

♦ The Indian government has proposed a law which would set aside one-third of the seats in parliament for women. The quota bill has drawn noisy protests from those who complain that it doesn't specifically reserve seats for Muslim women and for women belonging to economically backward communities.

♦ When a student at Kingsville District High School in Ontario, Canada, complained that money had been taken from his locker during gym class, his teacher asked for the culprit to come forward. When no one confessed to the crime, the teacher summoned the vice principal, and the two strip-searched the 20 boys in the class. They didn't find any money. But they did find trouble: After 200 students walked out of classes to protest the search, which seems to violate Canadian law, the school district opened an investigation.

♦ To their credit, Canadian educators have a way to go before they catch up with the U.S. Customs Service, which strip-searches and detains hundreds of travelers a year looking for drugs. Some suspects are kept for hours, even days, without being allowed to call lawyers or family. Only about a fourth are caught with illegal substances. The other 73 percent are clean. Indeed, they are very clean, since Customs sometimes requires them to take powerful laxatives to make sure they haven't swallowed any drugs.

Henry Payne



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"I WAS BORN THE POOR SON OF A BLACK SHARECROPPER..."

the bunk bed manufacturers it could find (106, to be exact) and found that about 90 percent already complied with the existing voluntary standards. That's remarkably high—so high, in fact, that the CPSC's proposal for mandatory regulations may be illegal under the law that brought it into existence.

The Consumer Product Safety Act says that the commission cannot issue a new rule if there's "substantial compliance" with voluntary safety standards. Inside the Beltway, alas, 90 percent is evidently not considered "substantial." In February, the CPSC voted to ignore the evidence before it and publish a "Notice of Proposed Rulemaking" on bunk beds.

There's more at stake here than whether

junior's bunk bed is rickety or sturdy. Such actions undermine the CPSC's "procedural integrity," writes former CPSC Commissioner Carol Dawson in the watchdog group Consumer Alert's monthly *CPSC Monitor*. If the commission ignores the plain language of the Consumer Product Safety Act, she warns, "it will become a party to superseding congressional intent that CPSC should give preference to voluntary standards" and will put all non-governmental safety standards in jeopardy.



Cutting Remarks

By Michael W. Lynch

Sitting atop record budget surpluses, Republicans have been pondering a 10 percent, across-the-board income tax cut. But they've also been pondering this political syllogism: Only people with income pay income taxes; Democrats consider people with incomes "rich"; therefore, Republicans will be attacked for pushing a tax cut that favors the rich.

Indeed, President Clinton has warned that a GOP plan for an across-the-board tax cut would "benefit, clearly, the wealthiest Americans." House Minority Leader Richard Gephardt (D-Mo.) preemptively slammed the plan as "a massive GOP tax cut for the wealthy."

The data behind these charges came from a widely circulated analysis by Citizens for Tax Justice, a left-of-center advocacy group.

Net Taxes

By Michael W. Lynch

"Almost two-thirds of tax cuts would go to best-off 10%," screams the headline of a CTJ press release touting the study, which claims that 60 percent of taxpayers would get less than 10 percent of the trimmed tax dollars.

That's true—and less damning than it seems. The bottom 62 percent of taxpayers, those with annual incomes under \$40,000, would get only one-tenth of the total income tax savings under a plan that trims each tax rate by 10 percent. But these individuals currently pay less than 5 percent of total income taxes, so they'll get back a disproportionate share of the cut. In contrast, the top 2 percent of earners—those who make more than \$200,000 a year—currently pay a little over 40 percent of all income taxes. Yet they would snag only 39 percent of the total dollars involved in a 10 percent rate cut.

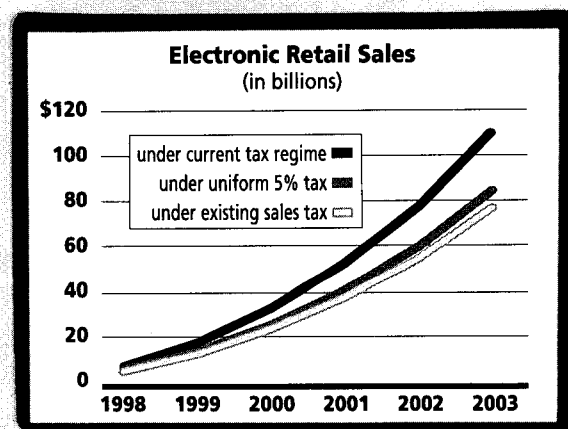
To be sure, there's no getting around the fact that tax cuts will only return money to those who pay taxes—and that the more total dollars you pay in taxes, the more total dollars you will likely save under any reform. But in proportional terms, the 10 percent across-the-board cut actually favors lower-income taxpayers.

Unfortunately, it doesn't take much demagoguery to make many Republicans go weak in the knees on the tax issue; in fact, all reports indicate that the push for a 10 percent, across-the-board cut is facing ever-increasing odds. After all, as Rep. Nancy Johnson (R-Conn.) told *The Washington Post*, "An across-the-board cut isn't the right policy for this time.... When you do an across-the-board cut, it tends to help the top earners the most."

Last year, U.S. consumers bought \$7.8 billion in retail goods via the Internet. This year, according to Forrester Research, total sales will be \$18.1 billion, with projected sales ringing up \$52 billion in 2001 and \$108 billion in 2003. For the millions who've figured out they're just a mouse click and a United Parcel Service delivery away from a new book, shirt, or software package, the Internet has been great news. But some governors, state treasurers, and local officials aren't quite as jubilant. That's because online sales, like mail-order catalog sales, are mostly free from state and local sales taxes (except when buyer and seller reside in the same state). In February, the National Governors Association called for a "twenty-first century tax" that would equally ding "main street, mail order and the Internet."

University of Chicago economist Austan Goolsbee finds that taxing the Internet would significantly stunt its commercial growth. Analyzing data from 25,000 individuals in more than 350 communities, Goolsbee concludes that a uniform 5 percent tax on Internet purchases (widely discussed by tax proponents) would reduce the number of buyers by 18 percent and shrink online sales by 23 percent. Inflicting existing state sales taxes (most of which are higher than 5 percent) would reduce the number of buyers by 24 percent and total sales by 30 percent.

For now, the Internet is safe from any such levies. In 1998, Congress put a three-year hold on new taxes on the Internet and established a 19-member commission to study how government can best support electronic commerce. But when that moratorium expires in 2001, what will happen next is anybody's guess.



Sources: Forrester Research, Austan Goolsbee

Union Crunch

By Nick Gillespie

Ben & Jerry's, the ice cream company, has always prided itself on its lefty bona fides and its devotion to progressive causes. Hence, products such as Peace Pops (part of the profits from which were given to peace groups) and Rainforest

Crunch (made with nuts from small agricultural cooperatives in Brazil). The company also offers employees paid family leaves and up to three free pints of ice cream daily.

Lately, however, Ben & Jerry's has been in the news for trying to freeze out union organizers at its St. Albans, Vermont, plant. In fact, the

purveyors of a self-styled "caring capitalism" apparently don't care much for unions. Last year, when the International Brotherhood of Electrical Workers tried to organize 19 maintenance workers, management insisted that all of the non-unionized plant's 150 laborers should be allowed to vote on the matter. The IBEW