted that the “failure to distinguish between recreational drug use and harmful misuse” has been a serious mistake, pointing out that although from 2 to 4 million people use heroin casually, inflated government statistics themselves confess to only 500,000 to 600,000 drug addicts. Marijuana, which is still illegal, has been used at least once by 50 million

Americans, with an estimated 16 million current users.

The report concludes with the idea that “treatment for drug dependence should be available chiefly because people need help, not as a behavior or crime control measure.” In other words, if drug users do not commit crimes other than perhaps harming themselves with the drugs, the law has no business interfering to enforce “social objectives such as reducing crime, increasing employment, or restoring family cohesion.”

One law enforcement officer who has taken this message seriously is John McHale, Jr.—the new police chief in Prince George's County, Maryland—who has publicly stated that he supports the legalization of marijuana, much to his colleagues' dismay. McHale argues that laws against marijuana have caused more problems than they have solved. “Who takes [the law] seriously now?” he asks. “We've got 35 million people out there smoking marijuana.” He adds that “there are a lot worse things in life than marijuana, and alcohol is just as bad.” McHale's statements have shocked the county's police union officials (though some of the officers themselves have expressed support), the state attorney, the city council members who voted to hire him, and assorted politicians who would rather “solve” the problem than admit it really doesn't exist.

Options Ahead For TV Consumers

By 1981, television viewers may have the option of sticking to regular VHF and UHF transmission (the current major networks and public television) or using cable and satellite-to-home pay-TV transmission. Confusing as this variety may be, it promises a wider range of programming and the demise of major network-controlled news and shows based on the lowest common denominator in public taste.

Moreover, Frank Mankiewicz, president of National Public Radio, predicts that the growth of cable-TV spells doom for public television. “Congress ought to think about phasing it out,” he said. “There's no reason to think that a smart cable operator won't pick up ‘Masterpiece Theatre’ or ‘Live from Lincoln Center’ if that's what some people want.”

At the same time, the rapid expansion of satellite-to-home ventures may mean the end of movie theatres as we know them—or at least a boom in the output of filmed entertainment. While the proposed contract between Comsat and Sears, Roebuck & Co. (Trends, Apr.) has fallen through, the television industry is rocking from an announced deal between Getty Oil and four motion picture companies to form an all-movie network next June, using satellite transmission to cable-TV stations. The

movie companies are Columbia Pictures; MCA, Inc.; Paramount Pictures; and Twentieth Century-Fox Film Corporation. Getty presently operates an all-sports cable network, ESPN.

The movies made by the four movie companies will not be made available to any other satellite-fed pay network for nine months following their appearance on the proposed network, a plan that has the dominant pay-cable-TV wholesaler, Home Box Office, extremely irate. HBO is rashly appealing to the antitrust division of the Justice Department to do *something* about its potential competitor, charging that the venture is “illegal.” HBO itself services 63 percent of the 6 million pay-TV subscribers in the United States. One entertainment industry analyst for Paine Webber, Lee Isgur, commented that the venture may simply be self-defense on the part of the movie companies. “They felt that by letting HBO go without any competition, HBO could set its own prices” and make the profits the movie companies feel they, too, deserve.

School Privatization

A California company is carving out a new role for the private sector in elementary and secondary education. The firm, American Learning Corporation, began by operating specialized centers for problem readers and has branched out into summer school classes. Both types of program are paid for only by their customers—no tax money is involved.

The summer school operations began last year. After passage of Proposition 13 in 1978, California public schools virtually eliminated their summer school operations. To fill the demand, a variety of private groups, community agencies, and a few universities rented public school classrooms to operate tuition-charging summer classes. But in 1979 many eyebrows were raised when American Learning became the first for-profit company to rent classrooms for summer schools. Although ALC had contracts in 25 elementary schools last year, it was frozen out of the Los Angeles school system (largest in the state) on grounds that it was “inappropriate” to lease space to a for-profit firm. But in March the Los Angeles School Board reversed this policy, after Deputy County Counsel Steven J. Carnevale advised the board that its position was probably unconstitutional.

ALC's reading improvement centers were started two years ago in Huntington Beach. Each center is called The Reading Game and offers individualized instruction for problem readers; the center's reading specialists have access to \$9,000 worth of specially designed reading materials and aids, making use of both technology and psychology. In order to make



Let's begin to

LEGALIZE FREEDOM

JULY 3rd

DECRIMINALIZATION DAY IS COMING!

With the entire nation preparing for the legal holiday of Independence Day July 4th, Decriminalization Day activities provide an exciting counterpoint to monotonous, frivolous, and even militaristic ceremonies. The media have responded well in the past to this thoughtful and provocative pre-4th reminder that freedom is on the decline and needs more than flags and firecrackers to rejuvenate it.

Uniquely libertarian, Decriminalization Day attracts liberal media with its array of 'victimless crime' topics, but repels Ralph Nader Big-business Day types with its intense protestations on behalf of America's most numerous 'victimless criminals' - the small businessmen and their customers.

If you're a taxpayer being punatively fined for the 'crime' of productivity, a woman harassed by officials for selling your body to willing customers, a youth outraged at the time you serve in 'concentration' camps (schools) and forced labor camps (military), a peaceful citizen sent to the 'back of the public bus' by no-smoking rules, or sent to prison for smoking hallucinogenic tobaccos in the privacy of your own home - if you believe in the right of consenting adults to commit capitalist acts, you should participate in Decriminalization Day!

Let's look for and discuss openly the shortcomings of a government that steals from Peter to pay Paul. Let's talk about the implications of enslaving our youth to defend the older folk from foreigners. Let's talk about what counterfeiting money in volume does to an economy. Let's see if we can unravel the question of what most causes crime - Saturday Night Specials or the Minimum Wage Laws?

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money, the Reading Game must offer good enough results to keep parents paying the \$15-per-hour price. Judging from the firm's growth rate, they appear to be doing just that. ALC expects its revenues to increase by 66 percent this year. It has 12 centers in operation in California and is in the process of opening five more. It plans to go nationwide next year, aiming for 50 centers and including such locations as Boston, New York, Philadelphia, Washington, and Dallas. Given the quality of public schools generally, ALC would seem to have a huge potential market.

Private Broadcasting Proliferates

The urge to broadcast alternative news and music and to meet consumer needs seems to be just too powerful to keep down, even in countries like Ireland and Italy, which have state-supported stations.

Ireland's private radio stations are actually outlawed by the Department of Posts and Telegraphs. There is a national radio and television network, RTE, that is supposed to provide all the broadcasting service anyone could ever want, but the pirate stations just keep proliferating. At least five pirate stations operate in Dublin, and an estimated 20 more around Ireland, openly defying the law because of high advertiser and community support. The maximum fine is presently 50 pounds for the first offense, but a proposed measure now in Parliament would levy a 10,000-pound fine and/or two years' imprisonment for illegal broadcasting. Some predict that the government will soon hand out broadcast licenses to a favored few to defuse deregulation sentiments — and fine the rest.

Unlike Ireland, Italy's private stations are not illegal, although they face the state-run Radiotelevisione Italiana (RAI). Legal restrictions on broadcasting were lifted by court decision between 1974 and 1976, leaving the field open to competition. A report in the *Economist* (Mar. 15) estimates 2,000-3,000 private radio stations in Italy, which collectively claim half the total listening audience. Private television stations also abound, with an estimated 676 in 1978. The article says that perhaps 300 of these offer regular services and account for a third of the national audience.

Milestones

- **IRS Insurance.** Home-delivery subscribers to the *Las Vegas Sun* who are up for IRS audit are entitled, along with their newspapers, to two hours of legal counsel, the aid of a lawyer, and a reporter with a tape recorder. About 20 readers a week take advantage of the service, the brain-

child of *Sun* publisher Hank Greenspun, who has tangled with the IRS himself.

- **Safety Inspections Unsafe.** Mandatory state auto safety inspections actually reduce safety by making drivers think their cars are safer than they really are, claims economist Mark Crain of Virginia Polytechnic Institute's Public Choice Center. Crain estimates that the annual cost of these inspections is \$200 million in resources diverted into obtaining inspection licenses. While 23 states do not have mandatory inspection, there is some lobbying for federal inspection.

- **Stripping off the Armor.** Local governments do not enjoy immunity from civil rights lawsuits under any circumstances, the Supreme Court ruled, saying this "should create an incentive for officials who may harbor doubts about the lawfulness of their intended actions to err on the side of protecting citizens' constitutional rights."

- **It Pays to Advertise.** Law firms receive an average of \$7.93 in fees for each dollar spent on ads, a National Resource Center survey shows.

- **Free Trade Haven.** Singapore has decided to emulate its neighbor, Hong Kong, and become nearly a free port by eliminating all tariffs and removing taxes and restrictions hampering the finance industry there. Trade Minister Gok Chok Tong has also promised to reduce personal taxes by an average of 16.1 percent within the next three years.

- **REASON Story in Real Life.** Britain's finance minister Sir Geoffrey Howe has announced the creation of "free enterprise zones," the subject of a REASON article (Apr.), out of 500-acre zones in selected urban areas. Incentives to industrialists are exemption from local taxes, simple development permission procedures, the elimination of development land taxes, and freedom from various bureaucratic controls. Howe estimates that the zones will be in operation by the year's end.

- **Scientific Moratorium.** Another group of scientists has pledged to boycott professional cooperation with the Soviet scientific community, this time from May 12 to November 11, 1980. Scientists for Orlov and Shcharansky, a group formed last year to protest Soviet treatment of the two scientists, has added Andrei Sakharov's exile to its protest; it announced that last year more than 2,400 American scientists, as well as nearly 1,000 French and Australian scientists (Trends, May), pledged to restrict their activities with the Soviets.

- **None to Share.** The House has voted 225-192 to kill the federal government's program of "revenue sharing" with state governments. Rep. Robert Gaimo (D-Conn.) argued that the government is being asked to share revenue it does not have. The decision will save taxpayers \$1.7 billion next year. Unaffected by the move is the far larger program of revenue shar-

ing with local governments.

- **Fire Department Fired.** Georgia Rural/Metro has lost the contract to provide fire service to Hall County, Georgia. Despite cost savings and good service, political considerations led to the second-year contract being awarded to a competitor, Fire Suppression Management Consultants, Inc. Rural/Metro president Lou Witze-man commented that the concept of private fire protection "may be more important than any individual firm involved—and the concept lived even if we didn't."

- **Genetic Engineering.** A microorganism with the built-in ability to produce the hormone thymosin has been created by Genentech, Inc., in South San Francisco. Thymosin helps stimulate the body's immunity system and could be useful to cancer patients whose natural immunities have been weakened by chemotherapy.

- **Laetrile Persecution.** A California doctor sentenced to six months' imprisonment for conspiring to make Laetrile available to cancer patients was released March 21, two months before his sentence was up. Dr. James R. Privitera told a press conference he would work to legalize Laetrile. His parole specifically forbids him from treating patients with Laetrile or helping them obtain the drug.

- **Medical Freedom.** GOP frontrunner Ronald Reagan has told the National Health Federation that he is in favor of both (1) repealing the 1962 amendments to the Food and Drug Act (which require that drug firms prove the efficacy, not just the safety, of new drugs and which economists think have markedly cut back on drug innovation) and (2) permitting freedom of choice in therapy, obviously applicable to unproven treatments like Laetrile.

- **Rail Progress.** By an overwhelming vote of 91 to 4, the Senate voted in April to pass a bill that allows railroads to raise rates and increase profit margins to cover increased costs. The bill—a step toward railroad deregulation—was sponsored by Senate Commerce Committee chairman Howard Cannon (D-Nev.).

- **The Joy of Indexing.** Taxpayers in five states this year—Arizona, California, Colorado, Iowa, and Minnesota—saved a total of about \$500 million because of the passage of tax-indexing laws in those states. Income-tax-indexing laws adjust tax brackets proportionately with inflation, thus leaving taxpayers with more of their higher income in their pockets. Most of the laws don't completely offset inflation—in Colorado, for example, tax brackets were adjusted 7 percent, half of the 13.3 percent rise in the Consumer Price Index—but may help harried consumers cope.

—Robert Poole, Jr., and Christine Dorff

WHAT'S REALLY GOING ON IN THE LIBERTARIAN MOVEMENT?

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It's getting harder and harder to keep track of today's expanding libertarian movement. While the Libertarian Party mounts ambitious campaigns for public office, groups like SIL, SLS, HALT, the Radical Caucus, the Cato Institute, and the Libertarian Foundation carry out educational and activist efforts on behalf of liberty.

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- Volume 2, Number 2, October 1979 \$1.25**: "Clark, Koch Ticket Nominated", "1979 Convention Breaks Records".
- Volume 2, Number 4, December 1979-January 1980 \$1.25**: "Human Events Attacks on LP", "Burt Replaces Hocker, '79 Convention Bailed Out".
- Volume 1, Number 11, July 1979 \$1.25**: "National Review Blasts Libertarians".
- Volume 1, Number 12, August 1979 \$1.25**: "NR Picture of Movement".
- Volume 2, Number 1, September 1979 \$1.25**: "Cato Shifts Gears".

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While the feds continue to spend billions on money-losing subways and bus lines, these

ALTERNATIVE

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TRANSIT, WE ARE TOLD, is a classic example of a public good—something that must be provided by government, paid for by taxation, and put up with by all of us. The private sector has failed, we are told, and that's why government had to step in, taking over failing bus lines and subways. Moreover, now that energy costs have quadrupled, mass-transit systems are essential energy conservers, even if they do cost taxpayers a bundle.

The only problem with this set of propositions is that every last one of them is false. And besides serving to justify wasteful government transit boondoggles, they frequently obscure the *real* solutions to urban transportation needs—the diverse, flexible, private forms of transit that are springing up around the country *despite* their massively subsidized public competition.

The annual deficit of the public transit system is one of the fastest-growing items in many city budgets. From 1971 to 1976 transit deficits increased over 800 percent. During this period the cost of providing transit service increased at more than twice the rate of inflation, while transit farebox revenues increased at only half the rate of inflation. In the early 1970s, farebox revenues paid for a bit over 90 percent of operating costs; by 1979, however, revenues were paying only 48 percent. Of the 1979 deficit, about half was made up by local taxes, the balance by federal and state taxes.

Except in a handful of large cities that operate rail lines, mass transit usually means a bus system. Typically,

it is the remains of one or more formerly private bus companies that went bankrupt and were consolidated by the city, the county, or a multijurisdictional transit district.

Most of the bankruptcies and takeovers occurred during the 1950s and '60s. During those postwar decades our metropolitan areas underwent a profound transformation. Vast acreage surrounding the central cities was converted to tracts of single-family houses, and automobile ownership soared. These demographic changes spelled economic doom for conventional fixed-route transit systems. The dispersion of homes greatly reduced the ability of a limited number of routes to serve the potential customers. And the proliferation of cars—aided by the cities' construction of expressways and freeways—meant that many fewer people needed to ride the bus.

Bus company managements responded to these changes in a rather simplistic fashion. They clung to their fixed routes and attempted to cover rising costs by increasing fares rather than devising new forms of service tailored to the changed market condition. Since transit demand is relatively sensitive to price, this only served to drive away even more passengers, leading to bankruptcies.

Political pressure induced many local governments to take over failing bus companies, on the grounds that lower-income people had to have *some* form of public transportation. The passage of the Urban Mass Transportation Act of 1964 provided large amounts of federal money to assist

cities in buying the failing companies. Originally it was contended that such takeovers would solve the financial problems because (1) the lines would no longer have to pay taxes and (2) they would no longer have to make a profit. It was even thought that the systems would somehow be able to expand and increase ridership, thereby operating more efficiently.

But none of these fond hopes was realized. The real needs of riders have gone unmet. In most cases service has been reduced, ridership has continued to drop, and costs—especially labor costs—have soared. (In the period 1972-78 labor costs went up 300 percent in some transit systems!) The federal government is now providing operating subsidies to the systems its original capital-equipment grants were supposed to make self-supporting.

What went wrong? Basically, it was a failure to realize that a single system of fixed-route buses or trains does not meet the needs of people living in most modern metropolitan areas. Attempts to force-fit these systems into suburbanized areas will continue to fail and will continue to drain money from the taxpayers. What's needed instead are alternatives that can respond to riders' new needs in innovative and cost-effective ways.

SORRY SUBWAYS

In the past decade, the Urban Mass Transit Administration (UMTA) has been promoting an unworkable solution to large-city transit problems: build subways. Never mind that a subway is even more of a fixed-route, den-