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An Endangered Native Species: The First Amendment

BY NAT HENTOFF

Years ago, while writing a *New Yorker* profile of Supreme Court Justice William J. Brennan Jr., I asked him a schoolboy question: “What’s your favorite part of the Bill of Rights?”

“The First Amendment, of course,” he said. “All the rest of our liberties flow from our rights of free speech, free press, free exercise of religion, freedom of assembly, the right to criticize our government.” Then, uncharacteristically somber, he asked me a question: “How can we get the words of the Bill of Rights off the pages and into the lives of students?” He knew I was on my way to rural Pennsylvania where I’d been asked to speak to middle-school and high-school students about the first Ten Amendments.

“Tell them stories,” Brennan said, “of how we earned those rights and liberties.”

I started to; and a few months later, during a book fair in Miami, I rather dramatically found out how wise his counsel had been. We authors were required there to work for publicity, and I was assigned to talk about my book, *Living the Bill of Rights*, to a large assembly of black, white, and Latino high school students.

Just before I went on, a teacher advised me: “Don’t expect too much reaction. All they real-

ly care about are music and clothes.”

I told them stories. How Samuel Adams and the Sons of Liberty exercised the First Amendment, before we had a Constitution, by creating the Committees of Correspondence to detail throughout the colonies how British soldiers and customs officers were turning Boston colonists’ homes and offices upside down to find contraband.

“That’s also how we got the Fourth Amend-

ment right to privacy,” I told the high school students. After an hour or so of stories about winning the rights to confront witnesses against us in court, and why Thomas Jefferson was so insistent that habeas corpus (which I explained) be clearly in the body of the Constitution, I got a standing ovation. I was not that eloquent a speaker, but the students had discovered America!

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NAT HENTOFF is a senior fellow at the Cato Institute. One of the country’s leading advocates of the First Amendment, he is the author of such books as *Free Speech for Me but Not for Thee: How the American Left and Right Relentlessly Censor Each Other* and *The War on the Bill of Rights and the Gathering Resistance*.

The Cato Institute’s full-page ad opposing the so-called stimulus bill galvanized opposition when it was published in the *New York Times*, the *Wall Street Journal*, the *Washington Post*, and other newspapers nationwide. At the 21st Annual Benefactor Summit in March, it made yet another appearance—on a T-shirt! Director of health policy studies Michael F. Cannon displays the T-shirt—which attendees received—at his talk on Obama’s health care plans. A similar ad on climate change ran in newspapers in March. **PAGES 4, 17**



BY EDWARD H. CRANE

Message from the President Obamacare: Medical Malpractice

The columnist Robert J. Samuelson had a perceptive piece in the *Washington Post* recently in which he stood back from the policy trees to look at the Barack Obama forest. What he saw was disturbing. He suggests that Obama is advancing a “post-material economy” designed to “achieve broad social goals” that will end up spending more to get less. The president proposes to radically restructure America’s energy industry through massive tax increases (“cap and trade”) in the name of fighting the problematic notion that mankind’s miniscule addition to greenhouse gases will create crippling global warming. But as the world-renowned scientist Freeman Dyson points out, “Most of the evolution of life occurred on a planet substantially warmer than it is now and substantially richer in carbon dioxide.”

Obama also proposes to make the failed public school model available to even younger children and make liberal arts college more accessible to hundreds of thousands of students who, as American Enterprise Institute scholar Charles Murray points out, would be much better off going to vocational schools or junior colleges. Obama would escalate George W. Bush’s efforts to essentially federalize education in America. Never mind that the word “education” in not to be found in the federal Constitution.

But perhaps most threatening to most Americans is Obama’s determination to nationalize health care in America. It’s a truly bad idea. But that is what the president has made clear he wants. Obama has publicly declared his preference for a single-payer system “managed like Canada.” His initial proposal, part of an ill-defined \$634 billion “down payment” on health care reform, would create heavily subsidized federal insurance that would put private insurance at an unhealthy disadvantage. Some estimates suggest that private insurance would be reduced by more than 60 percent, leading ultimately to its collapse. Speaking of the Canadian system, Obama says of his approach that “it may be we end up transitioning to such a system.” Ya think?

That, of course, would be a tremendous mistake, a fundamental mistake. America is a land of free individuals. Socialized medicine is not what we as a nation are about—and with good reason, both philosophical and practical. Consider:

- Eight out of ten of the most recent major medical innovations, ranging from MRIs to hip replacement, have come from the United States.
- Americans have access, on a per capita basis,

to three times as many CT scans as Canadians and four times as many as Britons. Had the actress Natasha Richardson had her skiing accident in upstate New York rather than in Canada, she might have had a chance of survival.

- According to Vancouver’s Fraser Institute, the average wait for treatment by a specialist in Canada is 18 weeks. As the Canadian Supreme Court ruled when eliminating the national health care monopoly in 2005: “The evidence shows that in the case of certain surgical procedures, the delays that are the necessary result of waiting lists increase the patient’s risk of mortality. . . . The evidence also shows that many patients on non-urgent waiting lists are in pain and cannot fully enjoy any real quality of life.”
- According to a Cato study British women face nearly double the mortality risk from breast cancer that American women face; British men face six times the mortality risk from prostate cancer than that faced by American men.

Really, does it make any sense whatsoever to change our health care system to a nationalized system? None of which should suggest that we can’t improve on our employer-based, third-party payer approach. And we seem to be moving away from that. Cato published the first book on Health Savings Accounts, which bring about a major improvement by individualizing and making portable health insurance. The next great innovation is from University of Chicago finance professor and newly minted Cato adjunct scholar John Cochrane. His Cato Policy Analysis (no.633), “Health-Status Insurance: How Markets Can Provide Health Security,” is a brilliant solution to high insurance costs and issues such as preexisting conditions.

While left-wing coalitions like Health Care for America Now gear up to do battle, and more traditional opponents of socialized medicine like the business community and the American Medical Association prepare to essentially capitulate, all parties should pay attention to a recent front page story in the *New York Times*, headlined “Doctor Shortage Proves Obstacle to Obama Goals.” You don’t suppose that shortage has anything to do with the prospect of nationalized health care, do you?

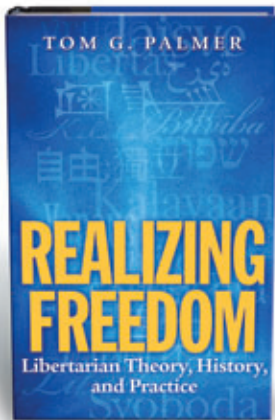
“Socialized medicine is not what we as a nation are about—and with good reason, both philosophical and practical.”

Palmer Writes about Liberty

Tom G. Palmer has smuggled photocopiers and fax machines into the Soviet Union; organized movements against the draft, taxes, censorship, and victimless crime laws; defended the Second Amendment against efforts to undermine it in the nation's capital; and promoted freedom across the globe, from China to Iraq. Yet Palmer, a senior fellow at the Cato Institute and a vice president at the Atlas Economic Research Foundation, is also an amazingly well-read historian and philosopher. In *Realizing Freedom: Libertarian Theory, History, and Practice*, Palmer has carefully selected his best published work and put it all in one convenient place for easy reading.

Well, “easy” may be the wrong word. Palmer begins with a careful account of the nature of justice, which, he argues, is derived from mutual respect for rights. That is the great insight of classical rights theory—to connect “subjective right” (one’s right to do, abstain from, or receive X or Y) and “objective right” (the right ordering of the world). Palmer adds that freedom is not about doing whatever one pleases, but must be

tempered by a knowledge of and respect for the prevailing legal/institutional framework. More specifically, stability of rules and rights is a necessary condition of freedom. He cites Locke, who says, “The end of law is not to abolish or restrain, but to preserve and enlarge Freedom.” Palmer closes by warning us of those who would seek to undermine the foundation of our freedoms.



One of Palmer’s most interesting insights is that liberty and libertarian principles are not uniquely Western. He points out that Western culture includes not only the ideas of freedom, justice, peaceful trade, respect for rights, and the rule of law, but also coercion, theft, slavery, genocide, war, and other decidedly nonlibertarian practices. Palmer argues that all cultures and civilizations contain within themselves narratives of freedom and narratives of subjugation, and the task of libertarians is to identify within each cultural context the indigenous narratives of freedom and connect them with the present struggle for freedom.

In other chapters, Palmer turns to economics, pointing out the flaws in the reasoning of those who would characterize markets as immoral, or greed as necessarily leading to bad outcomes. How does Mother Teresa get her blankets, food, and clothes, after all? Why, from profit-seeking businesspeople. Palmer is an eloquent expositor of the fundamental principles of neoclassical economics, pointing out how globalization lifts all boats, how government, not markets, creates monopolies, and how public goods are time and again provided by markets.

At more than 500 pages, with essays ranging from newspaper op-eds to academic journal articles, *Realizing Freedom* has plenty to satisfy even the most ambitious reader.

You can purchase *Realizing Freedom* from the Cato bookstore at www.cato-store.org or by dialing 800-767-1241. \$29.95 hardcover.

Cato News Notes

Noted columnist and television commentator **TUCKER CARLSON** has joined the Cato Institute as a senior fellow.

“I’ve admired the Cato Institute since I first read its publications, passed around like samizdat on my college campus,” said Carlson of his new affiliation. “When I moved to Washington, I discovered that my impression of Cato had been right: The people I met there were some of the smartest, bravest, and most interesting in the city. While others are blinded by expedience or group think, Cato stands on principle, always. I’m honored to be affiliated with it.”



Carlson will use his initial time with Cato to focus on writing a book on the state of the American polity.

Through other writings as well as media and public speaking appearances, he will seek to educate the broader public about how the libertarian philosophy differs from the standard liberal and conservative orthodoxies embodied in the two main U.S. political parties.

“Tucker Carlson is one of the most effective communicators of libertarian ideas in the nation,” said Cato founder and president Ed Crane. “We are delighted to have him associated with Cato as a senior fellow.”

Carlson was co-host of the staple CNN debate program *Crossfire* and also had his own programs on MSNBC (*Tucker*) and PBS (*Tucker Carlson: Unfiltered*), as well as appearing regularly on numerous other news programs. Though sometimes showcased by these networks as a “conservative” advocate, Carlson became a frequent critic of numerous Bush administration policies, including wasteful spending and the war in Iraq.

After graduating with a degree in history from Trinity College in Hartford, Connecticut, Carlson worked as a print journalist and went on to write for *Vanity Fair*, *Policy Review*, *Esquire*, the *Weekly Standard*, *Reader’s Digest*, the *New Republic*, and the *New York Times Magazine*, among others.

Carlson and noted civil libertarian Nat Hentoff are Cato’s newest senior fellows.



Congratulations to **SWAMI AIYAR**, research fellow at Cato’s Center for Global Liberty and Prosperity, for being named among the “Top 10 Opinion Makers” in India by the *Indian Express*. Nobel laureate Amartya Sen ranked first. Aiyar was singled out for his impressive ability to write “economics for the common man.” Swami’s weekly column,

“Swaminomics,” appears in the *Times of India*.



At the 21st Annual Benefactor Summit, held near Playa del Carmen, Mexico, Cato's Benefactors heard from Tucker Carlson, Charles Murray, Jorge Castañeda, and Cato's senior policy scholars. Above left, Board member ETHELMAE HUMPHREYS with STEVE and LANA HARDY. Right, WHITNEY BALL, JEFF SINGER, TUCKER CARLSON, and KERRY and HELEN WELSH.



Activist and presidential candidate RALPH NADER chats with Cato's GENE HEALY at the February 25 Cato Policy Forum "Obama and Presidential Power: Change or Continuity?"

CHRIS EDWARDS, director of tax policy studies, took on President Obama's Keynesian budget proposals on *Washington's Weekend News with Chris Core*. He appeared alongside Bob Beckel, former campaign manager for Walter Mondale.



Cato chairman ROBERT A. LEVY may not be a rock star, but he has his share of "groupies." At the March 24 Cato City Seminar in Naples, Florida, the Second Amendment defender was practically overwhelmed with requests to sign copies of his book *The Dirty Dozen: How Twelve Supreme Court Cases Radically Expanded Government and Eroded Freedom*.



Universidad ElCato-Francisco Marroquín, held in Antigua, Guatemala, in January, saw students and young leaders from throughout Latin America gather to hear lectures ranging from Latin American history to Austrian economics. (Left) OTTO GUEVARA, president of Costa Rica’s Movimiento Libertario, takes in one of the lectures. (Bottom) YON GOICOECHEA, winner of the 2008 Milton Friedman Prize for Advancing Liberty, was among the 61 attendees from 16 different countries.



Busy Week at Cato

The week of March 30 kept Cato’s conference and communications staffs busy. At 10 AM on Tuesday, March 31, Rep. Paul Ryan (R-WI) took on President Obama’s proposed federal budget at the Capitol Hill Briefing “Obama’s Blueprint for Growing the Welfare State.” At noon the same day, John H. Cochrane, Myron S. Scholes Professor of Finance at the University of Chicago’s Booth School of Business, spoke at a Cato forum, making the case for eliminating government policies that force the healthy to subsidize the sick, such as tax preference for employer-sponsored coverage. On Friday, April 3, at noon, Cato hosted a Capitol Hill Briefing, “NATO at 60: A Hollow Alliance.” As the North Atlantic Treaty Organization celebrated its 60th anniversary, Ted Carpenter said that in the absence of the Soviet Union, NATO had outlived its usefulness. Back at the Cato Institute, best-selling author Glenn Greenwald spoke on his new study addressing the progress Portugal has made since decriminalizing all drugs in 2001. At a 4 o’clock forum, Dambisa Moyo, author of *Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa*, called foreign aid an “unmitigated economic, political, and humanitarian disaster” that has only made Africa poorer.



Dambisa Moyo



Rep. Paul Ryan (R-WI)

Continued from page 1

I kept doing that around the country, but Johnny Appleseeds can only do so much. In recent years, as civics classes have largely disappeared from public schools—replaced by testing for tests mandated by No Child Left Behind, and city and state pressures to keep reading and math scores rising—stories about who we are as Americans are seldom told in classrooms.

Evidence of the present lack of understanding and concern about the First Amendment among adults 18 or older is disturbingly—I'd say alarmingly—revealed in the 2008 annual "State of the First Amendment" survey by the First Amendment Center in Nashville, which also provides continuing news and analysis of these issues (firstamendmentcenter.org).

I've long relied on this annual First Amendment test of the citizenry, conducted by University of Connecticut professors at New England Survey Associates. Among the current findings: "4 in 10 Americans were not able to name any First Amendment right whatsoever, the highest figure in the 11-year history of the survey."

And, no doubt encouraging the growing number of Democrats in Congress who are eager to bring back the Fairness Doctrine, "66% say the government should be able to require television broadcasters to offer an equal allotment of time to conservative and liberal broadcasters."

What startles me is that "62% would apply that same requirement to newspapers." I'm aware that James Madison, the principal architect of the First Amendment, is not a household name in this nation; but this readiness to give government the power to tell us what we cannot read in print, as well as hear and see on broadcast radio and television, requires the kind of remedial education I haven't seen mentioned by any of those who want to reform the No Child Left Behind Act.

In Congress, among the leaders of the crusade to have the federal government ensure that we get "fair and balanced" information and commentary on radio and broadcast TV are Dianne Feinstein, Chuck Schumer, Dick Durbin, Tom Harkin, and Nancy Pelosi. Cheering them on is former President Bill Clinton, who has fully exercised his First Amendment rights in just about every conceivable forum of expression.

“Driven by the unquenchable popularity of conservative radio hosts, Democrats in Congress are intent on curbing the First Amendment.”

Having directly experienced the Fairness Doctrine during my years in radio at WMEX in Boston in the 1940s and early 50s, I can testify on the effect of government insistence that when controversial issues of public importance are aired, there must be "reasonable opportunity for opposing viewpoints to be heard" on the same station.

Like the other staff announcers, I interviewed public officials with decidedly controversial and combustible views, such as the legendary James Michael Curley (portrayed by Spencer Tracy in *The Last Hurrah*). And on my own jazz and folk music programs, I expressed views, including political ones, that some listeners angrily objected to.

After the boss had hired a legal firm to deal with charges of Fairness Doctrine violations from the FCC that continued to increase, he summoned the staff and brusquely informed us: "*There will be no more controversy on this station!*"

As these gag rules at radio stations around the country multiplied, the FCC ruled in 1987 that "the intrusion of government into the content of programming occasioned by the enforcement of the [Fairness Doctrine] unnecessarily restricts the journalistic freedom of broadcasters . . . [and] actually inhibits the presentation of controversial issues of public importance to the detriment of the public and in degradation of the editorial prerogative of broadcast journalists."

In the same year, the congressional champions of government regulation of fairness nonetheless refused to be intimidated. The House passed a revival of the Fairness Doctrine by a 3 to 1 margin; and in the Senate, it passed by nearly 2 to 1. The First Amendment

was ringingly rescued by President Ronald Reagan, whose *Death Valley Days* I used to watch regularly on television.

In vetoing the bills, Mr. Reagan, who, unlike the present incumbent, had never taught constitutional law, nonetheless showed an inspiringly clear understanding of the First Amendment: "History has shown that the dangers of an overly timid or biased press cannot be averted through bureaucratic regulation, but only through freedom and competition that the First Amendment sought to guarantee."

THE WAR ON RUSH LIMBAUGH

But now, driven by the unquenchable popularity of Rush Limbaugh, Sean Hannity, Laura Ingraham, and other conservative radio hosts, Democrats in Congress are intent on curbing the First Amendment, whether or not they can resurrect the Fairness Doctrine itself. An example of their passionate devotion to guarantee that we be protected from bias on the air was an exchange last November on Fox News Live between host Neil Cavuto, criticizing President Obama's tax proposals, and Sen. Robert Menendez (D-NJ).

Increasingly stung by the host's refusal to retract his objections to Obama's urgent program, Senator Menendez, with icy concern, said: "I hope you are not one of the ones forced off the air" when the Democratic majority revives the Fairness Doctrine.

A White House spokesperson says that President Obama does not intend to reinstate the Fairness Doctrine. However, he and the congressional Democrats have not abjured alternative free-speech restrictions that would be called by a name other than the "Fairness Doctrine." Apparently, Obama's concern and that of the Democrats seems to be the devotion of so many Americans to predominantly conservative talk radio.

Rush Limbaugh, whose virtuoso radio show Obama has advised Democrats (humorously, I hope) not to listen to, is aware that the essence of the Fairness Doctrine could slip back under different guises. In a February 20 *Wall Street Journal* column, "Mr. President, Keep the Airwaves Free," Limbaugh—showing a quite scholarly understanding of the legal history of the Fairness Doctrine—irreverently asked Obama to "straightforwardly" answer the following question: "Is it your intention to censor

talk radio through a variety of contrivances, such as [federal regulations regarding] ‘local content,’ ‘diversity of ownership,’ and ‘public interest’ rules—all of which are designed to appeal to populist sentiments but, as you know, are the death knell of talk radio and the AM band?” (Sen. Dick Durbin has already introduced legislation to this effect.)

Limbaugh could have added that once the Democratic majority passed bills to dilute the impact of the conservative hosts (and thereby the ratings of stations that carry them), the momentum could continue to impose “fairness” on cable television. And why not the Internet?

President Obama may be too young to remember one of broadcasting’s most straightforward and unyielding champions of the First Amendment, Richard Salant, head of CBS News during the full toxic power of the original Fairness Doctrine.

When I came to New York in the 1950s as a journalist and, briefly, with my own program on WNBC-TV, I got to know Salant, and he sent me his take on the Fairness Doctrine or its equivalents:

Suppose the English governor had told Tom Paine that he could go ahead and publish all he liked—but only if at the back of his pamphlets, he also printed the Royal Governor’s views. That command, far from being an implementation of free speech, would have been just the opposite. It’s a restriction on speech if, in order to be allowed to express your own views, you also have to present those of someone arguing on the other side.

Just as the principal of a public school is the head teacher, I would suggest to President Obama that as head teacher of constitutional law to his own party, he provide them with Richard Salant’s invocation of what it would have been like for Tom Paine to express himself under a Royal Fairness Doctrine.

FREE SPEECH ON CAMPUS

In addition to the parlous state of the First Amendment in Congress, its health on college campuses has long been greatly imperiled by administrations so concerned with sensitivities of students that they enforce

“The First Amendment on college campuses has long been greatly imperiled by administrations so concerned with sensitivities of students that they enforce political correctness.”

political correctness.

FIRE (the Foundation for Individual Rights in Education, on whose Advisory Board I sit) defends the free-speech rights of students and professors across the political and ideological spectra, far more continually than any other organization, including—to my surprise—the American Civil Liberties Union, which seldom gets involved in these punitive gag rules on politically incorrect speech.

The censorship of our purportedly future leaders and their professors is administered through college and university “speech codes” (sometimes incorporated into “codes of conduct”). To create a harmonious learning atmosphere, these edicts ban expressions (verbal or otherwise) that may “offend” students by “insulting” or “harassing” them on the basis of race, religion, gender, transgender, political affiliations, and views.

For example, with a broad, intimidating ukase, the University of Iowa’s code forbids sexual harassment that “occurs when somebody says or does something sexually related that you don’t want them to say or do, regardless of what it is.”

And at Jackson State University, expressions by students are banned that “degrade,” “insult,” or “taunt” others as well as “the use of profanity” and “verbal assaults” based on ethnicity, gender, and the known or presumed beliefs of their fellow students.

As of this writing, FIRE reports that “77 percent of public colleges and universities maintain speech codes that fail to pass constitutional muster” despite “ten federal court decisions unequivocally striking down campus speech codes on First Amendment grounds from 1989 to 2008.”

As these prohibitions were beginning—based, it seemed to me, on the conviction of higher education administrators that there is a constitutional right not to be offended—I asked Justice Brennan what he thought of them.

Instantly, he said, “they should all be scrapped.”

“WE HAVE HAD TO FIND A WAY TO LIMIT IT”

As for Rush Limbaugh’s perceptive concern that if the President joins the Democratic leadership in Congress in achieving a disguised version of the Fairness Doctrine, the “contrivances” Congress is likely to substitute to rein in Limbaugh, Hannity, et al. were described on Bill Cunningham’s ABC Sunday evening radio show by Brian Anderson, editor of the Manhattan Institute’s *City Journal* as “local community panels” exercising their reviewing authority to recommend against relicensing stations. Already suggested is having those renewals come up every two years rather than every eight years. Such threats could make skittish local stations program more “balance” to satisfy those panels. And if stations, fearing the loss of their licenses, also insist on mandating reply time during conservative hosts’ program, Anderson adds, it would be difficult to syndicate those shows nationally.

In *Manifesto for Media Freedom*, Anderson and coauthor Adam Thierer quote a senior adviser to House Speaker Nancy Pelosi as having welcomed with uncommon candor legislation restoring the Fairness Doctrine itself. The source said Pelosi agreed that “conservative radio is a huge threat and political advantage for Republicans, and we have had to find a way to limit it.”

And they will.

FREE SPEECH IS FOR EVERYBODY

Spiro Agnew, much rebuked and scorned by Democrats while he was vice president, isn’t around anymore; but remembering his overlooked First Amendment views, I believe he wouldn’t object to my bringing him back as a witness against sensitizing the First Amendment to make it fair. In my book, *Free Speech for Me but Not for Thee*, I took political-

ly incorrect pleasure in quoting Agnew's tribute, however inadvertent, to George Orwell's warning that "if large numbers of people believe in freedom of speech, there will be freedom of speech, even if the law forbids it. But if public opinion is sluggish, inconvenient minorities will be persecuted, even if laws exist to protect them."

Although many Americans claiming that they believed in freedom of speech did not rise to protect Spiro Agnew, he said—contrary to the present sluggish public opinion revealed in "The State of the First Amendment" survey, college speech codes, and the congressional urgency to rearm the Fairness Doctrine:

Every time I criticize what I consider to be excesses or faults in the news business, I am accused of repression, and the leaders of the various media professional groups wave the First Amendment as they denounce me.

That happens to be my amendment, too. It guarantees my free speech as it does their freedom of the press. . . . There is room for all of us—and for our divergent views—under the First Amendment.

Another witness I bring into the conversation who is here in spirit is my First Amendment hero, Justice William O. Douglas, who, as the Fairness Doctrine began to spread its tentacles, said: "I fail to see how constitutionally we can treat TV and the radio differently than we treat newspapers. . . . The Fairness Doctrine has no place in our First Amendment regime. It puts the head of the camel inside the tent and enables administration after administration to toy with TV or radio in order to serve its sordid or benevolent ends."

The camel, though not called the Fairness Doctrine, may soon be well within the tent—all the more reason, in the continuous debate about leaving no children behind, that attention must be paid to restoring civics classes—with teachers who know how to tell the enlivening stories of how the First Amendment demonstrates why we are Americans.

I heard that last phrase, "why we are Americans," back in 1984 from Kathryn Sinclair, a high school senior in Murfreesboro, Tennessee, as I was covering the story of this so politically incorrect young woman refusing her high school principal's demand that he have prior restraint over her valedictorian's

speech before she could deliver it.

The principal finally, grudgingly, let her speak freely; but, as I wrote in *Living the Bill of Rights*, this troublemaker "was so ostracized for her solo rebellion by her fellow students that she finished her senior year at home. Before she left the school, some students were wearing armbands reading 'K.K.O.' (for 'Kick Kathryn Out')."

As I was leaving town, this spunky young lady told me: "They don't realize that they're doing exactly what I'm fighting for. They're utilizing their freedom of speech."

These days, I think quite often of that insistent American—as I did on February 26 when at first, I was heartened when the Senate passed Sen. Jim DeMint's amendment, the Broadcast Freedom Act, to bar the return of the Fairness Doctrine. But then I found out how Dick Durbin and other leaders of the Democratic majority in Congress were planning strategies to insinuate "contrivances" I've described to mandate "balance" in what they choose for us to hear and see on radio and broadcast television.

Tom Paine would have found rousing contrary ways to defy these educationally disadvantaged censors. Will we? ■



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Capitalism Makes Us Better People

How is it that people are induced to commit evil, even when they consider themselves “good”? What social dynamics encourage—or discourage—cruelty toward other human beings? Cato research fellow Will Wilkinson offered new insights on these important questions at a June 12, 2008, Cato Book Forum centered on *The Lucifer Effect*, by Philip Zimbardo.

WILL WILKINSON: *The Lucifer Effect* is a powerful, tonic work aimed at, according to the subtitle, “Understanding How Good People Turn Evil.” Any work that helps us better understand the horrors of Nanking, Auschwitz, My Lai, Rwanda or, closer to home, the dehumanization and wanton cruelty of Abu Ghraib, is most welcome and merits our closest attention. As I’m scarcely qualified to comment on the de-tails of experimental social psychology, I’m going to take a rather more global perspective. I’ll also be brazenly conjectural, but hopefully in a usefully stimulating way.

For starters, I wonder whether “Understanding How Good People Turn Evil” is really the right question.

What is the target of explanation here? This is a trickier question than it may at first appear, because the normal case can seem anomalous if you dwell inside the anomaly. And life inside the United States at the beginning of the 21st century is far from the natural human condition. What seems odd to us may not in fact be odd. We may be the odd ones. Here’s an analogy: when first studying development economics, many students are initially tempted to think that the question is “Why are some places so poor?” Well, that’s a rich person’s question. Relative poverty, hunger, illness, and “premature” death don’t require a special explanation. That’s the baseline human condi-

tion. The rare deviations from the baseline cry out for attention and explanation, and hold the key to understanding the baseline as well: How do societies ever get rich?

It strikes me that Zimbardo’s question may be like the question of why some places are poor. The question of why it is that human beings are tribal, conformist, disposed to terrible violence, and easily organized by authority into acts of dehumanizing cruelty and murder may be simply to ask why human nature is what it is. Maybe because that’s what people are like in the normal case, and goodness has never been the default. Perhaps the better question is, Why are we ever cooperative, cosmopolitan, caring, peaceful, and good? The Stanford Experiment (a classic study on the psychology of power and pain infliction conducted by Zimbardo) and Abu Ghraib may simply be efflorescences of our base nature—enabled by contexts where the normal constraints of modernity have fallen away.

That the interesting question may be “Why are we ever good?” was brought home to me by an essay by Steven Pinker in the *New Republic* last year in which he reports the completely stunning, and mostly baffling, precipitous decline in violence in recent history. This essay rocked my world, and made my already strong Whiggish tendencies that much stronger. Here’s some of what Pinker said:

The decline of violence is a fractal phenomenon, visible at the scale of millennia, centuries, decades, and years. It applies over several orders of magnitude of violence, from genocide to war to rioting to homicide to the treatment of children and animals. And it appears to be a worldwide trend, though not a homogeneous one. The leading edge has been in Western societies, especially England and Holland, and there seems to have been a tipping point at the onset of the Age of Reason in the early seventeenth century.

At the widest-angle view, one can see a whopping difference across the millennia that separate us from our pre-state ancestors. Contra leftist anthropologists who celebrate the noble savage, quantitative body counts—such as the proportion of prehistoric skeletons with axe marks and embedded arrowheads or the proportion of men in a contemporary foraging tribe who die at the hands of other men—suggest that pre-state societies were far more violent than our own. It is true that raids and battles killed a tiny percentage of the numbers that die in modern warfare. But, in tribal violence, the clashes are more frequent, the percentage of men in the population who fight is greater, and the rates of death per battle are higher. According to anthropologists like Lawrence Keeley, Stephen LeBlanc, Phillip Walker, and Bruce Knauft, these factors combine to yield populationwide rates of death in tribal warfare that dwarf those of modern times. If the wars of the 20th century had killed the same proportion of the population that die in the wars of a typical tribal society, there would have been two billion deaths, not 100 million. . . .

On the scale of decades, comprehensive data again paint a shocking-

ly happy picture: Global violence has fallen steadily since the middle of the twentieth century. According to the Human Security Brief 2006, the number of battle deaths in interstate wars has declined from more than 65,000 per year in the 1950s to less than 2,000 per year in this decade. In Western Europe and the Americas, the second half of the century saw a steep decline in the number of wars, military coups, and deadly ethnic riots.

Zooming in by a further power of ten exposes yet another reduction. After the Cold War, every part of the world saw a steep drop-off in state-based conflicts, and those that do occur are more likely to end in negotiated settlements rather than being fought to the bitter end. Meanwhile, according to political scientist Barbara Harff, between 1989 and 2005 the number of campaigns of mass killing of civilians decreased by 90 percent. . . . As deplorable as they are, the abuses at Abu Ghraib and the lethal injections of a few murderers in Texas are mild by the standards of atrocities in human history. But, from a contemporary vantage point, we see them as signs of how low our behavior can sink, not of how high our standards have risen.

That's completely amazing. Some neo-conservatives lament that we have lost the cultural will to send tens of thousands of young men and women through the meat grinder of war. I think they're right that the culture has changed. We are less willing both to kill and to die. But, obviously, that's worth celebrating. The Iraq war has already cost more in real terms than the Vietnam or the Korean wars, but it has been much, much less deadly, and there's probably a good reason for that. We demand it.

So this is a question I want to put to *Zimbardo*. What can your work do to help us explain this?

Here is where I become wildly conjectural. Behavior has complex causes, and individual dispositions—personality, character,

virtue—are only part of the story. The evidence presented by *Zimbardo* and others that context shapes behavior is overwhelming. Like *Hayek*, I don't think "rationality," for example, is a native feature of the mind, but is an emergent set of norms that arise in



“To put it sharply and contentiously, liberal capitalism is ridding the world of evil.”

a particular cultural context to coordinate our various natural cognitive functions. Likewise, I tend to think that “character” has a great deal to do with the internalization of certain kinds of contingent social norms, norms that may simply evaporate provided a sudden discontinuity in social context. As *Zimbardo* says, whether there are bad apples often depends on the barrels. And the overall social system is a mass manufacturer of barrels.

My conjecture is that the interrelated advance of economic growth and the spread of liberal cultural norms is in effect creating better apples by manufacturing better barrels. That's why there is less violence and death. To put it sharply and contentiously, liberal capitalism is ridding the world of evil.

Zimbardo argues that the identification of the nature of our abiding dispositions to do evil is the best defense against it. I agree that it is a good defense. Knowledge is power. But knowledge doesn't come from nowhere. The Leland Stanford Junior University, where Professor *Zimbardo* works, certainly didn't come from nowhere. It is a cause and consequence of wealth. The best defense against evil is prosperity and freedom, in part because it produces the science that helps us understand our own behavior and stand guard against our own worst inclinations.

As *Zimbardo* argues:

We are not slaves to the power of situational forces. But we must learn methods of resisting and opposing them. In all the situations we have explored together, there were always a few, a minority who stood firm. The time has come to try to expand their numbers by thinking about how they were able to resist.

I agree. That advice is excellent individually. And if scaled up culturally, it is a wonderful recipe for a culture of mindfulness, responsibility, individuality, and critical independence. It is true that as human beings we are conformist and subject to pressure from authority. Our behavior is in large part shaped by social expectations. So we must come to expect the best. We must try to create a culture of individualism and self-responsibility for people to conform to, and to create an authoritative common understanding that “I was just doing my job” is no excuse.

But it is important to grasp that, somehow, we are already succeeding in resisting and opposing the situational forces that lead to evil, without even trying. My guess is that it is, in a word, globalization. The expansion of the cooperative order and the prosperity and freedom it tends to bring, simply makes life seem less cheap and expendable. But it also creates situational contexts in which cooperation and peace are reinforced over and over again. The much-derided “bourgeois virtues” in the end turn out to be the key ingredient in a good apple.

Mexico's Drug War: The Growing Crisis on Our Southern Border

As the Obama administration surveys possible national security threats confronting the United States, policymakers need to recognize that an especially lethal one is brewing close to home: the increasing drug-related violence in Mexico. Since January 2007 there have been more than 6,800 drug-war-related deaths in Mexico, and Mexican drug cartels continue to expand their operations in American cities. Washington's response has been to expand its prohibitionist efforts with the Mérida Initiative, a U.S.–Mexico anti-drug-trafficking program. Historically, however, prohibitionist policies have had little success in reducing the flow of drugs. Instead, as Ted Galen Carpenter, vice president for defense and foreign policy studies at the Cato Institute, argued at a February 19, 2009 Cato Policy Forum, those policies have led to increased turmoil and corruption.

TED GALEN CARPENTER: I've been writing on the topic of drug corruption and violence in Mexico for more than six years now. At times, I feel like Bill Murray in the movie *Groundhog Day*: every time I write on this issue, the situation becomes worse than it was the previous time. And indeed, even since the time of completing my latest study in early December, there has been a significant escalation in drug violence.

What we have seen in Mexico is a very sobering trend. In 2008, more than 5,300 people were killed in drug-related violence, and at the current pace for 2009, a project-

ed 8,000 will die. In one two-day period in late January, 18 people were found dead of gunshot wounds in the northern Mexican state of Chihuahua, and another 4 in a neighboring state—on the property of the state-run oil company Pemex. In just one city, Ciudad Juárez, more than 200 people have been killed so far this year. Violence in another border city, Tijuana, is so bad that the commander at Camp Pendleton has barred the Marines from spending their leave time there.

While the border cities are seeing the worst violence, that violence is spreading

quickly throughout the country. In one recent incident, a retired Mexican Army general tasked with heading anti-drug efforts in Cancún was assassinated within weeks of assuming his post. All too typically for Mexico, the police chief and a number of his subordinates were later arrested, having been implicated in the crime.

As bad as it is in Mexico, the violence is no longer affecting just Mexicans. U.S. tourism, particularly in the border cities, is dropping rapidly. The State Department warned American travelers in May 2008 that battles between drug-trafficking gangs (and between those gangs and the Mexican military and police) in portions of northern Mexico were so severe that they constituted “small unit combat operations.”

The violence is spilling across the border into the United States. American citizens, including law enforcement personnel, have been targeted by the drug cartels for assassination. There was an ABC television news segment recently about the more than 300 kidnappings in Phoenix last year, the majority of those involving Mexican drug cartels. Mexican drug cartels now operate in most of the large cities in the United States.

Alarm in the United States is rising. That has generated, I believe, some extreme analysis, including the thesis that Mexico might become a full-blown failed state. Texas and other southwestern states are developing contingency plans in case that happens. It is unlikely that the violence will reach such a level, yet that possibility cannot be ruled out. At the beginning of the decade I estimate that Mexico had perhaps a 1 in 100 chance of becoming a failed state. Today, the odds are more like 1 in 20.

In response to the violence in Mexico, policymakers and pundits have come up with a variety of solutions. One that is increasingly popular is to dramatically increase U.S. border security in an attempt to quarantine the violence in Mexico. It is

unlikely that such an effort would prove successful, given that such attempts in the past have been unable to stem the traffic of humans, let alone a commodity like illicit drugs. Another proposed solution is to tighten U.S. gun laws. The theory goes that the cartels are getting the vast majority of their weapons from the United States due to lax gun laws, particularly in the southwestern states. If we would simply tighten those gun laws, violence in Mexico would drop dramatically. That panacea is even less likely to work than “sealing” the border. We are dealing with people who make a living dealing in a black market commodity. Do we really believe that these people would have trouble getting another black market good on the global market?

We need to face some troubling realities. There is no way to suppress the drug trade now dominated by the Mexican cartels. The \$1.6 billion Mérida Initiative will undoubtedly have little effect. The precedent is Plan Colombia, which in the past 9 years has cost more than \$5 billion with little to show for it. A recent GAO report noted that cocaine exports from Colombia are up, not down.

The global drug trade is a \$300–\$350 billion per year enterprise; Mexico’s share is estimated to be \$25–\$35 billion per year of that total. Moreover, global demand for drugs is growing—not shrinking—so the drug suppliers are in a very enviable position. Meanwhile, the aspect of the drug trade that enriches the cartels is its illegality, which creates a black market premium. About 90 percent of the retail price of most drugs is estimated to be due to that premium. This gives the cartels enormous resources to bribe government officials—or to hire hit men to deal with those who are not so cooperative.

Let me provide one particularly telling instance of the magnitude of the resources the drug cartels have at their command: in the past few months there has been a major bribery scandal in Mexico’s Attorney General’s office involving the drug cartels. Informants received payments of \$150,000 to \$450,000 per month for information regarding surveillance targets and potential raids. Those sums are more than even high-level law enforcement personnel can make

in several years and lower-level personnel can make in several decades. With such resources at their disposal, and with the U.S. and global demand for illegal drugs remaining robust, it is no wonder that the cartels are winning.



Ted Galen Carpenter

“There is no way to suppress the drug trade now dominated by the Mexican cartels. The \$1.6 billion Mérida Initiative will undoubtedly have little effect.”

Because drugs are illegal, the most criminal, the most violence-prone organizations will dominate the trade. The U.S. experience with alcohol prohibition demonstrated this. During that period the trade in alcohol was dominated by the likes of Al Capone and Dutch Schultz. Now it is dominated by the likes of Anheuser-Busch, E. & J. Gallo Winery, and Jack Daniel’s Distillery. To the drug warriors, I ask, which situation is better?

Ending drug prohibition is the only lasting way to dampen the drug violence in Mexico. Without doing that, we may still

get a temporary decline in violence, if one of two things happens: once the two leading cartels—the Sinoloa and Gulf cartels—sort out the market and end their bloody turf fights, we should expect a temporary but significant decline. We’ve seen similar developments before on a smaller scale in a number of American cities. (Though when a new competitor enters the market, violence rises again.) Another development that might temporarily cause a lull in the violence would be if President Felipe Calderón would back off from confronting the cartels so directly. After all, it was his policy of using the Mexican military that began the cycle of violence. Such a step would certainly provoke wrath from Washington, but it might cause a temporary decline in carnage.

But the only long-term solution is to de-fund the cartels. And the only way to do that is to end drug prohibition. It’s not enough to simply have harm reduction—as good as those reforms might be. It means legalizing the production and sale of drugs—not just decriminalizing the possession and use of drugs. If one doesn’t fully legalize, the black market premium remains intact, leaving the most violent criminal elements to continue to dominate the trade.

Drug legalization is no panacea. One would still have a lot of social and public health problems under a regime of legalization. After all, we experienced such problems and continue to experience problems such as following prohibition drunk driving. But, on balance, ending prohibition results in a far superior situation than not doing so. We’ve waged a vigorous war on drugs now for nearly four decades, ever since President Richard Nixon declared that war, with little to show for our efforts. The intensification of the drug war in recent decades has produced horrific consequences both domestically and internationally, such as in our southern neighbor Mexico. I know there are policymakers out there, particularly with career or budgetary interests in the current strategy, who are determined to perpetuate the drug war. But, I’m sorry, after four decades of a strategy not working, it is time to try something new.

Regulation

In the Spring edition of **Regulation**:

- University of Chicago law professor Richard Epstein argues that the Employee Free Choice Act is unconstitutional—and would wreck labor markets in a time of acute national economic distress.
- Harvard economist **Jeffrey Miron** revisits the 1984 act mandating a legal drinking age of 21, arguing that in most states it had no effect on traffic fatalities, contrary to the claims of its proponents.
- **Indur Goklany** says that our grandchildren are better equipped to fight global warming than we are.
- **Stan Liebowitz** defends copyright law against its critics. Copyright doesn't raise prices and reduce consumption, he finds, despite decades of economists assuming that it does.
- Plus "Blocking Animal Biotech," "Bankers Only Listen to Laws," "Lessons from a Scalper," and reviews of *Stealing from Each Other* and the unfortunately-still-relevant *The Road to Serfdom*.



the CATO JOURNAL

The Winter edition of **Cato Journal** is devoted to what caused our current economic crisis:

- Dartmouth economist **Andrew A. Samwick** says that government has intervened "on behalf of the profligate at the expense of the prudent" during the current crisis. Though their stories seldom make the news, there were borrowers who could have qualified for a new home who refrained, banks that lost market share to mortgage originators because they maintained strict lending standards, and investors who avoided the additional yield on subprime-backed securities because of the opaqueness of their design.
- **Kevin Dowd** of Nottingham University Business School maintains "no other industry but finance has a comparable talent for privatizing gains and socializing losses."
- **Jeffrey Lacker**, president of the Federal Reserve Bank of Richmond, says the critical policy challenge ahead is to rein in the moral hazard created by the Federal Reserve's vastly expanded balance sheet and newfound powers.



CATO@LIBERTY

Cato scholars' analysis of the latest legislation is available at **Cato@Liberty**, Cato's blog:

- **Daniel J. Ikenson**, associate director of the Center for Trade Policy Studies, comments on the dismissal of GM CEO Rick Wagoner by the White House. "It is worth noting that a return to profitability and the metamorphosis of the industry according to a government script work at cross purposes."
- **Chris Edwards**, director of tax policy studies, points out that, despite protestations to the contrary, President Obama has significantly raised taxes on lower-income Americans. How is that? Raising federal taxes on cigarettes a whopping 39 cents per pack disproportionately affects the poor. Forthcoming legislative efforts to pass carbon emissions standards will also disproportionately affect the poor's budget, Edwards says.
- Cato budget analyst **Tad DeHaven** points out that estimated national debt per household in the fiscal year 2010 is \$81,000.



CATO UNBOUND

Cato Unbound has been abuzz with provocative topics lately:

- In conjunction with a two-day conference at the Cato Institute on "Shaping the Obama Administration's Counterterrorism Strategy" in January, **Cato Unbound** hosted a parallel debate on the issue, "Keep Calm and Carry On: How to Talk about Terrorism."
- The February edition of **Unbound** saw Harvard University government professor Nancy Rosenblum argue that political independents are less engaged in civic affairs and less informed than the often-derided political partisans and party followers. **Brink Lindsey, Henry Farrell, and James Fishkin** responded.
- The United States imprisons a greater portion of its population than any other country on earth. In the March issue of **Unbound** scholars **Glenn Loury and James Q. Wilson** asked why the land of the free imprisons such a large fraction of its population.



Subscribe to **Regulation** (quarterly; \$20.00 per year) or **Cato Journal** (three times per year; \$24.00) at www.catostore.org, or by dialing 800-767-1231. **Cato@Liberty** is hosted at www.cato-at-liberty.org and **Cato Unbound** (monthly) can be found at www.catounbound.org.



DAVID BAKRADZE (left), speaker of the Georgian Parliament, spoke on “Georgia’s Liberal Institutions in the Wake of War and the Global Economic Crisis” at a March 24 Cato Policy Forum. He was joined by former economic reform minister KAKHA BENDUKIDZE, who said foreign threats shouldn’t stand in the way of Georgia’s continued liberalization.



Cato senior fellow DANIEL J. MITCHELL has emerged as a leading media opponent of the unprecedented spending bills coming out of the nation’s capital. In the month of February alone he appeared on CNBC’s *Power Lunch*, ABC News’ *Good Morning America*, CNN, and FOX’s *Your World with Neil Cavuto* (twice).



Following a February 18 Cato Book Forum comparing the divergent economic paths of Latin America and British North America, FRANCIS FUKUYAMA, professor of international political economy at Johns Hopkins University, talks with Cato senior fellow ANDREI ILLARIONOV.



PATRICK J. MICHAELS, senior fellow in environmental studies, testified before the House Subcommittee on Energy and Environment on February 12. Michaels argued that climate models vastly overstate the degree of future warming, and that the cost of a potentially drastic response would far outweigh a more cautious approach.



Globetrotting freedom advocates: Cato senior fellow TOM G. PALMER, who has lectured and organized for liberty in more than 40 countries from Kazakhstan to Iraq to China to Tanzania, talks with senior fellow RICHARD RAHN, chairman of the Institute for Economic Growth, who has advised governments across the globe on sound money and economic policy, and economist KURT SCHULER, who has lectured on sound money on five continents.

FEBRUARY 4: *In Search of Jefferson's Moose: Notes on the State of Cyberspace*

FEBRUARY 10: A Service to the Economy: The Importance of Free Trade in Services

FEBRUARY 18: Falling Behind: Explaining the Development Gap between Latin America and the United States

FEBRUARY 19: Mexico's Drug War: The Growing Crisis on Our Southern Border

FEBRUARY 20: Why Markets Are the Key to Quality, Coordinated Medical Care

FEBRUARY 25: Obama and Presidential Power: Change or Continuity?

MARCH 3: Should Government Deliver Comparative-Effectiveness Research—or Can It?

MARCH 4-8: 21st Annual Benefactor Summit

MARCH 12: *Climate of Extremes: Global Warming Science They Don't Want You to Know*

MARCH 12: Transportation Reauthorization: Looking Beyond the Recession

MARCH 13: Can the Pentagon Be Fixed?

MARCH 17: The Politics and Science of Medical Marijuana

MARCH 23: Tax Havens Should Be Celebrated, Not Persecuted

MARCH 23: *The Tie Goes to Freedom: Justice Anthony M. Kennedy on Liberty*

MARCH 24: Cato Institute Policy Perspectives, Naples, Florida

MARCH 24: Georgia's Liberal Institutions in the Wake of War and the Global Economic Crisis

MARCH 31: Obama's Blueprint for Growing the Welfare State

MARCH 31: Can the Market Provide Choice and Secure Health Coverage Even for High-Cost Illnesses?

Audio and video for all Cato events dating back to 1999, and many events before that, can be found on the Cato Institute website at www.cato.org/events. You can also find write-ups of Cato events in Ed Crane's bimonthly memo for Cato sponsors.

Cato Calendar

CATO INSTITUTE POLICY PERSPECTIVES 2009

Santa Barbara

Doubletree Resort • June 3, 2009

Speakers include Rep. Tom Campbell, Leda Cosmides, Dan Mitchell, and Michael Tanner.

CATO INSTITUTE POLICY PERSPECTIVES 2009

Los Angeles

Century Plaza • June 4, 2009

Speakers include Rep. Tom Campbell, Leda Cosmides, Dan Mitchell, and Michael Tanner.

CATO UNIVERSITY

San Diego, California • Rancho Bernardo Inn

July 26-31, 2009

Speakers include David Boaz, Tom G. Palmer, Rob McDonald, Veronique de Rugy, and Robert Higgs.

CONSTITUTION DAY

Washington • Cato Institute

September 17, 2009

CATO CLUB 200 RETREAT

Santa Barbara, California

Four Seasons • October 8-11, 2009

27TH ANNUAL MONETARY CONFERENCE

Washington

Cato Institute • November 19, 2009

Speakers include William Poole, George Selgin, Judy Shelton, Lawrence H. White, and Kevin Murphy.

Preble urges clearer focus on U.S. national security

Can More Power Make Us Less Safe?

Numerous polls show that Americans want to reduce our military presence abroad, allowing our allies and other nations to assume greater responsibility both for their own defense and for enforcing security in their respective regions. In *The Power Problem: How American Military Dominance Makes Us Less Safe, Less Prosperous, and Less Free*, Christopher A. Preble explores the aims, costs, and limitations of the use of this nation's military power.

Throughout, he makes the case that the majority of Americans are right, and the foreign policy experts who disdain the public's perspective are wrong. Preble, director of foreign policy studies at the Cato Institute, is a keen and skeptical observer of recent U.S. foreign policy experiences, which have been marked by the promiscuous use of armed intervention.

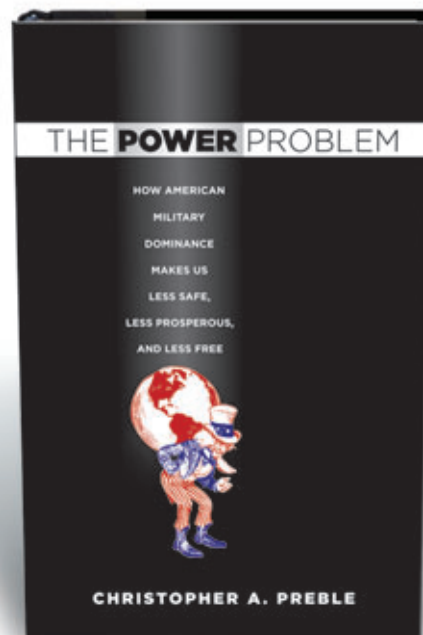
He documents how the possession of vast military strength runs contrary to the original intent of the Founders, and has, as they feared, shifted the balance of power away from individual citizens and toward the central government, and from the legislative and judicial branches

of government to the executive.

In Preble's estimate, if policymakers in Washington have at their disposal immense military might, they will constantly be tempted to redefine ever more broadly the "national interest." Preble holds that the core national interest—preserving American security—is easily defined and largely immutable. Possessing vast military power in order to further other objectives is, he asserts, illicit and to be resisted.

Preble views military power as purely instrumental: if it advances U.S. security, then it is fulfilling its essential role. If it does not—if it undermines our security, imposes unnecessary costs, and forces all Americans to incur additional risks—then our military power is a problem, one that only we can solve. As it stands today, Washington's eagerness to maintain and use an enormous and expensive military is corrosive to contemporary American democracy.

The Power Problem, published by Cornell University Press, is available from the Cato bookstore at www.cato.org or by dialing 800-767-1241. \$25.00 hardcover.



“Christopher Preble has a keen appreciation for the limits of military power, for the consequences of its misuse, and for the dangers of militarization. *The Power Problem* is simply terrific.”

—ANDREW J. BACEVICH

CATO INSTITUTE CONFERENCE ON Health Care Reform



JUNE 17, 2009 • 8 A.M.–5 P.M. • CATO INSTITUTE • 1000 MASSACHUSETTS AVE., N.W., WASHINGTON, DC 20001

Join health care experts from across the political landscape to analyze and debate the most sweeping health care reforms America has seen in decades.

FOR DETAILS AND REGISTRATION: Cato.org/HealthCareConference

More than 100 climate scientists challenge Obama's claims

Ad Campaign Takes on Global Warming Myths

President Obama has said that “few challenges facing America and the world are more urgent than fighting climate change. The science is beyond dispute and the facts are clear.” Many scientists disagree with these supposed “facts,” their certainty, and their interpretation. More than 100 scientists signed a statement, circulated by the Cato Institute, disputing the climate change “consensus.” With the generous financial support of Cato Sponsors, that statement appeared as a full-page ad in the *New York Times*, *Washington Post*, *Chicago Tribune*, *Washington Times*, and *Los Angeles Times* on March 30.

In conjunction with the ad, the Cato Institute launched Climate Change Reality (www.cato.org/special/climatechange) to ensure that a fair reading of the climate science and its implications has a home on the internet. The page features news, commentary, and multimedia by Cato environmental policy experts Patrick J. Michaels, Jerry Taylor, and Peter Van Doren, as well as other leading experts. It also features Cato's latest titles pertaining to climate change and its policy implications, including *Climate of Extremes* (2009) by Patrick Michaels and Robert Balling Jr. and *The Improving State of the World* (2007) by Indur Goklany.

A notable feature of the analysis of Cato scholars is that their disagreement is with policymakers pushing onerous new carbon taxes and cap-and-trade systems rather than with the science per se. While pointing out where climate models are inconsistent, or grandiose, Indur Goklany argues that even if such wild projections were accepted, it still doesn't make economic sense to attempt to tackle low-probability far-off events associated with climate change now—rather than in a future in which the problems are more apparent and civilization is richer and more technologically capable. Unlike other skeptics, senior fellow Patrick J. Michaels admits that there has been a small amount of warming due to man-made emissions, but argues that climate change legislation won't have any impact on future rates of warming, and represents a vast misallocation of resources. Cato senior fellow Jerry Taylor frequently

takes aim at those who make the case for “revenue-neutral” carbon taxes, reminding economists who support such taxes of the public choice considerations that suggest such taxes will not be revenue-neutral at all.

In January, the Cato Institute published a similar full-page ad, this time against the stimulus bill, signed by more than 200 economists and appearing in the nation's leading dailies (cato.org/fiscalreality).

“Few challenges facing America and the world are more urgent than combating climate change. The science is beyond dispute and the facts are clear.”
 — PRESIDENT-ELECT BARACK OBAMA, NOVEMBER 19, 2008

With all due respect Mr. President, that is not true.

We, the undersigned scientists, maintain that the case for alarm regarding climate change is grossly overstated. Surface temperature changes over the past century have been episodic and modest and there has been no net global warming for over a decade now.^{1,2} After controlling for population growth and property values, there has been no increase in damages from severe weather-related events.³ The computer models forecasting rapid temperature change abjectly fail to explain recent climate behavior.⁴ Mr. President, your characterization of the scientific facts regarding climate change and the degree of certainty informing the scientific debate is simply incorrect.

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Bailout Was Panicky and Poorly Designed

“Financial Crisis and Public Policy” (Policy Analysis no. 634) explains the antecedents of the current global financial crisis and critically examines the reasoning behind the U.S. Treasury and Federal Reserve’s actions to prop up the financial sector. Jagadeesh Gokhale, a senior fellow at the Cato Institute, argues that an oil price spike and a wealth shock in housing initiated the financial crisis. Declines in stock values intensified that shock, threatening to deepen the recession as U.S. consumers and investors cut their expenditures. While an offsetting wealth injection from additional risk-bearing investors could initiate a quicker recovery than the market would otherwise provide, the bailout was poorly designed, and its implementation was panicky, heightening market uncertainty. Worse, current interventions in market processes and institutions could become permanent, to the probable detriment of the nation’s long-



term economic prospects. We should be mindful that future generations already face massive debt burdens from entitlement programs. Increasing those burdens by expanding existing bailouts and creating new ones will hasten the long-anticipated crisis in entitlement programs. Thus, the ongoing economic crisis could usher in permanently higher taxes, greater government involvement in the private sector, and a prolonged period of slower economic growth.

Drug Violence on the Border

U.S. officials, alarmed at the growing power of the Mexican drug cartels, have pressured the government of Felipe Calderón to wage a more vigorous anti-drug campaign. Calderón has responded by giving the army the lead role in efforts to eliminate the drug traffickers instead of relying on federal and local police forces, which have been thoroughly corrupted by drug money. In “Troubled Neighbor: Mexico’s Drug Violence Poses a Threat to the United States” (Policy Analysis no. 631), Ted Galen Carpenter, vice president for defense and foreign policy studies, says that U.S. aid to Mexico to combat drug violence will likely

cost billions and be ineffectual. Abandoning the prohibitionist model of dealing with the drug problem is the only effective way to stem the violence in Mexico and its spillover into the United States. Other proposed solutions, including preventing the flow of guns from the United States to Mexico, establishing tighter control over the border, and (somehow) winning the war on drugs, are futile.

Free Market Health Insurance

None of us has health insurance, really. If you develop a long-term condition such as heart disease or cancer, and if you then lose your job or are divorced, you can lose your health insurance. You now have a preexisting condition, and insurance will be enormously expensive—if it’s available at all. In “Health-Status Insurance: How Markets Can Provide Health Security” (Policy Analysis no. 633), University of Chicago finance professor John H. Cochrane explains that free markets can solve this problem, providing life-long, portable health security while enhancing consumer choice and competition. If you are diagnosed with a long-term, expensive condi-

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tion, a health-status insurance policy would give you the resources to pay higher medical insurance premiums. With health-status insurance, you could always obtain medical insurance, no matter how sick you get, with no change in out-of-pocket costs. People would have complete freedom to change jobs, move, or change medical insurers.

Some Medical Treatments Detrimental

President Obama, former U.S. Senate majority leader Tom Daschle, and others propose a new government agency that would evaluate the relative effectiveness of medical treatments. Evidence suggests Americans spend \$700 billion annually on medical care that provides no value. Yet patients, providers, and purchasers typically lack the necessary information to distinguish between high- and low-value services. Advocates of such an agency argue that comparative-effectiveness information has characteristics of a “public good,” and therefore markets will not generate the efficiency-maximizing quantity. Although that is correct, economic theory does not conclude that government should provide comparative-effectiveness research, nor that government provision would increase social welfare. Conservatives warn that a federal comparative-effectiveness agency would lead to government rationing of medical care—

indeed, that’s the whole idea. If history is any guide, the more likely outcome is that the agency would be completely ineffective: political pressure from the industry would prevent the agency from conducting useful research and prevent purchasers from using such research to eliminate low-value care. In “A Better Way to Generate and Use Comparative-Effectiveness Research” (Policy Analysis no. 632), Michael F. Cannon, director of health policy studies at the Cato Institute, argues that a better way to generate comparative-effectiveness information would be for Congress to eliminate government activities that suppress private production. Congress should let workers and Medicare enrollees control the money that purchases their health insurance. Further, Congress should require states to recognize other states’ licenses for medical professionals and insurance products. That laissez-faire approach would both increase comparative-effectiveness research and increase the likelihood that patients and providers would use it.

Latin American Success Story

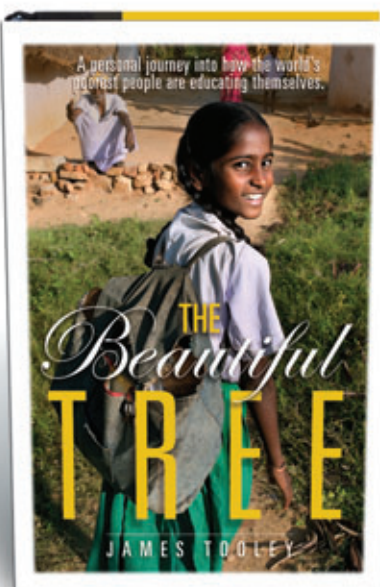
Juan Carlos Hidalgo, project coordinator for Latin America at the Cato Institute’s Center for Global Liberty and Prosperity, says that El Salvador is becoming an economic success story in Central America. Since the end of the civil conflict in 1992, which left the

country in ruins, El Salvador has transformed its economy by implementing a far-reaching liberalization process undertaken by democratic governments, which has included the privatization of state enterprises, deregulation, trade and financial liberalization, privatization of the pension system, and the adoption of the U.S. dollar as



its official currency. According to the Economic Freedom of the World Report, El Salvador ranks among the top 25 freest economies in the world. In “El Salvador: A Central American Tiger?”

(Development Policy Analysis no. 8), Hidalgo points out that between 1991 and 2007, the percentage of households below the poverty line fell from 60 to 34.6. The average per capita growth rate since 1992 has been approximately 5.2 percent per year. El Salvador still has much to do on its policy agenda. Nonetheless, the country is showing the rest of the region how economic freedom can pave the way for development and how globalization offers great opportunities for developing countries that are willing to implement a coherent set of mutually supportive market reforms.



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OBAMA'S K STREET RECOVERY PLAN

The vast sums of stimulus money due to flow soon from the federal treasury are designed to create jobs by improving streets and schoolrooms, building broadband lines and electricity grids, and strengthening health care and social services. Much of the money will go straight to state governments according to long-standing Washington formulas.

But billions more are unclaimed, prompting politicians, executives and interest groups across the nation to jockey for their share of the gold rush. A Republican [in Ohio] called it a once-in-a-lifetime opportunity.

—*Washington Post*, February 2, 2009

A *Washington Post* analysis found that more than 90 organizations hired lobbyists to specifically influence provisions of the massive stimulus bill.

—*Washington Post*, February 13, 2009

H.R. 1, the Economic Recovery and Reinvestment Act, has already triggered a lobbying boom, suggesting once again that the Age of Obama will be a golden age for K Street.

The stimulus has spurred small companies to jump into the lobbying game for the first time and big companies to bring in new hired gun. . . .

In all, dozens of lobbying firms have landed new business thanks to the stimulus bill, a review of federal lobbying files reveals. In the first weeks of this year,

about 50 companies, trade associations, municipalities or nonprofits retained new lobbyists explicitly to lobby on the stimulus bill.

—*Washington Examiner*, February 18, 2009

CAN YOU SPEND A TRILLION DOLLARS WITHOUT WASTE AND FRAUD?

Neil Barofsky, the special inspector general for the \$700 billion Troubled Asset Relief Program, told a House subcommittee that the government's experiences in the reconstruction of Iraq, hurricane-relief programs and the 1990s savings-and-loan bailout suggest the rescue program could be ripe for fraud. . . .

Gene Dodaro, acting comptroller general of the U.S., told the subcommittee that a reliance on contractors and a lack of written policies could “increase the risk of wasted government dollars without adequate oversight of contractor performance.”

—*Wall Street Journal*, February 25, 2009

DEMOCRATIC MATH

At Democratic National Committee headquarters yesterday morning, party workers were loading minivans with Xerox boxes, each addressed to a different congressional office. It was a classic campaign canvassing operation—except that the next election is 19 months away. “Supporters of President Obama’s Budget to Hand Deliver 642,000 Pledges Gathered from around the Country to Capitol Hill,” announced the Democrats’

news release.

CNN and the Huffington Post dutifully reported the DNC’s claim of 642,000 pledges. Network cameras and the BBC showed up to film the operation. “We had one of the big printers downstairs smoking last night,” party spokesman Brad Woodhouse said.

In fact, the canvassing of Obama’s vaunted e-mail list of 13 million people resulted in just 114,000 pledges—a response rate of less than 1 percent. Workers gathered 100,000 more from street canvassing. The DNC got to 642,000 by making three photocopies of each pledge so that each signer’s senators and representative could get one.

—*Washington Post*, April 2, 2009

HILLARY EMBRACES THE SHOCK DOCTRINE

Never waste a good crisis. . . Don’t waste it when it can have a very positive impact on climate change and energy security.

—*Reuters*, March 7, 2009

YOUR TAX DOLLARS AT WORK, FROM FANTASYLAND TO GAMBLING PARADISE

The compromise stimulus bill adopted by House and Senate negotiators this week . . . provides \$8 billion for high-speed rail projects, for example, including money that could benefit a controversial proposal for a magnetic-levitation rail line between Disneyland, in California, and Las Vegas, a project favored by Senate Majority Leader Harry M. Reid (D-Nev.).

—*Washington Post*, February 13, 2009