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MACKINAC CENTER!

Over \$2 Million Raised for New Mackinac Center Headquarters Construction Has Begun



Three Rivers Construction

Rendering of the new Mackinac Center headquarters.

Three short months after announcing its \$2.4 million building campaign, the Mackinac Center for Public Policy has raised nearly \$2.1 million for construction of its new headquarters. Work has already begun on the 17,000-square-foot former department store in downtown Midland. The staff will move to the new facility by year's end.

Support from around the state is pouring in. The Herbert H. and Grace A. Dow and the Rollin M. Gerstacker Foundations of Midland have pledged \$1 million and \$500,000, respectively, for the project. The Towsley and Strosacker

Foundations of Midland have each pledged \$150,000. Gifts of \$100,000 each have been announced by the Prince Foundation of Holland, Michigan, and the Richard and Helen DeVos Foundation of Grand Rapids. The Jay and Betty Van Andel Foundation and Meijer Corporation, both of Grand Rapids, have each given \$20,000. Several other foundations and individuals have made additional contributions.

The headquarters funding campaign is co-chaired by Midland residents Margaret Riecker, a philanthropist and a founding director of the Center, and Alan Ott, chairman of the board of Chemical Bank and Trust.

The *Midland Daily News* devoted most of its front page, four stories, and an editorial of a Sunday edition to the announcement of the building project. Other newspapers as well as radio and television stations also carried the news.

The new headquarters will ultimately accommodate over 50 professional Mackinac Center policy experts, economists, and support personnel. A seminar room will house programs designed for teachers, students, scholars, government officials, and the public. A distribution center will handle requests for policy studies and reports, which

See "**Headquarters**" page 9

"A road is good for ten years, and bad for ten thousand."

—Ancient Chinese proverb inspired by poor road maintenance. See page 6.

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Lawrence Reed
President

What Our New Building Says

Friends of the Mackinac Center for Public Policy have a new reason to take pride in the organization they support—the impending move to a new headquarters building. It speaks volumes about where we've come and where we're going.

A little over nine years ago, the Center began with two employees on a concrete floor and a first-year budget of just \$80,000. Friends and foes alike were asking such questions as, "Is this outfit just a flash in the pan? Do they have what it takes to build a successful organization? Can a think tank devoted to free-market ideas really make it in Michigan? And even if it survives, can it actually make a difference?" Those questions, and the doubts implicit in them, have now been answered definitively.

In a purely functional sense, a new headquarters building will satisfy many critical needs. At our current location, we have no room for growth. In fact, with barely 3,500 square feet of leased space, we hardly have room for our current staff of sixteen. In the new building, ample space for storage, meetings, conferences, and a library will at long last be reality. Don't underestimate how greatly these features will magnify the Center's output, efficiency, and impact!

A new headquarters building will go a long way to fulfill the Center's long-term strategic plan. That plan calls for creating a team of articulate policy professionals who can address a broad range of important issues, saturating the state with the highest quality research and publications, emphasizing the priority of education over politics, and marshaling all the resources necessary to make sure that free-market ideas get a wide, fair, and frequent hearing.

But the new building's greatest value is the big picture it paints. It is, first and foremost, a Michigan testament to what's happening all over the world: Berlin walls and big government are coming down. Institutions devoted to strengthening the culture through freedom and free markets are going up. People who believe in these ideas do not want to hide them under a basket; they want them showcased so the message is clear and inspiring.

Any lingering shreds of doubt should now be put to rest. There is nothing ephemeral about the Mackinac Center or its commitment to the timeless principles of a free society. Our success is obvious, and nationally recognized. Free-market ideas are making headway in Michigan, and the Mackinac Center is a major reason why.

Our new headquarters building says it more plainly than words on any page. Like the ideas it seeks to advance, the Mackinac Center for Public Policy is here to stay! 🇺🇸

"Our new headquarters building says it more plainly than words on any page. Like the ideas it seeks to advance, the Mackinac Center for Public Policy is here to stay!"

IMPACT!

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University President Initiates Panel to Discuss Center Report

The Mackinac Center for Public Policy's recent report examining higher education was the focus of a public forum at Central Michigan University (CMU) in Mount Pleasant on April 16.

Nearly 200 students, faculty, and administrators participated in the two-hour panel discussion opened by CMU President Leonard Plachta

and moderated by Provost Richard Davenport.

Mackinac Center panelists were Adjunct Scholar Dr. Richard Cutler, president of the Michigan Association of Scholars and vice president emeritus of the University of Michigan, and Senior Policy Analyst Dr. Thomas Bertonneau, a faculty member of CMU's College of Extended Learning and

author of the Center report, *Declining Standards at Michigan Public Universities*.

CMU panelists included three academic department chairs, three professors, and a special assistant to President Plachta. The panel also included Rita Kramer, author of *Ed School Follies*, a book that analyzes teacher education.

The Mackinac Center report reviews teaching and curricula at all fifteen Michigan public universities and proposes ways to raise academic performance. Its release last fall prompted President Plachta to call for a public discussion to consider how CMU might adopt the study's eleven recommendations. Plachta said part of the university's job is to explore concepts and issues.

Davenport said in prior news reports that CMU was not taking the study "lightly." He called the panel discussion "an excellent opportunity to get a good, earnest debate."

The discussion was spirited at times. Bertonneau stated that reading and basic English grammar standards are declining. English Department Chair Dr. Stephen Holder responded, "No, we are not de-emphasizing learning basic skills." Holder noted, however, that "Today's master's degrees look like yesterday's bachelor's degrees."

Associate Professor of English Dr. Peter Koper said, "We currently admit students who cannot make all cursive forms of the alphabet," and that he hoped the panel discussion would lead to "an increased sense that our students need to write more and read more."

Center President Lawrence Reed commended CMU and Plachta for taking the lead in considering the study's conclusions. "One indicator of how well a public institution serves the public is how openly it responds to independent, critical research." !



Michigan public university students would benefit from higher academic standards.

Van Eaton Educates Officials about Privatization

Mackinac Center Senior Policy Analyst and privatization expert Dr. Charles Van Eaton helped dozens of school and local government officials learn how to benefit from privatization.

Van Eaton shared his expertise with over 60 educators, administrators, and members of seven school boards on

April 22 at the Fairview, Michigan, public schools.

Van Eaton gave the keynote address for the annual meeting, describing how privatization is helping Michigan schools put more money into their classrooms by privatizing services such as custodial, cafeteria, and transportation.

See "Official" page 10



Fairview students now enjoy nutritious hot lunches because of their school's decision to contract out.

Mackinac Center News and Views Amplified in Media

Here is a sample of the hundreds of the print, radio, and television citations of Mackinac Center research last quarter that are not mentioned in other newsletter articles.

- *U.S. News & World Report's* John Leo devoted his weekly column to declining standards in higher education, citing a recent Mackinac Center study in the first paragraph.
- *Investor's Business Daily* dedicated a editorial-length column to the nationwide impact of the Center's Right To Know Payroll Form. The Form was the subject of a *Detroit News* op ed and was

cited in a *Petoskey News Review* editorial.

- A *Detroit Free Press* article on welfare quoted Director of Communications Joseph Lehman saying "The greatest poverty fighting weapon ever is a strong economy," on its front page. The remark was distributed by the Associated Press and reprinted in over a dozen papers.
- Transportation Policy Analyst John Taylor debated Senator Jim Berryman for an hour on *WJR* radio on the merits of a fuel tax increase. Lehman and President Lawrence Reed explained that fuel tax increases should be offset by other tax cuts, in interviews published by Associated Press outlets and

The Detroit News.

- Joseph Lehman was a guest on the nationally syndicated CBS radio *Dave Ross Show* to explain how many environmental textbooks needlessly frighten children by teaching an unbalanced view of threats

to the environment.

- A Mackinac Center *Viewpoint* arguing for a flat-rate tax structure was printed in several daily papers including the *Lansing State Journal*.

See "Views" page 11

Pepper...and Salt



The Wall Street Journal

"We didn't do anything to save mankind or the environment. We wasted the whole day on reading and math."

Leaders Herrick and Levy Join Board of Directors

Michigan business and community leaders Todd W. Herrick and Edward C. Levy Jr. have joined the Mackinac Center for Public Policy Board of Directors.

Herrick has been president and CEO of Tecumseh Products Company of Tecumseh since 1986. He graduated from the University of Notre Dame and was a Captain in the U.S. Army. Since joining Tecumseh Products in 1972, he has held positions in manufacturing, engineering, and management.

Herrick belongs to the Notre Dame University Advisory Council for the College of Business Administration, the Visiting Committee of the

University of Michigan (UM) School of Business Administration, the UM National Advisory Council, and the UM Tauber Institute Industrial Advisory Board. Herrick and his wife, Linda, have three children.

Herrick welcomed a more active role with the Center because "the Center has become a leader in making Michigan a better place to earn a living," he said.

Levy has been president and CEO of Edw. C. Levy Company of Detroit since 1969. He joined the firm in 1952 immediately after graduating from Massachusetts Institute of Technology.

Levy is active on a number of civic and charitable boards, including the Children's

Hospital of Michigan, the Detroit Interfaith Round Table of the National Conference, the Citizens Research Council of Michigan, and the Karmanos Cancer Institute. Levy and his wife, Julie, have two children.

Levy said about joining the board, "I devote my time to organizations that have the greatest impact in helping people. The Mackinac Center doesn't just make government better; it improves Michigan's quality of life."!



Board member Herrick (l) discusses with Director of Labor Policy Robert Hunter (r) how labor laws affect worker freedoms.

We Worked Longer Than Ever for Government in 1997

If you filed your taxes by April 15, congratulations—you complied with the law. But April 15 was too early to celebrate. Tax Freedom Day did not roll around until May 9 this year.

Tax Freedom Day is the date by which the average worker's tax bill would be paid in full if all his or her earnings since January 1 went exclusively to pay taxes. In other words, Americans work the first 35% of the year to pay government's bills; they work the rest of the year to meet their families' needs.

The chart shows the progression of Tax Freedom Day since 1980. For five consecutive years, Americans have worked more days to pay their taxes than in the preceding year.

Tax Freedom Day in Michigan is traditionally later than that for the nation as a whole due to Michigan's higher-than-average state and local tax burdens. Michigan

workers labored one full day longer—until May 10—than the average U.S. worker to achieve tax freedom in 1997.

Tax Freedom Day is calculated by the Tax Foundation, a Washington, D.C.-based educational group.

Although the average wage earner can pay his or her taxes by giving up all income earned from January 1 until May 9, that pays only for direct government costs. Additional burdens, such as mandates and regulation, consume even more of every paycheck. Average American workers toiled until July 3—Cost of Government Day—last year to pay the full cost of government.

Cost of Government Day is tracked by the Americans for Tax Reform Foundation, also located in Washington, D.C. ■

Thousands of Teachers and Students Invited to Earn College Credit, Sharpen Skills at Mackinac Center Events

While most teachers and students are downshifting for summer, the Mackinac Center for Public Policy is gearing up for two of its most successful annual educational programs—the Summer Seminars in Political and Economic Education for high school teachers, and the High School Debate Workshops for debate competitors and their coaches.

Nearly 3,000 Michigan high school social studies teachers have been invited to earn college credit by attending the Center's two-and-a-half day intensive Summer Seminars. Dozens of teachers are expected again to come to Midland for either of two consecutive extended weekends in late July or early August. Past participants give the program rave reviews for showing them new and more interesting ways to teach economics, history, and civics.

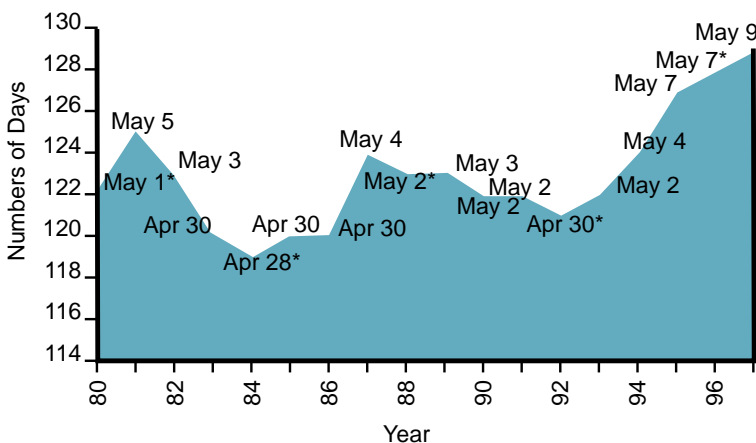
About 800 schools are being invited to send their best and brightest debate students and coaches to the Center's Annual High School Debate Workshops in late September and early October. A panel of national experts will help an expected 1,000 students

sharpen their skills in this year's debate topic: U.S. policy toward renewable energy. Over 4,000 students and teachers attended past debate workshops.

Workshop locations are Southfield, Jackson, Grand Rapids, Midland, and Grayling.

For information on attending or providing scholarships for local teachers or students to attend, call Summer Seminar Coordinator Michael LaFave or Debate Workshop Director Kendra Shrode at (517) 631-0900. ■

Tax Freedom Day 1980-1997



*Leap year makes Tax Freedom Day appear one day early.

Governor Embraces Mackinac Center Ideas for Road Repair Policy

Key elements of Governor Engler's "Build Michigan II" proposal to fix our roads were first recommended by the Mackinac Center for Public Policy.

Two major components of the governor's plan include cost-saving reforms to make the best use of existing road funds and recapturing a more equitable portion of the federal fuel tax dollars paid by Michigan motorists.

Nearly all of the governor's \$170 million in proposed cost-saving measures and the recommendation to get a higher return of federal fuel tax dollars were originally outlined in the Mackinac Center's definitive transportation study, *Fixing the Roads*, by Center Transportation Policy Analyst Dr. John Taylor.

Cost-saving Mackinac Center ideas within the governor's plan include making it harder

to bring frivolous road-related lawsuits against the state, requiring truck owners to pay more of their share of road costs, eliminating wasteful duplication of services, and ending a special discount on diesel fuel (already enacted). *Fixing the Roads* identified a total of \$172 million in savings through reforms.

A 4-cent-per-gallon fuel tax increase proposed by the governor, however, is not recommended by the Mackinac Center. Although it would raise money for roads, it would, without an offsetting tax cut, hurt the state's competitiveness and increase the size of the state budget by nearly \$200 million per year.

One way to offset the cost of the proposed fuel tax increase is to reduce the state's personal income tax. Decreasing the income tax from its present 4.4 percent to 4.27 percent would balance the nearly \$200 million fuel tax

increase, and would avoid increasing the overall size of state government.

Our elected officials should ask See "*Ideas*" page 11

Website Reveals Michigan Education Association Facts

Is Michigan's largest teacher union helping or hurting education? A new Mackinac Center for Public Policy Website feature documents actual policies, views, and activities of the Michigan Education Association.

Tragically, many of the fine teachers the union purports to represent either disagree with its views or are unaware

of MEA actions that actually thwart educational advancement.

The new MEA Web feature allows thousands of citizens to judge for themselves whether policies promoted by the MEA are in the best interest of Michigan children, teachers, and parents. Over 50,000 electronic files are accessed each month from the Mackinac Center Website.

<p>Contents of MEA Web Feature</p> <p>http://www.mackinac.org</p>	<p>School Board Members</p> <ul style="list-style-type: none"> • MEA Demeans People of Faith • MEA Adopts Reactionary Stance on Education Reform • MEA Is a Partisan Organization • MEA Requires Teachers to Pay for Image Building Campaign • MEA Wastes Public School Funds Defending Unqualified Teachers • What Does the Mackinac Center Recommend? • How Teachers Can Obtain a Dues Refund
<ul style="list-style-type: none"> • Teachers Disagree with MEA Policies and Activities • MEA Hypocritical on Privatization • MEA Lobbyist Calls Advocates of Educational Choice "Racist" • MEA Threatens to Blacklist New Teachers • MEA Abuses Public School Health Care Funds • MEA Advocates Deceptive High Pressure Tactics against 	



Over \$60 million—equivalent to 1.2 cents per gallon in fuel taxes—could be saved annually by expanded privatization of state road maintenance, similar to the state's contract with ABC Paving on I-496 in Lansing.

Those who do not have Web access may request a photocopy of the posted material for \$5.00 postpaid by calling (517) 631-0900.

Management, Property Rights, and Tax Experts Inform State Officials

Three highly respected leaders in their fields shared insight on current issues with state officials at Mackinac Center for Public Policy Issues and Ideas meetings. Typically between 25 and 60 legislators, legislative staff members, department officials, and gubernatorial staff members attend the monthly sessions.

Michigan Director of Management and Budget Mark Murray addressed cutting-edge changes in state government on March 10. Murray explained that reforms of the state's purchasing procedures, computer systems, accounting discipline, and retirement programs have made Michigan a leader in good management of public resources.

Attendees questioned Murray on recent high-profile problems involving privatization of services, including the state's campground reservation contract with DPCS, Inc. A dispute arose over alleged poor quality of DPCS's service and claims that the state imposed up to \$1 million in additional costs on the firm. The parties settled by canceling the contract and a payment of \$500,000 to DPCS.

Murray told the group that privatization was not a cure-all, and that the state was beefing up its ability to better manage contracts to avoid problems such as those with DPCS. He stressed that privatization contracts empower state officials to enforce quality standards with private firms, and allow the state to "shop around" for another provider if a current provider proves unsatisfactory.

On April 18, Mountain States Legal Foundation President William Perry Pendley explained his group's role in defending landowners along the Upper Peninsula's Crooked Lake against property rights encroachments by the U.S. Forest Service. The Foundation is a public interest legal center headquartered in Denver, Colorado.

The issue at Crooked Lake is whether the forest service, which controls most of the land around the lake, has the legal right to deny adjoining private property owners the use of the lake as guaranteed by Michigan and federal law. The final outcome of the case is undecided.

Perry answered questions on major Michigan property rights controversies, including the Nordhouse Dunes drilling rights settlement, the Jordan River Valley mineral rights case, and the Scenic Rivers Act dispute.

Perry said that current battles over environmental policy and property rights are often not about protecting the environment, but about power and control. He asserted that environmental extremism is losing ground because increasingly, people who hear the familiar sky-is-falling rhetoric are not believing it.

Americans for Tax Reform (ATR) President Grover Norquist gave a May 15 overview of what he sees as the two main forces arrayed against one another at the federal and state levels: those who wish government would leave them alone and those who want it to grow and assume new functions. ATR is based in Washington, D.C.

Norquist predicted that what he calls the "leave us alone coalition" will become America's new political majority with major implications for taxpayers and the role of government. He fielded questions from the officials on changes in tax policy and politics.

Issues and Ideas is a monthly forum for state government officials designed to broaden policy debates to include the best understanding of legal, economic, psychological, moral and scientific principles. ■



One of Murray's innovations is the adoption of the Mackinac Center's Right To Know Payroll Form concept which shows over 60,000 state employees with every paycheck a more accurate breakdown of the cost of government.



Pendley wrote *It Takes a Hero*, which highlights the accomplishments of those who recognize the importance of property rights in protecting both freedom and the environment.



Norquist said that no one in Washington, D.C. still believes in statism: the concentration of control and planning in the hands of a central government.

Morey Gives \$1 Million to Center

Long-time Mackinac Center for Public Policy member and friend Norval Morey of Winn has given the Center \$1 million to help maintain the free-enterprise system.

"I helped finance [the Mackinac Center] when they got started many years ago and they've done a lot of good. They have been fighting for free enterprise and that's what I believe in," Morey told the Mt. Pleasant *Morning Sun* in a front-page article about his gift.

Morey is particularly supportive of the Mackinac Center's projects in regulatory and education reform, two issues in which the

Center has been very influential.

Morey founded and provided the funding to construct the Morey Charter School of Mt. Pleasant, which is set to provide education focusing on traditional basic skills for up to 210 K-6th graders starting this fall. Mackinac Center President Reed will soon join the school's board of directors.

Morey also founded Morbark Industries, a maker of equipment used in forestry, sawmills, and recycling that provides jobs for about 600 people.

Morey said that "government creates too many regulations that interfere with the free-enterprise system." He also



Norval Morey

told the *Morning Sun* that he believes he would not have been able to found his firm 45 years ago if government regulated businesses as heavily then as it does now.

"If it hadn't been for the way things were [then], I wouldn't have been able to give \$1 million to anyone," he said. Morey said, "I understand what the free-enterprise system allowed me to do and I want to help preserve that system."

Morey wrote in a letter: "The Mackinac Center is a strong voice for free enterprise. You and your staff have done an excellent job of presenting carefully researched arguments in favor of individual freedom and responsibility, market-driven economics and smaller government. The citizens of Michigan are fortunate to have the Mackinac Center in the state."!

Buy a Brick

The Mackinac Center for Public Policy headquarters building campaign has been in full swing for months.

Monumental projects like this do not come together without an incredible amount of behind-the-scenes coordination by people with great vision and influence. The entire campaign will raise \$2.4 million. More than \$2 million has already been formally committed.

The campaign began with insightful advice from Mr. Gene Yehle, chairman of the Strosacker Foundation in Midland. Mr. Yehle enumerated the questions that must be answered before any foundation would be likely to support the project. Mr. Alan



James E. Kostrava
Vice President for Development

Ott, chairman of Chemical Bank and Mrs. Margaret "Ranny" Riecker, president of the Towsley Foundation (and a founding board member of the Mackinac

Center) generously agreed to co-chair the headquarters campaign.

Their leadership and guidance opened the many doors that made possible our raising over 80% of the goal within a few short months.

Now, in the final stages of the campaign we are requesting contributions from other Mackinac Center members and friends. The "Buy A Brick" program allows members who contribute \$200 or more to symbolically "buy a brick" and to be part of the building campaign. Interested members and friends need only to send in a \$200 contribution and note it as "Buy A Brick." All new building supporters will be

honored at our grand opening celebration. I urge you to participate in this important project.

There is something very poetic about symbols of statism such as the Berlin wall being torn down while symbols of freedom such as the new Mackinac Center headquarters are being built. It is not a coincidence. It is not surprising. It is a very favorable trend.

I invite you to "buy a brick" and be part of history in the making. If you have any questions about the headquarters building campaign, please feel free to contact me personally.!

Who Really Pays Road Use Taxes?

By Cecil E. Bohanon and T. Norman Van Cott

Bumper-Sticker Economics

Economics is alive but not well on America's highways. Americans are continually instructed in the nuances of economics via a plethora of bumper stickers of questionable content. Some mobile placards thinly veil people's attempts to increase their incomes by duping others. The United Auto Workers' ludicrous claim that buying a foreign car dooms ten assembly-line workers to a lifetime of unemployment is such a sticker. Other drivers carry the torch for causes ranging all the way from the National Rifle Association's "God, guts, and guns" theory of American economic development to left-liberal pleas to produce food "for people, not for profit."

In this wasteland of economic illiteracy, we have found one sticker that offers more than mere comic relief. America's truck owners, no doubt tired of hearing that their trucks mangle the roads, have retaliated with stickers stating, "This Truck Pays Umpteen Thousand Dollars in Annual Road-Use Taxes." Contrary to others, there is a seed of economic truth in this sticker. The message describes the user-cost mechanism in U. S. highway finance, however imperfect the mechanism may be.

At the same time, this back-of-the-truck tax return illustrates a widespread myth about taxes—a myth that is responsible in part for the sorry condition of public discussion of tax policy. Let us sketch this myth, using as a backdrop the American

truckers' attempt at economic education.

The Myth

The myth is that inanimate objects—like trucks—pay taxes. The truth, of course, is that inanimate objects never pay taxes, only *people* pay taxes. We enjoy pointing out to our students that when we pay our car license fees at the motor vehicles office, we never wait in line behind trucks. We wait behind *people* who own trucks. People pay every tax—be it a truck tax, land tax, corporate profit tax, wealth tax, or any other business tax.

One might think that we are belaboring the obvious, if not being simplistic, to point out that only people pay taxes. Note, however, that politicians across the political spectrum continually draw a distinction between taxes levied "on the people" and taxes levied "on business." The distinction is utterly fallacious. The people who own businesses are legally responsible to pay business taxes.

Nevertheless, politicians of all stripes find it appealing to perpetuate the "people vs. business" tax illusion. By convincing the electorate that people escape "business taxes," it is easier to increase these taxes. Politicians, thereby armed with additional tax revenue, can sell classic "free lunches"—new government programs that no one seems to pay for.

A variant of this myth is that the legal responsibility for paying taxes is the same as the

economic responsibility. Tax laws specify who is *legally* responsible for remitting tax revenues to the government. However, just because truck owners are legally responsible for paying road-use taxes does not mean they are the ones who actually pay them.

Road-use taxes increase costs for trucking companies, and these costs tend to translate into higher freight rates. This means that consumers of trucking services "share" in the burden of the tax. Likewise, to the extent road-use taxes negatively impact on the size of the trucking industry, truck drivers and truck manufacturers "participate" in the tax through lower earnings. The precise apportionment of the tax depends on what economists call the supply-demand conditions of the industry, but what is obvious is that actual tax burdens can be very different from legal tax burdens.

Conclusion

Truck owners can help demythologize taxation while still venting their anger. May we suggest a sticker along the following lines: "Look Straight into Your Rear-View Mirror, Buddy, and You'll See Who's Really Paying Some of the Umpteen Thousand Dollars This Truck Owner Pays in Road-Use Taxes." ■

This article originally appeared in the July 1988 issue of The Freeman. Reprinted with permission of the Foundation for Economic Education.

"Headquarters" from page 1

today comprise about 2.6 million pages of Center-produced research each year. An economics and public policy library, conference rooms, a reception area, and offices will make up the balance of the facility.

The architectural design will employ classic and modern elements that reflect the timeless political and economic truths that endure even in our complex 21st century society.

The Mackinac Center opened its doors in Midland in 1988 with two employees and a budget of \$80,000. Today, the Center has sixteen staff members and a budget of \$1.2 million. It currently leases office space in downtown Midland.

President Lawrence Reed says there are two reasons the Mackinac Center is expanding. "First, our explosive growth forced us to look at moving to larger quarters. We knew we wanted to keep our main office in Midland, but we looked at Lansing locations as well," Reed said.

According to Reed, the second reason for the Center's expansion is the growing realization that free-market policies are more effective than government central planning. Reed noted the collapse of Communist governments worldwide, historic domestic electoral changes, and the establishment of free-market oriented policy institutes in about 30 states. He said, "Berlin walls are coming down; Mackinac Centers are going up." ■

FREE MARKET BOOKSTORE

“Officials” from page 3

Fairview’s new hot lunch program was made possible by contracting out—a form of privatization. Instead of hiring its own food service staff and buying its own equipment, the school saves money by contracting with a local Council on Aging to provide hot, nutritious meals for students.

Van Eaton also consulted on May 28 in Stanton with the Montcalm County Privatization Council, which includes the mayor, commissioners, other local officials, and citizens who are exploring how privatization can help them save funds and improve quality of services.

Van Eaton described how other Michigan local governments have privatized solid waste disposal, water treatment, road maintenance, and other activities.

The Center also provided the school and community officials with informative privatization “how-to” guides. ■

Viewpoint Commentaries

Minimum Wage Hurts Jobless by Making Work Illegal

March 1997 VP 97-SR1
No legislature can make a person worth more by making it illegal for job providers to pay him less.

Getting Our Money’s Worth in Reading Instruction

March 1997 VP 97-07
Educational fads have failed to improve reading skills in over twenty years. Instead of increasing subsidies to the status quo, the current budget could be spent on more fruitful teaching methods.

Property Rights Protect the Environment Better Than Politics

March 1997 VP 97-08
Some environmental groups are protecting thousands of acres of natural treasures not by lobbying for more regulations, but by buying the land they want to preserve.

650-Lifer Punishment Is a Crime

March 1997 VP 97-09
Michigan’s harsh “650-Lifer” drug law is costing the state a fortune, restricting judges’ discretion, and targeting many of the wrong offenders.

What Segregation Did to the Detroit Tigers

April 1997 VP 97-10
The Detroit Tigers paid a heavy price for resisting

racial integration in the 1950s. Market competition, not quotas, eventually drove the team to add talented black players.

EPA Rules Are Bad News for Michigan

April 1997 VP 97-11
Proposed federal rules on air particles too small to measure would restrict millions of citizens’ use of cars, lawn mowers, fireplaces, and even backyard barbecues.

Flatten the Tax before It Flattens Us

April 1997 VP 97-12
Simplifying the tax code to require a single, flat rate would charge the economy with billions of dollars in productivity now wasted on tax paperwork.

Herbert Dow, Monopoly Breaker

May 1997 VP 97-13
A spirited Michigan entrepreneur finds himself in an international trade war. He fights back with his own resources instead of asking for government help.

Lessons from Down Under

May 1997 VP 97-14
We can learn from how the Kiwis “down under” restored economic growth and productivity after decades of failed statist policies.

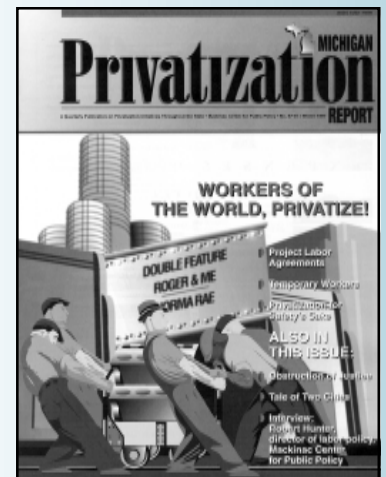
Temporary Workers and Pushbutton Unionism

May 1997 VP 97-15
Thousands of temporary workers choose not to join unions. Should the law force them to do so? The answer may wipe out a nearly \$1 billion Michigan industry.

Journals

Michigan Privatization Report: Special Labor Issue

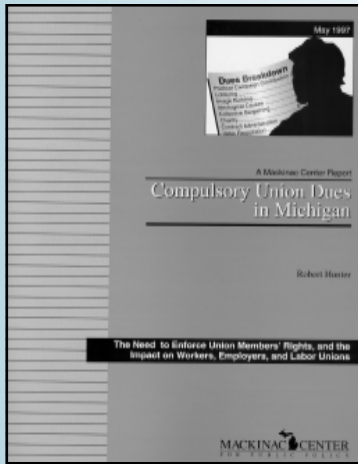
MPR 97-01 \$3.00
Feature stories: Big labor’s antiprivatization techniques, OSHA’s failure to improve workplace safety, and the possible forced unionization of temporary workers. Other articles include an interview with Ronald Reagan’s first appointee to the National Labor Relations Board, Robert Hunter, and a review of how project labor agreements discriminate against non-union workers and drive up construction costs. Special insert: “Freedom From Bad Labor Advice” brochure.



Studies & Reports

Compulsory Union Dues in Michigan

S97-01 \$5.00
 Nearly one million Michigan workers are forced to financially support unions in order to keep their jobs. Although federal law permits unions and employers to force workers to pay for union representation in the workplace, the law does not extend to forcing workers to

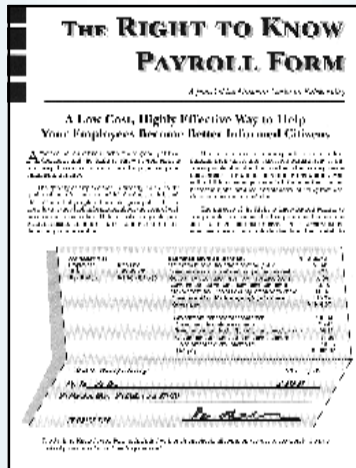


pay unions for representation in the political arena. Over three-fourths of union workers are not aware that they do not have to fund their unions' political, social, and ideological agendas. This report documents the developing law surrounding compulsory union dues in Michigan, shows workers how to exercise their rights to a dues refund, presents positive union strategies for making workers aware of their rights, and calls for executive action by the governor. 28 pp.

Special Items

The Right To Know Payroll Form Kit

#RTKPF Complimentary
 Hundreds of companies are finding The Right To Know Payroll Form an easy, effective way for employers to show their workers the true cost of government with every paycheck. An informative four-page brochure explains how to modify pay



stubs to show line-by-line the hidden government-mandated costs paid by the company on behalf of the worker. These costs include employer-paid Social Security and Medicare taxes, unemployment and worker's compensation insurance, and other costly mandates. The Right To Know Payroll Form helps employees be better informed in the democratic process by shattering the myth that taxes, regulations, and mandates on businesses do not affect them personally.

Freedom from Bad Labor Advice

#LABOR Complimentary
 This informative resource gives workers straight answers to common questions about labor unions and employee rights and responsibilities. The question-and-answer format helps workers understand how federal labor law affects them directly on topics including mandatory union membership and payment of dues. Public employees, including teachers, will also benefit from this handy brochure.



How to order:

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

For telephone orders, please call the Mackinac Center at (517) 631-0900. The Center accepts Visa or Mastercard 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.

"Views" from page 4

- The *Detroit Free Press* and other papers reprinted Senior Fellow in Economic Education Dr. Burton Folsom's *Viewpoint* on the success of market forces in bringing an end to segregation in Major League Baseball. His research was also cited in Rick Haglund's column reprinted in several afternoon newspapers.
- Adjunct Scholar John Oberlatz explained in a *Detroit News* op ed that the costs of proposed EPA air quality regulations outweigh any likely benefits. His work was cited in an *Oakland Press* editorial and reprinted in several other papers.
- Joseph Lehman explained on *National Public Radio* that enforcement of property rights protects the environment better than political mandates. █

"Ideas" from page 6

themselves, "Isn't our \$30-billion-plus budget already big enough to pay for roads?" If state leaders cannot bring themselves to pay for roads by shifting \$200 million from low-priority programs, and they decide to raise the gas tax, they should offset the harmful effect of that tax increase by cutting some other tax.

The Mackinac Center will maintain its influential role in the fuel tax debate, and Center research will continue to show elected leaders how to stretch existing road dollars and give roads the priority they deserve. █

INDIVIDUAL IMPACT

Reed Squares Off against Former Senator Riegle

Mackinac Center President Lawrence Reed debated former U.S. Senator Donald Riegle on the subject “Free Enterprise & Public Policy” at the annual meeting of the Michigan-West chapter of the Young Presidents Organization in Lansing on April 17. About 60 Michigan corporate presidents got the distinct impression that ideas of individual liberty and limited government are replacing the failed theories that encouraged government growth for several decades.

The friendly debate was moderated by Bill Ballenger, former state legislator and now host of a weekly WKAR Lansing radio call-in program and publisher of the *Inside Michigan Politics* newsletter.

Reed was perhaps most convincing on the final question: “Is the era of big government really over?” Reed optimistically said that it is at least beginning to end. He cited as evidence that even Riegle, whose 28-year U.S. House and Senate voting records consistently supported increased government spend-



Neither former Senator Riegle (l) nor Reed (r) proposed new government programs to solve social and economic problems.

ing and control, had not suggested the need for a single new or expanded

government initiative in the entire two-and-a-half-hour exchange. !

Hunter Helps Enact New Rules to Boost Privatization

Michigan citizens and government officials got a break on May 8 when the state Civil Service Commission enacted new rules making it much easier for the state to save money and improve quality by privatizing.

The primary change is a one-hundred-fold increase in the dollar-value authority of state officials to contract for personal services without asking for Commission approval. Old rules forced officials to seek Commission approval for any personal services contract worth more than \$5,000. The

new rules set a \$500,000 limit.

Ninety-two percent of state contracts, worth about \$81 million annually, are for less than \$500,000.

Civil Service Commission member and Mackinac Center Director of Labor

Policy Robert Hunter said, “Easing the rules to contract out makes it easier to be a good steward of the public purse. State employees should have flexible authority to find the least expensive way of providing the highest quality services to Michigan citizens and taxpayers.” !

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