CEI PLANET
ADVANCING LIBERTY FROM THE ECONOMY TO ECOLOGY
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Resist the Europeanization of America

BY DANIEL HANNAN

Daniel Hannan, MEP, addresses the CEI Gala attendees.

When CEI was getting started back in 1984, you sowed dragon's teeth. Those teeth have now leapt out of the ground as fully formed hoplites, with the sun gleaming brilliantly on their burnished, plumed helmets, and their greaves and their breastplates, in the form of a popular reaction against government.

This did not happen on its own. I really am grateful to all of you who have supported CEI. What makes CEI different—what makes it unusual even in the free market and conservative movement—is that it has always been very careful to draw a distinction which is often lost on lefties between being *pro-business and being pro-market*. CEI, because it is genuinely libertarian, generally in favor of enterprise, has to some extent probably cut itself off from some sources of corporate sponsorship. But that distinction between being in favor of the market and being in favor of big industries has never been more important than now.

We have been winning the battle of ideas, but we have been losing the battle of implementation. The advances we have made since Hayek and Friedman were tentatively putting forward their ideas in a hostile environment have been extraordinary. It is as though nothing has changed in terms of public policy.

Cast your mind back to the bailouts three years ago—how immediately a political and media caste formed itself phalanx-like into a position defending the idea that we had to respond by spending more, by borrowing more, by taxing more. I can remember being virtually the only elected British Conservative at the time to be against it. I remember raising this with a very senior member of my party, and he emailed me back and said, "You are completely on your own on this, Hannan. You are utterly alone. All right, it is you and Ron Paul. You are the only people in the world who are against what is happening."

Ten days later, the first opinion poll came out and I was able to supply a link to this and send a gleeful email back to this very senior member of my party saying, "Look, it turned out to be me, Ron Paul, and 80 percent of the British electorate!" People

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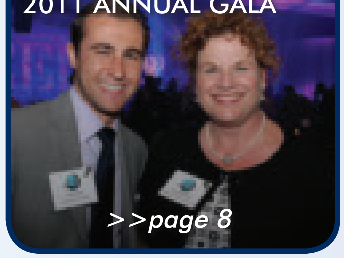

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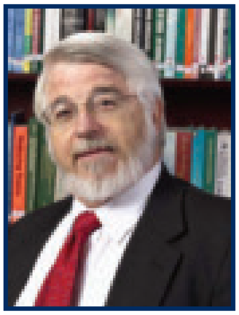

Advancing Liberty's Frontiers

By Fred L. Smith, Jr.

Until 200 years ago, right up to the dawn of the Industrial Revolution, nearly all of humanity was sick and poor. For millennia before, we saw only isolated improvements while the world remained tragically Hobbesian—existence for most people was solitary, poor, nasty, brutish, and short.

Human nature certainly hasn't changed. Mankind remains, as always, largely ignorant of most information needed to survive, preoccupied with our own concerns.

In those earlier millennia, we slowly advanced. We moved from our birthplace in Africa into the new worlds of Europe, Asia, and the Americas. Global populations expanded, increasing the likelihood that an original thinker's sparks of creativity would make possible local progress.

But, cooperation was limited. Mankind remained isolated, in tribal enclaves walled off from their fellow men by xenophobic fears. Only as we came to occupy more and more of the world did these creative sparks leap over those walls. And, as those innovations spread, we slowly shifted from hunter-gatherer to agrarian societies.

Tribal enclaves did innovate—but only slowly. The rare creative mind would trigger the even rarer useful innovation. But those gains were too often ephemeral, fading away with the innovator's death. Original thinkers then—as now—were rare. Moreover, they were motivated largely by curiosity or a desire for recognition. Free markets harnessed self interest, linking intellectuals with entrepreneurs and translating research into useful products.

Reaching that better world means crossing frontiers—and free markets enable us to do that. Some frontiers are distant, such as those that lie beyond our planet. Others are much closer—just a few miles away, but those miles plunge straight down through ocean waters and into the Earth's crust.

Today, these frontier advances are slowed not by our lack of knowledge or financial or personal risks, but by politics. Our regulatory state has revived and adopted the atavistic tribal fears of our ancient forebears, imposing rules based on the view that the risks of innovation as inherently greater than the risks of stagnation.

Many regulations today bar entrepreneurs from daring into these new frontiers. The federal monopoly of space travel is an example, only now being challenged by entrepreneurs such as Richard Branson. Consider the infinitely small frontiers of biotechnology and nanotechnology, where every advance must surmount rocky barriers of regulatory red-tape. Or the financial sector, where government guarantees and regulations block innovations for addressing systemic and other risks.

Sometimes regulators let us proceed but won't let us keep the rewards. An egregious example is the Law of the Sea Treaty, which is based on the notion that seabed resources are the "common heritage of mankind"—a great way of drowning entrepreneurial hopes.

> ***"Progress is not achieved by brilliant central planners carefully teaching the grass to grow. Rather, it comes from moving the rocks off the economic grasslands, allowing the institutions of liberty to evolve."***

We at CEI think things are getting out of hand! Progress is not achieved by brilliant central planners carefully teaching the grass to grow. Rather, it comes from moving the rocks off the economic grasslands, allowing the institutions of liberty to evolve. And even moving away a *few* rocks can achieve massive gains. Hong Kong flourished as an island of economic liberty adjacent to a totalitarian mainland. Mainland leaders saw how fast the grass grew in Hong Kong and moved away some of the rocks that were smothering their own prosperity. The result? Hundreds of millions of people were finally allowed to lift themselves out of poverty.

Removing rocks everywhere is CEI's mission. Like Hayek, we see that mission as an "intellectual adventure," a task that "challenges the ingenuity and imagination of [the] liveliest minds."

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Resist Europeanization, *continued from page 1*

on both sides of the Atlantic are wiser than their leaders. The role of an organization like this is to reassure people that their prejudices are true.

So why is it that, on issues such as this, public opinion is not able to impose itself on people who are, after all, dependent on the ballot box for the maintenance of their employment? I think the answer is that the modern minister finds himself running a machine that has grown so large, so immobilist, so unresponsive, that with the best will in the world, there is very little he can do.

The lot of the modern minister is to find himself encased in some vast machine. He is jabbing away furiously at buttons that have long become disconnected. Every idea he has to drive through some reform is frustrated by serried ranks of civil servants whose entire *Weltanschauung* is based on saying, "Oh, you cannot do that, minister. We have to keep the status quo going. There is a statutory six-month consultation period before we are even allowed to discuss it!"

Now this process has gone much further on my side of the Atlantic than it has on yours. There are a number of things here which serve to keep your elected representatives in check that are more or less unique to the United States: term limits, referendum and ballot procedures, open primaries, and—perhaps the most significant proper separation of powers—the direct election of all these public officials from the sheriff to the school board. You may not realize how lucky and how unusual you are in having these defensive ramparts against an overweening state.

So what do I mean when I say this country is unique? All states and all unions to some extent grow according to the DNA that was encoded at the moment of their conception. The United States was born out of a popular rising against a remote and autocratic government. Its Founders were determined to avoid the same centralization of power of which they had spent their lives opposing. And that is why they designed a system that was at heart there to diffuse and devolve power and ensure that decisions were taken as closely as possible to the people they affect.

All countries develop according to their foundational DNA. Whereas this country was born in a spontaneous popular uprising, the European Union was born out of precisely the opposite circumstance: a coming together of countries that had been fighting each other in war. And the imperative for the European patriarchs was precisely the opposite—they wanted power to be centralized and united. Line one of Article I of the Treaty of Rome commits the member states to an ever-closer union, and almost everything that has gone wrong to this day comes from that foundational design flaw.

Whereas your Constitution is 7,200 words long, is mainly concerned with the powers of the individual, and confines itself to broad themes, the EU's equivalent Lisbon Treaty is 78,000 words long, is mainly about the powers of the state, and busies itself with such details as the rights of asylum-seekers, space exploration, the status of disabled people. Your Declaration of Independence promises life, liberty, and the pursuit of happiness. The EU's Charter of Fundamental Rights and Freedoms guarantees our rights to strike action, free health care, and affordable housing.

America, uniquely among big countries, has found the secret of success: govern yourself like a confederation of small countries. An individual U.S. state can still decide whether to apply the death penalty; it can still levy its own rates of business taxes. Those are no longer privileges enjoyed by EU countries.

Dragged inch by inch into this continental system, we are losing that which used to guarantee our freedom. We are losing the basic liberties that our fathers took for granted. And what worries me is that you may be just a little along the road behind us. This is not because you are being dragged illegally into the European system, but because your rulers are choosing to copy it.

If you look at what is happening in health care, if you look at what is happening in environmental policy, in green taxes, college education, nuclear disarmament, giving power to supernational bodies—these are not a series of random initiatives that have been lashed arbitrarily together. They amount to a comprehensive policy of Europeanization, which will have the effect of turning this into a very different country.

Let me close with a heartfelt implication from a British Conservative who loves his country to Americans who still believe in theirs: Honor the vision of your founders, respect the most sublime Constitution designed by human intelligence, and cherish the patrimony that you inherited from your parents and pass it on intact to your children.

This article was adapted from the keynote address given by Daniel Hannan, MEP, in June at the 2011 CEI Annual Dinner and Gala.

Why Your New Car Doesn't Have a Spare Tire

BY SAM KAZMAN

Fewer tires, higher taxes. That may be what's in store for drivers under the federal government's spiraling fuel economy mandates (known as CAFE, for Corporate Average Fuel Economy). The Department of Transportation is floating 62 miles per gallon (mpg) as a possible standard for 2025, more than double the current 27.5-mpg standard. How the industry can meet that target, and at what cost, is anyone's guess. A new study in mid-June by the nonprofit Center for Automotive Research in Ann Arbor, Michigan, put the tab at about $10,000 extra per new vehicle, while admitting that even this estimate might be far too low.

And that's not the only bad news. In the past month there have been two other unwelcome developments. First, General Motors (GM) announced that several versions of its compact Chevy Cruze would no longer have spare tires. Instead, they'll have vehicle-powered sealant repair kits. This is a major jump in the trend toward eliminating spare tires, a trend due largely to CAFE's drive to shed every possible ounce of car weight.

Some argue that spare tires are unnecessary, given the growing presence of run-flat tires, tire pressure monitors, and roadside assistance systems. But the fact that spares are being eliminated in the name of fuel economy, rather than market demand, demolishes one of the chief claims of CAFE's advocates. For several decades, the need to reduce vehicle size and weight in order to raise mileage has been CAFE's Achilles' heel. Smaller, lighter cars not only hold fewer passengers and less baggage; they're also less crashworthy. CAFE-induced downsizing causes several thousand additional traffic deaths per year.

Proponents of CAFE argue that while vehicle downsizing may once have been needed to raise fuel economy, it has been obviated by new technologies. As a result, they claim, CAFE no longer forces us to give up safety for other car features.

Yet despite this talk of new technologies eliminating trade-offs, here we have GM scrapping the spare tire to comply with CAFE. The station wagon disappeared under CAFE because it was a highly regulated passenger car—unlike SUVs, which were less-regulated "light trucks." Now, with the spare tire following the same pattern, we have another hard-to-miss symbol of what CAFE hath wrought.

Getting rid of spare tires alone won't be nearly enough to meet the more stringent mandates that are looming. In early June, GM unveiled another strategy—higher gasoline taxes. GM CEO Dan Akerson proposed boosting the federal tax by up to $1 per gallon to increase small car sales.

This isn't the first time a car maker's chief executive has called for higher gas taxes. In 2009, after gas had dropped to below $2 a gallon from $4, Bill Ford made a similar proposal, citing the need for a "price signal . . . strong enough so customers will continue buying smaller, fuel-efficient cars." Ford joked about his reputation as "something of a Bolshevik" among his industry colleagues. But his wish for higher gas prices has come true. Gas is now in the high $3 range. And yet even that isn't high enough for GM's Akerson.

It would be one thing if these gentlemen wanted to replace CAFE with higher gas taxes. That would at least give us a politically honest fuel efficiency regime. Rather than being bamboozled by the smoke and mirrors of CAFE's technological mandates, consumers would learn from a gas-tax hike exactly what government was doing to them. But if that's what Akerson means, then he should say so, because he now sounds like another antimobility environmentalist pushing a sin-tax increase.

Akerson's stand demonstrates CAFE's real perversity—by forcing mileage standards far above what consumers want, it pits car makers against their customers. Car makers need high gas prices to force buyers into the vehicles that government demands the industry sell. The public hopes for low prices, and if markets push prices down, then consumers ought to be able to enjoy their good fortune.

In mid-June, the Insurance Institute for Highway Safety released its latest study of vehicle death rates. Like its previous studies, this new report found that larger and heavier models continue to be safer. SUVs heavier than 4,500 pounds, for example, have a death rate less than one-third that of cars under 2,500 pounds. The politics of energy efficiency may have gone insane, but the laws of physics remain.

Sam Kazman (skazman@cei.org) *is General Counsel at CEI. A version of this article originally appeared in* The Wall Street Journal.

Why the Google Probe Should Worry Consumers

BY RYAN RADIA

Is Google too big? Some government officials in Washington, D.C., certainly seem to think so.

Last week, the Federal Trade Commission (FTC) launched a formal investigation of the Internet search giant's business practices, potentially marking the start of an antitrust saga that could end in federal court. The FTC's move has left the millions of Americans who choose Google's products scratching their heads—but at a time when beating up on big business is in vogue, that's politics as usual.

The FTC hopes to find evidence that Google has "unfairly" used its market position to undercut rivals. Some would call this competition, but government technocrats see things differently. They claim that once a company grows too large and successful, business decisions that would otherwise be perfectly legal must be vetted by federal regulators.

What is Google's alleged sin? According to critics, its search engine is biased in favor of Google's own offerings, such as Gmail and Google Maps.

Google denies such claims. But even if the accusations are true, why should government get involved? If Google buries competitors' superior offerings by manipulating search rankings, it would weaken the quality of its search results. That would drive users to competing search engines like Microsoft's Bing, whose market share has grown by 40 percent over the past year.

Ironically, to Google's antitrust critics, even conduct that benefits today's consumers justifies government intervention. If Google innovates too quickly, they argue, it risks becoming an entrenched monopolist so far ahead of the competition that its incentive to innovate will be overwhelmed by complacency and greed.

Yet neither Google nor any other firm enjoys this luxury. The forces aligned against a would-be monopolist are too vast and unrelenting to permit any one firm to parlay its market power into profitable anti-competitive conduct. This is especially true in dynamic Internet markets, as evidenced by the near-death and subsequent resurgence of Apple and the meteoric rise of college dorm startup Facebook after it vanquished MySpace.

> ***"Why should the FTC's Google probe worry consumers? Because the government's track record when it comes to antitrust interventions in the high-tech sector is abysmal."***

Recall that Google itself was launched only in 1998. It soon toppled then-Web search leaders AltaVista and Yahoo! due to its innovative approach to search rankings. But if Google doesn't continue offering services that users find superior, it too will be toppled by tomorrow's next big thing.

Why should the FTC's Google probe worry consumers? Because the government's track record when it comes to antitrust interventions in the high-tech sector is abysmal. The most famous prosecution of an alleged digital monopolist is that of Microsoft, which appeared to be an indomitable juggernaut in the late 1990s. After years in court, the Justice Department won a ruling in 2001 that placed Microsoft under a decade of federal supervision that expired just this year.

Yet it was not the federal government, but the relentless forces of creative destruction, that ensured Microsoft would not take over the information age. Even law professor Lawrence Lessig, a top adviser to the Justice Department in its Microsoft prosecution, conceded in 2007 that he "blew it on Microsoft." The open source software revolution, embodied by Linux, the ascent of cloud computing and the recent explosion of mobile ecosystems have rendered Microsoft's still-lucrative position in the operating system market an afterthought.

Had government left Microsoft alone, Bing might be on closer footing with Google than it is today. We'll never know. That is the folly of antitrust—it distorts the evolution of markets and discourages innovative businesses from competing as aggressively as possible. Google may look as unstoppable today as Microsoft did in 1999, but it won't remain king of the hill for long unless it continues to innovate and take risks.

Ryan Radia (rradia@cei.org) *is Associate Director of Technology Studies at CEI. A version of this article originally appeared in* The San Jose Mercury News.

Catching Air Without NASA

How Will We Regulate Commercial Space Flight?

BY WAYNE CREWS

With the final Space Shuttle launch fresh in Americans' minds, we should ask some important questions about the future of humans in space and the role of government. What if having a vibrant space program requires bypassing NASA? Despite NASA's signature successes, there are great pressures for change.

The private experimental launches of Elon Musk's SpaceX and forthcoming low-Earth-orbit "Disney" rides—such as Sir Richard Branson's Virgin Galactic—are awesome and vitally important.

No one should look at these as joyrides or tinkering. Rather, they lay the groundwork for humanity's next evolution in transportation, even if one is skeptical—as I am—about manned flights to asteroids or Mars. Future generations' ability to deliver goods or hop from New York to Tokyo or Sydney in the time it takes to ride the D.C. Metro today could utterly change the world yet again—unless, that is, government throws sand in the gears.

For that reason, we should strive to keep regulators Earthbound while it's still early in the game.

The Federal Aviation Administration (FAA) says low-Earth orbit flights are risky; pioneers like Branson say they'll be safer than government-run manned space flight. Advances in this area will inform the more sci-fi-ish imponderables like a space elevator, and asteroid- or moon-mining.

We'll inevitably need to revisit the global Outer Space Treaty that forbids commercial development of the moon or asteroids. In the 15th century, Spain, Portugal, and England weren't about to agree not to cross the oceans. A treaty-

Government intervention—whether by NASA or the FAA—is not "regulation" at all, as it hinders the development of sound industrial best practices.

replacement "Homestead Act"-type arrangement would allow us to leap forward, spurring advances in robotics, communications, and nanotechnology.

Subsidies are to be avoided, and we should be skeptical of public-private partnerships such as that between Elon Musk's SpaceX and NASA. Dependence on government leads to cronyism and stagnation. Technologies need to advance in a logical supply-and-demand-driven order, rather than the fits and starts of politicized pork-barrel government science funding.

The real hurdle for space entrepreneurs—if they avoid entangling alliances with government—is the development of the right risk-management institutions for their endeavors. Industries that do not yet exist are not yet overregulated. Thus, they have the potential to create extraordinary wealth. We must lay the groundwork for the fundamental risk-management market institutions that enhance safety better than anything government regulators could devise.

Government intervention—whether by NASA or the FAA—is not "regulation" at all, as it hinders the development of sound industrial best practices. Overregulation can cripple an industry while making it more risky. Political "regulation" can undermine actual regulation and governance—the yet-to-be-developed market risk-control institutions that the industry most needs—and hobble the commercial space industry for generations to come.

The industry will need to work with advocates of free enterprise to articulate an alternative model, to ensure that those risk-

management institutions have the opportunity to develop.

Many values we want—privacy, safety, security, access, environmental amenities, cleanliness—are actually forms of wealth that must remain within the competitive sector to advance. We need to create "safety wealth" in commercial space endeavors such as low-earth orbit, and foster the institutions like insurance and liability standards that escalate that value over time and allow for maximum innovation and wealth.

Regulators likely will attempt to "help" the industry with waivers of liability (or conversely, undermine the ability to contract away liability like the waiver I had to sign to fly a powered parachute). Taking that path would yield regulation that doesn't actually regulate and discipline but does hamper progress. For example, thanks to the immunity granted by the Price Andersen Act, we have no way of knowing whether nuclear power is viable in a free market. One cannot envision that industry's emergence from hyper-regulation; let's not make the same mistakes for commercial space flight.

Instead, the right kinds of "immunity" emerge from contracts between the relevant informed parties—the passenger and the flight company, for example—resulting in new kinds of insurance and liability products and businesses.

We have a lot of work to do. The industry should recognize that it can manage risks by extension from the management of traditional aviation risks, where there are insurance instruments (and future hybrids) available. And investors and firms will likely join together in pools to cover costs if insurance is initially prohibitive.

Competition works to create wealth not just in the engineering innovations and products, but in the contractual, insurance, and liability instruments by which we govern the inevitable risks of world-changing innovations.

Wayne Crews (wcrews@cei.org) *is Vice President for Policy at CEI. A version of this article originally appeared on* Forbes.com.

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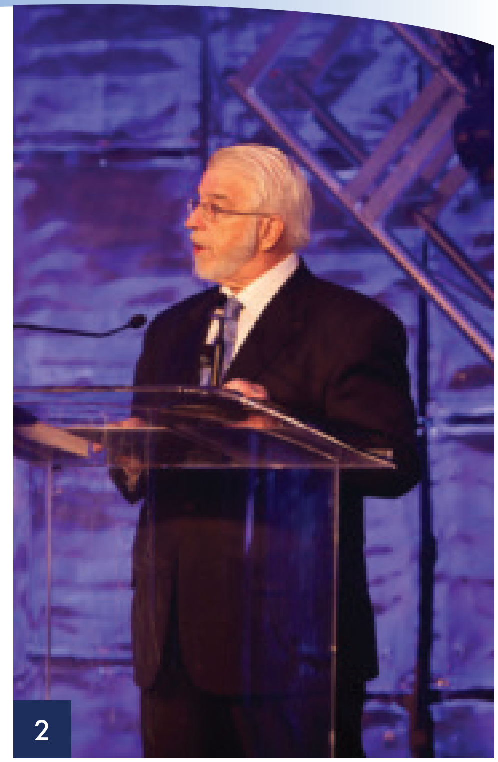

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PHOTOS

1. Master of Ceremonies Andrew Langer explains why Julian Simon matters now more than ever.
2. CEI President Fred Smith welcomes the crowd.
3. Left to right: Fred Smith, CEI Board Member Jim Von Ehr, and Tony Woodlief of the Bill of Rights Institute.
4 *Reason* magazine Editor in Chief Matt Welch (left) and Jon Beach.
5. R.J. Smith, director of the Center for Private Conservation, accepts the 2011 Julian Simon Award.
6. Kelly Cobb (left) of Americans for Tax Reform and the Credit Union National Association's Joann Sordellini, also a member of the CEI Gala Host Committee.

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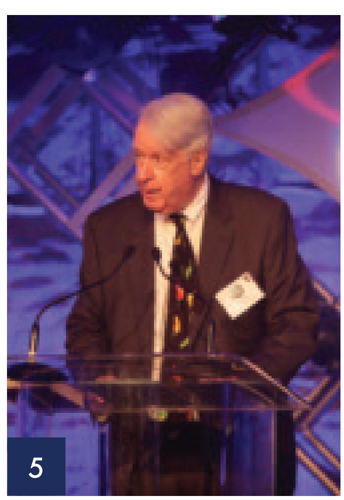

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CEI's Annual Gala

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The Competitive Enterprise Institute held its Annual Gala on Capitol Hill in Washington D.C., celebrating free markets and limited government, which face the greatest assault upon them in at least a generation. This year's keynote speaker exemplifies CEI's commitment to the principles of individual liberty, as well as its work on expanding economic opportunities across the globe—Daniel Hannan, Member of the European Parliament for South East England.

Mr. Hannan is perhaps best known for his forceful yet eloquent takedown of then-Prime Minister Gordon Brown on the floor of the European Parliament. The video of his speech quickly became an Internet sensation, garnering millions of views. In his keynote address to CEI's Gala attendees *(cover)*, Mr. Hannan warned the largely American audience not to go down the same path as Britain in adopting stifling technocratic controls over citizens' personal and economic lives.

R.J. Smith, the father of free-market environmentalism and director of the Center for Private Conservation, was awarded the Julian Simon Award for his tireless, decades-long advocacy of private, voluntary solutions to environmental problems.

Andrew Langer, president of the Institute for Liberty, served as the master of ceremonies.

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7. Left to right: Bob Billings of the Generic Pharmaceutical Association, CEI Gala Host Committee Member Jake Hansen, and Wayne Newton.
8. Left to right: CEI Vice President for Strategy Iain Murray, Daniel Hannan MEP, CEI Board Member Tom Haynes, and Louisa Greve of the National Endowment for Democracy.
9. Left to right: Rebecca Dunn, former New Mexico Governor Gary Johnson, CEI Board Member Bill Dunn, and Director of CEI's Center for Energy and Environment Myron Ebell.
10. Left to right: Pope Center for Higher Education Policy President Jane Shaw, Doug Crandall, Gloria Bergquist, and CEI Gala Host Committee Member Jo Cooper.

THE GOOD

CEI Launches Lawsuit Against Regional Greenhouse Gas Initiative

On Tuesday, June 28, a lawsuit was filed in New York alleging that the state's involvement in the Regional Greenhouse Gas Initiative (RGGI) violates state law, because the legislature never approved that interstate compact. The 2005 compact among 10 Northeastern and Mid-Atlantic states requires each participating state to reduce carbon dioxide (CO2) emissions by putting restrictions on utilities and forcing them into a cap-and-trade scheme, a move that would be both completely ineffective and needlessly raise taxes. "This plan increases taxpayers' electric bill for an ineffective compact that, worst of all, is illegal under New York law," said CEI General Counsel Sam Kazman. "While there are 10 states in this compact, New York is distinct because the governor entered into the compact without any approval from his state legislature." The plaintiffs in the case are Lisa Thrun and Ava Ashendorff, New York businesswomen. The case is being handled by Mark W. Smith of New York-based Smith Valliere PLLC, with CEI's Sam Kazman serving as co-counsel.

THE BAD

Department of Agriculture Pushes Catfish Trade Protectionism

Under the guise of consumer safety, American catfish farmers are trying to use the regulatory powers of both the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA) in an effort to keep out foreign competition. Only catfish would be regulated by both agencies—regulation of all other fish would continue to fall under the FDA alone. In response, CEI submitted a public interest comment criticizing the proposed regulation, Mandatory Inspection of Catfish and Catfish Products. "The U.S. government would be putting a wholly disproportionate regulatory burden on only one type of fish," explained Fran Smith, a CEI adjunct fellow and trade policy expert. "This is bad for consumers and taxpayers and sets a terrible precedent for U.S. trade relations, especially in these troubled economic times." As CEI points out, there is no real safety issue related to foreign or domestic catfish. Instead, the proposal sets up new roadblocks in an effort to restrict foreign catfish. Those unfair restrictions may well cause catfish-exporting countries to bring their complaints to the World Trade Organization.

THE UGLY

FDA Advisory Committee Votes to Revoke Approval for Breast Cancer Drug

A FDA advisory committee voted on June 29 to revoke the approval for breast cancer treatment from the drug Avastin. The agency had previously given Avastin an accelerated approval for use by women fighting late-stage breast cancer. But after studies suggested that the expensive drug benefited only a small number of patients, the FDA's Oncology Drugs Advisory Committee made a value judgment that those benefits did not outweigh the drug's side effects. Analysts at CEI blasted the decision, noting that while Avastin is not effective in treating breast cancer for most women, it is tremendously effective for a small percentage of them. "While clinical studies show that Avastin doesn't lengthen survival time for the average breast cancer patient, they do show that it slows tumor growth in patients, doubling progression-free survival even for the average patient," said CEI Senior Fellow Gregory Conko. "Individual patients respond differently to treatments. The FDA is wrong to make a sweeping decision for all breast cancer patients."

Media*MENTIONS*

Compiled by **Lee Doren**

Labor Policy Counsel F. Vincent Vernuccio details the intimidation tactics included in Service Employees International Union's (SEIU) campaign manual:

SEIU is in federal court defending itself against charges of racketeering and extortion filed by one of its unionizing targets, the catering company Sodexo Inc. Sodexo's court discovery recently revealed an SEIU "Contract Campaign Manual" on "Pressuring the Employer." Union pressure is nothing new, but what SEIU recommends is not limited to organizing drives and strikes. Rather, the pressure takes the form of a so-called corporate campaign, whereby the union allies itself with outside third parties to raise intimidation to a new level.

SEIU's manual details how "outside pressure can involve jeopardizing relationships between the employer and lenders, investors, stockholders, customers, clients, patients, tenants, politicians, or others on whom the employer depends for funds." The union advises using legal and regulatory pressure to "threaten the employer with costly action by government agencies or the courts."

- July 15, *The Washington Times*

Vice President for Strategy Iain Murray explains how bureaucrats are stealing Americans blind:

Before I came to the United States in the late 1990s, I spent eight reasonably happy years working as a civil servant in the headquarters of the British Department of Transportation.

At one point, I even joined the National Union of Civil and Public Servants. It was a time of great change for the British civil service. Successive Prime Ministers, Margaret Thatcher and John Major, having successfully privatized the great nationalized industries, were turning their attention to government itself.

By the time I left my government job, the civil service was barely recognizable.

Then I moved to America. Literally the first thing I had to do was deal with American bureaucracy—the unlamented Immigration and Naturalization Service.

It was everything British bureaucracy had ceased to be (not that British bureaucracy was perfect, I hasten to add)—arrogant in the extreme, driven by rules rather than by any sense of customer service, unresponsive and, above all, slow, glacial even.

- July 12, *The Washington Examiner*

Director of the Center for Investors and Entrepreneurs John Berlau and Vice President for Policy Wayne Crews call on the federal government to put a ceiling on regulations:

Even the Obama administration itself has pledged—in its rhetoric—to rein in regulation. "If they are not providing the kind of benefits in terms of the public health, and clean air and clean water, and worker safety that have been promised, then we should get rid of some of those regulations," Obama said in his press conference on Monday following up on his calls earlier this year for repealing "outdated regulations that stifle job creation."

This language sounds strikingly similar to language in the House GOP's "Plan for America's Job Creators" unveiled in May, which states: "We must remove onerous federal regulations that are redundant, harmful to small businesses, and impede private sector investment and job creation."

Yet, amazingly, even though both parties now want the debt-ceiling package to address issues of economic growth—all the more so, in the wake of Friday's dismal employment numbers — no one has put measures to rein in regulation on the table. Since both Obama and GOP leaders are saying that overregulation is a barrier to job creation, it's time to make regulatory curbs part of the debt-ceiling negotiations. As Sen. Olympia Snowe (R-Maine), not generally known as an anti-government Tea Party stalwart, wrote recently in *Politico*, "One of the most effective ways government can spur job creation is to pass substantial regulatory reforms—immediately."

- July 12, National Review Online

Fellow in Regulatory Studies Ryan Young and Research Associate Jacqueline Otto argue that regulators shouldn't intervene in the economy:

Just as surely as summer is followed by autumn, it seems that these days every proposed corporate merger is followed by antitrust complaints—often from the merging companies' competitors. The wireless industry is the latest sector to suffer this problem. Sprint, America's third-largest carrier, has emerged as a chief opponent of a proposed merger of AT&T and T-Mobile, two of its main rivals. "No divestitures, no fixes, no conditions," a senior Sprint government affairs officer told Ars Technica. "We want it stopped." Sprint argues that the merger will create a duopoly in the telecommunications world, a claim AT&T calls "dystopian" and inaccurate.

Sprint's actions suggest that it doesn't want to compete with a merged AT&T/T-Mobile, and finds it easier to file an antitrust complaint than offer a better service. This is bad for consumers and for the economy, but our existing antitrust laws encourage companies to compete in order to win over bureaucrats in Washington instead of competing in the marketplace — a privilege the framers of the Constitution never intended to grant.

Article I, Section 8 of the Constitution gives Congress the power to regulate commerce. The goal was to ensure that commerce among the states would take place under clear, predictable, and understandable rules that do not favor some parties over others. According to Georgetown law professor Randy Barnett, our framers granted Congress the power to regulate domestic commerce in order "to make commerce regular." Yet today, the term "regulator" is a misnomer. In practice, most regulators don't actually regulate; they intervene.

- June 23, The Daily Caller

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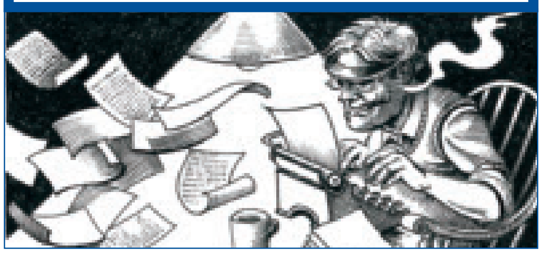
…END NOTES



Eat What I Say, Not What I Eat

First Lady Michelle Obama is the nation's leading spokesperson in the nanny-state War on Childhood Obesity. In fact, thanks to her White House connections, she has a $1 billion federal megaphone to scold overweight Americans. Mrs. Obama's "Eat your vegetables!" browbeating might be more palatable if she weren't seen around town chowing down trendy, artery-clogging delicacies. In early July, a reporter spotted the First Lady enjoying a lunch from Shake Shack that included: a ShakeBurger, fries, chocolate shake (though she did pull back by ordering a Diet Coke). Total calorie count: 1,700. That's the same as the daily recommended caloric intake for most adults. This is not to say that she—or anyone else—shouldn't be able to enjoy the occasional Super Sized meal. They should if they so choose. But for the Dietician-in-Chief, delivering more nuanced do-gooder pronouncements would help avoid coming off as a greasy hypocrite.

Top Secret Congressional Parking Spaces

If you drive or walk around the area surrounding the Capitol in Washington, you will notice the strangely large number of sprawling parking lots reserved for Hill staffers. Many have questioned why this prime real estate isn't sold to developers, who could put the lots to much better use. Housing reporter Lydia DePillis of the free D.C. weekly *Washington City Paper* recently asked the Committee on House Administration for information related to the number of congressional staff parking spaces owned by the federal government. The Committee's response: That information is kept secret for security purposes. Presumably, potential terrorists lack the technology and patience to do an accurate count of the open air parking lots. Imagine what could happen if that information fell into the wrong hands!

Obama 2009: Wish You Were Here

While President Obama toured the nation promoting his stimulus plan in August 2009, he was asked by Elkhart, Indiana, resident Scott Ferguson how raising taxes during a recession would help the economy. The president answered, "Normally, you don't raise taxes in a recession, which is why we haven't and why we've instead cut taxes. So I guess what I'd say to Scott is—his economics are right. You don't raise taxes in a recession. We haven't raised taxes in a recession." Obama continued to reiterate his opposition to tax increases during our present economic downturn—until the debate over raising the debt ceiling began. Congressional Republicans have taken tax increases off the table. Fast forward to 2011 and the official White House line has morphed into, "We need a balanced approach that asks the very wealthiest and special interests to pay their fair share as well, and we believe the American people agree."

You Get What You Pay For

In unsurprising news, it turns out the U.S. Army is still a fiscal black hole. A June report from the Defense Department's Office of Inspector General that found the Army had been charged $72 by contractor Boeing for a straight pin used by helicopters. The exact same pin could have been procured for 4 cents from the Defense Logistics Agency. That's a 177,400-percent markup. Worse, after being confronted by the department's auditors and a dumbfounded press, all an Army spokesman could muster is: "Given the wartime environment for Army aviation, more rotary aircraft today and flying six times above the peacetime flying hours, the critical support to these platforms could not have been achieved without this agreement." But as we saw during the $600 toilet seat era of the 1980s, military waste, fraud, and abuse is not uniquely a wartime phenomenon.