# letters

#### Democrats the Party of Freedom? Not a Chance

found Bill Kauffman's article "Desperately Seeking Solutions" (Dec.) both thoughtful and thought-provoking. The implications of the article, however, are not clear. If he believes that the Democratic Party is in the process of becoming the party of liberty, Mr. Kauffman is being a bit naive.

The so-called neoliberal movement has elements of market orientation. Nonetheless, we should not believe that Gary Hart, Bill Bradley, Bruce Babbitt, et al. are protolibertarians. A better explanation for the neoliberal movement is that it is not unlike the Republican Party's complete acceptance of the welfare state in the 1960s.

New domestic spending programs are not in vogue, and some current ones are candidates for minor pruning by these neoliberals. But on fundamental economic issues like the balanced-budget amendment (which is a litmus test for the truly proliberty perspective), neoliberals are by and large hostile.

Too many people have overemphasized the dictum "ideas have consequences." The fact is, lots of bad ideas (like the neoliberals' national-service program) have no impact. Nor do some good ideas. Good ideas can have consequences when they are carefully developed and marketed in the context of the current political dynamic. As long as the Democratic Party is wedded to radical redistribution, neoliberals-even if they are sincere in their positive policy prescriptions-cannot be expected to have a significant impact. The realities of our two-party system should be seen clearly. The days of Andrew Jackson Democrats are unfortunately long gone.

Robert Capozzi Arlington, VA

Mr. Kauffman replies: Mr. Capozzi misunderstands. The neoliberal vision of a benevolent technocratic state holds no allure for me. But their skepticism of foreign intervention does. Unfortunately, the young Republicans who support a balanced-budget amendment are often the same Teddy Roosevelt disciples who

want to sacrifice a few thousand kids to the old progressive dream of American Empire. And yes, Mr. Capozzi, Andrew Jackson democrats survive still. They're all around-in the factories, the roadside diners, the punk rock clubs. Perhaps someday champions of liberty will stop slobbering over soulless yuppies and malefactors of great wealth and rediscover the spirit of '76, beating loud as ever in the American heartland.

#### Time to Rethink 55

I think that Alan Pisarski's critique of the 55-mile-per-hour speed limit ("Deep Six 55," Nov.) is sound. However, the panel of the National Academy of Sciences, on which I served, merely came to the conclusion that the speed limit's benefits exceeded its costs. The panel was not charged with considering whether some alternative policy might be even more cost beneficial. I would personally support permitting the states to engage in experimental modifications of the national maximum speed limit in the interests of both freedom and knowledge, but the panel as a whole could not agree on this suggestion.

> H. Laurence Ross University of New Mexico Albuquerque, NM

#### You Can't Fool **Mother Nature**

There REASON goes again! I last wrote you a letter when you did a cover story on the subject of biology, which fostered the theory of evolution (Dec. 1981); this time it's Ronald Bailey's cover story on biotech ("Fear and Loathing of Biotech's Bright Future," Nov.) that prompts me to write. I do not see the consistency between your pursuit of the freedom of

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man vis-à-vis man in your usual nonpareil defense of free minds and free markets and man vis-à-vis nature in your defense of biotechnology.

Bailey hesitates to look at the arguments against the unpredictable effects of intervention in the intricate process of nature; how then do you expect others to listen to REASON's arguments against the unpredictable effects of intervention in the intricate process of the market? A case in point: Bailey reports that the US Department of Agriculture is experimenting (with taxpayers' money) with growth hormones for food animals. Re-

call that raisers of food animals in the '50s used to administer USDA-recommended diethylstilbesterol (DES) to augment the animals' size. Pregnant human mothers were prescribed the same substance to avoid miscarriage; today their daughters inherit cancer a generation later as a result of this genetic experiment.

It ain't nice to fool mother nature; it ain't nice to fool the marketplace. Nature to be commanded must be obeyed; human nature to be commanded must be obeyed. Bailey rejects antibiotech activist Jeremy Rifkin's book *Algeny*; I only

hope I live long enough to hear REASON's rebuttal to a chapter in that book entitled "Darwinian Sunset."

W. Alfred Spoor Houston, TX

### Dim Spotlight

I can't believe that REASON is running so low on legitimate defenders of liberty to profile that it feels obliged to spotlight the contradiction-laden John Milius (Spotlight, Dec.). According to John Dentinger's article, Milius has no doubts about Bernard Goetz's subway vigilante act, waffles about free-market restrictions like the minimum-wage law despite his alleged belief in laissez-faire capitalism, supports the draft, and believes in some kind of "warrior class" and Pax Americana.

Okay, I admit that we have to consider more than just Mises and Rand spinoffs, but let's draw the line somewhere. And somewhere before Milius. Maybe I'm being too harsh though, for he did give us Conan the Barbarian (maybe to make up for Apocalypse, Now). But on the other hand...

David M. Brown Syracuse, NY

# The End of a Cartel That Never Was

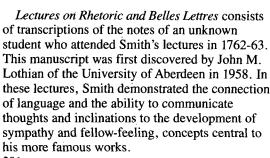
Your October Trends reported on the demise of OPEC, but the organization may be finished as a cartel before it has had a chance to act as one. Since OPEC rose to prominence, around 1973, one nation, Saudi Arabia, has acted as swing producer without effectively imposing production quotas on the other members. To be sure, since March 1983 OPEC has tried to be a cartel, but again the burden was assumed by the Saudis who reduced their output from 10.5 down to 2.5 million barrels per day. It was this enormous cut, 15 percent of world production, which has kept the price at an artificially high level. A major adjustment is overdue.

In historical perspective (as pointed out in my book *Free Market Energy*), things would have gone better for the world economy if the low-cost Arabian resources had been discovered and exploited before high-cost resources were tackled elsewhere. But don't blame the

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geologists; history willed otherwise.

In the next century even the low-cost resources will be depleted and oil will come from the remaining high-cost deposits, mainly in the Middle East. But by then we won't care; substitutes will be fully developed and oil will be just another resource.

S. Fred Singer George Mason University Fairfax, VA

#### Bad Moon Rising for Not-So-Natural Monopolies

I read with interest "Power Stations: Some Like Them Competitive" (Trends, Nov.). As you indicate in the necessarily brief piece, slowly but steadily market ideas are infiltrating even the electric utility industry. When I began my competition research in 1968, "natural monopolies" was the standard; I was virtually a voice crying in the wilderness. Now, even the pro-regulation forces see serious problems with the natural monopoly concept. Moreover, the proregulation forces seem to be shrinking in number and their voices seem to be lower. An evolution toward more competition in the electric utility business is clearly under way.

Walter J. Primeaux, Jr. University of Illinois Urbana-Champaign, Illinois

## **Jolly Good Advice!**

I was delighted to see Mark Skousen's recommendation to buy London mutual funds (Investments, Oct.). It has been frustrating being an American living in London to see that Americans are never told about the exciting potential in this huge market.

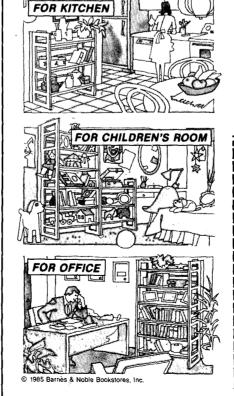
To help overcome the bewildering task of selecting from the thousands of mutual funds available through England, there is a monthly statistical sheet (quoted in US dollars) that covers the price movements of over 1,000 non-US mutual funds. This publication is called *Fund Help International*. The annual subscription is \$99.00. Details can be obtained from FHI, PO Box 1427, Naples, FL 33939.

Gary A. Scott London, England

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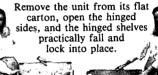


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## Robert W. Poole, Jr.

# Who Should Sacrifice?

merica's newest syndicated columnist is the ubiquitous Lee Iacocca, chairman of Chrysler Corporation. Though short on academic sophistication, Iacocca does possess the virtue of plain speaking.

In a recent column, Iacocca lays it right on the line. By spending \$200 billion more than they take in each year, our President and Congress have doubled the national debt in just four years—from \$1 trillion to \$2 trillion. Interest alone is now eating up \$150 billion a year.

It's got to stop, Iacocca sensibly proclaims, just as a family must take the credit card away from the spendthrift who doesn't know when to stop. And because stopping the binge will be painful, Iacocca calls for "sacrifice." Better hold onto your wallets, folks!

To balance the budget, Lee wants to close the gap 50 percent by spending cuts (half in defense, half in unspecified domestic programs) and 50 percent by new taxes. And guess which taxes he wants to impose: huge new taxes on gasoline and on imported oil. Yes, indeed, we'd all have to sacrifice—all of us, that is, except Chrysler Corporation, which over-invested in small cars (which aren't selling very well these days because oil prices are so low). Iacocca's "sacrifice" taxes would give Chrysler a large boost in market share compared with Ford and General Motors.

Aside from its blatant self-interest, Iacocca's call for sacrifice misses the target. Federal spending is out of control because specific constituencies are benefitting at the expense of taxpayers in general. Ending budget deficits by cutting spending rather than raising taxes recognizes that it is the guilty parties—these constituencies—that should sacrifice, not ordinary taxpayers.

As a practical matter, the only way major spending cuts could get through Congress is as a package deal that traded off

cuts to one interest group for cuts of comparable magnitude to others. For example, \$29 billion in farm subsidies and rural-area grants might well be eliminated if \$12 billion in urban-area grant programs and \$15 billion in middle-class programs (such as college student aid) were eliminated simultaneously. A recent Reason Foundation analysis identified \$126 billion in programs that could be cut from the 1986 federal budget in this "reverse log-rolling" fashion.

Compared with balancing the budget via \$126-billion tax increases, this sort of "sacrifice" has a lot going for it. To be sure, some among us would be net losers, giving up more in targeted benefits than they would have had to pay in a general tax increase. But that is precisely as it should be. The average taxpayer is not the cause of our \$200 billion deficit or \$2 trillion national debt. The sacrifices that must be borne should be visited on those who are responsible.

#### Marty Zupan

# Dial-a-Porn Farce

There's a bureaucratic drama in the making, with more than the usual sex appeal. But it probably won't have a happy ending, because politicians seem constitutionally (no pun intended) incapable of sweeping the stage clean.

The players are a familiar lot: there's the business-villain, in this case the diala-porn industry. Enter, stage Right, conservative members of Congress. The supporting cast is drawn from the Federal Communications Commission, which has a role in this morality play as the Federal Phone Fuzz. Waiting in the wings are "the liberals," played by the civil-rights-attuned courts.

Act I: The time is 1983. Dial-a-prayer, dial-a-joke, dial-a-fortune, et al. are making money in a small way. Aha, say some entrepreneurs. How about dial-a-porn? But three months after the first services are on-line, Congress heroically sweeps in to restrict minors' access to interstate heavy breathing. Figure out how to do it, says Congress to its minions at the FCC.

Okay, say the phone cops; from now on, porn-by-phone shall only be allowed at night. Act I ends in court, with the Second Circuit Court of Appeals sitting on the FCC: What about adults' First Amendment rights during the day? And anyway, says the court, this won't tame the teens. The lights fade to murmured sweet-nothings in the background.

Act II, two years later: The Phone Fuzz are back in a new costume. Dial away, says the FCC, but the porn purveyors can't connect you unless you charge the call on a credit card or obtain a special access number, application for which requires that you swear to be 18 or older. The best one-liner in this act: "We realize that people do occasionally lie, but that's the best we could do." As the curtain falls, the dial-a-porn industry is heading for court again.

Act III: The plot thickens. One phone company, Mountain States, responds to outrage from parents whose randy teens have run up hundred-dollar telephone