



# CASCADE UPDATE

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## The future of liberty

By **Steve Buckstein**

As we enter a new century, I would like to share my thoughts provoked by some forward-thinking individuals I recently had the privilege to meet. Late this past summer, at the invitation of Cascade academic advisor Fred Decker, I attended my first meeting of the international Mont Pelerin Society. The meeting's topic was "Can creeping socialism be stopped?"

Named after the location of its first meeting in 1947 post-war Switzerland, the Mont Pelerin Society was founded by the Austrian economist and Nobel Prize winner Friedrich Hayek, three years after the publication of his classic *The Road to Serfdom*. Hayek's revolutionary work pointed out the inherent weaknesses of government planned economies, warned that even democratic socialism risked devolving into totalitarianism, and forecast the demise of the Eastern Bloc.

Hayek, **Milton Friedman**, and the others met to see how they could advance the prin-

ciples of individual liberty and free-markets in the face of socialism's growing popularity during the post-war years. The challenge was daunting.

Half a century later, the Mont Pelerin Society has grown to nearly 500 members, and the worldwide outlook for socialism is dim. As several hundred scholars, business people and government officials from around the world gathered in Vancouver, British Columbia, to debate whether creeping socialism could be stopped, questions arose as to whether it is creeping at all. Socialism—as a movement towards nationalized industries, wage and price setting, and state control of economic life—is a thing of the past. Correspondingly, the call for a "fairer" allocation of resources through great government wealth redistribution schemes has also subsided.

We have much to cheer about, and we should, but there is still much work to do. As the Mont Pelerin debates made

clear, though the political landscape has changed, threats to liberty remain. Failure to adapt accordingly will be to the detriment of those who cherish individual liberty, free enterprise and better standards of living for all.

*"A moral social system is one in which the right of individuals to choose their own destiny is paramount."*

Virginia Postrel, editor of *Reason magazine*, addressed this very topic at the meeting. Though few still argue for socialism, we continue to face resistance to markets and thus to the freely made decisions of individuals. In making her case, Postrel drew from her book, *The Future and its Enemies: The Growing*

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## WSJ editorial board member visits Cascade

Amity Shlaes, editorial board member of *The Wall Street Journal* and author of *The Greedy Hand: How taxes drive Americans crazy and what to do about it*, met with Cascade president Steve Buckstein on September 23. Buckstein accompanied Shlaes to meetings with executives of 800.com, emmerchandise.com, and Trust-e.com and their venture capitalists.

These meetings, arranged by Cascade, served as the foundation for an Oct. 1 WSJ editorial, "Easy on the E-tax." The editorial stated that the paper would "be happy to see the three-year moratorium on Internet taxation laid in place by Rep. Chris Cox (R., Calif.), Sen. Ron Wyden (D., Ore.) and others made permanent."

When it comes to on-line retailers that keep all aspects of their business within our borders, Oregon has a distinct competitive advantage over other states; 800.com's web page makes it clear why: "Because we are based out of Oregon we do not charge a sales tax on any items shipped within the United States." Those who are interested in better paying job opportunities for Oregonians should consider our competitive advantage whenever talk turns to implementing a sales tax or taxing the internet.

After her Portland meetings Shlaes flew to Klamath Falls to speak at the annual conference for Republican legislators organized by Jeld-Wen, Inc. Another speaker at that event was the Honorable Morris P. McTigue, Q.S.O., former New Zealand Cabinet Minister and member of Parliament; McTigue spoke in Portland and Salem earlier this year for Cascade.



Amity Shlaes speaks with CPI president Steve Buckstein

# Leading the way

Much progress has been made since Cascade's founding. For example, school choice in various forms is being embraced in Oregon. That's a great victory for those of us who have long worked toward that goal.

In 1990, I joined several Oregonians in placing a statewide school choice initiative on the ballot, the first in the U.S. In its defeat we learned that educating voters in the midst of contentious political campaigns is difficult, regardless of the issue.

In January 1991, Cascade was organized. Our goal: to lay the intellectual foundation for a society of free and responsible individuals, and thereby make a positive difference in Oregon public policy.

Over the last nine years, Cascade has grown from a one-person office to a full-time staff of seven, five board members,

twelve academic advisors, and hundreds of supporters, volunteers and donors. Our mailing lists contain nearly 14,000 people, and our budget has grown from \$57,000 to \$450,000. Though small by national standards, Cascade intelligently leverages its resources. One newspaper columnist recently wrote, the Institute "speak[s] powerfully about the arenas where they believe governments over-reach or operate less efficiently than the private sector."

The Institute has consistently used sound analysis to highlight policy problems and visionary thinking to offer alternative solutions. Cascade is making a marked contribution by being at the forefront of Oregon's policy debates.

Cascade brought Ted Koldrie, father of the charter school movement, to Oregon in 1993 - six years before charter school legislation passed. In 1995, we

were among the first to point to the serious shortcomings of Portland's light rail system; former proponents are now beginning to publicly voice skepticism about its worthiness. From our groundbreaking Social Security Opt Out proposal to the active promotion of school choice through the private Children's Scholarship Fund—Portland, Cascade has been a policy leader.

I look toward the future with optimism as Cascade begins its tenth year. The walls of government-protected monopoly and protectionism are coming down throughout Oregon and around the world. The direction is set. To those of you who are part of our efforts, thank you.



Steve Buckstein, President

## Cascade Policy Institute

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# Scholarship Fund takes off!

Fall has been a busy time for the [Children's Scholarship Fund—Portland](#). September found us with 552 children enrolled in over 90 private schools and homeschools. The preliminary reports back from families are encouraging—parents have been overwhelmingly enthusiastic about their children's participation in the program. *See accompanying letter, this page.*

Cascade continues to get inquiries

weekly from individuals eager to join CSF—P and secure the blessings of educational choice for their children. In the face of such great demand, we regret that we will be unable to issue additional scholarships for the 2000-2001 school year. Instead, we will focus on the students currently receiving scholarships to ensure that their needs are met and to assist them in whatever way possible over the next four years.

## *To CSF staff and Board of Directors:*

*In April of this year, my family was awarded scholarships from Children's Scholarship Fund—Portland. For the first time in their lives, my children have the opportunity to attend a private school.*

*Since the start of the school year in September, my children (Taylor and Cody) have already begun to show signs of improvement in both their demeanor and self-esteem. The boys come home from school happy and are excited to share the day's events with me. The boys are surrounded by students who have respect for their teachers, as well as each other. The class sizes are much smaller, and they receive more one-on-one time from their teachers. They feel very special and privileged to be attending Gaarde Christian School....*

*In short, attending a private school has taught Taylor and Cody that people should respect each other and that you must take responsibility for yourself in order to succeed. I can't think of two more important lessons for young people to learn.*

*Thank you so much for allowing Taylor and Cody this wonderful opportunity. As a single, working mother, there is no way I could have afforded to send the boys to a private school without this financial support. I wanted you to know that the scholarship funds you have given are very well spent on children who deserve a better education.*

*Sincerely,*

*Sheri John*

# Cascade in the news, on the air – everywhere!

Below is a partial listing of recent interviews, publications and speaking engagements by Cascade staff, academic advisors and board members.

## Speaking engagements & conferences

John A. Charles traveled to Harrisburg to discuss the dark side of growth controls at the Nov. 20 Pennsylvania Builders Association conference.

Tamar Hare discussed Cascade's work before the Lake Oswego Republican Women on Nov. 18.

Bill Mankin talked about taxation before the Scappoose League of Women Voters on Nov. 17.

Kurt T. Weber and Angela Eckhardt represented Cascade at the Nov. League of Oregon Cities annual conference in Eugene, and the Association of Oregon Counties conference in Seaside.

Hare and Cascade academic advisor Richard Meinhard, Ph.D., represented the Institute at the Nov. Oregon School Boards Association annual conference in Portland.

## *“The Cascade Policy Institute...rightly questions using the courts to legislate social remedies.”*

Blue Mountain Eagle  
John Day, Oregon  
November 3, 1999

Academic advisor Gerard C. S. Mildner, PhD, gave a presentation for the Dept. of City and Regional Planning, University of California at Berkeley on Oct. 26. Mildner discussed the effects of an urban growth boundary on housing prices.

Charles took part in on the “Globalization: The economic/environmental tradeoffs” panel at the Oct. 22 Symposium on Environment Affairs at Lewis & Clark College. His article, “Celebrating our sustainable economy,” ran in the student newspaper, *Pioneer Log*, that same day.

Charles took part in an Oct. 12 light rail debate in Denver, Colorado. *The Denver Post* reported on the event the following

day, quoting Charles extensively.

Weber spoke about the Children's Scholarship Fund — Portland at the State Policy Network's seventh annual meeting in Dallas, Texas on Oct. 8th

Charles debated Portland City Commissioner Charlie Hales on growth management at the Oct. 7 National Association of Industrial and Office Properties' annual conference in Seattle.

James L. Huffman, JD, dean of the Northwestern School of Law at Lewis & Clark College and Cascade academic advisor, testified at an Oct. 6 U.S. Congress joint hearing on the subject of EPA regulation of carbon dioxide.

## Radio Interviews

Mankin was interviewed about internet taxation by Portland's KPDQ, Nov. 17; KEX, Nov. 11; and KXL, Nov. 10.

Charles spoke on KGAL (Albany) about competitive transit and education on Nov. 7.

Steve Buckstein spoke about educational choice and limited government on the nationally syndicated Jim Greenfield Show, Liberty Works Radio Network, Nov. 2.

Eckhardt was interviewed by Vancouver, Washington's KVAN, Oct. 22, and Hillsboro's KUIK, Oct. 13, about the federal tobacco lawsuit.

## Publications

Charles's article on affordable housing and smart growth was published in the Dec./Jan. *Brainstorm* magazine. His article, “Ending environmental co-dependency,” which addressed the morality of free-market environmentalism, appeared in the Christian Environment Project's winter newsletter.

“The fee issue: Let students choose,” by academic advisor Fred W. Decker, PhD, was published in the Nov. 28 *Mid-Valley Sunday* edition of the *Albany Democrat-Herald* and the *Corvallis Gazette-Times*.

“A Simple Plan: A Social Security model for college,” by William B. Conerly, appeared in the Oct./Nov. issue of the John Locke Foundation's *Carolina Journal*. Conerly's piece previously appeared in

*The Oregonian*, Aug. 11, and the Aug. *Freeman*, published by the Foundation for Economic Freedom, New York.

Eckhardt's commentary, “Warning: Tobacco lawsuits may be hazardous to your health,” was published in the Oct. 27 *Lost River Star* (Merrill), and the Oct. 19 *Herald* (Hermiston). A similar article by Eckhardt ran in *The Oregonian*, Sept. 29.



**Deschutes Co. Commissioner Tom DeWolf discusses policy with Cascade's Angela Eckhardt at the recent Association of Oregon Counties annual conference**

Board member and senior advisor Paul R. Farago's “Metro Fatigue” commentary ran in the Oct. 6 *Spokesman* (Wilsonville), and in the *Independent* (Woodburn) and the *Pioneer* (Molalla) on Oct. 2.

Huffman wrote the chapter, “Free Market Environmentalism and Fairness,” in *Environmental Justice and Market Mechanisms*, published by Kluwer Law International, 1999.

Mildner co-authored *A Line in the Land: Urban Growth Boundaries, Smart Growth, and Housing Affordability*. The nationally distributed report, published by the Reason Public Policy Institute, Oct. 1999, focused on the negative effects of Portland's smart growth policies.

## Editorials and mentions

Conerly participated in a *Willamette Week* roundtable discussion about the WTO, published Dec. 1.

Cascade's Children's Scholarship Fund –

Continued on page 8

# Awards totaling \$5,000 available for students!

## *Sixth annual essay competition features three new judges*

The sixth annual Independence Essay Competition has begun! Awards totaling \$5,000 are available to Oregon high school students for the best essays on liberty. Public, private and home-schooled students are all encouraged to enter.

Essay writers are asked to support the perspective that to preserve freedom, limits on government power are essential. Students are encouraged to apply this perspective to today's society. In their essays,

students are asked to identify one instance in which they believe government—federal, state or local—has exceeded its limits in the United States.

Guidelines are available from Cascade at (503) 242-0900 or on-line at [www.CascadePolicy.org](http://www.CascadePolicy.org). The entry deadline is March 15, 2000. An independent Essay Review Committee will select the winners, who will receive up to \$1,000 each.

Cascade welcomes three new committee members this year: Nan Alexander, associate editor of *The Oregonian*; Clara Padilla Andrews, publisher and editor of *El Hispanic News*; and Dr. Ben Canada, superintendent of the Portland Public Schools. Returning judges are Leslie Spencer, former associate editor of

*Forbes* magazine, and Judge Diarmuid O'Scannlain of the U.S. Court of Appeals for the Ninth Circuit.

All entrants will receive a complimentary copy of Frederic Bastiat's seminal book *The Law*. After receiving *The Law* last year, one entrant wrote, "I have felt empowered when I have had the opportunity to quote from the book in front of the class."

The sixth annual Essay Competition is sponsored in part by The James M. Bonavia Family Charitable Trust, The Samuel S. Johnson Foundation, Constructive Management Foundation, Friesen Lumber Company, and DocuMart Copies and Printing.



Nan Alexander



Dr. Ben Canada



Judge Diarmuid O'Scannlain



Clara Padilla Andrews



Leslie Spencer

## Cascade speakers in your home!

Cascade brings dynamic speakers to Oregon and captures their presentations on video. Their messages of liberty, prosperity, and community through limited government are worth hearing again, or giving as gifts. Below is a sampling of our 60-90 minute videos, available for \$20 each, which includes shipping. To order, call (503) 242-0900 or write [Tamar@CascadePolicy.org](mailto:Tamar@CascadePolicy.org).

**More carrots, fewer sticks: A cooperative approach to environmental protection.** Lynn Scarlett, executive director and senior fellow in environmental studies at the Reason Public Policy Institute, Los Angeles, discusses an emerging trend in environmental regulation: a move toward decentralized, flexible, incentives-based approaches to pollution prevention. September 1999

**Empower the Poor: Remove Legal Barriers to Self-sufficiency.** Clint Bolick, vice president and director of litigation, Institute for Justice, Washington, DC, discusses the legal impediments to entrepreneurship, quality education, and self-sufficiency, and how we can help the poor and minorities by eliminating these barriers. February 1999

**Deregulation, Competition and Privatization: Lessons from New Zealand.** Maurice McTigue, former New Zealand Cabinet Minister and Member of Parliament, describes the successful application of free market principles and competition in his country, including a nation-wide charter school system. He makes a compelling case for how we can improve our quality of life in the U.S. by making government smaller. March 1999

**Local Governments Can Compete.** More than 300 people heard Indianapolis Mayor Stephen Goldsmith describe how competition significantly enhanced his city's public services, reduced their cost, improved public employee morale, and strengthened the community. March 1998

**Save Social Security: Privatize It!** Dr. José Piñera, former Chilean minister of labor and social welfare, describes to Oregon financial business leaders how Chile privatized its Social Security system and how the U.S. could, and why it should, do the same. June 1996

**The Proper Role of Government in a Free Society.** Dr. Walter E. Williams, economics professor, author and syndicated columnist, makes an eloquent philosophical and practical case for less government and more liberty to a standing-room audience of more than 500. October 1994

# Oregon companies move to greener pastures

## *New approach benefits business, environment*

**By Lynn Scarlett**

In August, Oregon's Department of Environmental Quality began to unveil its "green permits" program. By October, three participating companies may begin to enjoy the benefits of more flexible environmental permits as a reward for exceeding, not just meeting, environmental standards. In exchange, these companies hope to enhance their environmental performance while reducing costs or avoiding time-consuming permitting procedures.

With this innovation, Oregon joins a growing list of states looking for ways to provide a greater level of environmental protection with less bureaucratic interference. For over two decades, the U.S. Environmental Protection Agency and its state counterparts have relied on one-size-fits-all equipment mandates, requiring permits for each pollution source. Getting a permit became the measure of success.

This old environmental protection model generated some improvements in air and water quality. Nationwide, levels of one pollutant, sulfur dioxide, declined 27 percent in the 1980s. Cities like Los Angeles were able to report the cleanest air in decades this summer. By the mid-1990s, all sewage generated in the United States was treated before discharge.

But the "get a permit, pay a fee" approach, with its requirements that companies clean up smokestack or water discharges using prescribed technologies, deflected attention away from pollution prevention and environmental innovation. Oregon's "green permits" program, if it performs as well as similar innovations in other states, will inspire companies to go "beyond compliance" to find ways to prevent pollution, recycle industrial wastes, and conserve resources—and reduce compliance costs along the way.



**Scarlett discusses green policy at a September 9 Cascade luncheon**

Nearly 70 percent of companies participating in New Jersey's flexible, facilities-wide permitting program achieved costs savings averaging \$6.3 million per year from their participation. Under the facility-wide permit process, ten thick binders' worth of paperwork was reduced to a 1.5-inch packet. And New Jersey's Department of Environmental Protection estimates that facilities use 24 million pounds less of hazardous materials per year than before the permit reforms. One company, Huntsman-Polypropylene, eliminated 8.5 million pounds of emissions per year, and the flexible program allowed them to modernize their plant, doing away with 107 out of the plant's 350 pieces of equipment.

*"The new environmentalism focuses on problem solving, environmental performance and private sector innovations."*

In Massachusetts, a pilot flexible-permitting program prompted two-thirds of all participating companies to improve their environmental management systems. The majority reported that they were better able to implement pollution prevention efforts under the new system. Dry cleaners enrolled in the program achieved a 43 percent reduction in emissions of the carcinogen perchloroethylene. Photo processors reduced discharges of silver by 99 percent.

Flexible permits are just one innovation of this "new environmentalism." Under its Clean Break Amnesty program, Illinois helps small businesses achieve better environmental performance instead of slapping them with punitive fines. Pennsylvania regulators use a combination of incentives and flexibility in their program to clean up hazardous-waste sites. Jim Snyder, in charge of the Pennsylvania program, says it has "cut through the red tape" and "gives people the opportunity to solve problems."

Oregon's 85 cooperative watershed-management councils, which bring together landowners on a voluntary basis to improve water quality and watershed habitat, join similar associations around the nation that recognize the location-specific nature of many watershed problems and the complexity of habitat restoration challenges.

All these examples of new environmentalism share certain features. Their focus is on problem-solving, environmental performance, and private-sector innovations. The old environmentalism, by contrast, focused on punishment, regulatory process, and top-down prescriptions. While the old model achieved some results, it also spawned conflict and high costs. Oregon's "green permits" program is one step toward a new environmentalism.

**Lynn Scarlett is executive director and senior fellow in environmental studies at the Los Angeles-based Reason Public Policy Institute. A version of this commentary appeared in *The Oregonian* on September 9.**

## **Liberty Link** *Brainstorm* magazine

*Brainstorm* is a monthly magazine of politics, policy and culture for Oregon and the Northwest. Founded in 1997, *Brainstorm* offers feature articles and commentaries on cultural and business topics, conservative issues, free market policy, and regional-to-community concerns.

Topics covered by *Brainstorm* range from charter schools to competitive transit to the war on drugs. Cascade staff members regularly contribute to, and Institute programs are frequently highlighted by, the publication. In the August 1999 issue a feature article covered Cascade's Children's Scholarship Fund – Portland. Environmental policy director John A. Charles' article about Oregon's land use laws, "Stranded on the edge of the future," ran in the June/July issue.

*Brainstorm's* on-line counterpart contains features and opinion selections from the magazine, as well as weekly updates. Refer to [www.BrainstormNW.org](http://www.BrainstormNW.org).

*Brainstorm* is published by Northwest Brainstorm Foundation, a 501(c)(3) non-profit organization. For subscription information, to make a tax-deductible contribution to the Foundation, or to submit article ideas, write: 6490 Horton Road, West Linn, Oregon 97068, or call: (503) 557-8622.

# Tri-Met, city to create more congestion in Portland

## *Cascade report exposes light rail budget and technical discrepancies*

A government environmental impact statement paints a poor picture of the proposed North Portland light rail line. Dr. Gerard C.S. Mildner, a Cascade academic advisor and professor of urban studies at Portland State University, has analyzed the official government document and concludes that at least \$80 million in costs are being hidden from the public, and technical discrepancies exist which could lead to rail gridlock downtown.

Mildner notes in his Cascade report, *Punishing North Portland, commuters & taxpayers: The hidden costs of the proposed Interstate Avenue light rail line*, "The hidden costs are bad enough, but the government's own environmental impact statement reveals that congestion will worsen for most North Portland commuters during and after rail construction; thus, travel times will increase and more traffic can be expected on neighborhood streets." The increased congestion, in turn, casts doubts on the line's purported environmental benefits.

***"The marginal cost for new light rail riders...will be \$13.45 per trip...By comparison, Tri-Met reports that its total costs per boarding ride for North Portland buses are only \$1.61."***

The proposed light rail line, which has not been approved by voters, will create four years of construction delay, seriously disrupt businesses, and permanently eliminate two traffic lanes from North Interstate Avenue, a main traffic arterial, thereby creating spillover traffic throughout North Portland neighborhoods.

Mildner warns, "Though the project is budgeted at \$350 million, many major costs have only been reduced on paper, creating unfunded liabilities for our children and other future taxpayers." Two of the more egregious examples are:

- Tri-Met's budget covers only 17 trains, even though it reported ridership numbers to the federal government based on 24 trains. Thus, approximately \$34 million in vehicle and maintenance facility costs are missing.
- Tri-Met has eliminated the budget line for its "contingency fund," a standard protection against cost over-runs and unexpected expenses. Tri-Met has "saved" \$42 million by assuming that nothing will go wrong during construction.



**The proposed North Portland rail project would permanently eliminate two lanes from N. Interstate Ave. and increase congestion on I-5 and throughout North Portland neighborhoods.**

Mildner reports that the environmental impact statement shows new ridership on light rail will be more expensive than on buses. He states, "In the best transit market in the region, we are considering the highest cost method of delivering new ser-

vices."

How expensive will North light rail be? According to Mildner, even if we make the assumption that the federal tax portion of the project is entirely free to local taxpayers, the average cost will be \$4.35 per ride. The marginal cost for new light rail riders, those who didn't switch from buses, will be \$13.45 per trip, or \$26.90 per daily round trip. By comparison, Tri-Met reports that its total costs per boarding ride for North Portland buses are only \$1.61.

"Budgetary discrepancies are compounded by logistical concerns," cautions Mildner. "Congestion and delays can be expected on the light rail system itself." With the Airport and proposed North Portland lines, the number of peak-hour trains in downtown is projected to increase from 11 to 23. However, this may be technically impossible given traffic signals, passenger boarding time, and other factors.

Mildner states, "Tri-Met has never successfully operated more than 10 trains an hour. When Tri-Met tried to run more during the Interstate 5 bridge closure, significant delays occurred in the downtown portion of the MAX line. In the end, either the North line will end at the Rose Quarter, frequency and ridership will be less than estimated, downtown will gridlock, or government officials are not telling us about major rail reconstruction costs."

**Mildner's report "Punishing North Portland, commuters and taxpayers: The hidden costs of the proposed Interstate Avenue light rail line" is available from Cascade Policy Institute, call (503) 242-0900.**

## Strengthening Cascade's staff

Bill Mankin joined Cascade as our new director of operations in August. He formerly worked at the Ink-Jet Division of Hewlett-Packard in Vancouver as a research technician in imaging science. Prior to that, Bill worked on the management team of a chain of restaurants in Boise, Idaho. He attended Reed College in Portland, and is a self-educated PC software / hardware technician. Bill is a dedicated libertarian, and has already made significant contributions to the Institute.

Bill had the opportunity to work with former operations director Patrick Stephens for a month before Patrick as-

sumed his new responsibilities as communications manager with The Objectivist Center in New York. A passionate advocate for liberty, Patrick was a valued asset to Cascade since he joined the Institute in 1996. While in Portland, he administered a local Objectivist discussion group, the Atlas Shrugged Network.

In other staff news, we wish Julie Riggs all the best as she leaves Cascade to have her second baby. Tamar Hare will be assuming Julie's responsibilities as Executive Director of Children's Scholarship Fund - Portland, and Cascade's Director of Sponsor Relations.

## ...future of liberty

*Conflict Over Creativity, Enterprise and Progress*, in which she lays out the framework for understanding the challenge we face.

Postrel reminded us, “Markets have many characteristics. They serve and express the individual pursuit of happiness. They spread ideas. They foment change in the ways people live and work, and in what character traits are valued. They dissolve and recombine existing categories, from artistic genres to occupations. They encourage the constant search for improvements, and they subject new ideas to ruthless, unsentimental testing. Markets evolve through trial and error, experimentation and feedback. They are out of anyone’s control, and their results are unpredictable. It is this *dynamism* of markets—their nature as open-ended, decentralized discovery processes—that attracts the greatest ideological opposition today.”

***“Those who seek to politically control and shape the peaceful, voluntary and honest actions of individuals... will fail.”***

Postrel concluded, the “most potent challenge to markets today, and to liberal ideas more generally, is not about fairness. It is about stability and control...as a policy for society as a whole. It is the argument that markets are disruptive and chaotic, that they make the future unpredictable, and that they serve too many diverse values rather than ‘one best way.’”

Governments throughout Oregon epitomize the pursuit of the one best way. In Portland, for example, public officials speak the language of diversity, while

their actions push conformity. Not long ago the Portland city council prohibited the building of new homes with prominent garages in front. “They’re ugly,” some argued. Lacking respect for personal decisions and trust in the open future they create, and defining for all what constitutes the ideal community, city commissioners proceeded to ban that which did not fit their vision. The resulting violation of both personal liberties and property rights were ignored.

Efforts to shape and control through political means are widespread. Parents are told where their children will go to school. Because the planners presume to know what’s best, entrepreneurs are prohibited by law from competing against monopolistic government transit systems. There are repeated calls to regulate what we see on the Internet. Land use laws prevent individuals who live in rural areas from building homes on their property. And, in case you have good ideas about saving for your own retirement, well, someone in Washington, DC knows better than you.

These intrusions reflect a subtle yet

pervasive governing style, which seeks not government ownership, but oversight: not to dictate, but to shape. Alexis de Tocqueville foresaw this threat to liberty and wrote about it in *Democracy in America*. He titled the chapter, “What Sort Of Despotism Democratic Nations Have To Fear.” Drawing from his knowledge of the Roman Empire, and his observations of European governments, De Tocqueville noted that “if a despotism should be established among the democratic nations of our day...[it] would be more wide-

spread and milder; it would degrade men rather than torment them.”

De Tocqueville described a government that would cover “the whole of

***“A society of free and responsible individuals encompasses a diversity of tastes, values, desires and dreams.”***

social life with a network of petty, complicated rules that are both minute and uniform...It does not break men’s will, but softens, bends, and guides it; it seldom enjoins, but often inhibits, action; it does not destroy anything, but prevents much being born; it is not tyrannical, but it hinders, restrains, enervates, stifles, and stultifies....”

A society of free and responsible individuals encompasses a diversity of tastes, values, desires and dreams. Personal preferences should not be dictated. Those who seek to politically control and shape the peaceful, voluntary and honest actions of individuals—whether for wealth redistribution or to create their ideal community—will fail. The human desire to be free, as history has repeatedly shown, always rebuffs such attempts.

A moral social system is one in which the right of individuals to choose their own destiny is paramount. As Lord Acton once said, “Liberty is not a means to a higher political end. It is itself the highest political end.” Our challenge, like that of the American Revolutionaries and those who gathered at Mont Pelerin in 1947, is to secure the blessings of liberty for the generations to come.

**Steve Buckstein is president of Cascade Policy Institute.**

## Governor appoints CPI advisor to commission

*Pozdena to help refine Quality Education Model*

Governor John A. Kitzhaber recently selected Cascade academic advisor Randall Pozdena, Ph.D., to serve on his 11-member Quality Education Commission. Pozdena is managing director of ECONorthwest Inc., an economics and finance consulting firm. Pozdena also serves as chairman of the Oregon Investment Council, the asset management board for the Oregon Public Employees Retirement System, and sits on the Governor’s Council of Economic Advisors.

According to the governor’s November 8 media release, the commission “will refine the Quality Education Model to help lawmakers establish the costs of providing education necessary for Oregon’s children to meet the goals of the Education Act of the 21st Century.” The commission is to complete its work “in time for the governor to use it in preparation of the 2001-2003 state budget.”

Says Pozdena, “I am pleased to be appointed to the Governor’s commission. I am especially interested in finding ways that the Quality Education Model approach can help marry the reality of State funding of education with the better outcomes that are associated with local and parental control of schools.”



**Randall Pozdena**

# Local debates, national experts

## *Guest speakers discuss the environment, taxation through litigation, and liberty*

Cascade organized a busy schedule of public events throughout the fall, and plans for more nationally-recognized speakers are being drawn up for the coming year. Highlighted below are three of our guest speakers from the last quarter of 1999.

Lynn Scarlett, a nationally renowned environmental policy expert and executive director of the [Reason Public Policy Institute](#), spoke at a September 9 luncheon on "More carrots, fewer sticks: A cooperative approach to environmental protection." Scarlett delivered a positive message about the emerging trend of incentives-based, flexible approaches to pollution prevention to an audience of environmental leaders, business people, media, and public officials, including representatives of the DEQ. Later that day, Scarlett met with *The Oregonian's* editorial board as well.

Scarlett's September 9 *Oregonian* commentary, "Making it easier for companies to be 'green'," detailed Oregon's place in the market-oriented trend. Her commentary was followed by a November 9 article, "A green approach to business," written by luncheon attendee and *Oregonian* reporter, Catherine Trevison.

At a September 30 breakfast for Cascade supporters, constitutional scholar Robert A. Levy of the [Cato Institute](#) discussed the dangers of government-sponsored litigation, highlighting the cases against tobacco companies, gun manufacturers, former makers of lead-based paint, and Microsoft. Levy's morning presentation was followed by a meeting with *The Oregonian's* editorial board.

At lunch, Levy debated Peter D.

Sheppard, special counsel to the Oregon Attorney General, about the state's lawsuit against tobacco companies. The debate, held at the Northwestern School of Law at Lewis & Clark College, was organized by the school's Federalist Society Student Chapter.

David Boaz, executive vice president of the Cato Institute, spoke to 80 Cascade supporters at a dinner on Friday, November 5. In "Politics 2000: Exposing the enemies of a free society," he delivered provocative commentary

on a broad range of political and cultural issues while making the case for less government and more personal and economic freedom. Boaz is the author of the recently published *Libertarianism: A Primer*, and editor of several books, including *Liberating Schools: Education in the Inner City*, *The Crisis in Drug Prohibition*, and *Left, Right, and Babyboom*. In his 18 years at Cato, Boaz has played a key role in its development into one of the country's most respected think tanks.

## *Consuming public policy*

Cascade wishes to thank the Coalition for Free Trade (CFT) for providing the wine at the November 5 event featuring David Boaz. In a sense, public policy was not only discussed throughout the night, it was also consumed.

In attendance at the reception and dinner were CFT's executive director Vivienne Y. Nishimura, and general counsel William C. Kinzler. They were visiting Oregon to meet with the owners of the Hood River Winery, one of the plaintiffs in CFT's case against the Virginia Department of Alcoholic Beverage Control. CFT is challenging the constitutionality of Virginia's law that prohibits out-of-state businesses from selling their product to anyone but distributors and other middlemen.

In all, eight states count it a felony for out-of-state wineries and other businesses to ship directly to consumers. Twenty-nine states prohibit out-of-state purchases and shipments in some fashion.

Though Oregonians can legally order directly from other states' wineries, local vintors cannot sell their product directly to consumers in some other states. This prohibition drives up costs to consumers, and inhibits economic growth and corresponding job opportunities in Oregon's growing wine industry.

The ramifications of this suit reach far beyond Virginia. A victory for CFT would uphold the Commerce Clause of the U.S. Constitution, as well as affect states' rights to regulate the burgeoning e-commerce industry. For more information on the CFT, call (707) 480-3312 or email [info@coalitionFT.org](mailto:info@coalitionFT.org).

## ...in the news

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Portland and Nicolas Alexander, a local businessman and scholarship fund supporter, were the subject of David Reinhard's Nov. 7 *Oregonian* commentary, "The case and the cash for school choice."

Buckstein was quoted in the Nov. 3 *Investor's Business Daily* editorial, "State's Prerogatives," which argued that Oregon should have sovereignty over the assisted suicide issue.

Cascade's study, *No Taxation through Litigation*, was highlighted in the Nov. 3 *Blue Mountain Eagle* (John Day) editorial.

Charles was highlighted in an Oct. 26 *Oregonian* article on Portland's westside light rail line, in an Oct. 22 *Tennessean* article on urban growth, and in two articles on smart growth in the Sept. 6 issue of *U.S. News & World Report*.

Conerly was interviewed by *The Baltimore Sun* for its four-part series on economic development spending, which ran in October



**Cato Institute Vice President David Boaz receives comments from a dinner attendee**

## In Memory

Cascade Policy Institute lost a good friend when Victor Allen died on October 14, at the age of 82. He and his wife Mary regularly attended Cascade events after becoming supporters in 1993. As a committed champion of liberty and an active member of the Portland City Club, Vic worked tirelessly to instill his free-market views into its research committee reports. Victor Allen will be missed, but never forgotten.