

Contents:

President's Message 2	New Education Digest 5	Scope of Democracy 9
Goal: Train 100,000 Citizens..... 3	Government's Biased Role in Labor Relations 6	High School Debate Workshops 10
Media Impact 4	State Jobs Program Stumbles 6	Free Market Library 10
Center Idea in Federal Legislation 5	La Mothe Helps Educate . 8	Voucher Drive Launched 12

Study: Discriminatory State Labor Law Hurts Job Growth

Michigan's Prevailing Wage Act of 1965 not only wastes hundreds of millions of tax dollars annually and makes it harder to build new schools, it also hurts workers by reducing employment, slowing economic growth, and even fostering racial discrimination.

These and other findings from a new Mackinac Center for Public Policy study are helping legislators decide whether to repeal the law, which mandates that contractors pay artificially high, union-scale wages on all



State government could pay for at least 10% more infrastructure at the same level of taxation if the prevailing wage law was repealed.

state-financed projects from road repair to school construction.

The study was sent to state officials, policy makers, and legislators including State Representative Wayne Kuipers, who has introduced a bill that would, if passed into law, make Michigan the tenth state to repeal its prevailing wage act.

Dr. Richard Vedder, Distinguished Professor of Economics at Ohio University and author of the study, analyzed state fiscal and See **"Wage"** on page 4

Analysis Shows Money May Be Real Reason Unions Oppose School Choice

Officials for two of Michigan's most politically powerful and influential labor unions offer many reasons for their unyielding opposition to any form of school choice, but new research suggests that the real reason may boil down to dollars and cents.

A new Mackinac Center for Public Policy study reveals that the Michigan Education Association and the Michigan

Federation of Teachers have been largely unable to attract dues-paying members from among the employees of private and charter schools. Analysts predict more students and education jobs are likely to migrate to these schools if parents are allowed more freedom to choose where their children receive an education.

The study was released to state policy makers, education officials, teachers, and

journalists as grassroots efforts to place a school choice initiative on the 2000 ballot heat up. The proposed initiative would strike the state's constitutional prohibition against K-12 tuition vouchers and tax credits and institute a limited voucher plan that would make it easier for 20 percent of Michigan government school students to attend a safer or better school.

See **"Choice"** on page 10

"The Mackinac Center has been a great source of ideas for making Michigan a better place to live." —Congressman Pete Hoekstra. See story on page 5.



Board of Directors

Richard Antonini, Chairman
Lawrence Reed, President

William Allen
Peter Cook
Hon. Paul Gadola
Todd Herrick
Mara Leticia
Edward Levy, Jr.
Rodney Lockwood, Jr.

Bruce Maguire, Jr.
Richard McLellan
Richard Merillat
D. Joseph Olson
James Rodney
Linda Shinkle

Board of Scholars

Dr. Donald Alexander
Western Michigan University

Dr. Dale Matcheck
Northwood University

Dr. John Attarian
The Social Critic Magazine

Dr. Paul McCracken
University of Michigan

Dr. Thomas Bertonneau
Association of Literary Scholars & Critics

Dr. George Nastas III
Marketing Consultants

Dr. Peter Boettke
George Mason University

Dr. John Pafford
Northwood University

Dr. John Bornhofen
Grand Valley State University

Dr. Mark Perry
University of Michigan - Flint

Dr. William Browne
Central Michigan University

Dr. Karen Potter-Witter
Michigan State University

Dr. Stephen Colarelli
Central Michigan University

Gregory Rehmke
Foundation for Economic Education

Dr. Keith Crocker
University of Michigan

Dr. Steve Safranek
University of Detroit Law School

Dr. Robert Crowner
Eastern Michigan University

Louis Schimmel, Jr.
Municipal Advisory Council of Michigan

Dr. Richard Cutler
Michigan Association of Scholars

James Sheehan
Competitive Enterprise Institute

Robert Daddow
Oakland County Executive

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

Dr. Stephen Dresch
Jheon & Associates

Bradley Smith
Capital University Law and Graduate Center

Prof. Richard Ebeling
Hillsdale College

Dr. John Taylor
Wayne State University

Dr. Wayland Gardner
Western Michigan University

Prof. Harry Veryser, Jr.
Walsh College

Dr. Dale Haywood
Northwood University

John Walter, Jr.
Dow Corning Corporation

Dr. Ormand Hook
Michigan Resource Center for Charter Schools

Dr. William Wilson
Wilson Econometrics

Prof. Harry Hutchison
University of Detroit Law School

Dr. Martin Wing
GMI Engineering & Management Institute

Dr. David Janda
Institute for Preventative Sports Medicine

Dr. Gary Wolfram
Hillsdale College

Mrs. Russell Kirk
Author, Lecturer

Dr. Robert Kleiman
Oakland University

IMPACT!

Joseph Lehman
Editor

David Bardallis
Assistant Editor

Daniel Montgomery
Graphic Designer

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

Mackinac Center for Public Policy
140 West Main Street

P.O. Box 568

Midland, Michigan 48640

(517) 631-0900 • Fax (517) 631-0964

www.mackinac.org • mcpp@mackinac.org



Lawrence Reed
President

Sharing the Tools of Leadership

For any business, group, country or movement, *leadership* is critical to success. It requires entrepreneurial vision, intelligence, courage, integrity, and clarity of purpose. Leadership inspires, and it gets things **done**.

At the Mackinac Center for Public Policy, we believe that all members of an organization ought to possess the traits of leadership, not just the men or women at the top. That's why we put a premium on finding and hiring people for our staff who don't require constant hand-holding or who sit around and wait for someone else to tell them what to do. We think every person in every job ought to be a leader. We often recruit from the ranks of private industry because that's a prime place to find people who know how to make things happen.

This philosophy built our organization into the biggest and perhaps the most effective of our kind outside of Washington, D.C. It's a philosophy we are eager to share with other organizations which have similar perspectives on public policy issues. Since May 1998, we have sponsored four unique "Leadership Conferences" at which we have trained more than 130 executives and staff members from free market think tanks in the U.S. and abroad.

These comments from Kerri Houston, the new executive director of the State Policy Network, are representative of the comments from nearly every attendee: "I came away not only with more knowledge than I would have dreamed possible, but with a heightened appreciation of the goals achievable when a team's primary management objective is mutual trust and respect."

In late August, we held the fourth of our leadership conferences—and the first one outside of our Michigan headquarters—in San Jose, Costa Rica. The program was fully funded thanks to the help of foundations and individuals from several states. Sixty-two people from 18 countries on four continents came to hear our staff present concepts of leadership in advancing free market ideas. We take great pride in the fact that we are assuming a leadership role in strengthening the free market movement not only in Michigan, but in other states and other countries.

Appreciation for free market ideas is growing around the world. At the same time, it is also becoming apparent that their future success may be more constrained by the capabilities of organizations like ours than by the arguments of those on the other side. That's why it is important to maintain high standards, cultivate the traits of leadership, and share them with our allies. When you give to the Mackinac Center in Michigan, your contributions reverberate far beyond the borders of our state.!

We put a premium on finding and hiring people for our staff who don't require constant hand-holding or who sit around and wait for someone else to tell them what to do. We think every person in every job ought to be a leader. We often recruit from the ranks of private industry because that's a prime place to find people who know how to make things happen.

Seminars' Goal: Equip 100,000 Citizens with School Choice Facts

As Michigan citizens consider whether to approve the Kids First! Yes! school choice plan in November 2000, the Mackinac Center for Public Policy's goal is to reach at least 100,000 citizens with an aggressive statewide program of school choice training seminars.

The Center has already educated and informed parents and other citizens at nearly a dozen Freedom in Education Training Seminars (FETS) in mid-Michigan. "No organization is better equipped than the Mackinac Center to help citizens make educated decisions on school choice," said Gary Glenn, former president of School Choice YES! and Mackinac

Center school choice project manager.

Trainees learn about the history of the school choice movement, the various kinds of school choice, how school choice increases fairness and opportunities for children of poor families, how to dispel 13 myths promulgated by anti-school-choice forces, and why competition for students provides incentives for all schools to improve. "But the most vital part of our message to trainees will be the importance of sharing what they have learned with others," Glenn said.

Glenn conducts the training seminars with:

- Joseph Overton, Mackinac Center senior vice president



Associate Director of Education Policy Matthew Brouillette explains how to use Mackinac Center publications to refute 13 myths peddled by anti-school-choice interests.

and co-author of the "Universal Tuition Tax Credit" proposal.

- Matthew Brouillette, Mackinac Center associate director of education policy, a history teacher at Saginaw Valley State University and author of numerous studies on school choice, and other education reform issues.

FETS training continues to attract a diverse cross section of citizens, including African-American community activists and prominent Democratic and Republican community leaders. To attend the Freedom in Education Training Seminar scheduled in your area, please call (517) 631-0900.!

Veteran Development Officer Advances Cause of Freedom

The search for the Mackinac Center's new director of major gifts meant more than just finding someone experienced in fundraising: It meant finding an experienced development officer who also is deeply committed to freedom and the vision of a voluntary, civil society.

The Center struck gold in Christina K. Smith, a seasoned professional whose extensive accomplishments include major gifts fundraising at two leading think tanks that champion free markets at the national and international levels.

Smith is former chief development officer for the Acton Institute for the Study of



Smith is responsible for major gift components of the Center's growing \$2.2 million annual operating budget.

Religion and Liberty in Grand Rapids, Michigan, where she led its \$2 million annual fundraising program. She also served as director of institutional advancement for the Intercollegiate Studies

Institute in Greenville, Delaware, where she assisted with that organization's \$5 million development program. Both institutions actively promote and advance the principles and ideas that sustain a free society.

Smith is also a doctoral candidate in international relations at the University of Virginia. Her varied experience in the cause of individual liberty and free markets includes extensive service in Kuwait where, following the Gulf War, she helped the Kuwaiti people rebuild their society after the brutal occupation of Saddam Hussein's forces.

"Christina is more than a veteran development officer;

she's someone who has witnessed firsthand the human suffering that results when government fails to respect principles of freedom and human dignity," said Vice President for Development James Kostrava.

Smith joins Kostrava and Development Assistant Brennan Brown in the Office of Development, where she promotes to individuals, business leaders, and foundations the benefits of investing in the Mackinac Center's work. Smith is also responsible for cultivating new major gift contributors and assisting Mackinac Center members with estate and gift planning.!

News Media Coverage Goes Beyond Published Studies

Journalists seek comments from Mackinac Center for Public Policy experts on economic, legal, and policy issues, not just when we release major studies, but continually. Here are some highlights of hundreds of the last quarter's media citations not covered elsewhere in *IMPACT!*.

- Policy Analyst Michael LaFaive explained to Flint television viewers (see photo) that government subsidies to General Motors might benefit the company in the short run, but would harm GM and the economy in the long run. LaFaive's and others' Center research on corporate welfare and discriminatory tax incentives generated massive statewide attention (see page 6.)
- Robert Hunter, director of labor policy, wrote an article for the June issue of the Michigan Chamber of Commerce's flagship magazine, *Michigan Forward*. Hunter, a former member of the National Labor Relations

Board, warned against laws that subject job providers to unnecessary, employment related lawsuits.

- Nearly every daily newspaper in the state cited the Mackinac Center in an Associated Press article about unnecessary laws. Senior Vice President Joseph Overton was on the air for



more than an hour on Detroit's WXYT radio to cite examples of unneeded laws that reduce citizens' respect for the law in general.

- Center research explaining how government policies exacerbate "urban sprawl" and showing there is no shortage of farmland in the

foreseeable future was cited in columns and news stories in *The Detroit News*, *Kalamazoo Gazette* and *Grand Rapids Business Journal*.

- Policy Writer and Editor David Bardallis's essay explaining Ernest Hemingway's commitment to private—not government—arts funding was reprinted in the *Detroit Free Press* and other papers. Associated Press news stories commemorating the 100th anniversary of Hemingway's birth noted Bardallis's research.

- President Lawrence Reed offered listeners to Detroit radio station WCAR and Lansing station

WKAR his insights on economic and policy trends that show stronger support for free markets.

- In a news story carried by most Michigan afternoon daily papers, Vice President of Communications Joseph Lehman explained why state policies favoring manufactur-

ers over emerging industries were hampering opportunity and growth.

- WSGW radio in Saginaw and WUGN radio in Midland carried extensive interviews with Mackinac Center guests who explained the benefits of Freedom in Education Training Seminars held in those cities (see page 3).
- Senior Fellow in Economic Education Burton Folsom's research identifying problems with Michigan high school economics textbooks was cited in dozens of newspapers across the state. Dr. Folsom explained his findings in radio interviews on WKZO in Kalamazoo and WQBH in Detroit.
- Associate Director of Education Policy Matthew Brouillette's study linking union opposition to school choice to their inability to unionize charter and private schools was cited in news stories in several papers and radio reports. His op-ed on the subject was published in the *Oakland Press* and *The Detroit News* (see page 1).!

"Wage" from page 1

employment data for two 30-month periods, one in which the prevailing wage law was suspended by a federal court ruling and the other during which the law was in full effect. He found that

- job growth in Michigan's construction industry jumped from 4,000 jobs per year to 17,600 per year when the prevailing wage law was not in effect; overall, employ-

ment in construction expanded more than 42 percent during the period without the prevailing wage law;

- the prevailing wage law added about 10 percent to the cost of government construction projects which made it more difficult to convince voters to fund projects including schools, and unnecessarily boosted government spending by at

least \$275 million annually; and

- the savings from permanently repealing Michigan's prevailing wage law would be enough to give each Michigan taxpayer an annual rebate equivalent to roughly 5 percent of his state income tax payments.

The study also found that black representation in

Michigan's construction industry is well below the national average. This reflects the odious origin of prevailing wage laws, including the federal Davis-Bacon Act of 1931, said Vedder. The legislative history of such laws, he writes, "makes it clear that the idea behind 'prevailing wages' was seen by some congressmen as a way to discourage the use of non-white labor."!

Congressman Hoekstra Pushes Mackinac Center Idea in Tax Bill

It has been three short years since the Mackinac Center for Public Policy first proposed the Right To Know Payroll Form (RTKPF), an idea that helps workers see the real difference between what they actually earn and what they take home after government takes its cut. Now, the RTKPF idea originated by Senior Vice President Joseph Overton is part of legislation making its way to the President's desk.

The RTKPF has already been adopted by dozens of private-sector and government employers—including the state of Michigan—and statewide proposals to use RTKPF are under consideration in Ohio and California. The Form reveals to workers a broad range of costs imposed on their paychecks by all levels of government, including those currently not shown on standard pay stubs.



Congressman Hoekstra explains at a 1996 Mackinac Center Scholars Summit the importance of the Center's work to educate citizens so they can in turn hold elected officials accountable for sound policy.

This idea appealed so much to Mackinac Center friend and U. S. Representative Pete Hoekstra that he included the measure in major tax legislation scheduled to be sent to the President after Labor Day. His adaptation of the Form would show workers the employer-paid portions of their Social Security and Medicare taxes.

Hoekstra represents Michigan's 2nd congressional district and is a prominent member of the House Budget Committee.

While it has been widely reported that President Clinton is prepared to veto the legislation, the RTKPF provision is included in the report language, which constitutes a non-binding directive to the IRS to adopt the measure.

If IRS officials choose to disregard this expression of congressional intent, Hoekstra intends to insert RTKPF in the next tax bill and to push it until it becomes law. "The Mackinac Center has been a great source of ideas for making Michigan a better place to live," said Hoekstra. "In this case, I thought their idea would be of benefit to the entire nation."!

PAY SUMMARY		Employee:	John Doe	Estimated Payroll allocation:	\$1026.99
SSN:	000-00-0000	Government cost: tax administration (est.):	15.43	Government tax: state income tax:	35.45
Pay Period:	9/1/99 - 9/14/99	Government tax: mandated program admin. (est.):	4.25	Government tax: Social Security, employer's share:	56.83
		Government tax: unemployment insurance (est.):	10.05	Government tax: Medicare, employer's share:	13.29
		Government tax: workers' compensation (est.):	9.48	Government tax: city income tax:	18.43
		Government tax: Social Security, employee's share:	56.83	Net pay:	\$686.67
		Government tax: Medicare, employee's share:	13.29		
		Gross pay:	\$696.87		
		Government tax: federal income tax:	106.99		

Manufacturing 8/15 19 99
 Pay To: John Doe \$686.67
 Six Hundred Eighty Six Dollars and 67/100
 73 98012 7 23

The Right To Know Payroll Form reveals to workers the hidden, government-imposed costs of keeping them on the payroll.

New E-Mail Service Informs 30,000 Parents & Educators

Mackinac Center education policy strategists are constantly on the lookout for new ways to reach key people with ideas to improve Michigan schools and expand educational opportunities for families.

No one person can keep track of all the education-related news and research of interest to educators, parents, policy makers, and reporters. Besides the expense of subscribing to all the necessary publications, no one has time to track

down every important article or report, much less read them.

The next best thing is a new service launched by *Michigan Education Report*, the Center's quarterly education journal sent to 130,000 teachers, parents, and policy makers. The service, dubbed *Michigan Education Digest (MED)*, provides readers a free weekly e-mail synopsis of important education-related news, analysis, and research from Michigan and national newspapers, journals, and studies.

MED delivers more than just summaries of the latest and most important education stories breaking around the state. It also provides direct Internet links so *MED's* 30,000 subscribers can read the original full-length source articles.

Is *MED* enabling educators, parents, lawmakers and concerned citizens around the state to keep abreast of developments they might otherwise miss? The dean of one of Michigan's most prominent state universities wrote to let us know "this is

an excellent report, and I DO appreciate it" (his emphasis).

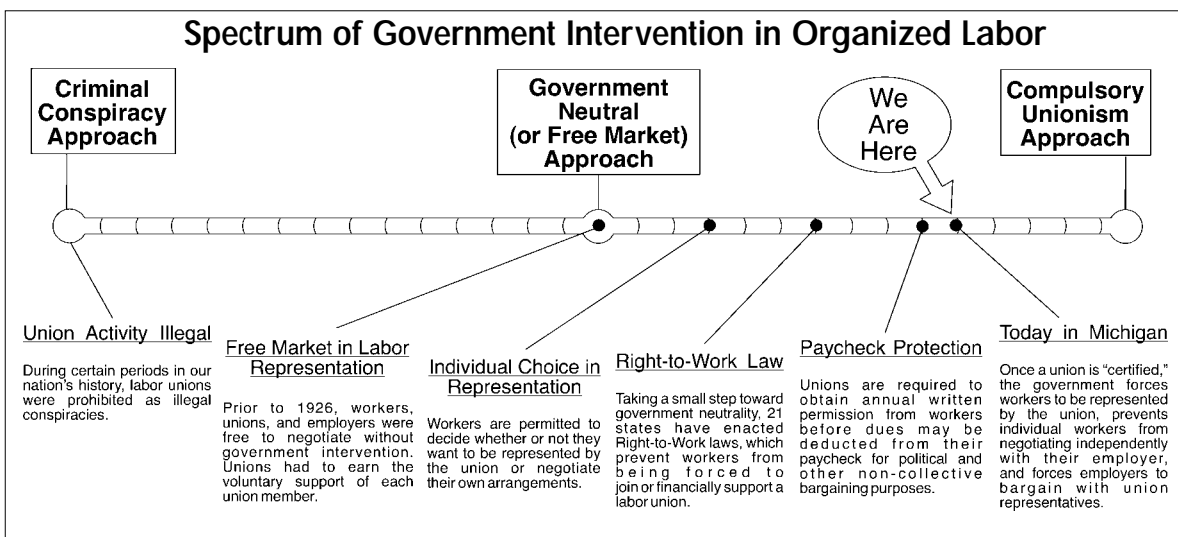
Whether it is the latest on the school choice battle, the effort to reform Detroit's ailing school system, or some new controversy regarding school curricula, *Michigan Education Digest* directs readers to the information they need to make the best-informed decisions for improving the education of K-12 children. If you have not received your first issue, send a blank e-mail to joinmer@ls.mackinac.org!

New Labor Law Reference Gives Background of Unions, Blueprint for Reform

The Mackinac Center for Public Policy has created a new resource that will help citizens understand the role of organized labor in Michigan's economy, politics, and daily life.

Michigan Labor Law: What Every Citizen Should Know has been provided to 2,500 influential workers, employers, chamber of commerce leaders, association members, policy makers, and journalists. The 73-page resource explains

- how federal and state laws favor mandatory unionism at the expense of workers' individual freedom;
- how government employee unions politicize state and local governments;
- the legal rights and responsibilities of employees and employers; and
- the current decline and future prospects of the



organized labor movement.

"It's important for Michigan citizens to understand that unions serve a vital function, but there are lots of problems with how union power has been abused over the years," says study author Robert Hunter, director of labor policy for the Mackinac Center and former Reagan

appointee to the National Labor Relations Board. "Most of the abuses involve what unions were organized to protect in the first place: Workers' individual rights."

Hunter, who was appointed to the Michigan State Civil Service Commission by Governor Engler in 1996, offers three key recommenda-

tions for protecting the freedom and rights of both workers and employers in today's dynamic marketplace.

- End compulsory union membership and financial support with a right-to-work law.
- Prohibit unions from using dues for political purposes

Center Refutes MEGA Job Numbers as Official Lashes Out, Apologizes

State "economic development" programs, long criticized as unfair and ineffective by the Mackinac Center for Public Policy, suffered an embarrassing series of blows to their credibility in July and August.

These programs include the Michigan Economic Growth Authority (MEGA), a four-year-old program that state officials claim creates tens of thousands of jobs by handing out tax incentives to select businesses that

promise to locate or expand in Michigan.

To emphasize the unfairness of bestowing government favors on some companies and not on others—and to refute the inaccurate claims of MEGA's job creation—Mackinac Center Policy Analyst Michael LaFaive fired off a *Viewpoint* to newspapers throughout the state. It arrived on reporters' desks July 6, the same day that Governor Engler held a press conference announcing a four-year extension of MEGA.

A *Lansing State Journal* reporter publicly questioned the governor about LaFaive's data and wrote a front-page story on the controversy. Soon, a *Detroit News* columnist credited the Center with "solid scholarship and research" in a column entitled "Center Disputes Engler Job Tally," and the Associated Press picked up the story. The *News* then asked LaFaive to go head-to-head with MEGA chief Doug Rothwell on the paper's commentary page. A July 11 *News* editorial and numerous letters to the editor all sup-

ported the Mackinac Center's conclusions.

On August 5, Rothwell threatened to resign over Mackinac Center and public scrutiny of his just-announced 75-percent salary increase from \$108,000 to \$189,600, which put his pay well above that of the governor and every other state employee. Quoted in *The Detroit News* as saying he was "an idiot" for taking a government job when he could make more in the private sector, Rothwell—the only state department head who uses

New Guide Educates and Equips Parents, Teachers, Citizens

without workers' consent.
• Guarantee employees' rights to participate fully in union governance.

"The primary goals of our labor policy in the next decade must be government neutrality, the preservation of a free collective bargaining system, and employee freedom of choice," Hunter says.

To receive a copy of the labor law guide and blueprint, call (517) 631-0900, or download it at no charge via Internet at www.mackinac.org!

As momentum builds for a year 2000 ballot initiative on K-12 tuition vouchers, the Mackinac Center continues to be a leading voice for greater school choice with the release of its comprehensive guide, *School Choice in Michigan: A Primer for Freedom in Education*.

The 79-page guide's wealth of information is a powerful weapon in the arsenal of the many grassroots education reform activists who attend the Center's Freedom in Education Training Seminars being conducted throughout the state.

The seminars educate parents, teachers, policy makers, journalists, and others on the benefits of allowing parents greater freedom to choose which schools their children

attend. Each participant receives a copy of the guide, which explains the different types of school choice including full or partial tuition vouchers or tax credits, charter schools and other government school choice programs, and private scholarships.

More than 6,000 state and local policy makers including legislators, executive officials, boards of education members, administrators, and superintendents also received copies of the informative guide.

Author and Mackinac Center Associate Director of Education Policy Matthew Brouillette explains how government slowly came to usurp Michigan parents' right and responsibility to educate their children and offers

strategies to help activists advance the cause of restoring freedom and accountability to the educational marketplace.

"Alveda King, niece of Dr. Martin Luther King, Jr., calls school choice the civil rights issue of the decade," said Brouillette, a former history teacher. "This guide equips policy makers and citizens with the facts they need to dispel school choice myths and mischaracterizations and advance this important civil rights agenda."

Democratic activist and seminar trainee Anita Nelam agreed, saying, "School choice—a true civil right—provides us with a road map to the future."!



the title "CEO"—later apologized for his outburst.

On August 13, the *News* published an essay by Mackinac Center President Lawrence Reed that illustrated the dangers inherent in allowing government to pick marketplace winners and losers. Reed exposed a \$650,000 state subsidy to the city of Muskegon that will help a Wisconsin businessman plagued by

debt and lawsuits unfairly compete with Lake Michigan Carferry, an unsubsidized Michigan business.!

State bureaucrats picked a whopper of a loser when they made a grant that will help a troubled, out-of-state firm compete against unsubsidized, Ludington-based Michigan Carferry, pictured here.

Former Kellogg CEO Helps Improve Education

William E. La Mothe knows the value of a good education. As a father, he provided for the schooling of his six children. Now, as a contributor to the Mackinac Center for Public Policy's Education Policy Initiative, he and his wife, Pat, are helping to provide all Michigan children with improved educational opportunities.



William E. La Mothe

"I believe that school choice is the best approach to break the government education monopoly that exists today," said the former CEO and Chairman Emeritus of the Kellogg

Company in Battle Creek. "All Michigan families deserve more and better options when their local public schools are failing them, and giving to the

Mackinac Center is a great way for me to advance that goal."

Over his 42-year career with Kellogg's (he retired in 1992), La Mothe developed a deep appreciation for and understanding of how consumer choice and market competition inexorably drive institutions to continuously improve and innovate. He believes the same market incentives apply to education and would improve all schools.

La Mothe's generous support helps Mackinac Center researchers amplify that message with powerful tools such as *School Choice in*

Michigan, a new 79-page treasure trove of facts, tips, and strategies both grassroots activists and policy makers are using to advance school choice (see story on page 7). La Mothe is a member of the Center's Grand Rapids Area Board of Advisors.

La Mothe's commitment to better education for all children goes beyond Michigan's borders. As a major contributor to the privately funded Children's Scholarship Fund, La Mothe has also helped over 40,000 low-income students across the country attend schools that meet their needs.!

Freedom To vs. Freedom From

Vote-seeking politicians often incorporate the theme of freedom into their campaigns because, to American ears, the word "freedom" is like motherhood and apple pie. It is one of the few things that everyone agrees is good. Who, after all, could be against freedom?

However, politicians do not always use words the same way other citizens do. In particular, there is an important distinction to be drawn between whether a politician speaks of citizens' "freedom to" or their "freedom from."

"Freedom to" candidates say that everyone should be "free" to *have* something—a free education, free medical care, free meals, etc. When these politicians invoke freedom, they often

are really talking about what are referred to as "entitlements."

The problem with these so-called "freedoms" is that they involve using the power of government to expropriate the labor or property of some citizens to distribute it to other citizens. In a civil society, individuals are not *entitled* to have things provided by others; they instead provide for themselves. Those who are unable to provide for themselves seek assistance from family, friends, or private organizations including churches, soup kitchens, or the Salvation Army.

By contrast, the "freedom from" candidate says to voters, "If you elect me, I will work to free you *from* the restraints imposed by government." One example



James E. Kostrava

would be a pledge to reduce or eliminate taxes.

This is real freedom, because freedom *from* government taxes and regulations involves removing barriers from people's lives so that they truly are free to pursue happiness. It does not impose an obligation upon anyone to *provide* them with anything.

This summer, the Mackinac Center for Public Policy produced two comprehensive publications that will go far toward advancing the civil society envisioned by those who advocate more freedom from government. *School Choice in Michigan: A Primer for Freedom in Education*, is a guide for exercising parents' right and responsibility to direct the education of their children, and *Michigan Labor Law: What Every Citizen Should Know* recommends a government-neutral approach to labor relations.

Your voluntary support of the Mackinac Center is a great way to advance civil society and to ensure Michigan citizens' enjoy maximum freedom from coercive political society.!

James E. Kostrava is Vice President for Development.

The Proper Scope of Democracy

by Tibor R. Machan

Whenever public programs are cut, those who have their benefits reduced protest loudly and those who feel for them offer compassionate support. Yet whenever public programs are enacted, little sympathy is extended to those whose incomes are reduced by higher taxes. It is contended that it's all part of our collective social life. After all, "we" have decided to fund Social Security, unemployment compensation, the national parks, public broadcasting, or whatnot, haven't "we"? Who cares that some of us suffer losses, that some of us now have to forgo benefits and experience reduced income, which can lead to reduced quality of education, recreation, home life, dental care, transportation safety, and cultural enrichment? None of this supposed to matter because we have decided to impose higher taxes on ourselves to fund all sorts of public programs.

This is rank duplicity. If some propose to cut federal programs that leave open the possibility that states will not spend money on poor children's lunches, their actions are mean spirited, cruel, and morally insidious. But if others decide to increase taxes to fund Public Broadcasting or the National Endowment for the Arts or farm supports, we are told that this is just the way democracy works. All those who suffer the consequences of higher taxes have no reason to complain. "We did it to ourselves, so we have no right to fuss."

Why is it acceptable to violate the rights to liberty and property of millions of individuals when the one group of us decides to do this, but unacceptable to reduce the benefits of people when a somewhat different group of us decides to do that? Why may the choices of individuals be ignored and thwarted by democratic decision-making, but not the feelings and lot of others hurt by the same process?

Most people who talk of democracy in this bloated sense—wherein everything is subjected to democratic decision-making—like it only when it supports their own agenda. It is fine to use democracy to rob the rich or yuppies or drinkers or smokers—it makes it valid public policy instead of theft. But if the poor or artists or educators or auto workers are the targets, then suddenly democracy is an exercise in meanness!

The reason for this duplicity is that democracy alone is never enough for forging public policy. There must always be some specification of the goals for which democracy is appropriate. It isn't enough to have a democratic process—it can lead to results of widely different quality. Sometimes the majority does right, sometimes wrong. And the task of political theory is, in part, to identify those areas of public life that should be subject to democratic decision-making.

What are those areas? And why are they the ones?

Whether alone or with his fellows, an individual may

never act in certain ways toward other human beings. In particular, no one may take over someone else's life. This is true whether or not that other person's life is fortunate, well to do, talented, accomplished, beautiful, accepted by others, rewarded.

Taking over another's life entails theft, robbery, assault, kidnapping, murder, battery, rape, and other forms of aggression. And the fact that the numbers of those who do such things (via their representative or hired thugs) are large or even constitute a majority makes no difference. It is wrong to steal on one's own as well as with the support of millions. It is wrong to enslave, to place others into servitude when they refuse, no matter whether the enslaver is in the minority or the majority.

Nor can majorities authorize their political representatives to carry out such deeds, even if they do it indirectly, by threatening those whom they would rob, steal from, kidnap, assault, or whatever, with aggressive enforcement at the hands of the police. It is wrong, then, even for the government of a representative democracy or republic, to carry out such deeds. Having done it with democratic "authorization" makes it no more right than if there has been no such authorization. There is simply no moral authority for anyone to delegate to another such powers since one doesn't have them in the first place. A government that is supposed to govern with the consent of the governed can only do that which those who give their

consent have the authority to do in the first place!

All participants in the debate admit this, more or less directly. This is why even when people vote in one party, members of the other party claim that what their opponents do is wrong. They argue their case in the various forums of the media and the government itself. So they clearly believe that what the democratic process produces is not the end of the story. Even if a law passes, some will call it heartless, unkind, lacking in compassion—or, alternatively, burdensome, confiscatory, impeding productivity, or encouraging sloth. The fact that such legislation was brought about by way of the democratic process—"we" did it, so it's OK, a matter of society's collective will—is never adequate justification. The violation of the rights of individuals is no less justified by democracy than is collective callousness.

What *can* be done democratically without violating the rights of individuals to their life, liberty, and property? The answer is quite simple. We can elect our political representatives democratically, and decide who should guard over our rights and liberties. The rest is supposed to be done by means of voluntary conduct, not politics.

Once members of a society learn that moral principles and individual rights cannot justly be violated by the democratic process, they also learn that when the proper thing must be done, it has to be done. See "**Democracy**" on page 10

Debate⁹⁹ workshops

Education Policy Is Topic of 12th Annual Mackinac Center High School Debate Workshops

Hundreds of students from dozens of schools will learn arguments and techniques to debate the official 1999 high school debate resolution:

“Resolved that the federal government should establish an education policy to significantly increase academic achievement in secondary schools in the United States.”

Sept. 29 Jackson
 Sept. 30 Livonia
 Oct. 5 Grand Rapids
 Oct. 6 Grayling
 Oct. 7 Midland

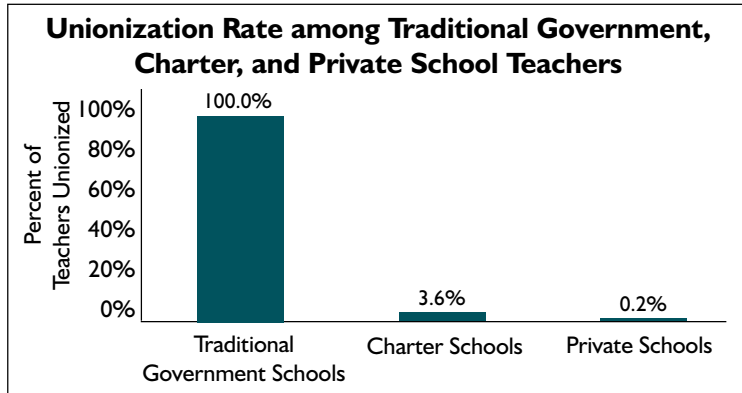
For information on how to register or sponsor students and teachers from your school, call Programs Director Catherine Martin at (517) 631-0900.



“Choice” from page 1

The study, *The Impact of School Choice on School Employee Labor Unions*, analyzed private, traditional public, and charter public

Williams, an adjunct scholar. “Every child enrolled in a Michigan private or charter school helps create a non-dues-paying teaching job in a



Unions’ opposition to school choice could be explained by the fact that they have been unable to gain a foothold in charter and private schools.

schools and found that all 583 traditional public school districts have unionized teachers, but only 5 of 139 charter schools and only 2 of more than 1,000 private schools are unionized.

These facts may help explain why school employee unions strenuously oppose any effort to expand school choice for Michigan parents, say study authors Matthew Brouillette, Center associate director of education policy, and Jeffrey

non-unionized school,” causing unions to forgo dues from any teacher who accepts that job, they write.

The analysts conclude it is likely that the threat of losing money and influence will prompt unions to “continue to oppose legislation and ballot initiatives that seek to provide families—and also teachers—with greater educational opportunities and freedom to choose safer and better schools for their children.” !

“Democracy” from page 9

be done by a choice, free of coercion. Help to the poor and needy—as well as to those whose works of art, science, or pedagogy may not enjoy sufficient demand to sustain it as a market phenomenon—should be given at the initiative of the free citizen, via charity, church, philanthropy, and fund-raising. Democracy is no excuse for abandoning basic principles of human

social life. When people make it so, that’s when democracy has overstepped its proper boundaries. !

Reprinted with permission from The Freeman, January 1996, published by the Foundation for Economic Education (FEE). Mackinac Center President Lawrence Reed is chairman of FEE’s board of directors.

Viewpoint

Picking Winners and Losers with Tax Credits Is Unnecessary and Unfair

July 1999 VP 99-24
 The state’s four-year-old MEGA program discriminates against many businesses when it doles out tax credits to a few favored companies. The legislature should eliminate this costly, unfair, and ineffective program.

Cost of Government Goes Up While Costs of Living Go Down

July 1999 VP 99-25
 Government taxes, spending, and regulation gobble up roughly half of the average American’s earnings. Lawmakers must work to rein in Leviathan’s out-of-control growth.

Ernest Hemingway and Art Subsidies: A Farewell to Alms

July 1999 VP 99-26
 The one-hundredth anniversary of famous author and former Michigan resident Ernest Hemingway’s birth serves to remind us that art is too important to depend on government.

School Employee Unions Oppose School Choice to Protect Their Turf

July 1999 VP 99-27
 A study of union membership rates among Michigan public, charter, and private, school teachers reveals that unions have powerful political and financial incentives to oppose school choice proposals.

One of the Century’s Major Books: Kirk’s *The Roots of American Order*

August 1999 VP 99-28
 Michiganian Russell Kirk’s quarter-century-old book, *The*

Roots of American Order, has become one of the most important explanations of America's unique rise to greatness and warnings of the erosion of her freedom and prosperity.

“Jobless Ph. D. for Hire: Will Teach Students Who Cannot Afford College”

August 1999 VP 99-29
Permitting Ph. D.s to provide instruction for college credit in independent, off-campus settings would ease the glut of underemployed doctoral degree holders and make higher education much more accessible to poorer students.

Privatization Brought Ecorse, Michigan, Back from Bankruptcy

August 1999 VP 99-30
Michigan's first-ever bankrupt city government was a tragic example of mismanagement and unaccountability, but privatization of numerous city services put the Detroit suburb of Ecorse back on the path to financial health.

Economic Freedom among the States: How Does Michigan Compare?

September 1999 VP 99-31
A recent report ranked the 50 states according to how much economic freedom each government allows its citizens to enjoy. How free are Michigan citizens?

Michigan's Prevailing Wage Act: Will Common Sense Prevail?

September 1999 VP 99-32
Michigan's Prevailing Wage Act mandates that artificially high union wages be paid for all state-financed construction projects. Repealing the law would save taxpayers hundreds of millions of dollars in unnecessary construction costs each year.

A Ferry Tale of Two Cities: Lansing and Muskegon

September 1999 VP 99-33
Does it make sense for Michigan taxpayers to subsidize a Wisconsin-based Lake Michigan ferry business so that it can unfairly compete with an unsubsidized, Michigan-based, ferry service?

Journals

Michigan Education Report

MER99-03 \$3.00
MER reports on the statewide voucher ballot initiative, the expansion of public school choice in Michigan, Pennsylvania Teamsters' support for school choice, and the surprising reasons why teachers quit Detroit schools. Commentaries focus on school elections and funding, and the president of People for the American Way and a Democratic activist debate whether school choice will segregate students by race and income. 12 pages.

Michigan Privatization Report



MPR99-03 \$3.00
MPR goes back to school with articles on public school marketing efforts, school food service privatization, and private management of public schools. Other features dispel privatization myths, focus on school reform in Detroit, and explain where Michigan's two school board associations stand on privatization. 20 pages.

Studies & Reports

The Impact of School Choice on School Employee Unions

S99-04 \$5.00
How might school choice proposals including tuition

vouchers and tax credits affect the school employee unions that exert such a powerful influence on the state's public school system?

This study examines union membership rates among Michigan's public, charter, and private school teachers and finds that while teachers in every public school district are represented by—and pay dues to—a union, only 5 out of 139 charter and 2 out of over one thousand private schools employ unionized workforces.

The study concludes that school employee unions—including the Michigan Education Association and the Michigan Federation of Teachers—have powerful incentives to spend millions of dollars to prevent more parents from being able to choose non-unionized charter or private schools for their children. 16 pages.

School Choice in Michigan: A Primer for Freedom in Education

S99-06 \$10.00
School choice—the right, freedom, and ability of parents to choose for their children the safest and best schools—has moved front and center in the debate over how to improve education in Michigan. This three-part primer equips parents, educators, and policy makers with the facts they need to understand and advance market-based reforms that will help all Michigan schools perform at higher levels of quality and efficiency.

The primer examines the history of government-funded and operated schooling, explains why nonmarket-oriented school reform efforts ultimately fail, and describes various school choice proposals including charter schools, inter-district choice, vouchers, tax credits, and universal tuition tax credits. Thirteen common school choice myths are analyzed and refuted. Helpful appendices explain ways for

grass-roots citizens to help advance school choice. 79 pages.

Michigan's Prevailing Wage Law and Its Effects on Government Spending and Construction Employment

S99-07 \$5.00
Michigan's Prevailing Wage Act of 1965 requires contractors to pay artificially high union wages on all state-financed projects from road repair to school construction. This study examines the performance of Michigan's economy for two 30-month periods prior to and during the law's suspension by a federal district court and found that taxpayers could save hundreds of millions of dollars annually if the law were permanently repealed. The study also reveals prevailing wage laws' negative effect on job creation in the construction industry and their discriminatory influence on black and other minority workers. 21 pages.

How to Order

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

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

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

School Choice Ballot Campaign Launched

In November 1997, the Mackinac Center proposed the Universal Tuition Tax Credit, a pathbreaking plan that stimulated discussion of school choice throughout Michigan and laid the intellectual groundwork for passage of a future statewide measure.

The future is now and school choice advocates are fanning out across the state to garner the 302,711 signatures needed to place the Kids First! Yes! school choice proposal on the November 2000 ballot.

On August 26, Mackinac Center Senior Vice President Joseph Overton joined a diverse coalition of parents, educators, clergy, business, and civic leaders to launch the Kids First! Yes! campaign on a three-stop series of press conferences that was widely covered by print and broadcast news media throughout the state.

Joining Overton, who was seen on NBC affiliate WDIV

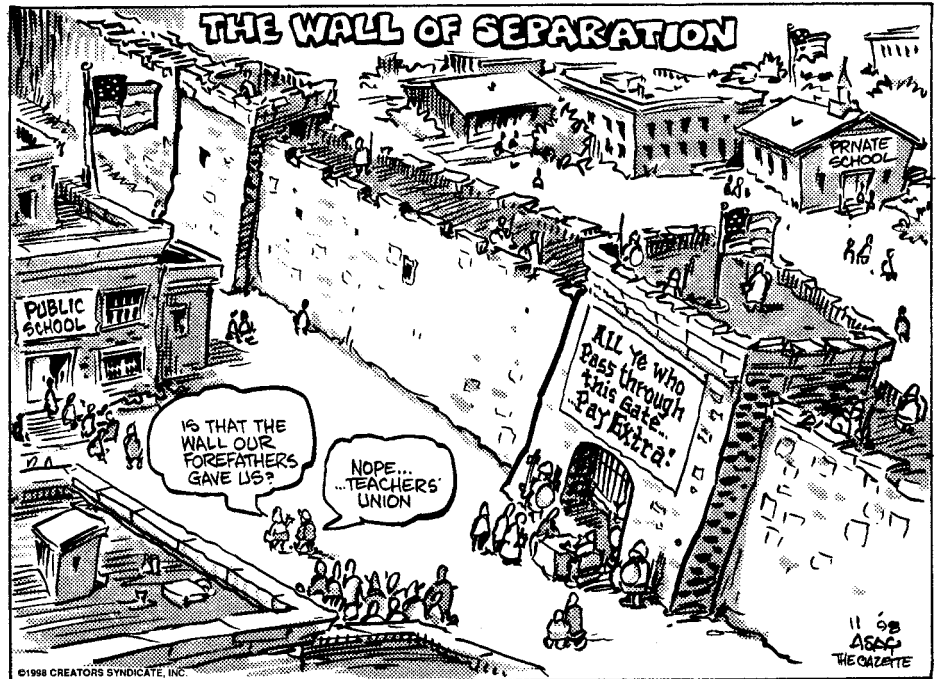
Channel 4 news in Detroit and other broadcasts, were Amway President Dick DeVos, Jim Barrett, president of the Michigan Chamber of Commerce, Dr. A. J. Pointer of the Wolverine Baptist Conference (the largest African-American denomination in the state), and a host of other dignitaries, black and white, Republican and Democrat.

"Lots of parents want out [of failing public schools]; they want options," said DeVos, co-chairman of the school choice campaign and honorary chairman of the Mackinac Center Grand Rapids Area Board of Advisors. Following the strike by Detroit teachers, many who did not support choice are

changing their minds. Belinda Howard Baker, who has grandchildren in the Detroit schools, told *The Detroit News*, "We need another system to give us some choices."

The Kids First! Yes! plan would strike Michigan's 30-year-old ban on K-12 tuition

vouchers and tax credits. Students in districts with graduation rates below two-thirds could get vouchers worth up to \$3,000 to attend nonpublic schools. Contact Kids First! Yes! at (517) 485-4865 or www.kidsfirstyes.org!



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

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