

Contents:

President's Message	2	Roberts Joins Education Team	5	Taxation by Other Means	9
Center Scholars Advance Freedom	3	Debate Workshops	6-7	Free Market Library	10
House Speaker Uses Center Ideas	3	Outgoing Chairman Champions Center	8	New School Choice Staff	12
Media Impact	4	Millennial Agenda	8		

REPORT!

Report Urges Lawmakers to Leave Internet Access to the Market

Governmental attempts to expand the market for Internet access will only lead to less competition and higher prices and also stifle technological innovation, according to a new Mackinac Center for Public Policy report released December 3.

The 19-page report was received by print and broadcast journalists, legislators, and other policy makers at a time when the Michigan legislature is considering a bill that would force cable companies to share their high-speed cable lines with

older and slower dial-up service providers such as America Online (AOL).

Today, most users connect to the Internet using a regular modem and phone line, but an increasing number are taking advantage of new "broadband" technology to ramp up to access speeds as much as 100 times faster. Industry observers estimate



the market for broadband will explode in the next decade, reducing the number of dial-up users to roughly 50 percent of the Internet access market.

Report author and Mackinac Center Adjunct Scholar Dr. Donald Alexander explains that cable television firms See **"Internet"** on page 4

Forbes Calls for Privatizing Social Security at Mackinac Center Candidate Forum

On November 30, the Mackinac Center for Public Policy was pleased to host publisher and Republican presidential candidate Steve Forbes as he shared his vision of Social Security's future with a packed house of state officials, business leaders, and news media.

Echoing ideas outlined in the Mackinac Center study *Saving Retirement in Michi-*

gan: Responsible Alternatives to Social Security, Forbes called for allowing Americans the choice either to stay in the current, failing Social Security system or invest a portion of their payroll taxes in a privatized "personal retirement account," similar to an IRA or 401(k) plan.

"You would own this account, not the government," Forbes told the crowd. "It couldn't be taken away from you. In

your will, you could leave your assets to your spouse, children, relatives, or even your favorite charities."

During a question-and-answer period, Forbes explained that individually owned retirement accounts invested in the stock market would build for retirees a far-larger nest egg over the long run than would the government-run Social Security system.

See **"Forbes"** on page 10

"[Michigan House Speaker Perricone's Workers' Bill of Rights] proposal essentially mirrors the recommendations made by our good friend Bob Hunter of the Mackinac Center for Public Policy."

—Washington, D. C.-based Americans for Tax Reform. See story on page 3.

Board of Directors

D. Joseph Olson, Chairman
Lawrence Reed, President

Richard Antonini
Peter Cook
Hon. Paul Gadola
Todd Herrick
Mara Letica
Edward Levy, Jr.

Rodney Lockwood, Jr.
Bruce Maguire, Jr.
Richard McLellan
Richard Merillat
James Rodney
Linda Shinkle

Board of Scholars

Dr. Donald Alexander
Western Michigan University

Dr. John Attarian
The Social Critic Magazine

Dr. Thomas Bertonneau
Association of Literary Scholars & Critics

Dr. Peter Boettke
George Mason University

Dr. John Bornhofen
Grand Valley State University

Dr. William Browne
Central Michigan University

Dr. Stephen Colarelli
Central Michigan University

Dr. Keith Crocker
University of Michigan

Dr. Robert Crowner
Eastern Michigan University

Dr. Richard Cutler
Michigan Association of Scholars

Robert Daddow
Oakland County Executive

Dr. Stephen Dresch
Jheon & Associates

Prof. Richard Ebeling
Hillsdale College

Dr. Wayland Gardner
Western Michigan University

Dr. Dale Haywood
Northwood University

Dr. Ormand Hook
Michigan Resource Center for Charter Schools

Prof. Harry Hutchison
University of Detroit Law School

Dr. David Janda
Institute for Preventative Sports Medicine

Mrs. Russell Kirk
Author, Lecturer

Dr. Robert Kleiman
Oakland University

Dr. Dale Matcheck
Northwood University

Dr. Paul McCracken
University of Michigan

Dr. George Nastas III
Marketing Consultants

Dr. John Pafford
Northwood University

Dr. Mark Perry
University of Michigan - Flint

Dr. Karen Potter-Witter
Michigan State University

Gregory Rehmke
Foundation for Economic Education

Dr. Steve Safranek
University of Detroit Law School

Louis Schimmel, Jr.
Municipal Advisory Council of Michigan

James Sheehan
Competitive Enterprise Institute

Fr. Robert Sirico
Acton Institute for the Study of Religion and Liberty

Bradley Smith
Capital University Law and Graduate Center

Dr. John Taylor
Wayne State University

Prof. Harry Veryser, Jr.
Walsh College

John Walter, Jr.
Dow Corning Corporation

Dr. William Wilson
Wilson Econometrics

Dr. Martin Wing
GMI Engineering & Management Institute

Dr. Gary Wolfram
Hillsdale College

IMPACT!

Joseph Lehman
Editor Emeritus

David Bardallis
Managing Editor

Daniel Montgomery
Graphic Designer

IMPACT! is a quarterly publication of the Mackinac Center for Public Policy, a nonprofit, nonpartisan, tax-exempt research and educational organization classified under section 501(c)(3) of the IRS code.

Mackinac Center for Public Policy
140 West Main Street
P.O. Box 568

Midland, Michigan 48640
(517) 631-0900 • Fax (517) 631-0964

www.mackinac.org • mcpp@mackinac.org



Lawrence Reed
President

Ideas Are Bigger Than Personalities

Arriving back at the office after a week out of town recently, I was greeted by new blue lines that had been painted on our parking lot to denote assigned spaces. Boldly emblazoning the spot that has been mine since we moved into our new headquarters building two years ago was the word VISITOR.

Of course the painters had erred, but the mistake was good for more than a few laughs at the office. It also reminded me that truly successful institutions are bigger than any one individual. Indeed, a good leader is one who builds an organization of strong people and loyal supporters that will outlast the leader's own tenure.

Recent events at Hillsdale College provide a case in point. The school's ideological opponents attempt to twist one man's failings into an indictment of something larger: the college, or even the entire national movement that seeks to strengthen traditional American values.

But thoughtful people who really know Hillsdale are of a different view. George Roche's contributions were legion, but in the end his failings were his alone. The college will go on and do well, because the college never was just George Roche. Hillsdale College is its students, its faculty and staff, its board of trustees, and its innumerable and faithful friends from coast to coast—all devoted to a mission that does not depend on one individual.

This is a point we stress at the Mackinac Center when leaders from similar organizations around the country attend our Leadership Conferences to learn how to be more effective. We tell them how we have consciously worked from our earliest days to make sure the Mackinac Center never becomes "The Larry Reed Show." Here is how we accomplish that:

- We hire people with management and leadership skills, not just policy expertise. We continually work to empower each person to assume maximum responsibility and to become leaders in their own right.
- We provide many of our staff and Board of Scholars members with opportunities to speak to the public and the media so that the public face of the Mackinac Center is not that of one person.
- We foster a culture without the *cult*. No person on staff is an extension of the president. Each has his or her own specialties and is accountable for results. Ideas motivate us, not personalities.
- We ask members to contribute to the Mackinac Center not because of one person, but because of the vital work and mission of our organization.
- We even constructed a building architecturally designed to reflect the permanence and stability of an organization far larger than any one person.

Leadership, teamwork, planning, organization: These are the ingredients for success, and your support enables the Mackinac Center to prove it every day.!

Truly successful institutions are bigger than any one individual.

Mackinac Center Scholars Plan New Millennium of Freedom

Nearly two dozen of Michigan's top scholars convened November 5-6 at the Mackinac Center for Public Policy's Midland headquarters to discuss free-market policies, chart future strategies, and celebrate another year of progress in advancing the cause of freedom.

The annual "scholar summits" allow experts from the Center's 38-member Board of Scholars to exchange ideas concerning a host of public-policy issues ranging from education and labor to privatization and the environment.

Presenters included Dr. Donald Alexander of West-

ern Michigan University, who discussed his new study warning against government intervention in the innovative market for Internet access (see story on page 1); Dr. Mark Perry of the University of Michigan at Flint, who provided a first-hand account of his experiences with Russia's efforts to establish a market economy; Dr. Thomas Bertonneau of the Association of Literary Scholars and Critics, who explained how the phonetic origins of the English language dictate that schools use traditional methods to teach literacy; Dr. Richard Cutler of the Michigan Association of Scholars, who offered new approaches for advancing

free-market ideas; and Dr. Gary Wolfram of Hillsdale College, who advocated



Supreme Court Justice Robert Young, Jr., emphasizes that freedom ultimately depends upon the kind of accurate information and education that citizens receive from institutions like the Mackinac Center.

more freedom for parents to choose their children's schools.

Guest of honor and newly appointed Michigan Supreme Court Justice Robert Young, Jr., delivered the keynote address, explaining the judiciary's vital role as a check against government infringements of citizens' constitutionally guaranteed rights.

Scholars also received policy updates from Senior Vice President Joseph Overton, Vice President of Communications Joseph Lehman, Director of Education Policy Matthew Brouillette, Director of Labor Policy Robert Hunter, and Labor Research Assistant Mark Fischer. **!**

Legislators Take up Mackinac Center Recommendations for Protecting Workers' Rights

Building on the work of Mackinac Center labor experts, Michigan House Speaker Charles Perricone unveiled in a September 2 *Detroit News* column a bold legislative agenda designed to "empower the hard-working men and women of Michigan."

The five-point "Workers' Bill of Rights" incorporates three key reforms researched and advocated by former National Labor Relations Board member and Mackinac Center Director of Labor Policy Robert P. Hunter and Labor Research Assistant Mark L. Fischer. Among other things, it would

Court decision *Communications Workers v. Beck* to receive a report on how their dues are spent by their union and to withhold payment—or



Michigan House Speaker Perricone discusses "paycheck protection" during a September 3, 1998, visit to the Mackinac Center's Midland headquarters.

receive a refund—of that portion spent on "non-collective bargaining" activities including political contributions;

- provide workers with "pay-check protection," which requires unions to receive annual, up-front permission from each individual worker before spending his or her dues on political and other non-collective bargaining purposes; and
- provide workers with an annual, independent audit of how their union has spent their dues over the past year.

The Washington, D. C.-based Americans for Tax Reform, a national leader in the effort to help union workers regain control of how their dues are spent, said Perricone's legislative agenda "essentially mirrors the recommendations made by our friend Bob Hunter of the Mackinac Center for Public Policy."

In October and November, state Representative Robert Gosselin, chairman of the Employment Relations, Training, and Safety Committee, held statewide hearings to take workers' testimony about the need for greater protection of their rights. At each hearing, reform opponents disrupted the proceedings.

In a December 6 *Detroit News* commentary, state Representative Wayne Kuipers responded that the hearings proved the need for a Workers' Bill of Rights. State Representative Julie Dennis described workers testifying in support of their rights before unfriendly union supporters as "lambs being led to the slaughter." **!**

- inform workers of their rights under the 1988 U. S. Supreme

News Media Rely on Mackinac Center for Accurate and Timely Research

Here is a sampling of last quarter's Mackinac Center for Public Policy media exposure:

- *Investor's Business Daily* and *The Detroit News* prominently featured Mackinac Center studies on Michigan economics and history textbooks in

Center for a November 30 policy address (see page 1) received wide coverage across the state, from WJRT-TV12 in Saginaw to *The Detroit News*. Forbes called for privatizing Social Security, a recommendation made in the Center's 1998 study, *Saving Retirement in Michigan: Responsible Alter-*



Steve Forbes explains the important role ideas play in politics to WJRT-TV12 reporter Tony Miller during a live broadcast outside the Mackinac Center.

two editorials denouncing political bias in textbooks used by the nation's high school students.

- Republican presidential candidate Steve Forbes's second visit to the Mackinac

natives to Social Security.

- Director of Labor Policy Robert Hunter explained in a September 21 *Detroit News* essay that the Detroit teachers' strike was illegal and recommended a stronger

approach to preventing future strikes.

- In a point-counterpoint in *The Detroit News*, Hunter argued that the contract recently signed between the United Auto Workers and DaimlerChrysler was more beneficial for the UAW leadership than for union workers.
- President Lawrence Reed wrote in a November 14 *Detroit News* commentary that former Hillsdale College President George Roche's downfall cannot tarnish the school's achievements as a bastion of independence and traditional American values.
- In an editorial opposing a "living wage" law tentatively approved by the city of Warren, *The Detroit News* cited the Mackinac Center's view that Detroit's "living wage" law only hurts businesses and employees by making workers less affordable.
- *The Detroit Free Press* cited the Mackinac Center study *Reforming Property Forfeiture Laws to Protect Citizens' Rights* in a report on Joe Puertas, a businessman fighting an unjust seizure of his property by Oakland County.
- Adjunct scholar Sam Staley's

commentary in the *Detroit News* criticized the Sierra Club's recent rating of U. S. cities according to their efforts to curb "urban sprawl" for ignoring private efforts at land management.

- Vice President of Communications Joseph Lehman was quoted in the November 1 *Detroit News* saying that the Michigan Economic Development Corporation is "justifying its existence" with its report advocating government action to lure workers into the state.
- Numerous Michigan newspapers reprinted the *Jackson Citizen Patriot's* editorial criticizing a \$650,000 state subsidy to Muskegon first exposed in a widely published *Viewpoint* by President Lawrence Reed as corporate welfare that would allow a Wisconsin-based ferry service to unfairly compete with an unsubsidized ferry service based in Ludington.
- Director of Education Policy Matthew Brouillette debated education reform with MEA Vice President Iris Salters on Metro Live, a cable access program seen by viewers in East Lansing, Lansing, Grand Rapids, and Saginaw.!

"Internet" from page 1

already have the infrastructure in place to provide high-speed broadband access to consumers, while telephone companies and other service providers are racing to catch up.

As a result, AOL and others are "sounding the clarion call for government assistance because they fear that cable firms will monopolize the market for

Internet access," says Alexander.

Government intervention, however, would ultimately lead to "higher costs for consumers and no significant increase in the number of Internet access options," writes Alexander. "If cable firms are not able to compete and enjoy the full benefits of their investments, these firms are less likely to undertake

the risks to develop new Internet technologies in the first place," he says.

Alexander recommends that lawmakers refrain from passing so-called "open access" legislation and instead increase competition in the cable industry by ending the practice of granting local cable monopoly franchise agreements. Local cable monopolies, says

Alexander—not the cable firms' broadband capability—are the real inequity lawmakers should address.

The report, *Internet Access: Government Intervention or Private Innovation?* is available at no charge on the Mackinac Center's Web page, www.mackinac.org, or for \$5 by calling (517) 631-0900.!

Legislators Learn about Labor at Luncheons

Dozens of state officials, policy makers, and legislative aides gathered in October and November to attend the Mackinac Center for Public Policy's two most recent Issues and Ideas luncheons in Lansing.

On October 28, Detroit Public Schools interim chief executive officer David Adamany discussed before a crowded house the obstacles he faces in his attempt to reform the troubled district of 180,000 students.

Adamany explained that only a few—43 out of 22,000—Detroit district employees are not in a union, creating problems with unionized school administrators supervising workers who are also unionized. He endorsed a bill moving through the legisla-

ture that would end collective bargaining for school principals and administrators, thereby removing any conflicts of interest and allowing needed school reforms to be adopted.

The Associated Press reported Adamany's remarks at the luncheon in a story reprinted in newspapers throughout the state.

David Denholm, president of the Virginia-based Public Service Research Foundation, addressed policy makers and staff on November 10, outlining the past, present, and future of the union movement in Michigan.

Denholm explained that although union membership is growing among government employees, it continues to plummet among private-sector workers due to in-



David Adamany tells legislators a stronger anti-strike law is needed to ensure that teacher walkouts do not cause Detroit's 180,000 students to again miss class.

creased competition as a result of deregulation, the globalization of commerce, and other factors.

"America is moving toward an almost union-free society," Denholm told the audience, which included union officials. "In a sense, the market will repeal the old, monopolistic way unions represent workers."



David Denholm explains that union membership in the state is declining even though Michigan lacks a right-to-work law.

Issues and Ideas luncheons provide regular forums to equip government officials with a broader understanding of the legal, economic, and philosophical principles of a free society so that they may apply sound solutions to today's public-policy problems.!

Education Policy Department Forges Ahead with New Team Member

The Mackinac Center's full-time Education Policy Initiative (EPI), launched in 1998, has been at the heart of the burgeoning grassroots effort to allow Michigan parents greater freedom to choose schools that work for their children. That heart is beating stronger than ever with the addition to the EPI team of attorney and Education Policy Researcher and Writer James A. Roberts, II.

Roberts helps write and edit articles for *Michigan Education Report (MER)*, the

Center's quarterly journal of education news and commentary received by over 130,000 teachers, parents, and administrators. He also helps scour Michigan and national newspapers for education-related news, analysis, and research to summarize for the thousands of teachers who rely on *MER*'s free weekly e-mail service, *Michigan Education Digest*, for up-to-date information concerning their profession.

Roberts's skills also allow EPI to increase its already-



Roberts's skills as an attorney help the Center's education policy team file legal documents to obtain financial and other information from Michigan school districts.

impressive volume of education studies and reports, including the upcoming second edition of the popular and comprehensive handbook, *School Choice in Michigan: A Primer for Freedom in Education*. The handbook is part of EPI's regular Freedom in Education Training Seminars, which equip citizens with the facts they need to make a persuasive case for school choice to their neighbors, friends, and representatives (see story on page 12).

See "**Roberts**" on page 10

Twelfth Annual Mackinac Center Debate Workshops Educate, Inform Future Leaders

September and October marked the twelfth year students throughout Michigan honed their debating skills at the Mackinac Center for Public Policy's annual High School Debate Workshops, conducted each fall in five Michigan cities.

The day-long educational sessions—held in Grayling, Jackson, Livonia, Grand Rapids, and Midland—focused on the 1999 National Debate Resolution, *Resolved: that the federal government should establish an education policy to significantly increase academic achievement in secondary schools*. The National Foren-

sic Association chooses the annual resolution.

Over 650 debate students and coaches from 39 schools received intensive instruction in constitutional, economic, and philosophical principles to help them formulate arguments that consider the role freedom and competition play in improving education. Students also received information-filled packets to help them better research and understand school reform issues.

Presentations were given by expert instructors including David Beers, a consultant for

the Foundation for Economic Education (FEE); Gary Leff, director of development for George Mason University's Institute for Humane Studies and Mercatus Center; Gregory Rehmke, director of FEE's High School Speech and Debate Program; and Matthew Brouillette, director of education policy at the Mackinac Center.

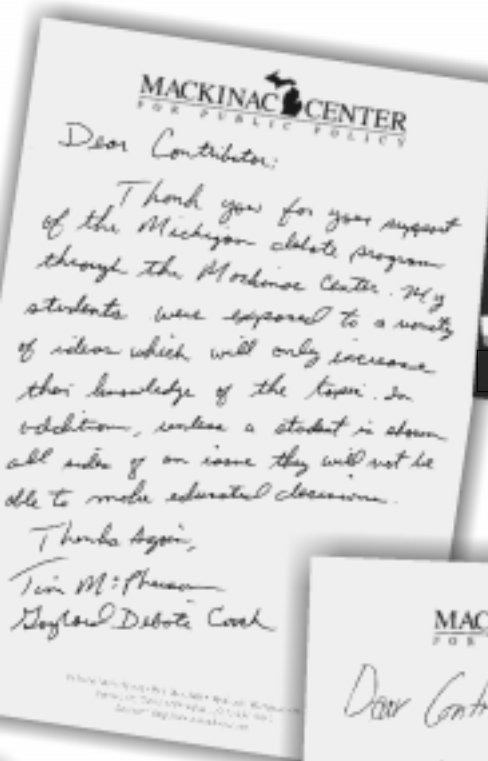
Participants praised the workshops for presenting views that students otherwise may not consider. "My students were exposed to a variety of ideas which will only increase their knowledge of the topic," said Tim

McPherson, debate coach for Gaylord High School.

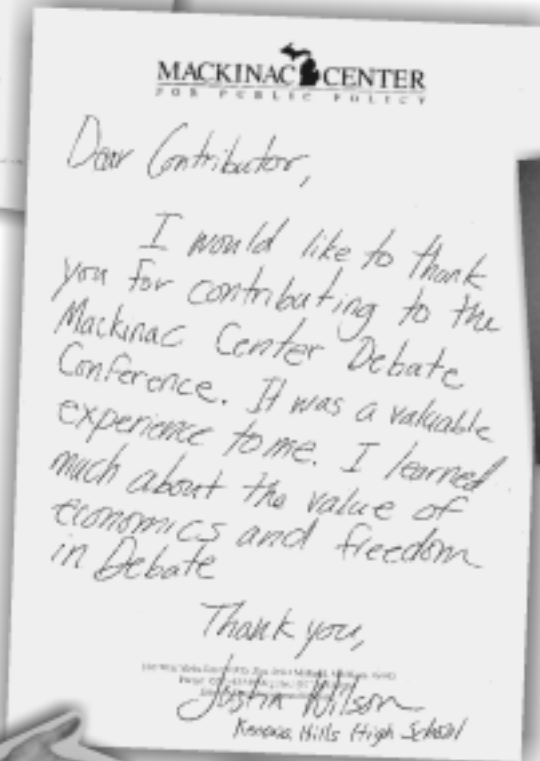
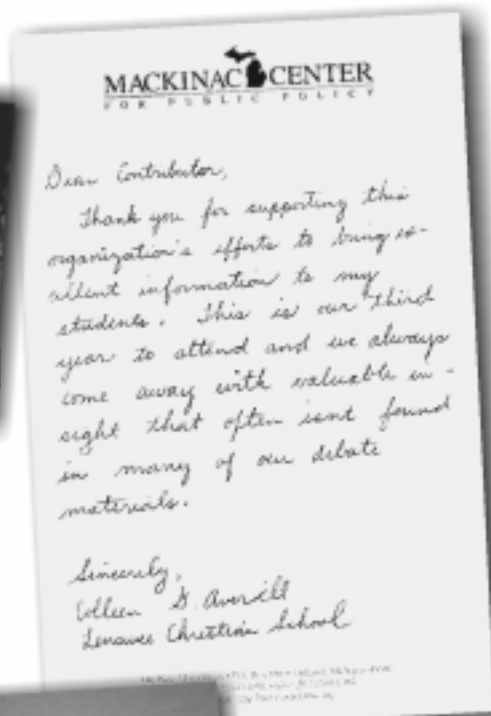
"Mackinac Center workshops aim to give students theoretical and empirical arguments and information they can use to form a complete picture of an issue," said Workshop Director Catherine Martin.

The Mackinac Center also provides an interactive "Ask the Debate Coach" service, which debaters access via the Internet at www.mackinac.org. This feature allows students to ask questions about the debate topic and receive expert help within 48 hours.!

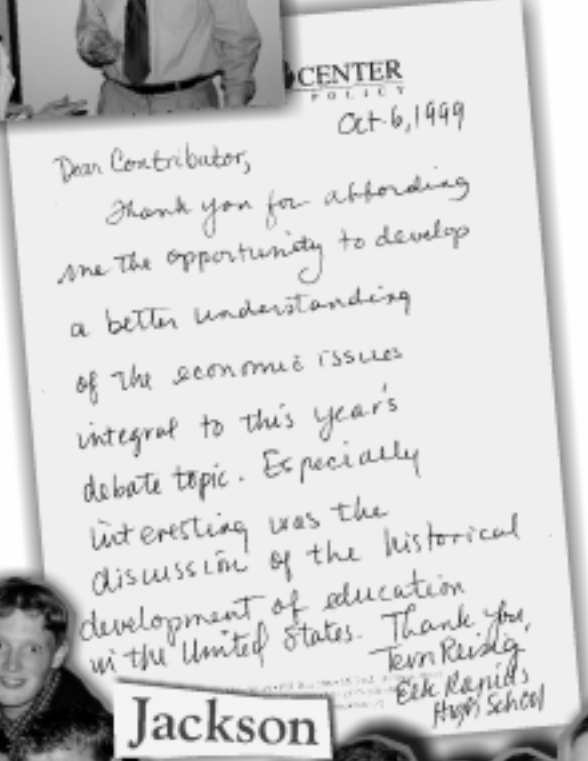




Debate students learn why America's founders considered education a matter best left in the hands of parents and local communities.



Forest Hills Central debate coach Pamela Medford-Tow thanks Gregory Rehmke for exposing her students to facts and arguments they cannot find anywhere else.



Outgoing Board Chairman Has Great Expectations

Richard Antonini, president and CEO of Foremost Corporation of America and outgoing chairman of the Mackinac Center for Public Policy's Board of Directors, has some advice for his successor: "Expect great things!"

Antonini certainly does. The Grand Rapids native had little notion, when he graduated from Ferris State University in Big Rapids, that he would eventually head one of the nation's major insurance companies. Nor did he expect that his company's success would be

crowned by an \$812-million merger with one of the most successful insurers in the world, the Farmers Insurance Group of Companies.

"All of us in business take risks," says Antonini. "Politicians who always play it safe miss tremendous opportunities to dramatically improve the quality of life for Michigan citizens."

That is why Antonini enthusiastically supports—through personal and corporate contributions—the Mackinac Center's efforts to point out such opportunities through scholarly research, influen-



Richard Antonini

journalists, and citizens.

As chairman of the Board of Directors since 1995, Antonini presided over the Mackinac Center's most rapid growth, from a 10-person staff and annual budget of \$786,500 to today's 26-person staff and \$2.2-

tial commentaries, and educational programs that reach a wide audience of state and local policy makers,

million annual budget. Antonini's generous support also helped the Center secure its new \$2.4-million, 17,000-square-foot headquarters building.

"Dick Antonini has been a down-to-earth, no-nonsense, take-charge kind of chairman," says Mackinac Center President Lawrence Reed. "We will miss him as chairman, but we are delighted he will be staying on the board and giving us the benefit of his great insights in the future."!

Agenda for the Millennium

I am often asked if the Mackinac Center for Public Policy "has an agenda." Because we are a nonprofit, nonpartisan organization, the anticipated response is, "Of course not. Don't be silly." My answer, to the contrary, is always, "Yes!" Our agenda is to advance civil society by showing policy makers and citizens how to solve problems through voluntary action based on sound economics and respect for individual rights.

In November 1990, the Mackinac Center published *Michigan: An Agenda for the 90's*, which outlined 20 recommendations for public-policy reforms in Michigan. The Engler administration implemented 16 of these recommendations in its first term. These bold changes contributed to the incredible



James E. Kostrava

rebound in the prosperity of our state.

In January 1999, the Mackinac Center released *Keeping Michigan on Track: A Blueprint for Governor Engler and the 90th Legislature*, which included 41 policy recommendations. Two important recommendations—providing union workers with "paycheck protection"

against unauthorized expenditure of their dues for political purposes and expanding parental choice in education—are moving forward in the legislature and at the ballot box.

The Mackinac Center's agenda is the agenda for the new millenium: freedom, opportunity, and prosperity for all Michigan citizens. Your support provides the resources needed to put the right ideas in the hands of those who have the power to change things. Please help us to advance the agenda of freedom by inviting your friends and associates to join the Mackinac Center.

This is my last article for *IMPACT!*, as I will be leaving the Mackinac Center to pursue other career opportunities. I would like to thank everyone with whom I have

been associated here at the Center since 1995 for the chance to promote the principles of individual liberty that I hold so dear. It has been a privilege and a pleasure to work with such a brilliant group of colleagues, all of whom are also passionate about these principles. I am honored to have represented the Mackinac Center and I will be forever grateful for having had this opportunity. There is still much to be done for freedom, so please keep up the good work! !

James E. Kostrava was the Mackinac Center's Vice President for Development from 1995-1999. Christina Smith is our new Vice President for Advancement. Read more about Christina in the next issue of IMPACT!.

Taxation by Other Means

by Max Schulz

When Congress takes up the issue of tax relief, too often the debate concentrates on money. That is, the arguments about taxes, pro and con, focus solely on the money due to the federal government each April 15. This shows the shortsightedness of the political class in determining the laws under which you and I must live.

Whether haggling over the details of estate taxes, sin taxes, or capital gains taxes—not to mention the income tax—denizens of Washington, D. C., underestimate the average American's tax burden. Discussion at each end of Pennsylvania Avenue assumes those are the only levies he pays in exchange for the government he receives. In reality, state and local taxes (especially property and sales taxes) add to our crushing tax obligations.

But even factoring in these charges, there are still other ways government taxes us. We would do well to remember—especially when politicians of all stripes grandstand on “tax relief”—that many (if not most) activities of government impose onerous burdens. They aren't direct payments to a government treasury, but they are nonetheless taxes on our time, our labor, our freedom.

Take the IRS code itself. The government requires citizens to conduct its tax collection, making people bookkeepers for the federal leviathan. Even the simplest 1040 form requires time-consuming labor without hint of remuneration—a classic unfunded

mandate. And the sheer complexity of a tax code that runs to thousands of pages means that Americans are forced to spend untold time and money to pay their annual tribute.

A slew of such implicit taxes, kept off the government's balance sheet, are to be found in every facet of daily life:

- **Regulations.** The rules government mandates for us are hidden taxes. A law, after all is a tax on behavior. The government is as likely to overtax through laws and regulations as it is through more traditional levies on our paychecks. These hidden taxes are insidious precisely because we don't always notice them. They don't show up as actual payment to the Treasury. Yet they still are costs we incur to do the government's bidding. The shop owner who must install a ramp to comply with the Americans With Disabilities Act pays a real price.

- **The legal system.** Our out-of-control tort system allows people to play a roulette

game of legalized extortion. The tax? Our constant exposure to the legal harassment of frivolous lawsuits. Not only does government fail to protect businesses and individuals from the truly frivolous suits, but the vague and inexact laws Congress passes often encourage them. Moreover, we are taxed in the marketplace, where the problems of the tort system translate into higher prices for nearly all products and services.

- **Price supports.** Price-support policies on sugar and other agricultural products drive up the prices we pay for virtually every meal.

no federal tax money. Its operating costs aren't figured into the annual budget, but are covered by revenue from the sale of stamps. So where's the tax? In the artificially high price of stamps. Those self-congratulatory claims are misleading because the government reserves to the Postal Service a monopoly on first-class mail delivery. As a result, the price we pay for postage is far higher than it likely would be in an unfettered market.

- **The monetary system.** Washington also reserves to itself the monopoly on currency: competing private



Citizens pay the tax for this corporate welfare at the cash register.

- **The Postal Service.** The Postal Service constantly congratulates itself for taking

currencies are illegal. While this may seem esoteric, what it means is that we have no choice but to use the government's money. The least government can do is

See “Taxation” on page 10

"Forbes" from page 1

Forbes is first to answer the Mackinac Center's invitation to all Republican and Democratic 2000 presidential candidates to deliver a major policy address at the Center's Midland headquarters.

"Public policy is all about ideas. The Mackinac Center is delighted that Steve Forbes accepted our invitation to speak to Michigan citizens about his ideas," said President Lawrence Reed. "We hope



President Lawrence Reed and Forbes discuss how free-market policies enacted on the state level can provide Washington politicians with a sound model for federal reforms.

that other candidates will take advantage of our offer to help ensure that the

people of Michigan will make a well-informed choice for president in the new millennium."

This was Forbes's second visit to the Mackinac Center. In June 1998, he delivered the keynote address at the Center's 10-year anniversary gala, celebrating a decade of advancing sound policy in Michigan.!

"Roberts" from page 5

"Jim's passion for freedom and deep knowledge of education-related issues combine to provide a tremendous asset to our education team," said Matthew Brouillette, director of education policy.

Roberts earned his undergraduate degree from the University of Michigan and his law degree from Cornell Law School, where he served as a managing editor of the *Cornell Law Review*. He also served as editor-in-chief of the *Michigan Review*,

a campus affairs newspaper at the University of Michigan and interned at *Policy Review*, a bimonthly journal published by the Washington, D. C.-based Heritage Foundation.!

"Taxation" from page 9

guarantee a stable value of money, as a gold standard would accomplish. It doesn't. Inflation—and anxiety about future inflation—can be a deadly hidden tax on savings and investment, robbing people decades down the road.

We suffer many other taxes in our everyday endeavors. We need licenses to drive, licenses to operate many kinds of business, and permits to build on our own property. Each usually involves a fee in addition to the hassle of petitioning the

appropriate authority for approval. When you have to take time off from work to stand in line to pay the government for a stamped slip of paper in order to continue—well, working—you are being taxed on several levels.

A tax isn't necessarily money we give the government. Rather, a tax is a way for the government to control us. Taxes of all types make us the servants of the state, both when we send tribute to Washington or when we work to satisfy regulatory mandates.

Taxes, it is said, are the price we pay to live in an orderly society. Fair enough. Just don't forget that this "price" includes far more than the coins we drop in Uncle Sam's coffers.!

Adapted with permission from The Freeman, February 1998, published by the Foundation for Economic Education (FEE). Mackinac Center President Lawrence Reed is chairman of FEE's board of directors.

Viewpoint Commentaries

Organ Donation: Saving Lives through Incentives

October 1999 VP 99-34

Medical demand for transplantable organs in Michigan far exceeds the number of people willing to donate them. An incentive-based system that encouraged more people to donate organs could save thousands of lives each year.

Time to Repeal the Politically Correct Toilet Law

October 1999 VP 99-35

In 1992, Congress banned the standard 3.5-gallon toilet in favor of "water-saving" 1.6-gallon toilets. Seven years later, it is clear the new toilets not only don't flush properly—they don't even save water.

School Choice Has Been Tried—And It Works!

October 1999 VP 99-36

Allowing parents greater freedom to choose the schools their children attend will lead to educational disaster, claim defenders of the status quo. But examples of school choice in modern-day and historical America show otherwise.

The Crash of 1929: Could It Happen Again?

October 1999 VP 99-37

The 1929 stock market crash and subsequent Great Depression caused widespread suffering in Michigan. Could such economic disaster happen again today? Only if government pursues the disastrous policies of the 1920s and 1930s.

Anti-Jitney Laws Take People for a Ride

November 1999 VP 99-38

Detroit and other cities that outlawed "jitneys"—low-fare

transportation service providers—at the urging of higher-priced taxi and bus companies should repeal their bans and let jitneys legally serve poor citizens who need a ride.

Why Punish Senior Citizens Who Want to Keep Working?

November 1999 VP 99-39
 The Social Security “earnings test” discourages senior citizens from working past age 65 by decreasing their benefits if they do. Why do this at a time when employers are desperately seeking experienced workers?

Economic Freedom, Not Government Favoritism, Brings Jobs to States

November 1999 VP 99-40
 Companies base their decisions about where to create new jobs not on government programs that offer them selective subsidies or tax credits, but on the overall freedom of a state’s business climate.

Shattering the Myth of the “Glass Ceiling”

November 1999 VP 99-41
 Women are said to be held back from positions of corporate leadership by a discriminatory “glass ceiling,” but factors other than sex discrimination help account for fewer female executives compared to males.

MEGA: Real Jobs or Smoke and Mirrors?

December 1999 VP 99-42
 State officials claim to be “creating jobs” with gimmicky government tax incentive programs, but the current tight labor market means they are more likely shifting jobs from some Michigan companies to others.

Deauthorization: The Union Workers’ Trump Card

December 1999 VP 99-43
 Michigan is not a “right to work” state, but private-sector workers can still vote to hold their unions accountable by withholding dues payments from unresponsive or abusive unions.

Punishing Success: The Microsoft Anti-Trust Decision

December 1999 VP 99-44
 Microsoft has been condemned in the press and the courts as a monopoly, yet the software firm’s only crime is that too many people choose to use its products.

EPA’s Bad Science Targets Michigan Farmers

December 1999 VP 99-45
 EPA bureaucrats are aiming to expand their authority over agriculture by using junk science to make grandiose claims about pollution caused by water runoff from farms.

Journals



Michigan Education Report

MER99-04 \$3.00
MER reports on the Detroit teachers’ strike, the political battle over the Kids First! Yes! school voucher initiative, charges of hypocrisy against the ACLU on school choice, and more. Commentaries focus on using standardized tests as a tool for imposing “social equity,” and a former member of the Michigan Board of Education debates a school district policy analyst over whether public schools are failing. 12 pages.

Michigan Privatization Report

MPR99-04 \$3.00

 This issue of *MPR* highlights private-sector efforts to preserve the environment, including the creation of “water markets”; non-profits organized for environmental protection; and public-private partnerships for reducing pollution. Other features show how government can actually damage private efforts to protect the environment and highlight environmentally centered charter schools. 20 pages.

Studies & Reports

Internet Access: Government Intervention or Private Innovation?

S99-08 \$5.00
 The Internet has revolutionized the way people communicate and do business, and new “broadband” technology promises even greater benefits through high-speed Internet access.

Major cable companies currently have a head start in the market to provide broadband to consumers, but older and slower Internet service providers (ISPs) say that cable companies have an unfair advantage. The ISPs are forming alliances to lobby government to force the cable companies to provide all ISPs with “open access” to their high-speed broadband lines on equal terms.

This study shows how government intervention in the broadband market would significantly increase costs for Internet consumers and recommends that policy makers refrain from interfering with broadband technology and instead allow greater competition between local cable providers in order to maximize the potential of this exciting new technology. 19 pages.

Trade Liberalization: The North American Free Trade Agreement’s Economic Impact on Michigan

S99-09 \$5.00
 The North American Free Trade Agreement (NAFTA) is nearly six years old. Has it benefited Michigan’s economy? Or has it destroyed jobs and hampered prosperity, as predicted by many who participated in the national debate that raged for two years prior to its ratification?

The verdict is in, and the available data clearly show that free trade is proving to be a significant boon to Michigan businesses and citizens. This study analyzes five years of trade figures to show that the tariff cuts enacted by NAFTA have led to significantly increased Michigan exports to Canada and Mexico. The study concludes that, on balance, removing government barriers to trade has been a positive step toward increasing the prosperity and standards of living for Michigan citizens—and citizens throughout America, Canada, and Mexico. 27 pages.

How to Order

VIEWPOINTS: *Viewpoints on Public Issues* are two-page commentaries on current Michigan policy issues. Three or four are published each month. Individual *Viewpoints* are 50¢ each. Please call for bulk discounts.

All publications are available at no charge via the Internet at **www.mackinac.org**.

For telephone orders, please call the Mackinac Center at (517) 631-0900. The Center accepts Visa, MasterCard, and Discover/NOVUS for your convenience. Please have your card and item title(s) handy when calling. If you do not have the Mackinac Center for Public Policy’s current publications catalog with a complete listing of all Mackinac Center publications, please request your free copy when ordering.

Former Teacher, Marketing Expert Educate Citizens about School Choice

Mackinac Center
for Public Policy
Freedom in
Education

Training Seminars (FETS) have already equipped many Michigan citizens with the facts and arguments they need to promote effective education reform at the grassroots level in their communities and throughout the state.

Now two new staff members are taking the FETS program's goal of training citizens to a new level of effectiveness as Michiganders consider placing a school choice proposal on the November 2000 ballot. Education Project Manager William D. Huber and Education Project Administrator Brian W. Scoles have embarked on an aggressive program to raise public awareness statewide of how greater competition via parental school choice can



Huber and Scoles brainstorm ways to inoculate even more citizens against the anti-school choice myths propagated by defenders of the status quo.

improve all schools, public and private.

School choice has succeeded where it has been tried. Students using tuition voucher programs to attend private schools in Milwaukee and New York City are outperforming their public school counterparts, and charter schools and other

options have spurred innovation and improvements in Michigan's public schools.

Huber, a former public school teacher and assistant principal, uses his wealth of organizational skills and experience to coordinate the FETS program. He served as administrative assistant to state Senator Robert W. Davis

and for 14 years was Davis's chief of district staff when Davis was elected to Congress to represent Michigan's 1st District. In this position, Huber specialized in legislative and political issues including education and the environment.

Scoles applies his communications and marketing experience as a former Northwood University public relations professional to design and write FETS materials including news releases, promotional and educational brochures, and content for the upcoming FETS Web site.

Scoles received his bachelor's degree in business administration in marketing and business management from Northwood and is currently completing a graduate degree in communications from Saginaw Valley State University.!


MACKINAC CENTER
FOR PUBLIC POLICY
140 West Main Street • P.O. Box 568 • Midland, Michigan 48640

NON PROFIT ORG.
U.S. POSTAGE
PAID
MIDLAND, MI 48640
PERMIT #275