

The Party of Modernity

by David Kelley

As Henry Steele Commager noted in his *Empire of Reason*, “It was Americans who not only embraced the body of Enlightenment principles, but wrote them into law, crystallized them into institutions, and put them to work. That, as much as the winning of independence and the creation of the nation, was the American Revolution.”

What were those Enlightenment principles? A short list would have to include reason, the pursuit of happiness, individualism, progress, and freedom. The culture of the Enlightenment prized reason and its products, including science and technology; it regarded happiness in this life as the natural goal of human action; it held that individuals are the locus of moral value, with the moral right to live their own lives and choose their own convictions, mode of life, personal relationships, and occupations; it expected and welcomed continuous progress in meeting human needs, both spiritual and material; and it regarded freedom, including the economic freedom to produce and exchange, as a core political value.

“Modernity” is the term that historians use to describe this individualist and rationalist culture. Modernity accompanied the growth of science, the Industrial Revolution, and the rise of capitalism and constitutional democracy. As a culture, however, it was an intellectual, not a material or political, phenomenon. It was the underlying constellation of beliefs, values, aspirations, and demands that led people in the West to alter their way of life profoundly.

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Federal Reserve chairman Alan Greenspan and Cato Institute chairman William A. Niskanen reminisce at Niskanen's 70th birthday party, held at Cato on March 12. James M. Buchanan, Robert Litan, Mickey Levy, Ben Zycher, and William Poole discussed Niskanen's career and writings before a dinner in the Wintergarden. See p. 17.

Modernity and 9/11

America today is still the country that most fully embodies and symbolizes modernity. That fact is the deepest source of our tensions with Europe and our clash with political Islam. If there were any doubt about this, the terrorist attacks of September 11, 2001, should have removed it. “Nothing is more telling about the recent terrorist attacks in the United States than the nature of their targets,” observed Luis Rubio, general director of Mexico's Center for Research for Development.

The Twin Towers in New York City represented the future, modernity, America's optimistic outlook of the world and, more recently, of globalization. The terrorist attacks constitute a direct hit against those values, which is the main reason why the whole Western world immediately rallied in support.

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The Politics of Deceit



Being the CEO of an important think tank in Washington, D.C., I was hardly surprised when I received, not one, but two letters within two weeks from Sen. George Allen (R-Va.) asking me to join two very prestigious organizations. Now the cynics among you will point to the fact that George's signature was printed, not an original. But U.S. senators are busy people, and if they have to send their personal letters to a printer, so what?

The point is I'm recognized as a very important person in this town. In the first letter, George asked me "to serve as Dinner Co-Chairman [this being a dinner to honor the president himself] and the Inner Circle's personal representative from Falls Church, Virginia." Personal representative from my hometown, mind you. The neighbors will be green with envy. Surely they didn't receive identical letters.

But it gets better. George writes, "Candidly, I have been hoping for a while now that you would take more of a leadership role." Who knew? My very own U.S. senator has been sitting there trying to screw up the courage to let me know he's been hoping I'd provide the GOP with a little more leadership. Such candor is, well, rare in politics these days. Anyway, George apparently took his frustration to Senate Majority Leader Bill Frist (R-Tenn.) because he goes on to write, "That's why Senator Frist has authorized me to make you an unprecedented offer." Here the subject of money is discussed, but given the unprecedented nature of this arrangement, it's probably best that we keep things between George, Bill, and myself. You understand.

Then comes the second letter from George. This one asks me to become a member of the Republican Presidential Roundtable. He writes, "You are being invited to join this prestigious organization because of your involvement and your commitment to our Party. Congratulations." I'll say congratulations are in order. Turns out that membership in the Republican Presidential Roundtable is "by invitation only and strictly limited." And as luck would have it, George writes that he is "pleased that we currently have a few spaces available in Virginia." Be still my heart!

There's more. You know that next year is when the presidential nominating conventions take place? Well, Sen. Allen will personally keep me, as a Roundtable member, "fully briefed on the

details of the Convention as they become available." Can you imagine? A man as important and powerful as George Allen is willing to take the time out of his busy schedule to keep me fully briefed. Of course, with the convention a year and a half away one might hesitate to pony up \$5,000 (this apparently is not an unprecedented offer so I can let you in on the deal). But such hesitation would be ill-advised. "Although these events are over a year way," writes George, "I mention this because I cannot guarantee that the Presidential Roundtable will be accepting new members as we approach the 2004 elections." Thank God he mentioned that. Can you imagine my disappointment if the National Republican Senatorial Committee returned my \$5,000 check because there was no more room in the Roundtable?

Okay, enough of this. We all know direct mail is often a dishonest business. Many groups inside the Beltway exist solely as direct mail operations, soaking little old ladies out of their Social Security checks for some good cause or another and then pouring all the money into more direct mail. The cause is ignored while direct mail operators—liberal, environmentalist, conservative—get rich.

But, really, do national political parties have to engage in such transparent dishonesty? Never mind that I'm not a Republican (proud to be an Independent nearly every time a Republican or Democratic politician opens his mouth). The reality is that Congress is entrusted with a solemn obligation under the Constitution to preserve our American heritage of liberty. It is a serious responsibility that should be undertaken by honorable men and women. Yet politics in America is drenched in dishonesty. The "trust fund" for Social

Security? Doesn't exist. But the \$20 trillion unfunded liability in the system does exist, courtesy of dishonest members of Congress who claimed they were merely borrowing your payroll tax.

I don't mean to pick on the NRSC (well, yes I do), because neither party has a monopoly on this upfront, blatant dishonesty. The letters I received were packed with lies. But they wouldn't send them out if people didn't respond to them. Which is kind of sad. There are credulous people out there who so believe in the greatness of America that they can't conceive of U.S. senators engaging in such shameless activities.

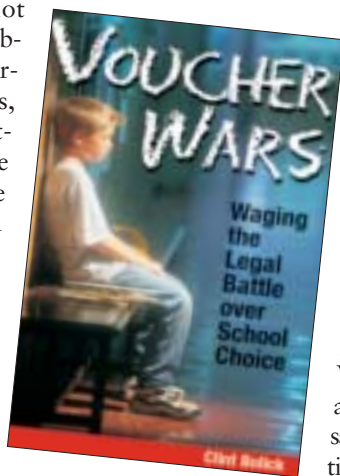
“Congress is entrusted with a solemn obligation under the Constitution to preserve our American heritage of liberty. It is a serious responsibility that should be undertaken by honorable men and women. Yet politics in America is drenched in dishonesty.”

—Edward H. Crane

Bolick takes school choice from Milwaukee to the Supreme Court

Voucher Wars: School Choice in the Courts

Friends of school choice know that the Supreme Court's recent ruling in *Zelman v. Simmons-Harris* confirmed that voucher programs that provide funding to private institutions—including sectarian religious schools—do not violate the First Amendment's Establishment Clause, provided that parents, not politicians or bureaucrats, decide how funds are to be directed. What many people don't realize is that *Zelman* was not a fluke case but the culmination of more than a decade of struggle by a reform movement comprising some unlikely ideological bedfellows united by a common commitment to empowering parents and improving America's schools. Institute for Justice litigator Clint Bolick tells that movement's story in the new Cato book *Voucher Wars: Waging the Legal Battle over School Choice*.



Deftly blending memoir and crystalline legal reportage, Bolick chronicles his journey with the school choice movement, from his days as a fresh-faced law student to the historic *Zelman* decision and beyond. He

describes his beginnings in a small Washington, D.C., office as “an idealistic young lawyer with largely unproven ideas, lousy law school grades, little courtroom experience, a basement office reeking of mildew, and almost no resources at my disposal.” His first major education case came when teachers’ unions desperate to preserve their monopoly power mounted a legal assault on a modest school choice program in Milwaukee, Wisconsin. Bolick’s allies in the case pre-empted the unusual coalitions that would come to characterize the school choice movement: they were Republican governor Tommy Thompson, the conservative Bradley Foundation, and Democratic state legislator Polly Williams, who had worked on Jesse Jackson’s presidential campaign. It was, as Bolick puts it, “a

dose of Milton Friedman and a dose of Malcolm X.” The battle was joined by an alphabet soup of powerful opponents, including the ACLU, the NEA, and the NAACP—the last despite 90 percent support for school choice in Milwaukee’s black community. A victory in the Wisconsin Supreme Court confirmed Bolick’s conviction that, in the courts, “despite the odds, David could slay Goliath.” The struggle for choice would not be without its reversals and defeats. The Institute for Justice mounted challenges in Chicago and Los Angeles, arguing that the failing school systems there violated state constitutional guarantees of equal and effective education and that the establishment of school choice programs was required as a remedy. Hostile courts beat back both attempts. After a fight to expand the Milwaukee program to include religious private schools, the state’s supreme court issued an injunction halting the program after several of the private schools had already started their years.

Despite those setbacks, the efforts of the Institute for Justice and its allies had, by the mid-1990s, attracted the attention of

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Ken Starr and Bill Emmott speak at book forums

On the Hill: Tech, Taxes, Social Security

◆**February 5:** Broadcasters are eager to win over consumers by offering high-definition television but skittish about the prospect of pirates trading high-quality digital content over the Internet. One proposed solution is to require the inclusion in media playing devices of copy protection technology capable of reading a “broadcast flag” embedded in digital transmissions. Proponents and opponents of that proposal squared off at the Cato Policy Forum “**Battle over the Broadcast Flag: The IP Wars and the HDTV Transition.**” The broadcasters’ position was presented by Andy Setos, Fox Entertainment Group’s president of engineering and the man most responsible for the development of the broadcast flag technology,



Rep. Jeff Flake (R-Ariz.) discusses Congress's spending addiction at Cato's 15th Annual Benefactor Summit in Naples, Florida, February 28 to March 2.

and Fritz Attaway, executive vice president of the Motion Picture Association of America, who considered criticisms of the broadcast flag in an attempt to “separate fiction from reality.” Attorney Jim Burger, however, expressed doubts that the flag would be effective even if implemented and suggested that studios preempt piracy by making reasonably priced content available online themselves. Mike Godwin of Public Knowledge raised the ominous possibility that broadcast flag regulations could ultimately put an end to the open architecture of most computers as manufacturers began locking down machines in an attempt to comply with the new requirements.

◆**February 7:** Cato’s director of telecommunications studies Adam Thierer and director of technology policy Clyde Wayne Crews Jr. gave a rapid-fire survey of hot-button technology issues and provided their policy recommendations for the new Congress at a Cato Hill Briefing on “**Technology Policy in the 108th Congress.**” The topics covered included broadband policy, media ownership, spectrum reform, Sen. John McCain’s proposal to provide free airtime for politicians, Internet taxation, antitrust in the digital environment, privacy and spam regulation, cybersecurity, and intellectual property.

◆**February 11:** Judge Kenneth W. Starr discussed his new book, *First among Equals: The Supreme Court in American Life*, at a Cato Book Forum. He illustrated with historical examples the Court’s determination to preserve its status as the final interpretive authority on the Constitution. For much of the 20th century, Starr observed, that determination was expressed through liberal activism, but “for 10 full years, the Court has been willing to say, ‘Congress, you have gone too far.’” Cato scholar James Swanson praised Starr for providing “clear, plain-spoken writing” on the Court to a public seldom attentive to that important institution.

◆**February 12:** As editor in chief of *The Economist*, Bill Emmott occupies a prime vantage point from which to observe world affairs. In his new book, *20:21 Vision: Twentieth-Century Lessons for the Twenty-first Century*, he brings his unique perspective to bear on the future of liberalism, capitalism, democracy, and American leadership. Emmott discussed those topics, as well as the conflict with Iraq, at a Cato Book Forum where he suggested that, despite the pessimism engendered by economic troubles and tense international relations, America’s willingness to rise to those challenges should be grounds for longer-term optimism.

◆**February 13:** The Cato Institute’s Center for Educational Freedom sponsored a full-day conference devoted to the potential of school choice reforms to help children with

special needs: “**School Choice and Special Ed: Extending Choice and Opportunity to Children with Disabilities.**” In his keynote address, Assistant Secretary for Special Education and Rehabilitation Services Robert H. Pasternack offered a qualified defense of the current system, structured by the Individuals with Disabilities in Education Act. Pasternack pointed out that parents can now receive public funding for private schools if they are able to convince a team of educators that the public system is incapable of serving their children, though he conceded that frustration with red tape imposed by the act was “driving out the best and the brightest” teachers. Sen. Larry Craig (R-Idaho) was more critical in his luncheon address but said that the political power of the educational establishment and teachers’ unions made it unrealistic to hope for better than fitful movement toward greater choice. Over the course of the day, three expert panels looked at the problems with the status quo, the potential of school choice to help remedy them, and the lessons to be learned from a pilot program in Florida that provides private school scholarships to special education students.

◆**February 14:** The tax reforms proposed by the Bush administration have been a topic of vigorous debate, but all too often the argument has been conducted at the level of vague sloganeering. At a Cato Hill Briefing, “**The President’s Tax Cuts for Dividends and Personal Saving,**” tax policy experts cut through the slogans to get at the details. Cato’s director of fiscal policy studies Chris Edwards examined the plan to replace 401(k) and IRA accounts with a range of simpler and more flexible accounts. American Enterprise Institute scholar Eric Engen looked at the dividend tax cut and its likely effects on the cost of capital and household saving behavior. Cato senior fellow Alan Reynolds explained how the cut would help to eliminate economic distortions created by the double taxation of dividends, and Steve Entin, president of the Institute for Research on the Economics of Taxation, walked Hill staffers through the fundamentals of capital income taxation.

Cato scholars Andrew Biggs and Michael Tanner bring “Social Security University” to congressional staffers on February 19. The program was broadcast live on C-SPAN.



◆ **February 19–21:** Cato Social Security experts Michael Tanner and Andrew Biggs gave congressional staffers a three-day crash course on the beleaguered retirement insurance program and proposals to reform it in a series of Capitol Hill Briefings collectively dubbed “Social Security University.” Two of the three sessions were broadcast live on C-SPAN. The scholars began with an introduction to the structure of Social Security and the demographic trends that threaten to bring about its collapse. On the second day, Tanner and Biggs made the case for private accounts, showing how reform would return the system to solvency while giving workers greater control over their retirement income. The final session examined the problematic alternatives to personal accounts and summarized the results of a Zogby International poll on public attitudes toward personal accounts, which showed that 68 percent of respondents supported plans to allow workers to invest a portion of their payroll taxes.



Judge Kenneth W. Starr reads from Cato’s pocket Constitution at a Book Forum for his book, *First among Equals: The Supreme Court in American Life*.

◆ **February 24:** “In effect,” said *Forbes* journalist Peter Brimelow at a Cato Book Forum, “the inmates are now running the asylum in American education.” Brimelow was referring not to unruly students but to the powerful unions he calls “teacher trusts” in his new book, *The Worm in the Apple: How the Teacher Unions Are Destroying American Education*. American schools will stagnate, he argued, unless legislators break the influence of the teachers’ unions by revoking such legal privileges as receipt of a mandatory cut of public school-teachers’ paychecks and compulsory bargaining powers. He also raised the connection between the unions and school choice reform, which he said the unions bitterly oppose because it would undermine their monopoly power. *Washington Post* education reporter Jay Mathews predicted that the book’s “rhetorical grenades” would have a political impact, but Mathews also questioned whether the union influence on day-to-day classroom practice was as significant as Brimelow implied.

◆ **February 24:** If you’d asked the average citizen in the 18th century to name the quin-

essential American value, said Florida State University economist Randall G. Holcombe at a Cato Book Forum, the answer would doubtless have been “freedom.” Today, the answer would more likely be “democracy.” Following the argument of his new book, *From Liberty to Democracy: The Transformation of American Government*, Holcombe traced the evolution of the idea of democracy from an instrumental means of ensuring freedom—a way of checking overweening government—to an end in itself. After sketching his argument, Holcombe responded to comments and critique by political scientists Dennis Coyle of Catholic University and Joseph Romance of Drew University.

◆ **February 25:** With the current Supreme Court term half finished, James L. Swanson, editor in chief of the *Cato Supreme Court Review*, and attorneys Thomas Goldstein and Erik S. Jaffe looked at the most important cases before the Court at the Cato Policy Forum “The Supreme Court at Midterm.” After a brief summary of the recently decided case of *Eldred v. Ashcroft*, in which a challenge to retroactive exten-

sions of copyright failed, the speakers considered a set of pending cases with broad constitutional implications. Those cases could affect the status of the law on punitive damages, commercial speech, sodomy, affirmative action, and campaign finance reform.

◆ **February 28–March 2:** The Cato Institute’s annual **Benefactor Summit** was held at the LaPlaya Beach Club and Resort in Naples, Florida. Cato Benefactors attended in-depth lectures by Cato scholars, interspersed with a bit of boating, fishing, dancing, golf, tennis, and simple relaxation. The retreat also featured a number of distinguished guest lecturers. Walter Williams spoke on the role of government in a free society; Rep. Jeff Flake (R-Ariz.) discussed Congress’s out-of-control spending and his attempts to challenge the leadership on that and other issues; Gov. Gary Johnson (R-N.M.) reflected on his eight-year tenure and his continuing determination to campaign against the war on drugs in the coming years.

◆ **March 4:** Globalization makes people everywhere more prosperous, but will it

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EVENTS *Continued from page 5*

turn the world into a strip mall in the process? Is homogenization the price of change? Not according to George Mason University economist Tyler Cowen, whose *Creative Destruction: How Globalization Is Changing the World's Cultures* was the subject of a recent Cato Book Forum. It's true, said Cowen, that globalization makes countries more alike, but only because it "liberates culture from geography," so that the same wide range of diverse options is available everywhere. Arguing the cultural case against globalization was University of Maryland political theorist Benjamin Barber, author of *Jihad vs. McWorld*, who



said that America's economic and military power undermined the view of globalization as a reciprocal and mutually beneficial process.

◆**March 4:** The effects of the 1996 Welfare Reform Act have not quite matched the rhetoric of either its advocates or its opponents. As the reforms were being debated, said Cato's director of health and welfare studies Michael Tanner at the Cato Policy Forum "**Welfare Reform: A Look Back, a Look Ahead,**" conservatives promised all but a "New Jerusalem," while liberals predicted that an additional million children would be thrown into poverty. As both Ron Haskins of the Brookings Institution and former Congressional Budget Office director June O'Neill noted, the introduction of time limits and work requirements has simultaneously reduced poverty and shrunk the welfare rolls. Even Deborah Weinstein of the Children's Defense Fund conceded that the new system, Temporary Aid to Needy Families, was an improvement over the broken Aid to Families with Dependent Children program that preceded it. While acknowledging the successes of reform, however, Tanner noted that the declines in the rolls have bottomed out and that states have worked to undermine the incentive effects of time limitations and interpreted "work" quite loosely. In the long term, he argued, the goal must be for private charity to supplant federal welfare altogether.

◆**March 10:** The government's response to recent corporate scandals has been to pass new laws, enact new regulations, and constitute new oversight boards. But there already exist private institutions capable of setting competing corporate disclosure rules: the stock exchanges. A Cato Policy Forum considered this alternative, ask-

ing, "**Public and Private Regulation in Securities Markets: What Role for the Exchanges?**" Commissioner Paul Atkins of the Securities and Exchange Commission observed that every decade sees some sort of financial crisis, followed by new cries for regulators to "do something." Yet the new regulations invariably fail to prevent the next crisis. University of Virginia law professor Paul G. Mahoney found that, prior to the establishment of the SEC, the exchanges did indeed have their own very effective disclosure rules. Cato chairman William Niskanen went into the details of how exchange-centered regulation might work, with the SEC acting as an enforcement body and competition between the rules of different exchanges balancing stockholder demands for transparency against the burdens on companies of providing more information.

◆**March 13:** "Every child," proclaims the tagline of the national Parent Teacher Association, "one voice." Except not quite, according to Charlene Haar's book, *The Politics of the PTA*, which was discussed at a recent Cato Book Forum. Haar noted that the PTA has represented only public school children—and only a minority of those—since a schism in the organization brought about by its opposition to tax credits for private school parents. While inaccurate, said Haar, the tagline remains because it is useful to the PTA's lobbying activities: at the national level, she charges, it has become little more than a shield for teachers' unions. *Christian Science Monitor* reporter Gail Chaddock observed that the PTA's cozy relationship with the unions led it to miss the boat on the major educational issues of the 1990s, from merit pay to school choice. Lori Yaklin of the U.S. Department of Education confirmed that she often hears from parents who feel they've been left "disenfranchised" by an ineffectual PTA.

◆**March 18:** William O. Douglas was the second youngest, longest serving, and quite possibly strangest and most controversial Justice in the history of the Supreme Court. Bruce Allen Murphy unravels Douglas's odd story in his new biography, *Wild Bill: The Legend and Life of William O. Douglas*, which he discussed at a Cato Book Forum. Murphy



The Economist editor Bill Emmott pauses in front of the Cato Institute before a Book Forum for his book, *20:21 Vision*. (top)

Cato president Ed Crane and Board member Jeff Yass talk with guest speaker Walter Williams at the 15th Annual Benefactor Summit.

found that the Douglas legend, as promulgated in Douglas's own memoirs, was an almost total fabrication, a "Walter Mitty-like literary legend constructed bit by bit to hide his real life." Murphy also tracks the radical judicial philosophy Douglas expounded in his later years, including his emphasis on a novel right to privacy, first seen in the seminal case *Griswold v. Connecticut*. Cato's James Swanson commented, praising the book but offering an even more scathing appraisal of Douglas, who he said had "squandered his gifts," "misunderstood the role of a justice," and acted like one of Plato's philosopher kings rather than an impartial interpreter of the law.

◆ **March 19:** Institute for Justice litigator Clint Bolick spoke at a release party for his book *Voucher Wars* (see p. 3), published by the Cato Institute. Bolick has been at the forefront of the legal battle for school choice, including the historic victory last year in *Zelman v. Simmons-Harris*, in which the Supreme Court finally confirmed that voucher programs are indeed constitutional. In *Voucher Wars*, Bolick recounts the major milestones in his long struggle with the educational establishment. At the reception, he recalled some of the lighter moments—such as watching a teachers' union spokesman blow a fuse under the gaze of dozens of the inner-city students who benefited from pilot choice programs.

◆ **March 21:** The first Cato City Seminar of the new year, "Cato Policy Perspectives 2003," drew a large crowd in Atlanta. Cato's executive vice president David Boaz gave the keynote talk, in which he examined the progress of freedom in recent decades and speculated about its prospects in the new century. Talk radio host Neal Boortz delivered an often-hilarious luncheon address on the foibles of big government. Cato scholars Jerry Taylor and Roger Pilon also spoke—Taylor on common misconceptions about energy policy and Pilon on the reasons behind the increasingly contentious and politicized nature of the judicial confirmation process.

◆ **March 27:** Many people believe that it is the job of government to step in and



Institute for Justice president Chip Mellor greets guests at Cato's book party for Clint Bolick, who signs a copy of his book *Voucher Wars* for David Salisbury, director of Cato's Center for Educational Freedom.

"correct" markets whenever they deviate from the chalkboard models of economists. But as economist Daniel B. Klein, editor of the new Cato book, *The Half-Life of Policy Rationales: How New Technology Affects Old Policy Issues*, observed at a recent Cato Book Forum, the relative performance of markets and government depends on technology. A natural monopoly in an age of copper wire may not be one in the age of wireless cellular communication. Moreover, said Klein, the more rapid and complex technology makes market interactions, the lower the likelihood that regulators will have the information or dexterity to intervene successfully. Don Boudreaux, chair of the Economics Department at George Mason University, lauded the book as an antidote to "crackpot realism," which he described as the ability to detect problems assiduously coupled with an inability to imagine any solution other than state control. Robert Atkinson of the Progressive Policy Institute and Jerry Ellig of the Federal Trade Commission both provided a counterweight, arguing that new technologies could create monopolies or market failures as easily as undermine them.

◆ **March 28:** President Bush has promoted the idea that government should con-

tract certain social welfare services out to religious organizations, but his proposal's legality and wisdom have both been questioned. Experts gathered at a Cato Hill Briefing to ask, "The President's Faith-Based Initiative: Is It Constitutional? Is It a Good Idea?" The first panel, dealing with the constitutional question, featured Barry Lynn of Americans United for Separation of Church and State; James Davids, former deputy director of the Justice Department's task force on faith-based initiatives; and Cato vice president for legal affairs Roger Pilon. Lynn cited troubling instances of such entanglement, as well as statements from the Bush administration, to support his argument that a program of this kind would be plagued by sectarian favoritism. Davids and Pilon saw no trouble with state aid, provided that it was disbursed neutrally. Pilon, however, stressed that an aid-voucher system that placed discretion with individual aid recipients instead of bureaucrats would be preferable. In the second panel, Joseph Loconte of the Heritage Foundation spoke of the efficacy of private religious charity organizations, and Cato's Michael Tanner warned that the corrupting influence of government funds, which invariably come with strings attached, would undermine the very things that make those charities most effective. ■

Globalization and Culture

Critics of globalization contend that, even if increased trade promotes material prosperity, it comes with a high spiritual and cultural cost, running roughshod over the world's distinctive cultures and threatening to turn the globe into one big, tawdry strip mall. George Mason University economist and *Cato* adjunct scholar Tyler Cowen has for years been one of the most insightful and incisive debunkers of that view. At a recent *Cato* Book Forum, Cowen discussed his newest book, *Creative Destruction: How Globalization Is Changing the World's Cultures*. Cowen squared off against political theorist Benjamin Barber of the University of Maryland, one of the most prominent skeptics of globalization and author of the best-selling *Jihad vs. McWorld*.

Tyler Cowen: The core message of my last few books is that markets support diversity and freedom of choice, that trade gives artists a greater opportunity to express their creative inspiration. The preconditions for successful artistic creativity tend to be things like markets, physical materials, ideas, and inspiration. When two cultures trade with each other they tend to expand the opportunities available to individual artists. My book *Creative Destruction* outlines the logic of what I call a "gains from trade" model, and much of the book is devoted to a series of examples. I go back in history and look at some examples of poorer or Third World countries that have been very creative, and I find that trade played an important role in those artistic revolutions.

So if we look, for instance, at Cuban music or reggae music, we find that Cuban music was produced largely for American tourists who went to nightclubs in Cuba in the 1950s. Persian carpets started being produced in large numbers again in the 19th century, largely to sell to European buyers who sold to North American buyers. The blossoming of world literature—writers from Mahfouz to Marquez—the bookstore, the printing press, the advent of cinema around the globe are all cases in which trade has made different countries, different regions, more creative, given us more diversity. Countries do look more alike, but they look more alike in the sense

of offering some commonly diverse choices. So today you can buy sushi in either France or Germany. This makes France and Germany more alike, yet in my view this is closer to being an increase in diversity than a decline in diversity.

If we think of societies that have very well developed markets—for example the United States—what we find happening is not that everyone, for instance, buys or listens to the same kind of music. As markets have allowed suppliers to deliver products to consumers, we've seen a blossoming of different genres of music. In the 20th century the United States evolved rock and roll, rhythm and blues, Motown, Cajun



Tyler Cowen: "The core message of my last few books is that markets support diversity and freedom of choice, and trade gives artists a greater opportunity to express their creative inspiration."

music, many different kinds of jazz—ragtime, swing, stomp—heavy metal, rap. The list goes on. When I look at the empirical evidence from societies with well-developed market economies, I find that what people want to buy is not fixed or biologically constructed. When the cost of supplying products goes down, people tend to use culture to differentiate themselves from other people, to pursue niche interests, to pursue hobbies. It's the poorer or more primitive societies in which people specialize in one type of consumption. If you go to pygmy society in the Congo, for

instance, the pygmies produce splendid music; it's truly beautiful. But the pygmies really have just one kind of music, and the richer societies with more markets have given us more diversity, more competing kinds of music.

What globalization tends to do is increase difference, but it liberates difference from geography. We're used to a certain pattern or model of difference. Different peoples are different, and they live in different places. So there's what Tibet looks like, there's what Mexico looks like, and there's what Indiana looks like. We rapidly identify difference with locale. But that's only one kind of difference. Another kind of difference shows up in the paths we choose to take through our lives, and I believe that individuals will always wish to choose different paths for their lives. It may be the case 300 years from now, if the world globalizes enough, that Mexico, Tibet, the United States, and Thailand won't necessarily be so geographically distinct. Crossing a border may be less of a shock than it is today. But I think we will still find other kinds of differences that are liberated from geography, that are differences among individuals. And those, I think, will be even more vital than they are today.

Benjamin Barber: One of the problems of globalization and cultural borrowing and cultural mimicry is that they depend, not on isolated cultures, but on authentic cultures. And I quite agree that the "authentic" culture is itself a cultural product of earlier cultural interactions, so it's not the fixed item that critics sometimes suggest. Nonetheless, we all know the difference between getting crêpes in Dijon and getting them in a New York place called Les Halles. Even though you do get something like the original product, there's a real difference between those crêpes. When we borrow across cultures, we are, as Plato would suggest, on a second or even a third level of reality, so we're distancing ourselves. That's OK, that's always going to happen, obviously. When you come back to the States and have an Indian tandoori experience in Arlington, it's not going to be the same as you might have in Bombay, but it is still a kind of tandoori experi-

“We all know the difference between getting crêpes in Dijon and getting them in a New York place called Les Halles.”

ence and will remain such as long as in Bombay there's the authentic tandoori experience. But when Bombay, like Arlington, is simply a theme park of world cultures in which everyone is roughly alike, in that they have the same diversity of offerings, that diversity becomes increasingly simulated, and the authenticity from which those experiences come essentially disappears.

EuroDisney, outside Paris, now gets more visitors than Paris does every year. I'm sure that, among other things, people go to the French theme park at EuroDisney to sample French culture along with Danish and German and other cultures that are there. Some might think they'd do better to travel the 17 kilometers into Paris.

In effect, the “theme-parking” of culture, which is part of globalization and part of the theme-parking of our world is, yes, a kind of diversity, but it is the diversity of the theme park. It is increasingly synthetic; it's increasingly distanced from the authentic origin. Increasingly, it takes a toll on that authentic origin, as when an American crêpe maker ends up back in Paris selling the American version of crêpes to people in Paris who don't make them anymore because there's a much cheaper global product they can get in place of what they've had. Globalization has a tendency to move that process forward at alarmingly dispiriting rates.

A second argument has to do with standardization and homogenization. I've got a nice quote here from an executive at Bayer aspirin, who says: “A lie has been perpetuated for years and years. The lie is that people are different! Yes, there are differences between cultures. But a headache is a headache, and aspirin is aspirin.” And, of course, Bayer aspirin is Bayer aspirin, which is even better. I think Tyler makes some very wise, culturally based arguments to show that, in fact, this kind of uniformity and homogenization, at least on the aesthetic level, isn't always as alarming and as extensive as it might seem. But the focus on the aesthetic dimensions of diversity misses the essence of what global homogenization is about. It's perfectly true that there's probably far more diversity today than there was a hundred years ago in London, where the availability of Indian and

Chinese and Japanese and Indonesian and French food is much greater than it was when all you had were places where you could get roast beef and pudding, or pubs where you could get some sausages with your beer. In that sense, you could say that the English are much better off than they were. But this is to misunderstand, for example, the influence of fast food. Many people argue that fast food actually increases diversity, in that it caters to different tastes. And *aesthetically*, that's true, but it misses what fast food does to homogenize and, indeed, what fast food is about.



Benjamin Barber: “The ‘theme-parking’ of culture is, yes, a kind of diversity, but it is the diversity of the theme park.”

Fast food isn't about the food. It's about *fast*, and *fast* is an assault on how we live. It's an assault on social behavior. It's an assault, for example, in Europe, on the three-hour Mediterranean meal for which the family comes home—mom and dad come home from work, the kids come home from school—and sit together for three hours. It's an assault on the idea of food as a social ritual, with which you have extended conversations. It's an assault even on the French idea of the café as a place to sit and read the paper. It's not, by the way, that you *can't* sit in a Paris McDonald's and read the paper and drink wine, because McDonald's does in fact make those local adjustments. But

that goes very much against what fast food is about. What it's about is fast volume, individuals customers coming in, eating, and getting out. In fact, McDonald's low prices depend on volume, and volume depends on turnover.

Fast food is the perfect food for a busy industrial economy, where you don't really want people to take three hours off. A lot of businesspeople complained about Spain and Italy and France in the old days, how hard it was for them to adjust to the modern economy. Three-hour meals (followed in some of those cultures by a long siesta) took the heart out of the workday. Fast food puts the heart back into the workday by turning food back into a fueling-up ritual. That's fine if consumption is what you're looking for, but if the social values, the religious values, the familial values of food are what you're about, then fast food is a disaster whether it's fast burgers, fast fries, or fast tandoori. The vaunted diversity is a superficial diversity under which lies a homogenizing culture of productive work and consumption. The work of shopping, the work of making goods to buy, is the homogenizing factor that is right below the surface, that we miss when we talk about the quality of the food and whether McDonald's offers only burgers or, as they're beginning to do now, various other kinds of food.

There's a third issue that goes to the heart of our topic. Tyler makes the mistake that all you market folks make of assuming that somehow markets, if not perfect, are nearly perfect, that there are no inequalities, that monopolies are just sort of accidents and can be avoided, and that power doesn't really affect the market's reciprocal relations. The problem is that when America meets another culture, it's not, as you might imagine here, just two guys in the woods. It's not an American wearin' his Nikes and eatin' his burgers meeting up with a Nigerian who's singing a different kind of music, and they have a little exchange, and when it's done the American's a little different—a little more Nigerian—and the Nigerian's a little different—a little more American—and we're all the better off for it. Rather, you've got to imag-

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“Fast dining is not destroying slow dining; in fact, the two are growing together as the size of the market increases.”

POLICY FORUM *Continued from page 9*

ine the American armed, sort of like the soldiers in Iraq are armed, with all of the goods and brands of modern technology, modern commerce, hard and soft power, hegemonic economic power over the globe, hegemonic military power over the globe. That's the culture that's meeting up with some little Third World culture that's got some Navajo blankets or some fusion music that we'd kind of like to collect.

Finally, let me just say a word about values. My book was called, not just *McWorld*, but *Jihad vs. McWorld*. It may be that, to many of us, Westernization, globalization, Americanization, the spread of McWorld

nothing to do with globalization, also does have something to do with globalization. It has to do with what is seen as the monolithic, secularist, materialist homogenization of cultures in ways that imperil and endanger the special values—not aesthetic, but religious and moral values—that people hold dear. Unfortunately, some people are willing to kill to try to preserve what they have. If we are insensitive to those people or simply persuade ourselves that they are wrong to think that globalization is homogenization or a peril to values, we will be engaged, not in an argument, but in a series of unending and devastating wars. And that's why I think that these arguments are of much more than just academic concern.

Cowen: Professor Barber offered four major points of criticism. For the first, authenticity, the two examples were tandoori and crêpes. The red dye in tandoori comes from European culture, the yogurt comes from elsewhere, and many of the spices in Indian food come from the New World. I've heard many Indians argue that Indian food in tandoori is better in London or in Singapore than it is anywhere in India. Also, today is the best time ever in the history of the world for eating crêpes, wherever you live. We find these kinds of food flourishing rather than going away. I think there is no such thing, really, as authenticity. Everything is a blend. Our dining options, if we look at them overall, are richer than ever before, and they're not systematically being destroyed.

The second point of criticism had to do with, among other things, fast food and the fastness of fast food. I also hate McDonald's, and let me note that there's no company that in the last year has taken a harder hit, because consumers simply are not as interested in McDonald's anymore. That is commonly attributed to a growing interest in ethnic food and to a growing interest in better food. People do often like food to be fast. I like my food to be fast often, though I don't like “fast food,” but it's because I want to get home to spend time on my art collection, on my writings, on listening to music. So the fastness of food is no necessary enemy of culture.

I think it's focusing too much on the

negative and not enough on the positive to say that all meals are faster. In fact, you now have more opportunities for slow meals than ever before. It's not the case that there are one or two slow restaurants left in Paris or the United States. You pick up a Michelin guide and it's thicker than ever before, it's better than ever before. The modern restaurant is, in fact, a quite new invention, dating from only the 19th century. The existence of restaurants is commonly attributed to the fact that there were travelers, a form of globalization. Now if you want to sit down to a slow meal, be it in the United States, Paris, or virtually anywhere in the world, your opportunities to do that, your ability to afford it, your ability to have the leisure time, your ability to afford the travel to get to the slow restaurant are all greater than ever before. So I think Professor Barber is focusing too much on one set of products he doesn't like, fast food, when in fact you have more opportunities for fast dining *and* you have more opportunities for slow dining. Fast dining is not destroying slow dining; in fact, the two are growing together as the size of the market increases, which is simply an illustration of Adam Smith's dictum that division of labor is limited by the extent of the market.

Now, on the mythology of markets and power: there are many, many American or Western products that flop miserably. Most American TV shows have not been exported very successfully. American soap operas have failed around the globe. American popular music does very well in some places, very poorly in other places. Look at countries like Haiti and Jamaica. They're poor, they're small, they're right next to the United States; but American music doesn't do well there. Those countries do better selling their music to us than vice-versa. It's not the case that their cultures have been overwhelmed. If ever there were a case of power relations, it's the United States' treatment of the Caribbean, which in my mind is often inexcusable, but again, if we look at the cultures of the Caribbean, we find that in the last 50 or 60 years they've flourished. They have had a profound and immense influence on Western culture—

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Benjamin Barber and Tyler Cowen discuss the impact of globalization on world cultures at a Cato Book Forum for Cowen's book *Creative Destruction*.

look like the spread of diversity. Apparently, for a lot of other people around the world—especially people living in fundamentalist Islamic cultures, in fundamentalist Judaic cultures, in fundamentalist Hindu cultures, and, indeed, in fundamentalist Protestant cultures here in the United States—McWorld appears an aggressive, secularist, materialist attack on their values and what they care about for their children. And their response is, not to write a bad review of Tyler's book, but to pick up a bomb or a gun and go to war with us. I would argue that terrorism today, though it has lots of motives that have

New book looks at consumer protection, pollution, “natural monopolies”

New Technology Makes Regulations Obsolete

Governments often take it upon themselves to step in and “correct” markets that fail to match the blackboard models of economists. But policymakers often forget that how well markets perform in a given area is not static and fixed. As technology changes and develops, so do markets. Public policy, however, is somewhat less protean, with the result that regulations designed for an age of buggy whips may persist even as eight-lane freeways crisscross the nation. A new Cato book, *The Half-Life of Policy Rationales: How New Technology Affects Old Policy Issues*, edited by Santa Clara University economists Fred E. Foldvary and Daniel B. Klein, shows how, in many different arenas, blunt policy tools have been superseded by cutting-edge technology.

The editors’ introduction provides a general theory of how technology and policy interact. Their tentative thesis is that the further technology advances, the greater the likelihood that free markets will perform better than regulatory solutions. On the one hand, as new inventions facilitate communication, the transaction costs that are the primary cause of market failure are lowered. On the other, the more complex the market transactions enabled by technology, the more difficult it becomes for regulatory bodies to gather enough information to intervene effectively. The essays in the collection bear out this general conclusion in one case after another.

Private markets have always had difficulty dealing with certain kinds of “commons,” such as the air and oceans. Pollution and marine life flow without regard for property boundaries, leaving no apparent means other than government control of preventing the overuse or exhaustion of vital resources. But in his essay “Fencing the Airshed,” Klein offers a plausible description of how new “remote-sensing” technologies could be used to identify the pollution produced by individual motorists and to levy fees for “use” of public airspace. Michael De Alessi of the Reason Public Pol-

icy Institute, an expert in both economics and marine policy, explains how sonar fences, tracking devices, and even genetic markers could make possible the creation of private property rights in sea life.

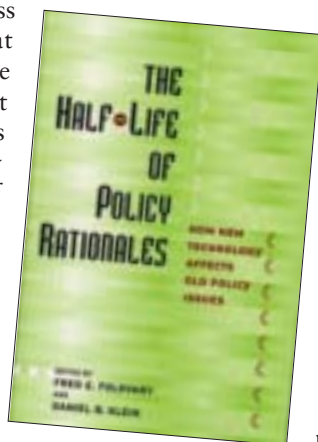
Markets for information were long thought to present a special case justifying the use of state agencies to certify product quality for consumers. Neoclassical economics assumes that consumers are well informed, and the economic efficiency of markets is predicated on that assumption. When information is hard to acquire, argue regulators, government must step in to protect the consumer. As essays by economists David D. Friedman, John C. Moorhouse, and Shirley V. Svorny argue, however, the Internet has dramatically lowered the obstacles to consumers who seek to gather the information needed to make their own decisions. The authors show how the new proliferation of knowledge makes detailed rules and standards for banks, consumer goods, and even medical professionals obsolete.

One last perennial argument for state control involves so-called natural monopolies, industries in which the structure of the market makes the dominance of a single firm efficient, eliminating the competition that normally checks corporate power. Here, too, economists and policy experts show how technological advance may mean that “natural” monopolies persist only through state artifice. Alvin Lowi Jr. and Clyde Wayne Crews Jr. offer a novel, decentralized model for electricity generation and distribution, and Lowi shows how water might be supplied under a regime of *laissez faire*. And if anyone still believes that the government postal monopoly is anything but a wasteful sinecure, Rick Geddes demolishes that notion once and for all.

In those and many other penetrating essays, the authors reveal how, again and again, regulators have failed to keep pace with entrepreneurial innovation. The book is a thought-provoking read for anyone who suspects that government control is a

Stone Age solution to the problems of the digital era.

The Half-Life of Policy Rationales, published for the Cato Institute by NYU Press, can be purchased (\$20.00 paper) by calling 1-800-767-1241 or browsing to www.catostore.org.



Cato Calendar

Cato University Summer Seminar

San Diego • Rancho Bernardo Inn
August 2–8, 2003

Speakers include Marcus Cole, David Henderson, Randy Barnett, Tom G. Palmer, and Charlotte Twilight.

Cato City Seminar

Chicago • Ritz-Carlton
October 9, 2003

Cato University Fall Seminar Arguing for Liberty: How to Defend Individual Rights and Limited Government

Quebec City • Chateau Frontenac
October 23–26, 2003

Speakers include Tom G. Palmer, Don Boudreaux, Karol Boudreaux, Monte Solberg, Gene Healy, and Robert Sirico.

Cato City Seminar

Dallas • Four Seasons Las Colinas
October 29, 2003

Telecom and Broadband Policy: After the Market Meltdown The Cato Institute’s 7th Annual Technology and Society Conference

Washington • Cato Institute
October 30, 2003

Cato City Seminar

New York • Waldorf-Astoria
November 7, 2003

The Future of the Euro 21st Annual Monetary Conference Washington • Cato Institute November 20, 2003

Speakers include Alan Greenspan, James M. Buchanan, Vito Tanzi, José Piñera, Anna J. Schwartz, Laurence J. Kotlikoff, and Václav Klaus.

For more information, visit www.cato.org

Defense dangers include Taiwan, biochem warfare, Pakistan

States Hung Over from Spending Binges

During the tech-driven economic boom of the 1990s, state tax revenues ballooned and state spending grew with them. When the boom went bust and gaps began to appear in state budgets, spending levels remained high. Many states now want a federal bailout to ease their looming budget crises, but in a new Cato paper, “States Face Fiscal Crunch after 1990s Spending Surge” (Briefing Paper no. 80), Chris Edwards, Stephen Moore, and Phil Kerpen write that this would merely provide an incentive for further fiscal irresponsibility. Instead, the authors recommend that states institute spending caps that tie tax and spending growth to the inflation rate and population increases. That, they suggest, will remove the temptation to write checks in times of abundant revenues that can’t be cashed in lean years.

◆Don’t Combat the Fraudulent with the Frivolous

Congress passed the Private Securities Litigation Reform Act in 1995, hoping to curtail frivolous class action lawsuits for securities fraud. In the wake of recent corporate scandals, the plaintiffs’ bar, never fond of the legislation, has been emboldened to launch a renewed campaign for its repeal. But in “Should Congress Repeal Securities Class Action Reform?” (Policy Analysis no. 471), University of Michigan law professor Adam C. Pritchard argues that such a move would be misguided. The headline-grabbing scandals would not have been averted in the absence of PSLRA, which has worked, albeit imperfectly, to deter both fraud and suits without merit more cost-effectively than before. Reformers would be better advised, says Pritchard, to seek a damage rule allowing individual corporate officers to be held directly liable for their misdeeds, which would shift the emphasis of the law from compensating victims to deterring fraud.

◆The Enron Guide to Investing

Though now most famous for the deceptive practices of its executives, Enron was once a genuinely good business. In a new Cato paper, “Empire of the Sun: An Economic Interpretation of Enron’s Energy Business” (Policy Analysis no. 470), econ-

omists Christopher L. Culp and Steve H. Hanke chronicle the rise and fall of the Houston energy trader with an eye to the lessons to be drawn from its example. The authors conclude that the firm’s “asset lite” strategy, which combined small investments in capital-intensive commodity markets with derivatives trading in the same markets, was initially sound. Enron erred when it attempted to extend that approach from natural gas markets, where experience gave it a comparative advantage, to water and broadband markets. Ultimately, they write, Enron was a unique case from which few broader conclusions about the general effectiveness of the strategy can be drawn.

◆Counting on Accounting a Bad Move

The collapse of Enron was widely perceived as a failure of accounting and auditing, and legislators have rushed to “correct” that failure through new legislation. But in a new Cato paper, “Accounting at Energy Firms after Enron: Is the ‘Cure’ Worse Than the ‘Disease’?” (Policy Analysis no. 469), Richard Bassett and Mark Sorrie of the risk analysis firm Risktoolz argue that this approach misses the mark. Enron’s fraudulent practices, they write, do not appear to be widespread and, moreover, were facilitated rather than hindered by accounting rules. Investors who focused on a discounted cash-flow analysis rather than earnings statements that contain an ineradicably subjective element, say the authors, were not fooled: Enron’s stock price was dropping long before formal inquiries began. The Sarbanes-Oxley Act, the authors aver, will do little to restore investor confidence. Instead, it will have the effect of penalizing risk taking and generating increasing reams of unhelpful paperwork.

◆Smugglers Would Walk a Mile for a Camel

Last year both New York City and New York State raised their cigarette tax rates significantly. Although legal cigarette sales dropped precipitously in the following months, economist Patrick Fleenor writes in “Cigarette Taxes, Black Markets, and Crime: Lessons from New York’s 50-Year Losing Battle” (Policy Analysis no. 468) that this doesn’t mean New Yorkers are smoking a great deal less. Instead, they are

simply buying their cigarettes out of state or, more troubling, on the black market. Fleenor shows how, historically, high cigarette taxes have encouraged smuggling and the crime that goes with it. Past tax hikes were followed by the hijacking of cigarette trucks and the kind of gang violence normally associated with the narcotics trade. Other states, he says, should consider carefully whether they want to imitate a policy that diverts revenues from state coffers and legitimate businesses into criminal hands.

◆Defending Taiwan? Sounds Like a Job for the Taiwanese

Despite the absence of any formal American security commitment to Taiwan, President Bush has said that the United States will do “whatever it takes” to defend the island democracy against Chinese incursions. In “The China-Taiwan Military Balance: Implications for the United States” (Foreign Policy Briefing no. 74), Ivan Eland warns against such guarantees. Not only are they not necessary to protect vital U.S. interests, he writes, they are probably not even necessary to protect Taiwan. Taiwan need not be capable of repelling a full-blown military assault from China, Eland says; it need only be able to make the costs of invasion high enough to deter such action. He argues that the United States should support this sort of “porcupine strategy” by selling advanced armaments to Taiwan, thereby allowing it to maintain the technological superiority of its air and naval forces.

◆Biochem Nonchalance Endangers Troops

During the first Gulf War, American troops found that they had been inadequately prepared to deal with chemical and biological attacks; the troops required an extended “in theater” crash course. As another Gulf War looms, writes former U.S. Army Chemical Corps Capt. Eric R. Taylor in “Are Our Troops Ready for Biological and Chemical Attacks?” (Policy Analysis no. 467), the situation is little better. Instead of the 40 hours of annual training experts recommend, new recruits are required to undergo only 4 hours of training and 2 hours per year of “refresher courses” thereafter. Taylor cautions that troops will remain at undue

risk unless senior officers begin to take more seriously the need for extensive biochem education and training.

◆School Choice after *Zelman*

The Supreme Court's historic ruling in *Zelman v. Simmons-Harris* last summer did more than uphold Cleveland's innovative school choice program. It also laid out clear criteria that any future state programs must meet in order to pass First Amendment muster. Cato education analyst Marie



Marie Gryphon

Gryphon surveys the new state of the law in "True Private Choice: A Practical Guide to School Choice after *Zelman v. Simmons-Harris*" (Policy Analysis no. 466). Gryphon explains that constitutional programs must have a secular purpose, provide only indirect funding to sectarian schools through parents, be made available to a broad class of beneficiaries, treat secular and religious schools neutrally, and ensure that parents have adequate secular options. Parents and legislators, writes Gryphon, now have an opportunity to carefully craft choice programs that can survive legal scrutiny.

◆Problems for the Real "Old Europe"

The financing crisis in America's Social Security system, driven by the retirement of the baby boomers, is by now familiar. European Union countries, however, have been subject to the same demographic trends and therefore face many of the same problems. In a new Cato study, "Retirement Finance Reform Issues Facing the European Union" (Social Security Paper no. 28), William G. Shipman, co-chair of Cato's Project on Social Security Choice, argues that the solution for the EU, just as it is for the United States, is a transition to a market-based pension system. Shipman shows that market reforms can promote greater labor market flexibility, raise benefit levels, and keep administrative costs low without necessarily sacrificing the redistributive aspects of current pension systems, which some Europeans are anxious to preserve.

◆WT-Uh-Oh

The World Trade Organization has been instrumental in facilitating the sweeping trade liberalization of the past eight years.

But in a new Cato study, "Whither the WTO? A Progress Report on the Doha Round" (Trade Policy Analysis no. 23), Razeen Sally of the London School of Economics examines a worrying set of trends that threaten to stall progress toward more



Razeen Sally

open markets. Sally warns of pressure from member states—primarily in the European Union—moving the organization away from its traditional focus on reducing trade barriers and into a new role as a de facto regulatory agency torn by interest group politics. One way to prevent that, Sally suggests, is for the Bush administration to form alliances with developing countries that stand to gain the most from greater market access.

◆The IMF's Department of Redundancy Department

The International Monetary Fund's plan to establish an international bankruptcy court for sovereign debtors is the answer to nobody's prayers, according to a new Cato paper by economist Anna J. Schwartz. In "The IMF's Dubious Proposal for a Universal Bankruptcy Law for Sovereign Debtors" (Foreign Policy Briefing no. 75), Schwartz argues that the proposed tribunal is a solution to a nonproblem: neither the debtors nor their creditors have been clamoring for any such thing. The existence of a number of contractual, market-based solutions to the problem of sovereign debt, writes Schwartz, makes unnecessary an awkward and overly complex IMF program to impose uniform rules.

◆Brighter IDEAs from the Sunshine State

School choice, runs a favorite refrain of its opponents, may be great for the most gifted students, the "cream skimmed off the top" by selective private institutions, but what about those who need special assistance? Won't voucher programs lead to both a brain drain and a funding drain from pub-

lic schools, where the students most difficult to teach are left even worse served than before? That is a dire scenario. Fortunately, as Cato scholar David Salisbury observes in a new study, it is also one that has been utterly disproved empirically. In "Lessons from Florida: School Choice Gives Increased Opportunities to Children with Special Needs" (Briefing Paper no. 81), Salisbury examines Florida's McKay Scholarship Program for Students with Disabilities and reports that school choice has proven successful at helping special education students. Salisbury recommends that Congress encourage other states to emulate that success by reforming the Individuals with Disabilities in Education Act in order to free states from a burdensome, process-oriented system and grant them greater flexibility to design choice programs for parents.

◆Pervez Incentives

The United States has a growing list of enemies, from the three-nation "axis of evil" to its newest bugbear, Syria. Yet in a new Cato paper, "Extremist, Nuclear Pakistan: An Emerging Threat?" (Policy Analysis no. 472), foreign affairs analyst Subodh Atal argues that American policymakers may have overlooked the most pressing threat: our "frontline ally" Pakistan. After the fall of Afghanistan, writes Atal, al-Qaeda mujahideen escaped by the thousands into Pakistan, where they have established a new command center in cooperation with elements of the Pakistani government's military and intelligence agencies. Iraq was considered threatening because it might one day acquire nuclear weapons, but unstable Pakistan has several already, and, perhaps most alarming, some Pakistani nuclear experts are being investigated for links to al-Qaeda. In the absence of serious pressure from the United States, the regime of Gen. Pervez Musharraf has done little to crack down on violent Islamic extremist groups, and the perception that Pakistan's nuclear status has held the United States at bay may embolden other nations. The administration should not only bring greater pressure to bear on Pakistan but develop a plan to quickly extract the country's nuclear arsenal in the event of a coup by Islamic radicals. ■

“Both the cultural right and the cultural left are descendants of the counter-Enlightenment that rose up among intellectuals, artists, and social activists who opposed the values of modernity.”

MODERNITY *Continued from page 1*

It was obvious to virtually everyone that the World Trade Center was targeted because it represented freedom, secularism, tolerance, innovation, commercial enterprise, the pursuit of happiness in this life. Our modernist values were thrown into sharp relief by the hatred they provoked in our enemies.

Yet our enemies are wrong if they think American culture is consistently modernist. Indeed, in our domestic culture wars, modernity has hardly had a voice. Battles over issues like family values, the role of religion in society, sex and violence on TV, and political correctness have been fought between conservatives on the cultural right and progressives on the cultural left. Neither camp advocates the values of modernity. On the contrary, both are descendants of the counter-Enlightenment that rose up among intellectuals, artists, and social activists who opposed the values of modernity.

The Premodern Culture

Nineteenth-century conservatives such as Samuel Taylor Coleridge in England and Joseph de Maistre in France feared that the Enlightenment's enthusiasm for individualism and progress would destroy the stable society of the past. As reason and science called into question the mysteries of revealed religion, conservatives bemoaned the loss of “enchantment” and the increasingly secular focus of life. They sought a restoration of premodern values: faith, tradition, social stability and hierarchy.

Their greatest fear was that modernity would undermine morals. The intellectuals of the Enlightenment, notes the eminent historian of the period, Isaac Kramnick, “believed that unassisted human reason, not faith or tradition, was the principal guide to human conduct.” Edmund Burke, the father of modern conservative thought, warned that the result would be social chaos. Believing that “the private stock of reason . . . in each man is small,” Burke argued that reason could never replace religion, custom, and authority as guides to conduct.

That view is echoed today by cultural conservatives such as Irving Kristol. “Sec-

ular rationalism has been unable to produce a compelling, self-justifying moral code,” he declares. “And with this failure, the whole enterprise of secular rationalism—the idea that man can define his humanity and shape the human future by reason and will alone—begins to lose its legitimacy.”

Such conservatives' skepticism about the possibility of a secular moral code results not only from their lack of confidence in reason but also from their view of morality itself. Enlightenment thinkers tended to see morality as a means of pursuing happiness and success in this life. The famous list of virtues in Benjamin Franklin's *Autobiography*, for example, includes frugality and industry in personal affairs, in order to keep our long-term interests in view against the temptations of short-term pleasures. It includes fairness and sincerity toward others as means of enjoying peaceful and productive relationships with them. The point of morality was not self-denial and self-sacrifice but self-discipline.

The conservative tradition, by contrast, has always held the older view that our worldly interests reflect the animal side of our nature, which leads us to seek wealth, sexual gratification, and power over others. The function of morality, in this view, is to bridle those desires through self-denial and self-sacrifice. The point of morality is not the pursuit of happiness but the acquisition of virtue; happiness is a blessing that comes and goes but is not what life is about. Thus Peggy Noonan complains, “I think we have lost the old knowledge that happiness is overrated—that, in a way, life is overrated. . . . We are the first generation of man that actually expected to find happiness here on earth.” The virtue ethic is the primary source of concerns about the loss of “family values”—from sexual liberation to gay marriage to working moms to sex- and violence-drenched entertainment—a trend that conservatives blame on hedonism.

Most conservatives see religion as the source of moral standards. An increasingly secular society is therefore bound to be increasingly self-indulgent, as William Bennett warned in a lecture to the Her-

itage Foundation: “In modernity, nothing has been more consequential, or more public in its consequences, than large segments of American society privately turning away from God, or considering Him irrelevant, or declaring Him dead.” That's why the public role of religion has been a major front in the culture wars. Many conservatives today favor state-sponsored prayer in public schools. Some have supported the creationists' effort to counter the teaching of evolution. Many have welcomed what they see as a religious revival in America, specifically the growth of fundamentalist and evangelical denominations.

The belief in a religious basis for morality is not unique to conservatives, however. Their more distinctive theme is that morality needs the backing of tradition, custom, and authority. Like Burke, the conservative tradition has always held that we learn the rules of virtue through social sanctions, which also provide the main incentive to obey the rules. Customs, manners, and mores lose their grip on people who are encouraged to follow their own judgment or offered options among lifestyles. Along with the decline in religious faith, therefore, conservatives lament the weakening grip of tradition and conventional standards of behavior. “Our society now places less value than before,” observes Bennett, “on social conformity, respectability, observing the rules; and less value on correctness and restraint in matters of physical pleasure and sexuality. Higher value is now placed on things like self-expression, individualism, self-realization, and personal choice.” Thus while conservatives, in America at least, generally value independence and innovation in the economic sphere, they seek conformity in the moral sphere of life.

Preserving a morally healthy social environment, in the view of most conservatives, is a function chiefly of civil society rather than government. Coercion is the least effective instrument for encouraging virtue, which is better left to families, churches, professions, mutual aid societies, and other voluntary institutions. Nevertheless, conservatism is open to the possibility of government action as well, of

“Rousseau and other thinkers in the postmodern tradition also hated the Enlightenment’s individualism and were repelled by capitalism.”

“statecraft as soulcraft,” as George Will has put it. Bennett, for example, has said, “We need to make marriage the institution through which all rights and all obligations are exercised.” Kristol insists that government must take “a degree of responsibility for helping to shape the preferences that the people exercise in a free market—to ‘elevate’ them if you will.” Pat Buchanan argues that government should use its power to regulate economic affairs to protect social stability against the dissolving forces of global trade and innovation.

Conservatives, in short, have been critics of the Enlightenment’s confidence in reason and progress as well as its moral and political individualism. But conservatism was only one wing—the premodern wing—of the counter-Enlightenment. On the cultural left, thinkers like Jean-Jacques Rousseau and Karl Marx rejected modernity from a different standpoint.

The Postmodern Culture

Rousseau hated the cosmopolitanism and refinement of Enlightenment life and vehemently criticized inequality, which he thought was an inescapable consequence of civilization. He offered an idealized image of primitive man not yet corrupted by civilization and of life in a nature not yet polluted by cities or machines. The source of those primitivist views was Rousseau’s antipathy to reason. He felt that emotion and instinct should be our guides to action. In this respect, he was the father of the 19th-century Romantic poets and of the counterculture of the 1960s, with its demand for sexual liberation, its contempt for “bourgeois morality,” its emphasis on self-expression rather than self-discipline. The Age of Aquarius sought release from the constraints of reason through drugs and New Age religions. Like Rousseau, it rejected the cosmopolitan modernism of the Enlightenment and praised the authenticity of primitive modes of life.

Rousseau and other thinkers in the postmodern tradition also hated the Enlightenment’s individualism and were repelled by capitalism. Like conservatives, they wanted to reassert the primacy of society over the individual, but they realized that there was no going back. They argued

instead that we must leap forward to a new society in which community, stability, and social control of change were reintroduced in a nonreligious, nontraditional form, as in Marx’s vision of a communist utopia “in which the free development of all is the condition for the free development of each.” Unlike conservatives, postmoderns have generally favored equality as the chief social value, and many were prepared to seek this value through violent revolutionary means.

On the cultural left today, postmodern intellectuals have been vociferous foes of reason, attempting to undermine and expunge the very concepts of truth, objectivity, logic, and fact. The followers of Jacques Derrida claim there is no reality beyond language: we can never see past the assumptions and preconceptions embedded in the way we speak; different societies live in different worlds, have different outlooks, use different methods of thinking, none of which is better than others. Richard Rorty, perhaps the most eminent living philosopher in America, tells us “that the world does not provide us with any criterion of choice between alternative metaphors, that we can only compare languages or metaphors with one another, not with something beyond language called ‘fact.’” For many postmoderns, the use of reason is an exercise in power, a stratagem on the part of white Eurocentric males to dominate women and suppress other cultures.

Few people outside university departments of humanities and social science can swallow such corrosive nihilism at full strength, but it is available in countless diluted forms. Postmodernism has influenced law schools, for example, through the “critical legal theory” movement. And its central themes now dominate schools of education, from which legions of primary and secondary school teachers have learned that respecting other cultures is more important than learning facts or acquiring the methods of thought that enable one to decide which point of view is correct.

Marx’s doctrine of class conflict remains a central article of faith on the cultural left. Multiculturalists have expanded the doctrine to include racial, ethnic, and sexual classes, in addition to the economic divi-

sions that Marx emphasized, but they draw the same distinction between victims and oppressors. In academia, this worldview has led to racial and other preferences. Humanities courses have dropped the works of “dead white European males”—the oppressor class—in favor of works by women, blacks, and other minorities. Postmoderns have created new disciplines of victimology such as “queer studies” and postcolonialism. And they have imposed speech codes, “diversity training” workshops, and other means of enforcing political correctness.

Though postmoderns subscribe to cultural relativism, and deny the possibility of objective knowledge or values, the very term “political correctness” reveals an underlying ethic that they take as an absolute. Indeed, it is a virtue ethic whose essence is self-denial. Like conservatives, postmoderns tend to see the pursuit of happiness as sinful. The standard of sin is different—exploiting minorities and degrading the environment rather than disobedience to God—but sin still entails guilt, atonement, and renunciation. Thus, to take one minor example, many people recycle garbage with all the piety of a daily sacrament. Not one in a hundred could cite evidence that recycling, on net, saves resources, but that’s not the real point; the real point is that recycling is a pain in the neck and thus serves the purpose of atoning for the joys of consumption.

Despite the differences between the cultural right and left and their mutual hostility, there are deep similarities based on their common rejection of modernity. They sometimes join hands against their common enemy. A few years ago, Dave Foreman, founder of the radical left environmental group Earth First!, wrote that Dan Quayle and William Bennett might be on to something in talking about virtue. “There really is a crisis of values in this country, and it really is incumbent on the conservation community to talk about it, to talk about restraint instead of excess, to talk about humility instead of arrogance.” More recently, we have had the spectacle of the “What would Jesus drive?” campaign against gas-guzzling SUVs.

Continued on page 16

“What is still missing is the awareness of modernity itself as a cause that needs an organized defense, a public identity in cultural debates.”

MODERNITY *Continued from page 15*

Patrick Buchanan on the right and Jeremy Rifkin on the left have united to oppose free trade, immigration, and high-tech innovation. Fundamentalists and radical feminists joined forces in an effort to outlaw pornography. And some conservative intellectuals, like Richard John Neuhaus, editor of the conservative *First Things*, have welcomed the postmodern critique of objectivity: “[Relativists’] rebellion against the pretentious certitudes of Enlightenment rationalism, often defined as modernity, is in large part warranted, and that is the kernel of truth in ‘postmodernism.’”

Who Speaks for Modernity?

The values of modernity still animate much of American life. A commitment to reason is still the operating principle of many intellectuals, especially in the sciences. It is the operating principle in engineering, medicine, and other professions. It is the source of the extraordinary technological advances in computers, telecommunications, and pharmaceuticals, among many other fields. It is the source of new business techniques for financial management and streamlining production. In most areas of our working lives, faith has no voice and tradition is continually overturned.

In the realm of personal life and aspirations, the anti-modern cultures have more sway. Over a third of the populace, to judge by various surveys, look to religious faith as their main source of moral guidance; they believe in the literal truth of the Bible, the immediate presence of God in their lives, and the conservative ethic of duty and virtue. A smaller but more prominent and vocal segment seeks salvation in postmodern values: New Age spirituality, environmental activism, anti-globalization protests. But that leaves a sizable portion whose main concern is personal happiness. Those are the people whose demand for secular moral guidance has fueled a booming industry of self-help books and seminars. In many best-selling works, like those of Philip McGraw and Nathaniel Branden, the message is neither hedonism nor duty but rather a discipline

for pursuing happiness through achievement, commitment, rationality, integrity, and courage.

Who speaks for those values? Who provides the intellectual defense? Who carries the banner of modernity in the culture wars? Among popular writers, Ayn Rand was far and away the most articulate advocate. At the center of her Objectivist philosophy, which she explicitly aligned with the Enlightenment, was a morality of rational individualism. Milton Friedman and other free-market economists who, with Rand, inspired the rebirth of classical liberalism also spoke from the standpoint of modernity. In academia, organizations such as the National Association of Scholars and the Foundation for Individual Rights in Education have been formed to defend objective research and academic freedom against the oppressive regime of postmodernism. Individual scholars such as philosopher John Searle and historian Alan Kors have been prominent defenders of what postmoderns dismiss as “the Enlightenment project.” Scientists such as Richard Dawkins, Edward O. Wilson, and Nobel laureate Steven Weinberg have spoken out for the integrity of science against its detractors on the premodern right and postmodern left.

What is still missing, however, is the awareness of modernity itself as a cause

that needs an organized defense, a public identity in cultural debates. Among conservatives, a network of organizations, alliances, and publications has created a shared sense of mission, a kind of party of the cultural right. Whatever specific issues they are concerned with, conservatives know who their allies are. Their cause has a public name and face. The same is true on the left. But as yet there is no party of modernity.

We had a fleeting glimpse of such a party in the immediate aftermath of 9/11, when the terrorist threat to the values of modernity was denounced by commentators across the political spectrum, from Aryeh Neier to Charles Krauthammer, from the *New Republic* to the *Weekly Standard*. An enduring version of that consensus is possible. And it is vital for the future of our civilization.

It is especially important for those who have committed themselves to the political cause of liberty, individual rights, limited government, and capitalism. We are more likely to find allies and converts among those who value reason, happiness, individualism, and progress than among those whose values are premodern or postmodern. It was the Enlightenment that gave us liberty as a moral ideal and a practical system. The culture of modernity is still liberty’s natural home. ■

POLICY FORUM *Continued from page 10*

reggae music being one example—and they haven’t dwindled away. In spite of all kinds of real hegemony and power, the creative human spirit in those poor countries has managed to do well.

The point about terrorism is an important one. I’m not for all forms of globalization: I’m not for the globalization of attack tactics and weapons. But if we look at the countries from which the terrorists come, we find one very common element. There are very important strands of globalization that those countries have very fiercely resisted. Parts of the Islamic world have fiercely resisted democratization, they have fiercely resisted a market economy,

they have corrupt governments. Saudi Arabia, obviously an important place for terrorism, tries harder than just about anyone else to keep out Western influences, to keep out the idea of gender equality, to keep out a well-functioning labor market, to have censorship, to monitor what’s sent in over the Internet, and so on. I think there is arguably a problem with a kind of halfway globalization that gives some people enough ideas to do some nasty things but not enough of the good part of globalization to have healthy societies. From my point of view, if there’s going to be a solution for the problems in the Islamic world, that solution will be more globalization, not less. ■

Bill Niskanen Is 70

Cato chairman William A. Niskanen's friends and colleagues celebrated his 70th birthday at a seminar and dinner on March 12 (the evening before his actual birthday).



Greg Mankiw, nominated by President Bush to be chairman of the Council of Economic Advisers, talks with Cato adjunct scholar Richard Rahn.

Cato's director of fiscal policy studies, Chris Edwards, talks with Congressional Budget Office director Douglas Holtz-Eakin.



Cato president Ed Crane and Nobel laureate James M. Buchanan sported the same Liberty Fund tie, which features the first written appearance of the word "freedom," in a Sumerian cuneiform from 2300 B.C.



Public choice scholar Gordon Tullock congratulates Niskanen.



John Samples, director of Cato's Center for Representative Government, discusses Niskanen's pathbreaking 1971 book *Bureaucracy and Representative Government*.

VOUCHER WARS *Continued from page 3*

private schools and disaffected parents around the country. As demand for the institute's services grew, it was forced to expand in order to tackle simultaneous legal battles in Florida, Illinois, and Ohio. The fight in Ohio, over a voucher program in Cleveland, made its way up to the federal district courts and, finally, to the Supreme Court of the United States.

The second half of the book chronicles that long and arduous road. The legal arguments that finally won the day for choice are sketched in the body of the nar-

rative for the casual reader, but for those seeking a more detailed understanding, the book's appendix contains the lengthy and extensively researched amicus curiae (friend of the court) brief filed by the Institute for Justice in the *Zelman* case.

After inviting the reader to join him ring-side for oral argument in *Zelman*, Bolick provides a taste of the jubilation the lawyers and plaintiffs felt upon learning that the Court had come down on the side of freedom. Not content to rest on his laurels, however, Bolick closes with a glimpse of new battles ahead: in the final chapters, he sketches the inevitable legal wrangles to

come over state-level "Blaine Amendments," passed at the end of the 19th century during a wave of anti-Catholic sentiment in an attempt to prevent state funds from flowing to parochial schools. Bolick's optimism and determination to secure greater educational opportunities for children who've been deprived of them by the public school system are a palpable presence in the text. By the book's end, it is difficult not to share them.

Voucher Wars is available (\$20.00 cloth/\$12.00 paper) from Cato's web bookstore at www.catostore.org or can be ordered by telephone at 1-800-767-1241. ■

Better ideas for IDEA

How School Choice Could Help Special Ed

The public school system has never been terribly successful at educating all American children, but for students with disabilities, its failure had been spectacular. The Individuals with Disabilities in Education Act of 1975 ended the total neglect of disabled students, but it has created a slew of its own barriers for disabled children and their parents to overcome. On February 13, the Cato Institute's Center for Educational Freedom sponsored a full-day conference, "School Choice and Special Ed: Extending Choice and Opportunity to Children with Disabilities," to examine the problems with the status quo and the prospects for reform.

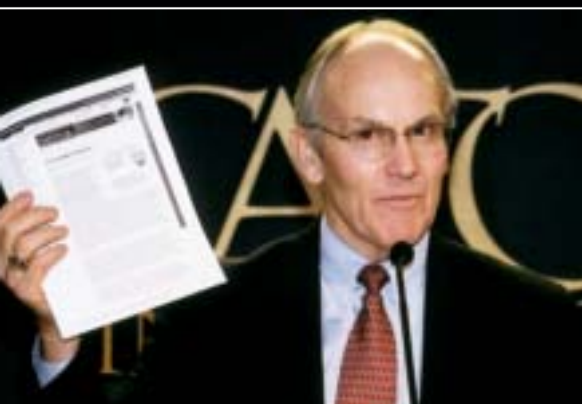
The closest thing to a defense of the cur-

with disabilities are the true experts on their children," he stopped short of endorsing full-blown school choice and instead recommended greater flexibility for states and stressed the need for uniform metrics by which schools might be held accountable.

Greater enthusiasm for choice-based reform was expressed by Sen. Larry Craig (R-Idaho), but it was tempered by a keen sense of political constraint. For the time being, he said, the best that can be expected is experimental pilot programs, which act primarily as feelers to "see what the market is like."

Three expert panels looked at the problems with the current IDEA system, the theoretical case for choice, and the empirical

for children with learning disabilities. Caire soon realized that children—especially minority children—who had behavior problems were routinely shunted into a special education track that had become, he said, "a dumping ground for kids the system doesn't want to educate." Manhattan Institute fellow Jay Greene looked at the environmental and medical factors that contribute to learning disabilities and confirmed that identification of students as learning disabled far outpaced the actual level of disability that should be expected. He concluded that the "bounty system," which disburses additional funds to schools with more disabled children, had provided an incentive for overidentification.



Sen. Larry Craig (R-Idaho) tells Cato's conference on school choice and special education that lawyers are a key source of opposition to choice in special ed programs; Kaleem Caire and Jay Greene discuss the overassessment of learning disabilities; and Marie Gryphon, coauthor of Cato's study of special education, examines how choice could move the focus of special education from procedural compliance to student outcomes.

rent system came in the opening remarks of Assistant Secretary of Education Robert H. Pasternack, who heads his department's Office of Special Education and Rehabilitation Services. A form of educational choice, argued Pasternack, is already present under IDEA, since the government will fund private education for children whose parents can convince a panel of educators that the public system is inadequately serving their needs. Yet Pasternack was less than sanguine about the state of special education in America, noting the twin frustrations of parents who sense that their children make little academic progress and teachers swamped by paperwork requirements. Though he asserted that "the parents of kids

benefits seen in a unique pilot program in Florida. The first panel focused on the problems of the IDEA-structured system now in place, overidentification of students as learning disabled and an excess of red tape chief among them. Attorney Rose-Marie Audette, described IDEA's highly legalistic dispute resolution system, which encourages educators to spend more time dotting procedural "i"s and crossing paperwork "t"s as a defense against lawsuits than they do working to improve academic outcomes. Kaleem Caire of the American Education Reform Foundation recalled walking into a majority African-American classroom in his former (majority Caucasian) Wisconsin high school and being told that it was the class

The second panel examined the potential benefits of programs that would introduce choice and competition to special education. The Yankee Institute's Lewis M. Andrews surveyed school choice programs around the world, observing that Denmark, which has had choice since 1899, boasts one of the best educational systems in the world for students with disabilities. Steve Bartlett, who sat on a presidential commission on special education, said that the current approach is to "wait for students to fail" before taking any remedial measures, but he noted that school choice might empower parents to demand a more "proactive" approach. Empowerment was also stressed by Patrick Heffernan of FloridaChild,

who stressed that, even if private schools were no better than public, allowing parents freedom of choice would be an independent good. Cato education policy analyst Marie Gryphon closed the panel with a thorough dissection of the IDEA process, with its obsessive focus on procedural compliance, and the ways choice could encourage greater focus on student outcomes.

Disabled students, some worry, might be trapped in newly defunded public institu-

tions while the most academically gifted were eagerly snapped up by elite private academies. As the panelists in the day's final session agreed, fears of the private sector snubbing special needs students have been decisively refuted by the experience of Florida's McKay Scholarships Program, which funds the private schooling of such students. Cato's David Salisbury contrasted the dire predictions of opponents of choice with the results of the McKay program, stressing flex-

ibility and the freedom to experiment as keys to success. That view was seconded by Patricia Hardman, director of the Dyslexia Research Institute, who derided the claims of some politicians that only public schools are sufficiently accountable. "Accountability comes when I look a child in the eye and they've either succeeded or they haven't depending on what I'm doing," said Hardman. "They can walk, and their feet make me accountable every day of the week." ■

News Notes

Biggs Joins Social Security Administration

Social Security analyst **Andrew Biggs** has been named associate commissioner for retirement policy at the Social Security Administration, where he will head the Office of Retirement Policy and focus on reform efforts. Biggs had been with Cato since 1999.

Biggs took a leave of absence in 2001 to serve as a staff member for the President's Commission to Strengthen Social Security. His presence there generated much gnashing of teeth among anti-reform journalists. Ryan Lizza wrote in the *New Republic*, "Andrew Biggs . . . is now a staff member for Bush's commission and helped write its recently released draft report. . . . Since its founding on May 2, the Bush commission's work has been almost indistinguishable from Cato's policy papers. In fact, with its less technical language and virtually identical arguments and examples, the commission's recent report represents a kind of Cliffs Notes for the Cato case that Social Security is broken in a way only privatization can fix."

And Paul Krugman complained in the *New York Times*, "The Bush plan emerged directly from Cato's project on the subject, several members of Mr. Bush's commission on Social Security reform had close Cato ties, and much of the commission's staff came straight from Cato."

Since his return from the commission staff, Biggs has written such Cato studies as "Perspectives on the President's Commission to Strengthen Social Security," the most comprehensive analysis of the commission plans available; "Personal Accounts in a Down Market: How Recent Stock Market Declines Affect the Social Security Reform Debate"; and "Failing by a Wide Margin: Methods and Findings in the 2003 Social Security Trustees Report."



Andrew Biggs

Cato president Edward H. Crane said: "Andrew has been a valuable contributor to Cato's work on Social Security choice, and we're going to miss him. But this appointment is a great opportunity for him and a testament to Cato's leading role in the debate over Social Security policy."

Ray Dorman has joined the Cato Institute as vice president for development, with overall responsibility for the Institute's fundraising efforts. Dorman has more than 20 years' experience in the travel and hospitality industry including extensive work in Europe, Latin America, and the Far East. At Marriott International, he served as vice president for Marriott Rewards Marketing and vice president of finance and strategic planning for Renaissance Hotels and Resorts. More recently he assisted several technology- and travel-related start-up companies in their initial planning, partnership, and capital development efforts.



Ray Dorman



John Tamny

John Tamny has joined the Cato Institute as director of development. He was previously vice president and sales manager for H. C. Wainwright & Co. Economics and before that worked for both Credit Suisse First Boston and Goldman, Sachs in private client services.

A third recent addition to the development staff is development manager **Andrew Chamberlain**, who will write proposals for foundations and corporations and work on direct mail. He previously worked for *Liberty* magazine and the Second Amendment Foundation.

◆ In fact, federal employee quit rates are at an all-time low and have long been lower than private-sector quit rates during the Great Depression

More than one-third of federal employees who took part in a government-wide survey released yesterday said they were considering leaving their jobs, a finding that Bush administration officials call troubling.

—*Washington Post*, Mar. 26, 2003

◆ Next year: high-speed access for the taxpayers

Taking an aggressive stance on the issue of the digital divide, the Kentucky Housing Corporation, or KHC, has listed broadband Internet access among the inalienable rights of its low-income housing residents.

—*Wired News*, Feb. 11, 2003

◆ Bush gets Potomac Fever

As Washington Redskins owner Daniel Snyder and his wife, Tanya, prepared to be photographed with President Bush and first lady Laura Bush during a late-afternoon cocktail party at the White House last Sunday, the president asked Snyder: “How are we looking next year?”

—*Washington Post*, Mar. 9, 2003

◆ Just wait; it may not be that rare

John French Allen . . . estimates that, between grazing war reports among the cable news channels and surfing the Web for information, he’s slept about 14 hours since the war with Iraq started.

“It’s just such a rare opportunity that we get to see something so transparent and huge,” said Allen—and to see it unfold in near real-time.

—*Washington Post*, Mar. 25, 2003

◆ Actually, it doesn’t “go to” anyone; it stays with those who earned it

Democratic Gov. Mark R. Warner today vetoed a proposed estate tax repeal. . . . Democratic Sen. Linda T. “Toddy” Puller (Fairfax) . . . said she would support upholding Warner’s veto, even though she voted for the repeal bill in the winter session.

“I’ve learned more about it, that most of the money goes to a very few people,” Puller said.

—*Washington Post*, Mar. 25, 2003

◆ Do journalists know the difference between rights and power?

Few Arab leaders have tolerated challenge to their rule or relinquished power voluntarily. But the entrenched political order is under increasing pressure from popular demands for economic improvement and more openness. . . .

Qatar has abolished its Ministry of Information, given women the right to vote and drive, and held municipal elections. Yet even in Qatar’s experiment, considered the boldest in the Arab world, some complain that top-down reform is limited. By virtue of the world’s largest gas field, which will keep pumping into the 23rd century, its 140,000 citizens are among the world’s wealthiest and demands for greater rights are rare. A local councilman, Mohamed Saif Kuwari, complained that he had too little power to stop cafe-goers from smoking their water pipes on the sidewalk.

—*Washington Post*, Feb. 27, 2003

◆ Get it now, from cradle to grave

Over the past year, scores of lawmakers have vastly improved their Web sites, transforming them from little more than fancy advertisements into “virtual offices” that provide an

array of services to their constituents. . . .

Rep. George Radanovich (R-Calif.), who also won a Golden Mouse, has a “Life Events” page that provides links to government services for every stage of life, from birth to marriage to death.

—*Washington Post*, Mar. 3, 2003

◆ “Appearance”?

House Minority Leader Nancy Pelosi of San Francisco has pushed through \$1 million in federal funds for a think tank started by her longtime adviser and campaign treasurer, former Lt. Gov. Leo T. McCarthy, sparking concerns that she is rewarding a supporter with taxpayer money.

The \$1 million appropriation for the Center for Public Service and the Common Good at the University of San Francisco was among thousands of items buried in the 3,000-page, \$397.4 billion omnibus appropriations bill that Congress passed last week after just a few hours of debate. The White House says President Bush will sign the bill.

McCarthy, who serves as treasurer of Pelosi’s powerful political action committee, PAC to the Future, is a USF alumnus who gave \$1 million to start the center. . . .

“It certainly gives the appearance of a conflict of interest,” said Tom Schatz of Citizens Against Government Waste.

—*San Francisco Chronicle*, Feb. 21, 2003

◆ Getting tough on failure

In an unusually harsh critique of an agency with a strong global reputation, the White House has questioned the ability of the Drug Enforcement Administration to stem the flow of narcotics and is threatening to give the agency its smallest budget increase in 15 years.

—*New York Times*, Feb. 4, 2003

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