

## Contents:

Senior Vice President's Message ..... 2	Interns Change World ..... 5	Foundations Give Generously ..... 8
Feds Appoint Scholar ..... 3	Labor Expert Testifies before Congress ..... 6	Capitalism and the Common Man ..... 9
Media Impact ..... 4	Officials Chew on Policy ..... 7	Free-Market Library ..... 10
Think Tank Leaders Trained ..... 5	Union Protests Ideas ..... 7	New Team Members ..... 12

# REPORT!

## Report Informs Union Workers of Their Religious Rights

**W**orkers who harbor religious objections to joining, financing, or otherwise associating with labor unions have a new resource to draw upon when researching and exploring their legal rights and options.

*Charity*, which explains to workers their rights with regard to religious objections to union membership and payment of union dues or agency fees.



arsenal of information to help Michigan's nearly one million unionized workers understand laws and court decisions that protect their rights in the workplace—information that union leaders typically do not share with rank-and-file members.

In June, the Mackinac Center for Public Policy published *Religious Liberty and Compulsory Unionism: A Worker's Guide to Using Union Dues for*

The 27-page report is the latest tool in the Mackinac Center labor department's

The report's authors, Center Director of Labor Policy Robert Hunter and former Labor Research See **"Objectors"** on page 4

## Report on Environment Cites Reasons for Optimism

**M**ichigan and America have seen substantial improvements in environmental quality over the past three decades, according to a joint report from the Mackinac Center for Public Policy and the California-based Pacific Research Institute (PRI).

luncheon featuring the report's primary author, Mackinac Center Adjunct Scholar Steven Hayward.

Hayward, who serves as director of PRI's Center for Environmental and Regulatory Reform, cited decades of government data on Michigan and U.S. air and water quality, land use, and other environmental factors to show that, far from worsening, environmental conditions have actually improved substantially—and are likely to continue improving.

Fowler and Laura Steadman, all Michigan cities except Detroit are below the health-based thresholds set by the Clean Air Act for six key pollutants—lead, carbon monoxide, ozone, particulates, sulfur dioxide, and nitrogen dioxide—and are experiencing downward trends. Detroit nevertheless ranks as one of the nation's 10 best cities for ozone reduction over the past decade, according to the Washington, D.C.-based Foundation for Clean Air Progress.

The report's release was timed to coincide with the 30<sup>th</sup> anniversary observance of Earth Day, which took place April 22. Copies of the report were mailed to journalists and local and state policy-makers, a number of whom attended an April 18

According to Hayward and report co-authors Elizabeth

Michigan also has made great strides in water quality, See **"Enviro"** on page 10

*"I think that Congress can learn a great deal from the work of the Mackinac Center."*  
— U.S. Sen. Mitch McConnell. See story on page 6.

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Joseph Overton  
Senior Vice President

## The Test of Character

High-school graduation represents an important milestone in a young person's life. For most graduates, it means the end of 18 years of near-daily parental oversight and the beginning of perhaps the greatest character test they will face in their young lives: freshman year of college.

In college, young people suddenly find themselves the autonomous masters of their time, activities, and relationships. They enter an energizing environment filled with opportunities and temptations. No parental supervision. Little external guidance. Almost no monitoring. Many thrive; others crash on the rocks of financial irresponsibility, lack of academic discipline, or binge drinking and other immature behavior.

Which path students' lives take at this critical juncture is largely determined prior to college. Their newfound freedom reveals the principles of conduct they have internalized from their parents, teachers, and others who influenced their upbringing: We call it character. Strong character produces virtuous action; weak character squanders opportunity.

As I reflected last month at a graduation open house for a friend's daughter, it occurred to me that the situation for young graduates is similar to what our state and federal legislators are currently experiencing. For politicians, nothing tests character like a financial windfall. Freed from the strictures of revenue scarcity, they are faced with a test of integrity. Will they return surplus revenue to be used as the citizens who earned it know best, or will they substitute their political judgments for those of citizens and channel money to projects that will win them political favor?

Today Congress, the Michigan Legislature, and Governor Engler are facing these tests—and they are failing. With revenue surpluses at record levels, politicians are denying families and communities the ability to spend money on their priority needs. The Michigan Legislature, for example, recently approved a \$614 million pork-barrel package that included \$10 million for polar bears at the Detroit Zoo and \$3 million for an aviation museum in Kalamazoo. The working, low-income family that would rather buy health insurance will just have to wait for another day.

As with college freshmen, the success or failure of a legislator is largely determined prior to his or her election, and there is a vital lesson in this simple fact. Although the Mackinac Center provides legislators with well-researched analysis and recommendations that guide public policy debate, that is not enough. Michigan citizens need legislators who act on sound principles even when it is easy not to.

The Mackinac Center will soon be expanding programs that identify and train men and women with the character to be statesmen, not just politicians. Policymakers either will honor our liberties or they will not, and with your continued support, we can act early to ensure that they will.!

*Joseph P. Overton*

**For politicians,  
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windfall.**

## IMPACT!

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# Center Op-Eds Prompt Lawmakers to Trim Fat off State Budget

**M**ackinac Center for Public Policy research focuses on winning the long-term battle of ideas, but sometimes our “rapid response team” scores immediate and dramatic results. As a consequence of two strategically timed Center essays, free-market principles received a hearing in the debate over two new state projects, saving Michigan taxpayers millions of dollars.

State legislators have been debating since February a plan by the Kalamazoo Aviation History Museum and the city of Kalamazoo to build an \$80-million “Legacy of Flight” theme park, which included a request for \$40 million in state funding.

In a February *Detroit News* op-ed, Mackinac Center President Lawrence Reed

countered arguments that the theme park would create 1,700 jobs and attract over 800,000 paying visitors annually by citing the



Proponents of Kalamazoo’s “Legacy of Flight” air museum received less than 8 percent of the state funding they wanted after legislators read a Center essay exposing the boondoggle.

similarities between the proposed park and Flint’s failed AutoWorld project of 1984. The \$70-million AutoWorld, which received

half of its funding from government sources, was closed after only 18 months, never attracting anywhere near promoters’ estimates of

900,000 annual visitors.

The op-ed “played a definite role in persuading legislators in Lansing that it is not a wise idea to fund [Legacy of Flight] with taxpayer

dollars,” according to the Kalamazoo County Taxpayers’ Association. Instead of \$40 million, state legislators initially set aside \$10 million

for the project and ultimately whittled the figure down to \$3 million.

On May 4, another *Detroit News* op-ed by Reed prompted legislators to re-evaluate a bill to redefine half of Michigan families as potentially eligible to receive Michigan State Housing Development Authority (MSHDA) loans. The bill passed, but not before lawmakers scaled it back based on Reed’s argument that MSHDA diverts necessary capital from the private sector, which is already effectively providing housing for the low-income families.

“This thing would have gone through with 105 votes [out of 110] until I gave some conservatives [Reed’s] article,” commented Rep. Robert Gosselin of Troy.!

## Center Scholar Appointed to Federal Commission

**O**n June 27, Mackinac Center for Public Policy scholar Bradley A. Smith officially became the newest member of the Federal Election Commission, the body charged with enforcing federal campaign finance laws.

The U.S. Senate voted 64-35 in May to confirm Smith, an opponent of laws that limit Americans’ ability to participate in the democratic process by restricting political financial contributions.

Advocates of greater controls on federal campaign donations, including President

Clinton, held up Smith’s nomination for a year due to Smith’s support for broad First Amendment protections of political speech and association, a view he has argued in numerous scholarly articles as well as on television and radio programs.

Sen. Mitch McConnell of Kentucky, a key supporter of Smith, called him “the most qualified nominee in the 25-year history of the Federal Election Commission.”

Smith, a Michigan native, teaches law at Capital University in Columbus, Ohio. As a senior policy



Newly sworn-in FEC commissioner Bradley A. Smith authored the Mackinac Center’s first study in 1987.

*Privatization*, which led in 1994 to the \$291-million sale of the state-owned Accident Fund, the largest provider of workers’ compensation insurance, to a private insurer. His Mackinac Center *Viewpoints* and other

analyst with the Mackinac Center, he authored two influential studies including *The Michigan Accident Fund: A Need for*

essays have been reprinted in *The Detroit News*, *Wall Street Journal*, and other daily newspapers. Smith joined the Center’s Board of Scholars in 1987.

“Because I did some of my earliest policy-oriented work for the Mackinac Center, it was especially gratifying to have the Center supply some of the earliest intellectual support for my nomination,” said Smith. “The Mackinac Center’s work is some of the finest in the policy arena, and I hope to continue to benefit from its studies and reports.”!

# Print, Broadcast Media Amplify Free-Market Message

By calling into question in a provocative way policies that undermine individual freedom, the Mackinac Center consistently attracts the attention of the state's news media. Here are just a few highlights of the hundreds of last quarter's media mentions of Mackinac Center activities and ideas:

- In a May 4 *Detroit News* commentary, President Lawrence Reed exposed the Michigan State Housing Development Authority (MSHDA) as "unnecessary and ineffective," charging that MSHDA uses its tax-free status to unfairly compete with private-sector lenders and subsidizes well-off developers with loans at artificially low rates of interest.
- The Mackinac Center received wide, positive exposure from a United Steelworkers of America picket demonstration at the Center's Midland headquarters April 13. According to a *Detroit News* editorial, "a

demonstration against ideas is a doomed enterprise. Ideas are far more powerful than any picket line."

- In an interview immediately following the demonstration,



During a televised panel discussion on "urban sprawl," Senior Advisor Kent Davis notes that less than 10 percent of Michigan is urbanized.

Senior Vice President Joseph Overton used the union-sponsored event to educate viewers of local CBS affiliate WNEM-TV5 about the benefits of free trade and the need to prevent unions from misusing workers' dues for political and ideological campaigns.

- The *Detroit Free Press* on

June 2 ran a commentary by President Lawrence Reed warning against price controls on prescription drugs and urging Congress to expand tax-free Medical

Savings Accounts for all Americans.

- In a May 15 essay in *The Detroit News*, Adjunct Scholar George Leef questioned why Michigan's state colleges and universities force students to pay activity fees that can then be used by groups and causes with which they may disagree.

- The March 5 *Bay City Times* featured Director of Education Policy Matthew Brouillette in an article that focused on the possibility of a November ballot initiative to help more Michigan parents choose better schools for their children.
- The intrusiveness of the 2000 census was the topic of a March 19 essay in *The Detroit News* by President Lawrence Reed, which prompted a debate between Reed and a census official on East Lansing's WKAR public radio and Detroit public television.
- On April 11, Mackinac Center Senior Advisor Kent Davis argued for market-based solutions to "urban sprawl" policy concerns as part of a panel discussion on University of Michigan-Flint public television.
- *Intellectual Ammunition*, a publication of the Heartland Institute sent to every state lawmaker in the nation, reprinted a *Detroit News* op-ed by Director of Labor Policy Robert Hunter critiquing President Clinton's plan to use unemployment funds to pay workers who take family and medical leave.!

## "Objectors" from page 1

Assistant Mark Fischer, explain that while the National Labor Relations Act does contain protections for religious objectors—particularly in the health-care field—legal precedent has established Title VII of the 1964 Civil Rights Act as the objectors' strongest line of defense.

Employees who have sincerely held religious objections to joining or otherwise supporting a labor organization and make that objection

known to the employer and union have a statutory right to a "reasonable accommodation" of their religious beliefs. Under Title VII, employers and unions must accommodate religious belief as long as it does not place "undue hardship" on the employer's business. A common remedy is to allow such workers to pay an amount equal to union dues to a charity of the worker's choosing.

"Workers whose religious beliefs prohibit them from

joining a union or paying dues that fund political, social, or ideological activities with which they disagree should not be forced to violate those beliefs," write Hunter and Fischer.

Copies of the report were sent to journalists, policy makers, and community leaders throughout Michigan, resulting in strong media coverage. WMUZ radio in Detroit interviewed Hunter, while Detroit's ABC affiliate, WXYZ-TV7, contacted the

Center for background information on a news segment regarding religious objectors.

The report is available at no charge on the Center's Web site, [www.mackinac.org](http://www.mackinac.org), or for \$5 by calling (517) 631-0900.!

# Conference Boosts Center's Influence Nationally and Abroad

Free marketeers from 13 states, Washington, D.C., and one foreign country converged in Midland May 4 for the Mackinac Center for Public Policy's spring 2000 Leadership Conference. Over 20 more public-policy professionals joined the dozens of think tank executives, legal experts, and economic researchers already trained by Center staff in techniques to make their organizations more effective.

Attendees of the three-day conference learned the nuts-and-bolts aspects of daily think tank operations as well as the focus and structure needed to effectively advance sound public policy. Senior members of the Mackinac Center staff



More than 170 public-policy professionals from 35 states and 22 countries have attended the six Leadership Conferences held by the Mackinac Center since 1998.

conducted sessions on successful fundraising, effective communications, strategic policy research, and practical team-building.

Leaders from the following organizations received new insights and ideas for advancing free markets, limited government, and respect for private property:

The Independent Institute (California), Galen Institute and Institute for Humane Studies (Virginia), Manhattan Institute for Public Policy Research, Heritage Foundation (Washington, D.C.), Foundation for Individual Rights in Education (Pennsylvania), White Rose Institute (New Hampshire), Georgia Public Policy Foundation, Minnesota Association of Scholars, Sutherland Institute (Utah), Buckeye Institute for Public Policy Solutions (Ohio), Center for Civic Renewal (New York), Cascade Policy Institute (Oregon), Great Plains Public Policy Institute (South Dakota), and

Thoughts for the Millennium (Great Britain).

Kurt Weber, vice president of the Cascade Policy Institute in Portland, Oregon, characterized the conference as an "intensive catalyst of ideas," a sentiment echoed by many of the participants.

"Helping to strengthen our sister organizations in other states and countries is one of the best ways we can serve the larger movement for freedom and free markets," said Mackinac Center President Lawrence Reed. "When these other groups return home and score successes because of what they learned from us, we all benefit enormously."!

## Young Minds Absorb and Advance Timeless Ideas

It's summertime in Michigan again, and at the Mackinac Center for Public Policy that means a new group of future leaders is ready to learn and work at the nation's largest and most effective state-based public policy organization.

Since 1992, the Mackinac Center's internship program has recruited and cultivated top students from colleges, universities, high schools, and even home-schools within and beyond Michigan's borders to broaden their understanding of free-market principles while they help advance sound policy in the Great Lakes State.

Mackinac Center interns are given responsibilities in all areas of Center operations, including communications and media relations, marketing and fundraising, policy and economic research, and information technology. Internship projects encompass the entire range of issues that the Mackinac Center researches, including taxation, the environment, education, regulation, labor, and privatization.

In addition to gaining practical experience, interns also are treated to the Mackinac Center's "Intern University," a series of lunchtime lectures on vital economic and policy topics conducted by the Center's professional staff.

Past interns have credited their experience at the Mackinac Center with helping them succeed in their careers in business, law, economics, journalism, public policy, and other areas.

This year's interns include Ryan Oprea, a Ph.D. candidate at George Mason University; Tara Thelen, a senior at Hillsdale College; Anna Stephens, a home-schooler from Midland; Josh Pater, a junior at Calvin College in Grand Rapids; Erin De Pree, a sophomore at Hillsdale in her second year with the Center; Anne Kirsten, a sophomore at Bob Jones University in South Carolina, Peter Leeson, a four-time Mackinac Center intern and



From left to right, interns Ryan Oprea, Tara Thelen, and Anne Kirsten take a break from changing the world through their work at the Mackinac Center.

senior at Hillsdale; and Tamara Carty, a sophomore at Denison College in Ohio.

For more information on internship opportunities, contact the Mackinac Center at (517) 631-0900 and ask for a free informational brochure.!

## Police Officer Calls Center for Backup

**C**rime is not the only thing Scott Ciupak must fight in his job as part of the DeWitt Charter Township police force. In his off-hours, the police detective also must fight his union for control of how his dues are spent.

That is why Ciupak contacted the Mackinac Center for Public Policy: to help him prevent his union from forcing him to financially support its political advocacy—advocacy which he does not believe in.

In 1994, Ciupak read of the U.S. Supreme Court's landmark case *Communication Workers v. Beck*, which in 1988 established union workers' right to pay only those dues directly related to union

collective bargaining expenses.

Consequently, Ciupak knew that he was not legally obligated to underwrite union political, social, or charitable contributions. Unfortunately, in order to refrain from supporting those activities, Ciupak was forced to resign from his union or risk losing his job.

Mackinac Center Director of Labor Policy Robert Hunter has volunteered his time and expertise to help Ciupak understand and apply his



Det. Scott Ciupak is fighting to keep his union accountable with the help of the Mackinac Center.

rights under the law, which still requires Ciupak to pay a reduced fee to the union, even if he is not a member.

“Michigan's union workers deserve to enjoy the fullest legal protection of their right to make their own choices concerning how

their dues are spent,” said Hunter, a former National Labor Relations Board member.

As a member of the State Civil Service Commission, Hunter helped enact “pay-check protection” for 41,000 state government employees. Paycheck protection requires

state departments to obtain prior written authorization from employees before deducting any union dues or fees from employee paychecks. In 1998, the Mackinac Center called for similar measures for private-sector and other government employees. Governor Engler appointed Hunter to the commission in 1996.

“The assistance I have received from Bob has been invaluable,” said Ciupak. “Simply knowing that organizations like the Mackinac Center are willing to support my efforts helps immensely.”!

## Congress Taps Center for Labor Reform Expertise

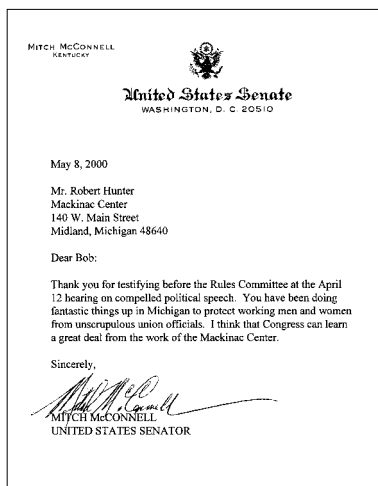
**F**or years, Mackinac Center for Public Policy labor experts have taken calls from frustrated union workers seeking information about how to assert their rights in the workplace, including their right not to pay for union political spending.

So when Congress called to ask about protecting workers from union misuse of their dues, Director of Labor Policy Robert Hunter was happy to offer his expertise in Washington April 12 before the U.S. Senate Committee on Rules and Administration.

The committee, chaired by Sen. Mitch McConnell of Kentucky, is investigating complaints that millions of

dollars in campaign contributions donated by unions each election cycle come largely from dues that workers are forced to pay whether they believe in the causes or candidates their unions support or not.

Hunter told senators that most union workers are unaware that the U.S. Supreme Court has established their legal right not to be forced to pay for union political spending with which



they disagree.

Hunter, a former member of the National Labor Relations Board, also testified that workers who do know their rights often endure intimidation, ridicule, and outright persecution—

including being forced to leave the union—when they attempt to exercise those rights.

Hunter outlined for the committee several recommendations from Mackinac Center studies, including that Con-

gress require unions to inform members of their rights, pass a “paycheck protection” law to force unions to seek prior approval from workers before using dues for political spending, and require full disclosure by unions to their members of how dues are spent.

“You have been doing fantastic things up in Michigan to protect working men and women from unscrupulous union officials,” wrote Sen. Mitch McConnell in a letter to Hunter. “I think Congress can learn a great deal from the work of the Mackinac Center.”!

# Policy Luncheons Provide Officials with Food for Thought

**P**olicy-makers, legislative aides, and state officials gathered in Lansing to hear three experts comment on education, the environment, and municipal finances at the April and May Issues and Ideas Luncheons, sponsored by the Mackinac Center for Public Policy.

On April 6, former Detroit schools superintendent Deborah McGriff explained how Michigan has become a national leader in the charter school movement since the state's first charter school opened in 1993. McGriff, now executive vice president for charter development at New York-based Edison Schools Inc., echoed the conclusion of a forthcoming Mackinac Center study when she said competition from charter schools was prompting public

schools to improve educational curricula, standards, and processes.

On April 18, Mackinac Center Adjunct Scholar Steven Hayward

recounted the findings of his report *Environmental Quality 2000: Assessing Michigan and America at the 30<sup>th</sup> Anniversary of Earth Day*. Hayward, who is director of the California-based Pacific Research Institute's Center for Environmental and Regulatory Reform, noted that Michigan enjoys cleaner air and water as a result of "the wealth effect" of a growing economy.

On May 31, Earl Ryan, president of the Citizens Research

Council of Michigan, explored ways state government can help municipalities manage their fiscal affairs. Ryan cited the city of Ecorse as an extreme example of what can happen when local officials irresponsibly manage their budgets. Ecorse, a Detroit-area suburb, rebounded from bankruptcy only after state receiver and Mackinac Center Board of Scholars member Lou Schimmel embarked on a program of privatization that dramatically slashed the

bloated and wasteful city bureaucracy while improving citizen services.

Issues and Ideas Luncheons are regular forums designed to offer government officials a broader philosophical perspective on current topics and events and help them embrace the best solutions to particular policy problems.!



Speakers Deborah McGriff (left), Earl Ryan (center), and Steven Hayward (right) deepened policy-makers' understanding of education, economics, and the environment.

# Union Demonstration Targets Mackinac Center Ideas

**F**rench author Victor Hugo once wrote, "More powerful than all the armies of the world is an idea whose time has come." On April 13, the United Steelworkers of America (USW) tested Hugo's premise when it fielded a small army of picketers to protest the Mackinac Center for Public Policy's ideas on free trade and worker rights.

Over 200 local USW members and supporters armed with candles and signs encircled the Center's Midland headquarters as part of the union's nationwide campaign supporting protectionist trade policies and compulsory unionism for workers.



Democratic Party Chair Mark Brewer brandishes a Mackinac Center study and tells union protestors that Michigan's economy is doing badly despite the lowest rate of joblessness in 20 years.

Prior to the picket march, the crowd gathered in a nearby parking lot and applauded as several speakers—including Mark Brewer, chairman of the Michigan Democratic Party—denounced Mackinac Center research linking free trade

with Michigan's lowest unemployment rates in two decades.

In a press statement, President Lawrence Reed reminded journalists and Michigan workers about the Center's support for worker rights, particularly with regard to "paycheck protection," a measure that would "prevent the union leadership from taking [a] member's hard-earned money for political purposes without that member's permission." Senior Vice President Joseph Overton reinforced that message in a subsequent interview with

reporters from Saginaw's WNEM-TV5.

On the day prior to the demonstration, Director of Labor Policy Robert Hunter testified before the U.S. Senate committee that paycheck protection is "as important a right as the ability of workers to organize, to strike."

"The steelworkers are really demonstrating against ideas that they don't like," stated an April 8 *Detroit News* weekend editorial. Calling the Mackinac Center a "fount of ideas," the *News* added, "a demonstration against ideas is a doomed enterprise. Ideas are far more powerful than any picket line—especially good ideas."!

## Building on Strong Foundations

**T**he American Heritage dictionary defines “foundation” as “the basis on which a thing stands; underlying support” or “an endowed institution.” Four charitable Midland organizations exemplify both of these definitions with their past and ongoing financial support of the Mackinac Center for Public Policy.

In 1997, when the Center announced a campaign to build its \$2.4-million headquarters in Midland, The Herbert H. and Grace A. Dow, Charles J. Strosacker, Harry A. and Margaret D. Towsley, and Rollin M. Gerstacker Foundations all stepped up to provide a combined \$1.8

million for the project.

The foundations' generous support continues with their efforts to establish a new \$325,000 Building Maintenance Endowment Fund that will ensure proper upkeep of the Center's beautiful downtown building, a 17,000-square-foot facility converted from an abandoned department store.

“All four Midland foundations who supported the Mackinac Center's headquarters building are delighted that



Curious passersby frequently come inside for personalized tours of the Mackinac Center's beautiful downtown headquarters building.

the project has benefited both the Center and downtown Midland,” said Alan Ott, chairman of Chemical Bank and Trust Company and treasurer of the Gerstacker Foundation, which contributed \$75,000 to the maintenance fund.

contributor to the fund), a founding board member of the Center, and the newly elected president of the Herbert H. and Grace A. Dow Foundation.

Mackinac Center friends Ted Doan, immediate past president of the Herbert H. and Grace A. Dow Foundation (\$150,000), and Gene Yehle, chairman of the Strosacker Foundation (\$50,000), helped round out the fund with their foundations' contributions.

“Provision for a building maintenance fund represents another milestone in the Mackinac Center for Public Policy's long-term financial stability and strength,” said Yehle. !

Ott, along with Margaret “Ranny” Riecker, co-chaired both the headquarters building and maintenance fund campaigns. Riecker is chairman of the Towsley Foundation (a \$50,000

## Advancing Freedom from the Ground Up

**S**uccessful organizations constantly wrestle with questions of vision, scope, and customer base, always mindful of the temptation to engage in “mission creep.” The Mackinac Center for Public Policy's remarkable success is due in part to our commitment to “sticking to our knitting.”

We enjoy and appreciate our national reputation as the largest and most strategically effective state-based public policy organization. But that reputation remains intact largely because of a faithfulness to our core mission: transforming Michigan into the freest and most prosperous state by advancing policies that affirm individual responsibility, limited



Christina K. Smith, Vice President for Advancement

government, and a free economy.

We have resisted opportunities to move beyond our focus on the Great Lakes

State, choosing instead to concentrate on those issues that specifically affect Michigan citizens' quality of life and limit their personal and economic freedom. The Mackinac Center's future growth focuses not on reaching beyond Michigan's borders, but rather digging deeper into the fabric of our communities and recruiting, equipping, and engaging visionary citizen-leaders, on a grassroots level, who share

our passion for freedom and desire to advance it within their spheres of influence.

The Mackinac Center's *Ambassadors* program and *Education Reform Leadership Project* are especially targeted to promoting our grassroots-building strategy.

*Ambassadors* are active members of the Center who agree to encourage others to become members and who identify for us key policy issues and opportunities at the local level that merit commentary or research. Our ambassadors are part of a statewide network of local citizen-leaders who understand the principles of a free society and work to promote and apply them to current policy issues.

The Center's *Education Reform Leadership Project*, a statewide school choice training program, is a powerful example of our grassroots strategy in action. Dozens of citizen-leaders are being trained with the moral, practical, and social arguments needed to advance school choice within their local communities. Hundreds more are being recruited. These activists will help us eventually reach 100,000 citizens with a compelling case for expanded parental choice in education.

If you want to change *your* world, please contact me to explore opportunities to engage your talents as a Mackinac Center ambassador of freedom. !



## Capitalism and the Common Man

by Walter E. Williams

**T**here are some arguments, having a faint measure of plausibility, that have served politicians, charlatans, and assorted do-gooders for well over a century in their quest for control. One of those arguments is: capitalism primarily benefits the rich and not the common man. That vision prompts declarations such as Representative Richard Gephardt's assertion that high-income earners are "winners" in the "lottery of life." Then there's Robert Reich, former secretary of labor, who calls high-income earners the "fortunate fifth." This nonsensical vision leads to calls for those who've been "blessed" to "give back" either voluntarily or coercively through the tax code.

While demagogic statements like these have high emotive worth, they reflect resolute, nearly incurable stupidity about the sources of income. Listening to some of the talk about income differences, one would think that out there somewhere is a pile of money. People who are wealthy just happened to get there first and took an unfair share. Justice requires that they give back. Or there's talk about unequal income distribution. The way some people talk, you'd think there's a dealer of dollars who shells out \$1,000 to one person, \$100,000 to another, and a million dollars to yet another. Thus the reason why some people are wealthy while others are not wealthy is that the dollar dealer is a racist, sexist, or multi-nationalist—or just plain mean. Economic justice

requires a redealing of the dollars, income redistribution, where the ill-gotten gains of the few are returned to their rightful owners.

In a free society, for the most part, people with high incomes have demonstrated extraordinary ability to produce valuable services for, and therefore to please, their fellow man. Sam Walton, founder of Wal-Mart; Bill Gates, founder of Microsoft; and singer Michael Jackson provided services deemed highly valuable by their fellow men who voluntarily took money out of their pockets to purchase those services. Their high incomes stand as unambiguous proof of that service. Their high incomes also reflect the "democracy" of the marketplace. For example, millions upon millions of independent decision-makers decided to fork over \$200 for Gates's Windows 98 operating system. Those who think Gates is too rich and want to redistribute his income are really registering disagreement with the "democracy" of the marketplace and want to cancel or offset the market "vote."

Indeed, we might consider the dollars people earn as certificates of performance. Think of it in the following way. You hire me to mow your lawn. After I have completed the task, you give me \$20. I go to the grocer and demand a pound of steak and a six-pack of beer that my fellow man produced. The grocer says, "You're demanding something that your fellow man has produced. What have you done

to serve him?" I reply, "I have served my fellow man by mowing his lawn." The grocer says, "Prove it!" That's when I hand him my \$20, my certificate of performance.

Income earners owe nothing else to their fellow man; they have met their social obligations. If "giving something back" means anything, it should be the admonition to thieves and social parasites: people who have taken and given nothing in return. We have it backwards. Highly productive (rich) people like Walton and Gates are held up to social ridicule, while thieves and bums are shown compassion and concern and have become society's mascots.

### Good for the Masses

Capitalism is the best thing that ever happened to the common man. The rich have always had access to entertainment, often in the comfort of their palaces and mansions. The rich have never had to experience the drudgery of beating out carpets, ironing their clothing, or slaving over a hot stove all day to have a decent dinner; they could afford to hire people. Capitalism's mass production and marketing have made radios and televisions, vacuum cleaners, wash-and-wear clothing, and microwave ovens available and well within the means of the common man, sparing him the boredom and drudgery of the past. Today the common man has the power to enjoy more than what only the rich had yesteryear.

What about those who became wealthy making comforts available to the common man? Henry Ford benefited immensely from mass-producing automobiles, but the benefit for the common man from being able to buy a car dwarfs anything Ford received. Individuals and companies that produced penicillin and polio and typhoid vaccines may have become very wealthy, but again it was the common man who was the major beneficiary. In more recent times, computers and software products have benefited our health, safety, and quality of life in ways that far outstrip whatever wealth was received by their creators.

Here's a little test. Stand on the corner and watch people walk or drive by. Then, based on their appearances, identify which persons are wealthy. Years ago, that wouldn't have been a difficult challenge. Ordinary people wouldn't be dressed as well, surely not wearing designer clothing, nor would they have nice-looking jewelry. They wouldn't be driving by. Compare the income status of today's airline passengers with those of a few years ago and you'll find a much greater percentage of ordinary people.

That's one of the great benefits of capitalism; it has made it possible for common people to enjoy at least some of what wealthy people enjoy. One might assert that common people don't have access to Rolls Royces and yachts. You're wrong. Gates

See "*Capitalism*" on page 10

**“Freedom”** from page 9

is super-rich and can afford to ride in a Rolls Royce and go yachting; but so can the common man—just not as long. He can rent a Rolls or a yacht for a day, a half-day, or an hour.

Capitalism is relatively new in human history. Before the rise of capitalism, the way people amassed great wealth was by looting, plundering, and enslaving their fellow man. Capitalism made it possible to become wealthy by serving one’s fellow man. Capitalists seek to discover what people want and then produce and market it as efficiently as possible.

Here’s a question that we should ponder: Are the wealthy people who have created unprecedented convenience, longer life expectancy, and more fun for the ordinary person deserving of all the scorn and ridicule heaped on them by intellectuals and politicians? Are the wealthy really obliged to “give something back”? Exactly what more do the wealthy discoverers of, say, life-saving antibiotics owe us? They’ve already saved lives and made us healthier.

Despite the miracles of capitalism, it doesn’t do well in popularity polls. One

reason is that capitalism is always evaluated against the nonexistent, unrealizable utopias of socialism or communism. Any earthly system will pale in comparison to a utopia. But for the ordinary person, capitalism, with all of its warts, is superior to any system yet devised to deal with our everyday needs and desires.!

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**“Enviro”** from page 1

noted Hayward. Most of the state’s rivers, streams, and lakes, including the Great Lakes, today are deemed “fully supporting”—safe for fishing and swimming—according to the National Water Quality Inventory.

“While many give sole credit for achieving these results to government-mandated environmental policy,” the report concludes, “research suggests that the ‘wealth effect’ of a growing economy is key to an improved environment.”

The 59-page report, *Environmental Quality 2000: Assessing Michigan and America at the 30th Anniversary of Earth Day*, is available for \$5 by calling (517) 631-0900 or it can be accessed at no charge at [www.mackinac.org](http://www.mackinac.org)!

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# Moser and Johnville Newest Members of Mackinac Team

**T**wo new employees in education policy and operations are the latest additions to the Mackinac Center for Public Policy's full-time professional team. Elizabeth Moser and Kristin Johnville are the Center's new education research assistant and office assistant, respectively.

Moser applies her administrative, organizational, research, and writing skills to the Mackinac Center's Education Policy Initiative (EPI), which champions through studies, commentaries, and educational seminars greater school choice for Michigan parents.

Moser helps coordinate events for the Center's Education Reform Leadership Project, a statewide grassroots

program that identifies and trains leaders to advance school choice at the local level. She also scours scores of Michigan and national newspapers to select and summarize key education-related stories for *Michigan Education Digest*, a free e-mail service that reaches thousands of educators each week.

Moser, a former Mackinac Center intern, previously served as executive assistant and program coordinator for two non-profit organizations and was a campaign field coordinator for Kids First! Yes!, a group working to place a school choice proposal before Michigan voters in November.

"Liz's experience on the front lines in the battle of ideas is



Kristin Johnville (left) and Elizabeth Moser provide organizational and logistical support for the Mackinac Center's ever-growing battery of intellectual ammunition.

indispensable in furthering our goal of expanding Michigan parents' freedom to choose their children's schools," said Mackinac Center Director of Education Policy Matthew Brouillette.

Johnville uses the Center's extensive free-market policy library to fill requests from

the many journalists, teachers, policy-makers, union workers, and other Center customers who call each day seeking reliable research on education, the environment, labor, privatization, and other policy topics. She also provides essential office support for many Mackinac Center seminars, conferences, and educational events.

"Kristin's warm personality, helpful attitude, and detail-oriented skills ensure that the Mackinac Center's reputation as the premier source of timely and accurate Michigan policy research remains secure," said Vice President of Operations Kendra Shrode.!

  
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