

Oh, Canada? Mackinac Center Videos Expose the Harm of Government Health Care



Mike Jubenville of Windsor, Ontario, suffered extreme constant pain after a botched neck surgery in Canada. He received the proper care in the United States and is again healthy and active.

In our lifetime, there has probably never been a greater domestic threat to Americans' individual liberty, fiscal future, medical choices and personal security than the so-called health care "reform" legislation now working its way through Congress.

The Mackinac Center for Public Policy could not sit on the sidelines. Given the imminence of the threat, Mackinac Center Senior Legislative Analyst Jack McHugh chose a direct approach: Viscerally demonstrating the human cost of turning over health care choices to the government. He commissioned a series of videos documenting the suffering of individual Canadian citizens subjected to the rationing-by-waiting-list of that country's single-payer health care system.

Producing and distributing the videos was a three-step process. First, with the help of Nadeem Esmail at the Fraser Institute, a Canadian free-

see "Health Care Videos" Page 9

THE MACKINAC CENTER BLOG

The MC Takes the Stage

Blogs are commonplace these days — one search engine alone claims to index more than 112 million of them. However, one does not have to spend much time on the Web to discover that many of these blog sites are unhelpful and unsatisfying, dedicated to blather, hyperbole, gossip and personal opinion. So when the Mackinac Center decided to launch a blog, we knew it had to be stellar and unique, something that would stand out from the crowd.

The reason for creating a Mackinac Center blog was to establish one more pipeline that would deliver our research and insights to a larger audience. The objective was for our scholars to address timely topics with relevant, fact-supported analysis in real time. What would make the blog unique is that its postings would address public policy consequences in a

way that anyone could appreciate, regardless of his or her politics.

The Mackinac Center Blog, also known as "The MC," was launched on Sept. 24. It met with instant success. Reporters, editors and talk show hosts began to call Mackinac Center scholars about specific posts. Some of the postings were reprinted verbatim in newspapers. Page views on our Web site — already more than 100,000 per month — increased by 25 percent.

The blog allowed for staff to draw attention to breaking developments related to their policy research. When Communications Specialist Kathy Hoekstra received a letter from the Michigan State Police indicating that information she requested through the Freedom of Information Act would cost

see "The MC Blog" Page 4

CONTENTS

- 2 President's Message
- 3 Capitol Confidential Hits 10,000 Subscribers
- 3 Updates
- 5 Media Impact
- 6 Debate Workshops
- 8 Creative Gifts
- 8 Inspiring Liberty
- 10 Free-Market Fundamentals
- 10 Henry Payne Cartoon
- 11 Free-Market Library
- 12 SFE Health Care Forums

"I just wanted to thank you all for continuing to send classroom sets of MichiganScience for my high school environmental science classes. We go through every article of every issue. After we have used them and discussed the issues in class, I allow students to take home copies for sharing with their family members. Times are tough for schools and everyone else, so I am particularly grateful to have this resource in my classes."

Brandy Miller, Waverly High School science teacher

PRESIDENT'S MESSAGE

New Year's Resolutions for Real Reform



Joseph G. Lehman
President

Some historical leaders famously wrote resolutions to help them achieve lofty goals. Even if they didn't keep them perfectly, they probably came closer than if they had set their sights low.

In that spirit, I humbly offer some model resolutions for real reform of our troubled state as we approach the new year.

For government officials — Resolved: to read our constitutions and my oath of office and pursue no action that is not in strict fidelity to those documents; to pursue no policy that benefits my constituents at the expense of anyone else's; to maintain a voting record that matches my speeches; to acknowledge that government is the means of protecting my constituents' rights and freedoms and not the means by which some constituents acquire resources from others; and to spend public monies and exert government authority with complete transparency, subject to the greatest public scrutiny and highest moral standards.

For candidates for public office — Resolved: to campaign on policy issues and not personalities and platitudes; to prepare, if elected, to resist strong pressures to serve "the system" instead of the people; and to never sacrifice lofty principles to gain a single vote, dollar or day in office.

For leaders of businesses, religious institutions and other private organizations — Resolved: to remind public officials and candidates that I represent the sector of society that produces the wealth and social capital from which everyone benefits; to expect government to act as an impartial referee and not an active participant in the market; to refuse to seek government protection of my interests at the expense of others; and to educate those I lead in sound principles of government.

For citizens — Resolved: to remember that the price of liberty is eternal vigilance; to withhold support from those who promise people like me special government favors, or something for nothing, or to foist today's problems on our children and grandchildren; to actively support those who advance sound policies; and to educate our children on the proper role of government and the awful consequences of its abuses.

For supporters of liberty and the Mackinac Center — Resolved: to remember that those who have actively fought for freedom and provided for its support have always been few in number; to be quick to tell the Mackinac Center how it can better advance liberty; to receive the Mackinac Center's grateful thanks; and to remember that even if we friends of limited government are outspent, we are not outgunned. Our principles inspired the revolution that wrested control of a continent from the world's lone superpower in 1776.

For myself — Resolved: to live by the Golden Rule; to work diligently at the high calling of restoring government to its proper role; to care more about getting the job done than getting the credit; to deploy our supporters' resources prudently, frugally and precisely where they will have the greatest impact; to make my board and coworkers glad to labor alongside me; to persevere and never give in to discouragement; and to seek God's strength for these things.

Happy holidays, and happy New Year! I

BOARD OF DIRECTORS

D. Joseph Olson, Chairman
Senior Vice President and General Counsel, Amerisure Companies
Joseph G. Lehman, President
Mackinac Center for Public Policy
Joseph J. Fitzsimmons
Retired President, University Microfilms
Hon. Paul V. Gadola
U.S. District Court Judge
Kent B. Herrick
President and CEO, Thermogy
Richard G. Haworth
Chairman Emeritus, Haworth, Inc.
Phil F. Jenkins
Chairman, Sweepster Inc.

Edward C. Levy Jr.
President, Edw. C. Levy Co.
Rodney M. Lockwood Jr.
President, Lockwood Construction Company, Inc.
Joseph P. Maguire
President, Wolverine Development Corporation
Richard D. McLellan
Attorney, Dykema Gossett
Lawrence W. Reed
President Emeritus, Mackinac Center for Public Policy
James M. Rodney
Chairman of the Board, Detroit Forming Inc.

BOARD OF SCHOLARS

Dr. Donald Alexander
Western Michigan University
Dr. William Allen
Michigan State University
Dr. Thomas Bertonneau
Writer and Independent Scholar
Dr. Brad Birzer
Hillsdale College
Dr. Peter Boettke
George Mason University
Dr. Theodore Bolema
Anderson Economic Group
Dr. Stephen Colarelli
Central Michigan University
Andrew Coulson
Cato Institute
Robert Crowner
Eastern Michigan University (ret.)
Dr. Richard Cutler
University of Michigan (ret.)
Dr. Jefferson Edgens
Morehead State University
Dr. David Felbeck
University of Michigan (ret.)
Dr. Burton Folsom
Hillsdale College
Dr. Wayland Gardner
Western Michigan University (ret.)
John Grether
Northwood University
Dr. Michael Heberling
Baker College
Dr. Ormand Hook
Mecosta-Osceola Intermediate School District
Robert Hunter
Mackinac Center for Public Policy
Prof. Harry Hutchison
Wayne State University
Dr. David Janda
Institute for Preventative Sports Medicine
Annette Kirk
Russell Kirk Center for Cultural Renewal
David Littmann
Mackinac Center for Public Policy

Dr. Dale Matcheck
Northwood University
Dr. Paul McCracken
University of Michigan (ret.)
Charles Meiser
Lake Superior State University (ret.)
Glenn Moots
Northwood University
Dr. George Nastas III
Marketing Consultants
Dr. John Pafford
Northwood University
Dr. Mark Perry
University of Michigan - Flint
Gregory Rehmke
Economic Thinking/ E Pluribus Unum Films
Dr. Steve Safranek
Ave Maria School of Law
Dr. Howard Schwartz
Oakland University
James Sheehan
Deutsche Bank Securities
Rev. Robert Sirico
Acton Institute for the Study of Religion and Liberty
Dr. Bradley Smith
Capital University Law School
Dr. John Taylor
Grand Valley State University
Dr. Richard K. Vedder
Ohio University
Prof. Harry Veryser Jr.
University of Detroit Mercy
John Walter Jr.
Dow Corning Corporation (ret.)
Dr. William Wilson
Economic Consultant
Mike Winther
Institute for Principle Studies
Dr. Gary Wolfram
Hillsdale College

MACKINAC CENTER
FOR PUBLIC POLICY

MichiganVotes.org

STUDENTS FOR A FREE ECONOMY

PROPERTY RIGHTS NETWORK

Michigan Transparency.org

mackinac media

MichiganScience

CAPITOL CONFIDENTIAL

EDUCATION REPORT

Privatization

VIEWPOINT
ON PUBLIC ISSUES

MACKINAC CENTER
LEGAL FOUNDATION

140 West Main Street, P.O. Box 568, Midland, Michigan 48640
989-631-0900, Fax 989-631-0964
www.mackinac.org mcpp@mackinac.org

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

MICHAEL D. JAHR Editor DANIEL E. MONTGOMERY Graphic Designer

Michigan Capitol Confidential Surpasses 10,000 Subscribers

Michigan Capitol Confidential, the Mackinac Center's lively bi-monthly newspaper that keeps readers apprised of the goings-on under the State Capitol dome, surpassed 10,000 permanent subscribers early this fall. Beginning with a first issue published in September/October 2007, which had a permanent subscriber list that numbered fewer than 1,000, "CapCon" has added regular readers at a brisk pace during its first two years.

Mackinac Center employees attending and speaking at "Tea Party" and health care town hall gatherings that took place around the state this summer and fall helped fuel the subscriber growth. In one day alone, this outreach led to 600 new subscribers.

Current readers have also become one of the best sources for new subscribers. On at least three occasions, current subscribers attending tea

parties and town halls voluntarily came out of the crowds and offered to assist Mackinac Center staff as they distributed the newspaper to others. And every week, new requests to get on the CapCon mailing list roll in from people who were referred by friends and family.

These thousands of readers have been putting the news they read in CapCon to use and letting their politicians know what they think about the work being done in Lansing. The March/April 2009 issue carried a cover story about a proposed law that would require a state police funeral escort be provided to any deceased lawmaker whose family requests it. Outraged CapCon readers contacted their lawmakers. Shortly

thereafter, two of the politicians who co-sponsored the measure sent letters to CapCon, renouncing and apologizing for supporting the bill and promising to work against its passage.

"This is a newspaper that every Michigan politician hates because it tells the truth and reports how the politicians vote, NOT what they say," noted one reader, reflecting the sentiments sent in by many regarding what Michigan Capitol Confidential means to them. Michigan Capitol Confidential is a free publication. Addresses for new subscribers and for referrals may be submitted to micapcon@mackinac.org. **I**



Updates: Center Advances on Multiple Fronts

Warning: High Cigarette Taxes!

In December 2008, the Mackinac Center published "Cigarette Taxes and Smuggling," a wide-ranging study by Fiscal Policy Director Michael LaFaive, Tax Foundation Senior Economist Patrick Fleenor and Pennsylvania State University economics professor Dr. Todd Nesbit. Outlining the correlation between cigarette taxes, smuggling and related crimes, the 90-page report has ignited considerable debate throughout the past year. News outlets from Rhode Island and Florida to Illinois and California have sought LaFaive for interviews on how high cigarette taxes fuel crime and other threats to human health. This November, nearly a year after the study's release, NBC Chicago and Chicago Talks cited LaFaive's comments



on cigarette smuggling. The U.S. Department of Justice has also cited the study in a report on tobacco tax evasion.

In March, the authors performed a new econometric analysis and forecasted a 19 percent drop in Florida's legal cigarette sales if the state enacted a proposed \$1 cigarette tax hike. Subsequent statistics have borne this out: Since raising cigarette taxes \$1, Florida has experienced a 20 percent decline in legal paid sales. The authors' research suggests only a small portion of this decline involves people actually kicking the habit.

Spreading Sunshine

Ken Braun, director of the Mackinac Center's "Show Michigan the Money" project, continues to press school districts and municipalities to post their

check registers online. Sixty-four public school districts and three intermediate school districts statewide — including half of the largest 25 districts — now provide this information online. The trend toward transparency makes local officials accountable to taxpayers, who now get to see where their money goes.

And sunshine is proving contagious: Not only are state legislators beginning to Web-post their office spending, but the Legislature's latest school funding budget includes a transparency requirement for school districts.

And the Survey Says ...

The Mackinac Center's 2009 survey of privatization in Michigan public school districts found that 44.6 percent of school districts are contracting out for at least one of the three main noninstructional services — food, custodial and transportation. This figure

see "Updates" Page 5

THE MC: THE MACKINAC BLOG from Page One

\$6,876,303 and total 2 million pages, she promptly wrote about it on The MC. The information she had requested, Hoekstra wrote, was related to a 2008 Office of the Inspector General report that was critical of the state's handling of federal homeland security grants.

"If just one state-run federal grant program generates more than 2 million pages of material, it's no wonder the program cannot be effectively administered," Hoekstra wrote in her post.

The story was picked up on sites as diverse as Politico and Reporting Michigan. WJR talk show host Frank Beckmann invited Hoekstra to discuss the record-breaking FOIA request on his show. Blogs throughout Michigan and across the country had a field day with the story. And Hoekstra even received a call from the Society of Professional Journalists, which wanted to add the State Police letter to its compilation of outrageous FOIA requests.

An October posting regarding Michigan public school teachers' salaries by Policy Analyst Ken Braun was picked up by Detroit News columnist Nolan Finley. Finley also cited Braun's post during an interview on WJR. While Braun was on the air during two separate radio interviews, a state representative and a state senator called in to discuss the subject with him and explain their positions.

The blog allows Mackinac Center scholars to report on stories that aren't being covered anywhere else. A perfect example is Labor Policy Director Paul Kersey's coverage of the Michigan Economic Growth Authority's decision to grant a \$2 million tax credit to a newly formed subsidiary of the Service Employees International Union. In a series of postings, Kersey has exposed several unusual and troubling aspects of this credit offered to the SEIU's "Member Action Service Center" in Redford.

For example, the "briefing document, which outlines the case

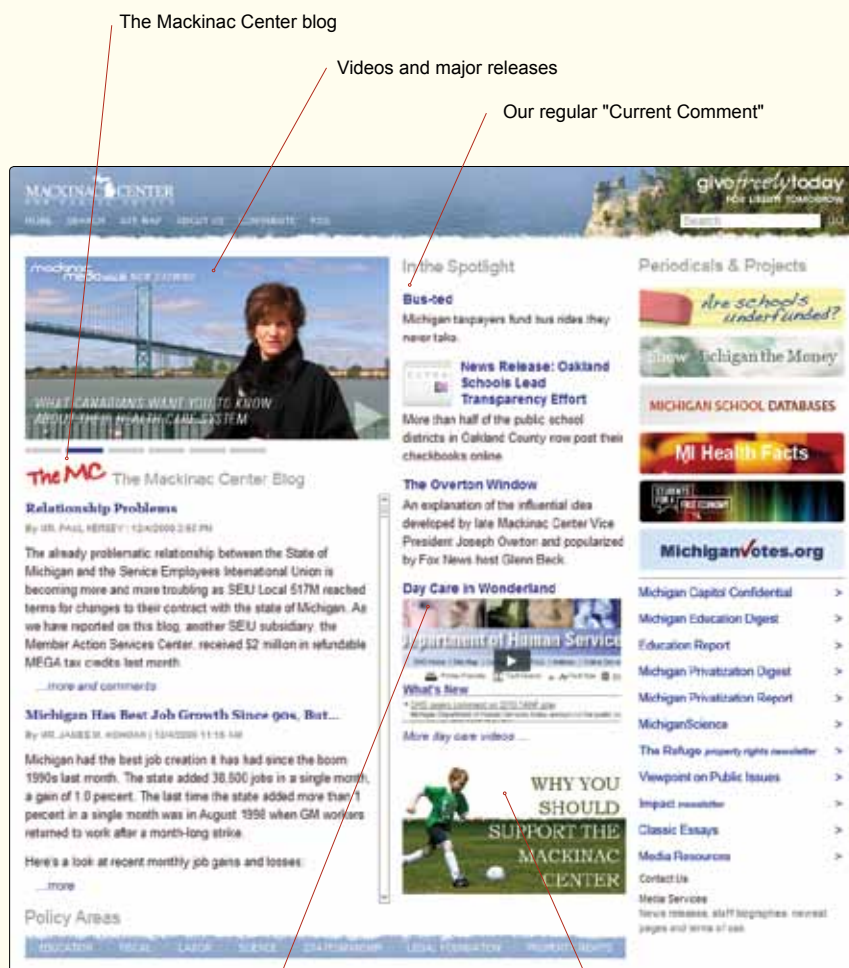
for granting a MEGA tax credit to MASC, says that SEIU was considering locations in Kansas City, Mo., and Orlando, Fla., for MASC," Kersey wrote. "We have performed Web searches and called corporate record offices in Missouri and Florida. It does not appear that MASC filed applications to transact business in either of those states."

In a separate blog on the SEIU grant, Fiscal Policy Director Michael LaFaive noted the irony in the fact that the "deal was offered in part to address the union's complaint that it is at a disadvantage due to Michigan's high labor costs."

The public interest and increased traffic to the Web site have been gratifying, said Michael Jahr, senior director of communications.

"The blog has become a must-read for many Michiganders," said Jahr. "It allows members of our team to comment on breaking stories or generate news with unique findings, original research or dot-connecting information about seemingly unrelated topics. Even more refreshing is that The MC provides factual, analytical discourse that's marked by a presumption of goodwill." **I**

Breaking It Down



Budgets, Bargaining and Biofuels

An Oct. 16 Associated Press article may have been just one story, but it generated perhaps the most intense media recognition nationwide that the Mackinac Center has ever received from a single story.

The article cited a study by **Michael D. LaFaive**, director of the Morey Fiscal Policy Initiative, and **James M. Hohman**, fiscal policy analyst, that found fewer than one-third of the jobs promised by Michigan Economic Development Corp. subsidies ever came to fruition. The AP story appeared in no fewer than a dozen major daily newspapers, including **The Washington Post**, **Sacramento Bee**, **Orlando Sentinel**, **Philadelphia Enquirer**, **Seattle Times**, **Baltimore Sun**, **Palm Beach Post**, **Miami Herald**, **Los Angeles Times** and **The Detroit News**. **The Oakland Press** and **Lansing State Journal** also carried the piece, as did **Business Week** and **ABC News**. A Sept. 25 **USA Today** article on energy jobs also cited this study. **Jack McHugh**, senior legislative analyst, was cited on the failure of state economic development subsidies in **The Weekly Standard** on Oct. 12.

McHugh was cited on the state's budget fiasco in the Sept. 29 **Detroit News**

and Sept. 30 **Livingston Daily Press & Argus**. An Op-Ed by **Hohman** on the same topic ran Oct. 4 in the **Clare Sentinel**. **World Magazine** cited the Center's research on Michigan's budget Oct. 1, while **LaFaive** was quoted in the Oct. 25 **Lansing State Journal** on the Legislature's need to begin immediately on next year's budget.

Russ Harding, senior environmental analyst, wrote a Nov. 28 Op-Ed for **The New York Times** about the problems with ethanol subsidies, which include higher costs, no environmental benefit and a negative impact on the world's poorest people due to decreased food supplies.

The Mackinac Center Legal Foundation's lawsuit against the Michigan Department of Human Services continued to garner media attention as DHS and the MCLF filed motions in the ongoing case of *Loar v DHS*. Coverage included the Oct. 14 **Petoskey News-Review** and Nov. 2 **Flint Journal**.

Paul Kersey, labor policy director, wrote Op-Eds for **The Detroit News** on Sept. 30

and Oct. 15 focusing on Michigan's Public Employment Relations Act and the benefits that would accrue to Michigan if the law were revised or abolished. **Kersey** also was cited by a **Detroit News** columnist Oct. 23 on the prevailing wage. **The Wall Street Journal** mentioned the Center Nov. 9 in an article about the high cost of benefits paid to government employees.

The Center's continued quest for transparency at all levels of government, especially public schools, was featured in the Oct. 13 **Grand Rapids Press**, Oct. 23 **Midland Daily News**, Oct. 25 **Detroit News** and Nov. 12 **Bay City Times**.

Michael Van Beek, education policy director, was cited in the Oct. 31 **Kalamazoo Gazette** on school consolidation and wrote an Op-Ed for **The Detroit News** on Nov. 4 regarding federal education spending.



In a Nov. 6 Op-Ed in **The Wall Street Journal**, adjunct scholar **Shikha Dalmia** mentioned Center research on government employee benefit packages in Michigan. **I**

UPDATES from Page Three

is up 2.4 percentage points, or 5.7 percent, from last year.

Contracting services to private companies can yield significant savings at a time when school districts face increasing budget pressure. The Troy School District, for example, expects privatization to save more than \$3 million annually, which is an effective per-pupil funding increase of \$310.

The Mackinac Center's exhaustive survey is the only collection of school privatization data in the state of Michigan, and the Center is one of the very few sources of school privatization figures in the nation. Fiscal Policy

Analyst James Hohman has fielded numerous calls from journalists and school officials on the subject. The full 2009 report will be released shortly.

Loar v. DHS

Two additional home-based day care providers, Paulette Silversen of Brighton and Michelle Berry of Flint, have signed on as clients in *Loar v. Michigan Department of Human Services*, the Mackinac Center Legal Foundation's lawsuit over the DHS' illegal withholding of so-called "union dues" from child care subsidy checks. In the meantime, one of the initial

plaintiffs, Dawn Ives, has closed her day care and gone to work for Sherry Loar. Ironically, since Ives is now an employee rather than an employer, she no longer has "union dues" diverted by the DHS, and she no longer has standing as a plaintiff.

After six weeks of silence, the DHS finally responded to the Center's lawsuit with a motion to have it dismissed on procedural grounds; the department did not address the merits of the case. The Center has since responded to the motion and now awaits action by the Michigan Court of Appeals. **I**

High School Debate Workshops: “I Have Seen the Influence”

Mackinac Center High School Debate Workshops educate students and coaches about free-market ideas and how to actively apply these principles to their debate preparation in the ensuing year. In 22 years, more than 10,000 debaters and teachers from across Michigan have attended. The Center’s 2009 workshops once again provided hundreds of high school debate students and their teachers with tips, advice and research material presented by nationally known speakers.

“I have attended this event four years in a row and have found the information and lectures to be an extremely vital stepping stone for my debate preparation each year,” Nathaniel Ellsworth, a senior from Saginaw Heritage High School, said in a written critique of the workshop. “I have seen the influence that debate has on my life and others.”

Participating in the four workshops this year — held in Adrian, Grand Rapids, Livonia and Traverse City — were Adrian, Blissfield, Cadillac, Caledonia, Casa Richard Academy, Detroit International Academy, Detroit Life Skills Center, Grand Rapids Catholic Central, Grand Rapids City, Hazel Park, Holt, Hudson, Inland Lakes, Kenowa Hills, Lenawee Christian, Monroe, North Farmington, North Muskegon, Northville, Oak Park, Onsted, Petoskey, Rockford, Romeo, Saginaw Heritage, Tecumseh, Traverse City Central, Traverse City West, Westside Christian Academy and Zion Christian high schools.

At this year’s workshops, speakers focused on topics like income inequality, fraternal organizations, voluntary private initiative and the role of government in addressing poverty.

This year’s speakers were:

- **Greg Rehmke**, director of educational programs for Economic Thinking/E Pluribus Unum Films, a nonprofit organization in Seattle, Wash. Rehmke presented ideas for addressing America’s poverty problem through means other than government welfare. Rehmke shared the stories of two women whose voluntary efforts to assist the poor often encounter limitations by government services or regulations. Students learned that even helping one’s neighbor can require government approval.
- **Mike Winther**, president of the Institute for Principle Studies, co-coach of a nationally ranked California debate club, former college debater and author of numerous articles on public policy issues. Winther taught students basic and vital debate techniques, focusing on organizing arguments to give speeches structure and cogency.

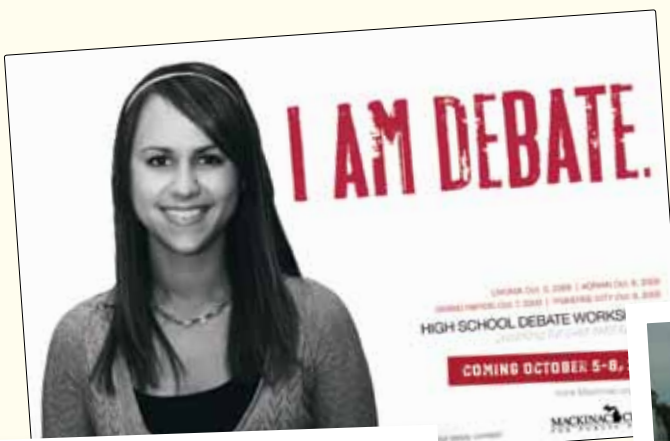
- **Doug Bandow**, senior fellow at the Cato Institute, the Cobden Fellow in International Economics at the Institute for Policy Innovation, a former special assistant to President Ronald Reagan and author of several books. Bandow discussed the history of America’s welfare system, providing students some perspective about the true nature of poverty in America. For example, the United States federal government has spent trillions of dollars on welfare programs since the 1960s, but poverty and welfare entitlements have only increased.

- **Michael Miller**, director of program at the Acton Institute in Grand Rapids, formerly chair of the philosophy and theology department at Ave Maria College of the Americas in Nicaragua. Miller helped students learn the difference between facts and opinions. Understanding how to properly research this year’s topic is a tool that Michigan students can certainly apply in the classroom.

Bringing in fantastic speakers to present a free-market perspective on the debate topic, the Mackinac Center provides a unique and important service to debaters and coaches. “Learning what role the economy plays in policy issues is often overlooked, yet remains fundamental to all reform,” wrote Colleen Averill, debate coach from Lenawee Christian School. “In today’s current events, the economy speaks so loudly not much else can be heard. Yet our students know little about how it works. They always come away from these workshops better informed on the debate topic, but even more importantly and fundamentally, on the economy that lies beneath it.”

Students who attended the workshops are eligible to enter an essay contest based on this year’s topic. Up to four \$1,000 college scholarships will be awarded. Last year’s winners were Samuel Ryskamp and Paul Freswick of Zion Christian School in Grand Rapids, Garrett Schoonover of Hudson High School and Ian Blodger of Lowell High School. **I**





FINDING HIS VOICE

At the debate workshop in Grand Rapids, one coach told me a student's story that inspired her to continue coaching debate. When she began coaching a few years ago, she knew nothing about debate. After attending a Mackinac Center debate workshop, she was able to work with a student on her team who had a severe case of Asperger's Syndrome, an autism spectrum disorder that inhibits an individual's ability to interact comfortably with others and exhibit or recognize social cues. This student became a highly successful debater who graduated from high school and is now a freshman on the intermediate debate team at the University of Michigan. His high school coach was incredibly grateful for the Mackinac Center workshops, explaining, "Without the workshops, I wouldn't have been able to help this student reach his full potential."

Stories like these are why we continue to organize the debate workshops year after year. The youth of America have a powerful voice; they just have to learn how to use it effectively. One of these high school debaters may go on to be the next Michelle Malkin or Ronald Reagan, and the Mackinac Center is helping give them the tools they need to make it happen.

Claire Forman,
Associate for Mackinac Center Strategies

"Steering" Michigan Toward Freedom

Every gift matters. Every gift is appreciated. Large or small, each gift is important.

Booker T. Washington would agree. The establishment of Tuskegee Institute took years of hard work and effort from Washington, but also the support of a diverse group of individuals.

Washington said of each man and woman, "They responded willingly, in proportion to their means." There were those who helped dig a pit to lay the foundation, those who made small gifts, those who held bake sales and others who contributed livestock for food and money. Together, they supported a common cause to provide black men and women with a formal education.

Washington's insight has served as a guiding influence upon our fundraising philosophy: provide opportunities to give, and recognize all who contribute.

Each year, the Mackinac Center receives notification that a steer was sold on our behalf, and the earnings are



directed to our general operations.

Every few months, and for ten years, we have received \$2.00 from one of our most faithful contributors. This generosity allows us to pay for postage to send free-market research to the state legislators who need it most.

One of our late best friends, and true gentleman, had the forethought to include us in his estate plan. His legacy allows us to mentor and train others

throughout the world to run and operate their own think tanks in defense of liberty.

An anonymous donor agreed to a matching grant for the Mackinac Center Legal Foundation. For every dollar we raise before Dec. 31 of this year, the supporter will send \$0.50 to help us fight legal battles that limit the size of government and expand our potential for prosperity.

We owe a "thank you" to thousands more who believe in a more compassionate, free and generous society. Each has willingly given what they are capable of, and to each we extend our most sincere appreciation for their investment. Join us today — to the best of your ability. **I**

Inspiring Liberty

We at the Mackinac Center know that liberty is always under attack. But I'll admit I sometimes let my guard down and enjoy my freedom, rather than just defend it. Instead of researching the impact of sin taxes, I'll have a beer. Rather than talk about privatization, I walk my dog in a public park.

I'll even take a break at work. I like to search "Google News" for inspiring stories from Michigan. Stories about rescued animals or neighbors helping neighbors are always favorites. These stories show that exercising freedom means more than simply improving your own life.

Recently, a Nov. 15 story from WZZM 13 in Grand Rapids made me smile. More than 100 tech specialists volunteered with a group called Give Camp to help nonprofit groups in West Michigan design Web sites, improve content and develop database systems. In a difficult economy, these men and women found a way to help great causes.

Mackinac Center employees always inspire me. Nearly half of our full-time staff took time to volunteer with a local program called Tall in the Saddle earlier this year. For several hours each week, our volunteers helped provide mentally and

physically disabled children with an opportunity to ride horses. The children loved the chance to ride, be part of a social community and practice basic skills we often take for granted.

Those who support the Mackinac Center inspire me as well. Despite economic challenges, a busy schedule and competing demands for your hard-earned dollars, you are part of a record number of people who actively support us. Recently, in just three days, 128 individuals contributed more than \$10,000 to the Mackinac Center Legal Foundation. In one day alone, we received 130 gifts! Center staff happily worked through the night to make sure a receipt letter for each contribution was in the mail the next day.

There are so many reasons to be inspired and optimistic about the future of freedom and the Mackinac Center. If you receive our year-end appeal and you're excited by our efforts, please send in a gift. Your defense of liberty is deeply appreciated.

But also take time to enjoy your freedoms with your family and friends. Merry Christmas and Happy Holidays! **I**



Justin W. Marshall,
Vice President of
Advancement



Your estate plans reflect the values you hold dear and hope to perpetuate.

Join the Mackinac Center's Legacy Society by calling Justin W. Marshall at 989-631-0900 and including the Center in your bequest today.

HEALTH CARE VIDEOS from Page One

market think tank, McHugh quickly identified a number of victims willing to speak.

Next, he engaged a qualified videographer who was ready, willing and able to spend many days hopscotching Canada interviewing these victims and distill the footage into compelling short videos. McHugh found John Mark Green, an experienced former television journalist who had done work for the Alabama Policy Institute, a sister think tank.

Within days, Green was winging his way to Vancouver, British Columbia, to interview Lin Gilbert and Christina Woodkey, Canadians who for *years* suffered unbelievable pain and indignities while on waiting lists for treatment of back injuries.

In Windsor, Ontario, Green met Shirley McGuin, a sprightly 60-year-old, who detailed a *three-year* ordeal to get surgery on one knee. Some time later, her other knee required medical attention, and this time, McGuin wasn't willing to wait: She discovered a "medical tourism" service that could procure the treatment she needed within mere weeks — in the United States.

Also in Windsor, young father Mike Jubenville described how the agony of a neck injury drove him to the point of contemplating suicide, and how the surgery he received in Canada (following a three-year wait) was botched, in part because of the unavailability of adequate diagnostic technology. His life was saved by correctional surgery obtained in America, arranged by Kelly Meloche, founder and CEO of International HealthCare Providers, the same "medical tourism" company that took care of McGuin.

In a subtle commentary on government health care advocates exploitation of public ignorance, part of the Mackinac Center's interview with Meloche was taped while driving from Windsor to Detroit across the Ambassador Bridge — an exact reversal of the trip featured in the Michael Moore film "Sicko," which pretends that large numbers of Americans seek treatment from Canada's "superior" health care system. Meloche doesn't think much of Moore's version of reality, given how busy she is trying to help some of the 800,000 Canadians who are on waiting lists obtain timely treatment *here*.

Videographer Green completed his saga in the Maritime Provinces, where he documented the shocking situation of towns that hold *lotteries* to determine who will — and who will not — get a primary care physician. Without these physicians, who act as gatekeepers to the rest of Canada's health care system, the unlucky losers of these lotteries find themselves with limited access to care.

Green distilled all this footage into six short YouTube videos. Five are devoted to particular pieces of the problem, and the sixth is a snappy introductory segment that conveys the overall message in just two minutes.

The final step was promoting these, for which

**mackinac
media**



Mackinac Center videos feature Canadians speaking out about their "universal" health care system.



Kelly Meloche, founder and CEO of International Health Care Providers, discusses medical tourism at an October Issues & Ideas forum in Troy.

McHugh engaged the services of Emily Zanotti, an experienced Web publicist, who used her extensive contacts in the national "blogosphere" to generate views on YouTube. In less than a week, more than 10,000 people had watched at least one of the videos; at this writing the figure for the entire series is nearly 30,000 and climbing.

As a bonus to this effort, the Mackinac Center hosted Jubenville, McGuin and Meloche at a forum in Troy a few weeks after the videos' release. Jubenville and McGuin are now vibrant, active, healthy individuals — tributes to the quality of American medicine. Meloche explained that they are representative of many other clients she has served.

At the end of the introductory video, Lin Gilbert asks, "If the U.S. changes their medical system, where are Canadians like us gonna go for surgery?" The Mackinac Center's videos now pose that question to American citizens: If the United States adopts a system whose inevitable cost overruns and rationing choke off our access to health care, where will *we* go? **I**

What Is Competition? By Lawrence W. Reed

Lawrence W. Reed is president emeritus of the Mackinac Center for Public Policy and president of the Foundation for Economic Education—www.fee.org.

In the current health care debate, advocates of the so-called “public option” claim that a government-run outfit would increase competition in the health insurance marketplace. Almost invariably, they are the same people who seem utterly uninterested in abolishing the many restrictions on competition that government already imposes, such as prohibiting the sale of health insurance across state lines or piling on government-mandated benefits insurers must offer but many consumers don’t want.

Clearly, this debate could use a little refresher course on competition. I define it as “striving for excellence in the service of others for self-benefit.”

What about a restaurant that doesn’t seem to be striving for excellence at all — where surly waiters bring poor food to your table at a high price? Everyone has been to one or two of those. But a competitive market does not mean

that everybody is equally competitive. The most competitive firms are those that work the hardest and the smartest to provide the quality and service that consumers desire most at the best price. They do so not because they like or even know you, but because, in a free market, that’s how businesses survive, grow and do well.

Many people think that competition is directly related to the number of sellers in a market. According to this popular notion, the more sellers there are, or the smaller the share of the market any one of them has, then the more competitive the market. But competition can be just as fierce between two or three rivals as it can be between 10 or 20.

Moreover, market share is a slippery notion. Almost any market can be defined narrowly enough to make someone look like a monopolist instead of a competitor. I have a 100 percent share of the market for articles by Lawrence W. Reed, for example. I have a far smaller share of the market for articles, generally.

Markets are inherently competitive when the incentive for profit is allowed to work, though sometimes it takes time and investment for new competitors to make a difference. Governments don’t have to “decree” competition; all they have to do is prevent and punish force, violence, deception and breach of contract. Enterprising individuals will compete because it is in their financial interest to do so.

Competition spurs creativity and innovation. It prods producers to cut costs. It encourages improvements in quality. You wouldn’t think of stopping a horse race in the middle and complaining that one of the horses was ahead. The same should be true of free markets, wherein competition is a dynamic, ceaseless process by which the leader today can easily become the follower tomorrow.

The fact is, competition is what happens when markets are free and rarely if ever is enhanced when politicians set up shop with your tax dollars. **I**



VIEWPOINTS

Motown Magic: Happy 50th

October 2009 V2009-31

As Motown celebrates its 50th anniversary, it's important to remember not just the entrepreneurial spirit of founder Berry Gordy, but also the message of liberty and personal responsibility contained in so many of the record label's famous songs.

www.mackinac.org/11067

Political Anatomy 101

October 2009 V2009-32

Michigan politicians need to learn how to use their spines as much as their mouths when presenting voters their plans to fix the state's broken economy.

www.mackinac.org/11042



Michigan Economic Dysfunction Corporation

October 2009 V2009-33

Michigan should stop giving targeted tax breaks and subsidies to a handful of companies and instead should overhaul the state's

business climate with broad reforms in order to regain prosperity.

www.mackinac.org/11070

Dillon Insurance Plan Could Generate Monumental Reform

October 2009 V2009-34

A proposal by House Speaker Andy Dillon can save Michigan taxpayers money and improve the state's health care market if high-deductible Health Savings Accounts are used to reform government employee benefits.

www.mackinac.org/11071

What a Teacher Pay Freeze Really Means

November 2009 V2009-35

While teachers unions in several school districts claim they have accepted pay freezes, most collective bargaining agreements include a single salary schedule that still gives teachers pay increases based not on performance, but on longevity.

www.mackinac.org/11291

Public Trust Should Not be Trusted

November 2009 V2009-36

Michigan should reject further attempts to place groundwater under the state's control. Such efforts, like those outlined in House Bill 5319, undermine private property rights.

www.mackinac.org/11292

Health Savings Accounts Can Save Michigan Money

November 2009 V2009-37

The state of Michigan could save millions of dollars per year by switching teachers and public school employees to Health Savings Accounts.

www.mackinac.org/11294

A Christmas Wish List for Michigan Policymakers

December 2009 V2009-38

Legislators must take bold steps to unburden Michigan's sinking economy. They didn't in 2009. Will 2010 be different?

www.mackinac.org/11438

Dear Tax Raisers: Please Tell Us Where to Cut

December 2009 V2009-39

If the governor and Legislature insist on taking more money from families to solve the state's self-created overspending crisis, they should at least tell those households where to trim the family budget.

www.mackinac.org/11439

The Source of the School Budget Quagmire

December 2009 V2009-40

An inadequate school funding system has been blamed again as the governor and Legislature attempt to solve their self-created overspending crisis. But the evidence shows school revenue has risen by one-third in real terms since 1995. Instead of searching for more revenue for schools, policymakers should help them control their costs.

www.mackinac.org/11441

JOURNALS

MichiganScience

MS2009-04

Key stories: Risk assessment, fossil fuels, phosphates in detergent, mastodon bones.

www.mackinac.org/11303

Michigan Capitol Confidential

MCC2009-06

Key stories: Property rights, Boardman Dam, Mississippi economic performance, Michigan budget votes.

www.mackinac.org/11455

Michigan Privatization Report

MPR2009-01

Key stories: Privatizing highway rest areas, paying for MESSA, Kalamazoo grocery store subsidies, public-private partnerships.

www.mackinac.org/11454

STUDIES

A Commentary on "The Retrenchment of the State Employee Workforce in Michigan"

S2009-08

Dr. Gary Wolfram, a Hillsdale College professor and Mackinac Center adjunct scholar, critiques a recent paper written by a Michigan State University professor and graduate student about the reduction in the number of state employees.

www.mackinac.org/11096

VIDEO

What Canadians Want You to Know About Their Health Care System

This six-part series examines the problems associated with the single-payer health care system in Canada, including doctors holding lotteries to select patients, untenable waiting times for services and the use of American hospitals by Canadians — known as "medical tourism" — by Canadians who are willing to pay out of pocket to receive the care they need.

www.mackinac.org/11145

The Boardman River



Two videos from the Center's Property Rights Network examine the controversy of removing dams along the Boardman River near Traverse City. Government officials say the move will increase tourism and recreational opportunities, but property owners along the river say their rights have been violated by water drawdowns, making once-valuable waterfront acreage useless.

www.mackinac.org/11140

www.mackinac.org/11326

Loar v. DHS

Two new videos in this series detail the continuing efforts of the Mackinac Center Legal Foundation to stop the Michigan Department of Human Services and various unions from extracting "dues" from some 40,000 home-based day care providers. The money is taken from checks the providers receive from the state to help low-income families afford day care.

www.mackinac.org/11408

SFE Brings the Heat on Health Care

The health care debate has generated passionate debate in Washington and across the country. Many analysts and activists have pushed citizen reaction toward the boiling point, but one individual has really turned up the heat: Michael Tanner of the Cato Institute.

In an effort to inform students and the public at large, the Mackinac Center's Students for a Free Economy worked with the Northwood University Economics Club and the Michigan State University chapter of Young Americans for Liberty to bring Tanner to both campuses to discuss the current health care bills before Congress and available alternatives.

Tanner gave his presentation to more than 300 people between the two appearances. At Northwood University, the local NBC affiliate, the Midland Daily News and WSGW news radio interviewed Tanner. The information presented draws on Tanner's experience in a variety of countries where he examined the inner workings of bureaucratic agencies controlling health care. With these firmly in mind, there are several aspects of our current system that he believes we should retain.

The three most important characteristics of our system are its innovative capacity, the quality of advanced treatments and the choices



available to individuals. In other systems Tanner has studied, many of these traits are at best diminished and at worst eliminated. He suggests that any system enacted by Congress should maintain these characteristics. Without them the global health care system would face diminution, as medical advances require those willing to purchase and take risky treatments.

One of Tanner's alternatives would include moving the system away from employer-dominated health insurance programs. This would require that the tax treatment of employer programs be changed as to not give preference to insurance policies purchased

by employers. Shifting our system away from employer-provided insurance allows individuals to take their insurance with them outside their occupation. This would reduce the number of people who tend to cyclically flow in and out of the insurance market with employment.

While the health care bills are laden with heavy implications, there will always be those who will shine light on them. As Caroline Schoeder, the German-American pianist said, "Some people change when they see the light; others when they feel the heat." And SFE will be there to bring both. **I**