



CEI UpDate

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THE TWO FACES OF 2001: ONE YEAR - AND TWO ERAS - IN REVIEW

Looking back on 2001 as a single slice of timeline became impossible after September 11, when shocking and surreal events suddenly split one year into two distinctly different eras. The nation experienced one version of 2001 before that terrible Tuesday, when public policy debates followed relatively predictable ebbs and flows. And it has experienced something else entirely in terror's aftermath, as a seismic, disorienting shift in national policy priorities took place and government agencies lurched into motion, spurred by confused urgency.

Adapting to that sea change has been as much of a challenge for organizations such as CEI as it has for individual citizens. But in a time of crisis, with America's economic and civil institutions being tested in unprecedented ways, CEI's work — though admittedly far from the firing line — remained as relevant as ever on the home front.

The attacks of September 11 not only threatened a slowing U.S. economy, but reinforced the need for rational government policies that exercise legitimate constitutional responsibilities for safeguarding the common defense while having the minimum impacts possible on economic freedoms and civil liberties. In order to ensure that those priorities are properly balanced, CEI has been working since September 11 to stem the erosion of financial privacy rights, oppose unjustified industry bail-outs at the taxpayers' expense, prevent federalization of air travel security as an unnecessary expansion of government, investigate how environmental restrictions at military training sites may be hurting combat readiness, and redouble our efforts to ensure an abundant and secure domestic energy supply for U.S. consumers by reducing government barriers to production.



And because nothing, not even a “war on terror,” can for long call a halt to the other policy debates in which the nation had been engaged before September 11, CEI, as the following “Year in Review” retrospective shows, remained through 2001 a vital force in support of free markets, economic vitality, individual liberty, and sane environmental policy.

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FROM THE VICE PRESIDENT

BROADBAND
INDUSTRIAL POLICY?

by James Gattuso

At this writing, with the U.S. engaged in a critical fight against terrorism and facing a probable recession, Congress is leaving no stone unturned in the search for ways to turn around the economy. The Senate has been particularly creative — including in its economic stimulus proposal everything from tax credits for electric vehicles to aid for Amtrak to more farm subsidies. It even included a new program for “citrus tree canker relief.” In other words, it’s been a holiday pork-out of classic proportions.

Buried in the legislation was a proposal to provide tax credits for broadband telecom services. Here, at least, Congress had hit upon a significant issue for the economy, because new high-speed Internet connections could provide a big boost to the tech sector, and to the economy at large. But it offered the wrong answer. Instead of handouts and subsidies, policymakers would have done better to help clear away regulatory and other barriers holding back the evolution of broadband telecommunications.

Congress’ plan provides two levels of tax subsidy for telecom providers, each with complex rules defining what is covered. A 10 percent tax credit is created for “current generation” broadband investments; “next generation” broadband services would receive a 20 percent credit. The first credit was largely for service to rural areas. The larger credit was for residential, as well as rural, subscribers.

What could be wrong with giving broadband a little subsidized boost? Well, a lot actually, because subsidies could distort the development of broadband in unknown ways. The authors of the plan were careful to avoid explicit distortion. For instance, it doesn’t limit the credit to any particular type of broadband technology. But there is a subtle bias: for instance, transmission speeds of five megabits per second (Mbps) from subscribers would be required to meet the definition of “next generation,” a level that may favor fiber-optic systems at the expense of satellite-based broadband systems. Moreover, economist Wayne Leighton argues that credits could perversely slow deployment in some rural areas. By accelerating deployment of existing technologies in rural areas closest to metropolitan areas, Leighton argues that business plans based on new technologies that could serve the most remote areas could be undercut. As a result, the chances of providing broadband in these areas would be reduced.

There’s a host of other potential distortions possible in Congress’ approach. Will providers build systems to meet the congressional definition of broadband, for instance, rather than the ones that make the most sense? Will rural credits deter investment in urban and suburban areas? Will investments in non-broadband telecom services be deterred?

There is an alternative to this approach, however. Rather than artificially support broadband deployment, why not simply remove barriers to it? A key starting point would be rules that force telecom companies to give “unbundled” network access to competitors, and thus reduce incentives to invest. Wireless technologies could be invigorated by freeing up more spectrum for private uses, and reducing limits on what those uses can be. General tax relief is also needed — including not just the outmoded three percent telecom excise tax, but a reduction in capital gains taxes that deters all investment.

Congress was right to identify broadband as potentially a key driver of economic growth. But rather than distort the digital marketplace through subsidies, policymakers would be much better advised to remove the barriers to its growth that government itself has erected. That is perhaps a more politically challenging task, but one that will leave telecom consumers, and the economy, much better off.

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Agricultural Biotechnology



It's been a year of mixed blessings for agricultural biotechnology. In 1999, environmental activists had a ready-made scare story handed to them on a silver platter when a report was published suggesting that pollen from a particular variety of biotech corn might be harmful to Monarch butterflies — the “Bambi of bugs.” So, one of the most important developments this year was the September publication of six major papers in the *Proceedings of the National Academy of Sciences* completely debunking the Monarch scare.

In another positive turn, even the United Nations Development Program this year came out strongly in support of genetically engineered crops when it made biotechnology a major focus of its annual Human Development Report, saying that biotechnology offers “the hope of crops with higher yields, pest and drought-resistant properties, and superior nutritional characteristics — especially for farmers in ecological zones left behind by the green revolution.”

On the downside, Bush Administration officials in the Environmental Protection Agency and Food and Drug Administration agreed to implement midnight biotech regulations promulgated by the Clinton Administration. And even worse is the regulatory nightmare of the European Union, where, for the past three years, six countries have been able to force an EU-wide ban on the approval of all new biotech crop varieties.

Highlights

- UN Development Program endorses biotechnology for less developed countries.
- Farmers plant more biotech crops than in any prior year despite multi-million dollar anti-biotech campaign.
- U.S. consumers still have positive views on biotechnology, with one survey finding that 61 percent believe that they or their families will benefit from its innovations directly.

LOWLIGHTS

- Environmental Protection Agency and Food and Drug Administration prepare new biotech regulations.
- Biotech and food industries ask for stepped up U.S. regulation, believing that it will inspire consumer confidence.
- More than a dozen U.S. states consider legislation limiting biotech crop planting or mandating labels on biotech.

Global Warming

Global warming, the Kyoto Protocol, and energy shortages were big issues during the past year, and CEI played a prominent role in shaping policy through its leadership of the Cooler Heads Coalition. CEI's efforts in the political pushing and shoving over global warming and energy policies gained unprecedented media attention, including in the pages of the *New York Times*, *Wall Street Journal*, *Boston Globe*, *Chicago Tribune*, *Washington Post*, *USA Today*, and *Time* magazine, and through television and radio appearances on Fox News, CNN, MSNBC, National Public Radio, C-SPAN, and PBS.



Of the Cooler Heads Coalition's many activities, two were of special note. In March, MIT Professor Richard S. Lindzen spoke to 140 people at a Capitol Hill briefing on how the U. N.'s Intergovernmental Panel on Climate Change distorts global warming science for political purposes. And in October, Bjorn Lomborg, Danish professor and author of the *The Skeptical Environmentalist* [see Update Q & A., page 8], spoke to 170 people at a Capitol Hill briefing on why the Kyoto Protocol will do much more harm than good.

Highlights

- President Bush kept his campaign promise and withdrew the U. S. from the Kyoto global warming treaty and decided not to support regulation of carbon dioxide emissions from electric utilities.
- Vice President Cheney's task force produced a national energy plan that emphasized removing regulatory obstacles to rebuilding America's aging and inadequate energy infrastructure.
- The House of Representatives passed key parts of the Administration's energy plan, including opening 2,000 acres in the 19-million-acre Arctic National Wildlife Refuge in Alaska to oil and gas exploration.

LOWLIGHTS

- Senators Jeffords (I-Vt.), McCain (R-Ariz.), and Lieberman (D-Conn.) pushed legislation to regulate carbon dioxide emissions, which would reduce energy supplies and raise prices. Senate Majority Leader Tom Daschle stopped the Energy Committee's work on the House-passed energy bill and introduced his own energy bill.
- The rest of the world went ahead with negotiations on the Kyoto Protocol and European leaders pronounced the Protocol ready for ratification, even though significant issues remain to be resolved.
- The UN's Intergovernmental Panel on Climate Change published its Third Assessment Report, then produced three short “Summaries for Policymakers” that twisted the science into easy-to-use alarmism.

Natural Resources & Land Management



Secretary of Interior Gale Norton and Fred Smith on Private Conservation Day.

Because expanded government control of land and natural resources means that land-use decisions are based upon political considerations and interest group lobbying in Washington, rather than on environmental or economic grounds at the regional and local level, CEI's Land & Natural Resource Department (LNR) and Center for Private Conservation (CPC) fought throughout 2001 to tighten the leash of expanded public management of lands and showcase the successes of private management practices.

In April, CPC hosted its second annual Private Conservation Day event, keynoted by Secretary of Interior Gale Norton. CEI's LNR Department, meanwhile, has been fighting to rescind the EPA's "Total Maximum Daily Load" rule, which forces states to create "pollution budgets" for all watersheds in their borders.

With three congressional testimonies this past year, a new book, two hill briefings, a slew of newspaper and magazine pieces, and numerous radio and TV appearances to his credit, CEI's Dr. Robert Nelson led the charge in 2001 on federal lands issues.

On Endangered Species Act issues, CEI continues to be the "go to" source for authoritative research. In April, Senior Scholar R.J. Smith testified before Canada's Parliament on endangered species legislation. And LNR continues its work to defeat the Conservation and Reinvestment Act (CARA), which, if passed, will enrich federal and state land purchasers to the tune of about \$1 billion annually.

Highlights

- In terms of wetlands regulations, the U.S. Army Corps of Engineers announced several proposed modifications to cede more decision-making to the local level.
- An Idaho judge halted the 58 million-acre "roadless rule," a last-minute Clinton-era regulation that makes management of national forests more difficult by banning most road building.
- Oregon voters passed a measure that if state, county, or local governments restrict use of property and reduce its value, then property owners must be paid compensation equal to the reduction in fair market value of the property.

LOWLIGHTS

- Congressional leaders continue to push for billions of dollars in land-use control through the Conservation and Reinvestment Act, or CARA.
- In northern California's Klamath Basin, Administration officials failed to recognize the existence and protection of property rights.
- Little effort was made by Administration officials to reduce the scope of national monument designations and the American Heritage Rivers Project.

Death By Regulation



Regulations didn't get much deadlier in 2001, but the stage was set for more trouble next year. The Bush Administration did take a major step towards reining in regulations with the appointment of John Graham to head regulatory oversight at the White House's Office of Management and Budget. Whether Professor Graham, one of the nation's foremost proponents of "risk vs. risk" analysis, can succeed in reforming the regulatory process is an open question — but there's no one better qualified to try.

CEI long has viewed the federal government's new-car fuel economy program (popularly known as CAFE) as a major contender for the deadliest regulation on the books, given its effect of restricting the production of larger, more crash-worthy cars. And this past summer the National Academy of Sciences confirmed our view, when a report concluded that CAFE contributed to between 1,300 and 2,600 traffic deaths per year. The report also noted (not very accurately, as it later turned out) that new technologies might be able to reduce CAFE-related fatalities in the future — a footnote that *The Washington Post* and *New York Times* used to spin the study as a blueprint for expanding CAFE, rather than as an indictment of the program.

Highlights

- In February, CEI testified on CAFE before a National Academy of Sciences panel hearing.
- In July, a National Academy of Sciences report on CAFE found that it has contributed to thousands of additional traffic deaths by restricting the production of larger, safer vehicles.
- In October, a federal district court denied the FDA's motion to dismiss a challenge to the agency's Pediatric Rule brought by CEI and others. The rule is intended to protect children, but in fact adds a major new obstacle to the development of new drugs.

LOWLIGHTS

- In April, the Dept. of Energy issued new energy-efficiency rules for washing machines at the same time *Consumer Reports* reported that dishwashers using similar technology are less efficient than cheaper conventional models.
- In June, a federal district court dismissed as unripe CEI's alcohol advertising case.
- In July, even though a National Academy of Sciences' CAFE report exposed its deadly consequences, the document was widely spun as a blueprint for "safely" expanding the program.



Risk Management

During the early days of the Bush Administration, CEI applauded its efforts to scrutinize and eliminate flawed “midnight regulations” rammed through in the last days of the Clinton Administration — especially EPA Administrator Christine Todd Whitman’s announcement that the agency would reconsider the standard for arsenic in drinking water, a measure that would likely result in nominal public health benefits while placing onerous costs on communities all over the U.S. Regrettably, however, the Administration failed to mount any public relations effort to support a more reasonable standard, and a politically-stacked review of the National Research Council ensured that the agency would eventually keep the Clinton standard no matter how heavy the costs, and how scant the benefits, to poor rural Americans.

During a year of high gas prices, CEI was among the first to point out how environmental regulations had contributed to price spikes, particularly in the Midwest, where reformulated fuel mandates limited gasoline supplies. Senior Policy Analyst Ben Lieberman’s work on the issue led to his testimony before Congress and the Federal Trade Commission.

An important “right-to-know” debate also heated up in the wake of the September 11 terrorist attacks. CEI’s Angela Logomasini pointed out how a 1990 law that requires the EPA to make public risk management plans for thousands of chemical companies could aid terrorists. Congress is now reconsidering the law.

Highlights

- The Bush Administration sought to streamline or eliminate certain costly and environmentally-unnecessary motor fuel regulations that were part of the Energy Plan being debated by Congress, and which CEI’s Ben Lieberman identified.
- In November, the EPA removed from its web page “risk management plans” for thousands of U.S. industrial facilities that would have served as a useful tool for those planning terrorist attacks on the U.S., and Congress has begun holding hearings to consider whether to change this misguided “right-to-know” law.
- After September 11, Congress halted the public release of information about the location of the nation’s fuel pipelines — in the wake of revelations that Osama Bin Laden may have issued orders to attack natural gas lines and facilities if he was apprehended or killed.

LOWLIGHTS

- The EPA, after some deliberation, decided to maintain the last-minute Clinton standard for arsenic levels in drinking water.
- Despite the fact that the EPA removed sensitive information from its web page about the potential for chemical release from U.S. industrial facilities, environmental activists posted some of the information on their web pages, creating an anonymous source of information for potential terrorists.
- The Senate attached controversial environmental education legislation and a bill slapping local school districts with misguided pesticide use policies to President Bush’s education bill. As *Update* goes to print, House and Senate conferees negotiate whether to keep these items in the bill.

Tech Policy

High tech policy during 2001 continued to be dominated by efforts on the part of the government, egged on by businesses responding to short-term special interests, to impose industrial policies.

The leading example was, of course, the Microsoft antitrust litigation. The government seemed to have a vision for an ideal computer software industry — a vision which the new Administration was as ready to adopt as the old, unfortunately. The effort ended only when a D.C. circuit court decision left most of the government’s case in shreds.

The same itch for industrial policy dominated telephone industry deregulation and broadband communications issues in 2001. The 1996 Telecommunications Act, as enforced by the FCC, adopted a misguided policy of artificial competition, in which entrants would be spared from developing their own facilities and would instead piggyback on the Bells. Not surprisingly, the Bells have resisted, resulting in deadlock. Innovation has been further inhibited by a similar government infatuation with “open access” — making companies into the equivalent of common carriers — in the context of broadband connections through both telephone and cable.

However, light may be appearing at the end of the tunnel. Tech companies have been pummeled economically and are increasingly irritated by Washington gridlock they see as inhibiting their recovery. High tech companies are beginning to coalesce around the need to deregulate

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Highlights

- The D.C. circuit court of appeals discarded the most ill-advised parts of the Microsoft case, and the subsequent settlement puts in sight the end of that misbegotten litigation.
- Congress extended the moratorium on taxation of the Internet, after a two-week period in which it appeared that the advocates of higher taxes might win.
- The ninth circuit upheld the importance of intellectual property in the Napster case.

LOWLIGHTS

- The Microsoft settlement went far beyond remedies for the actual offenses found and represents a serious government essay into competitor-driven industrial policy.
- While FCC Chairman Michael Powell is making free-market noises, policy toward broadband remains mired in the telecom wars of the past 75 years.
- No effective and acceptable system of Digital Rights Management has yet been developed, which is inhibiting the full development of the immense potential of the Internet for the distribution of intellectual property.

ICELAND: THE NEW FREE-MARKET HOT SPOT?

by Solveig Singleton

Iceland is poised to join the list of nations like New Zealand and Ireland that have bootstrapped themselves into prosperity and freedom by following free-market policies. Like New Zealand, Iceland has been well-recognized for its use of property rights in managing its fishing resources. Privatization of large and small state-run enterprises is proceeding, with the privatization of Iceland's largest bank next in line. And Icelandic Prime Minister David Oddsson has made plain his inspired determination to attract more foreign investment there by substantially lowering business taxes. Recently, business taxes were lowered to 18 percent, and plans to lower taxes even further are proceeding, perhaps to 12.5 percent (as Ireland has done) or even lower.

But these new tax policies will bring Iceland squarely into conflict with the Organization for Economic Cooperation and Development (OECD), which has widely condemned tax havens for creating "harmful tax competition." The OECD has threatened economic sanctions against blacklisted "tax havens" and more information-sharing with tax collectors worldwide.

So, on November 2, Icelandic bankers and businesspeople joined international experts on tax policy for "Tax Competition: An Opportunity for Iceland," a conference in Reykjavik, Iceland. The conference was the brain-child of Dr. Roger Bate, fellow at the Institute of Economic Affairs in London, and Professor Hannes Gissurarson of the University of Iceland.

Speakers came together to discuss all aspects of tax policy, from tax rates to information-sharing among tax authorities. On the first panel, Dan Mitchell

of the Heritage Foundation explained the benefits of tax competition — and even tax evasion. He showed why the OECD's "information sharing" proposals are really a form of tax harmonization, explaining that from the standpoint of a foreign investor, it makes no difference if he must pay a high tax rate because taxes have become harmonized around the world, or if he must pay a high tax rate because the nation in which

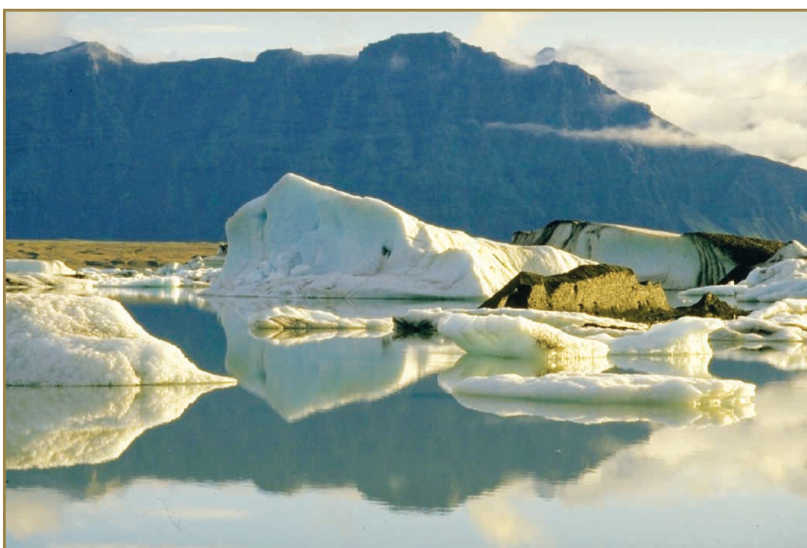
fear losing taxable resources to other countries. But if all European governments agree to raise taxes, taxpayers cannot escape."

Moral as well as economic arguments were brought to bear on the debate. Dr. Victoria Curzon-Price, Professor at the Graduate Institute of European Studies at the University of Geneva, offered the Swiss model of bank confidentiality as an example for Iceland. The

speaker presented a paper explaining the importance of financial privacy to human rights, and defended the morality of tax avoidance. His Excellency Sir Ronald Michael Sanders, the High Commissioner in London of Antigua and Barbuda, challenged Icelanders to explain why, if they were seeking to make their country a financial center by lowering taxes, Iceland's OECD representatives had voted in favor of the OECD

initiative.

The conference also presented a remarkable example of how free-markets groups can join forces to support agendas of reform and liberalization. DeRugy, Mitchell, Bate, and Curzon-Price, all based in Washington D.C., worked together to coordinate their talks beforehand to present the strongest possible case. The end result was a chorus of voices in support of Iceland's low-tax agenda and further tax competition. The enthusiasm for free-market ideas was as delightful to the visiting scholars as their Icelandic hosts' generous hospitality and warmth.



he invests shares information with his home tax authority.

Dr. Veronique De Rugy of the Cato Institute explained the motivation behind the OECD's assault on privacy and tax havens. Emigrants and capital are pouring out of high-tax France and Germany, De Rugy pointed out. And as long as those assets can flee to tax havens worldwide — from Antigua to the United States to Luxembourg — French and German authorities face pressure to cut taxes and check their governments' practice of pouring money into the maintenance of social programs. Speakers agreed on the evils of tax harmonization. "Harmonized taxes are higher taxes," said Mannheim University economist Roland Vaubel. "If a single country thinks about raising taxes it must

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PUNXSATAWNEY PROTOCOL: WORLD AGREES TO WARMING PACT, AGAIN, BUT NOT REALLY

by Christopher Horner



Media coverage of Kyoto “global warming” treaty negotiations would embarrass even Bill Murray’s character in the movie “Groundhog Day” — a news reporter condemned to endlessly re-live the same day — by laughably trumpeting the same non-achievement, conference after global warming conference.

Take for example the front-page, above-the-fold *Washington Post* story dealing with the recent global warming talks in Marrakech — “160 Nations Agree to Warming Pact” — whose lead in part read, “[m]ore than 160 countries, including Great Britain, Japan and Russia, reached agreement late last night on a groundbreaking climate control treaty setting mandatory targets for reducing greenhouse gas emissions.”

Such hyped coverage is absurd given what actually transpired at the conference. And it of course included the obligatory disparagement of the U.S. stance in the talks. The story’s sub-head — “U.S. Was on Sidelines in Morocco Talks” — derogated the Bush Administration’s effort, though the reporter’s byline indicated he was not, in fact, in attendance.

Since 1997, the press has been trumpeting the Kyoto agreement as “Historic” or “Landmark,” yet has paid scant attention to the fact that only one country covered by the treaty has chosen to submit it for ratification during the last four years. That country is Romania, in what appears to be a failed effort to kiss-up to a European Union it desperately seeks to join.

No nation can yet be sure of what it would be getting itself into by ratifying Kyoto, though there are troubling hints. These propagandistic headlines are therefore pure fiction.

Critical conditions and provisions of the treaty remain undrafted, let alone agreed upon, and its ratification by many individual countries has yet to even begin.

The U.S. sent a full delegation to Marrakech, participated in key discussions and, as anyone making even one inquiry would know, advocated longstanding negotiating positions through allied delegations. Environmentalist groups fumed throughout the conference about Canadian delegates promoting U.S. ideas, such as a “clean development mechanism,” whereby covered countries receive some credit for modern projects developed overseas.

Any “groundbreaking agreement” remains a pipe dream, however, if by “agreement” one means something that contains sufficient specifics that it can be implemented and is enforceable. The original Kyoto Protocol set forth specific targets and timetables, and included pages on pages of meaninglessly broad terms. It called for emission credit trading regimes which remain undefined. It called for international economic sanctions which remain unstated.

The “groundbreaking” in Marrakech consisted in setting forth that, in cases of noncompliance, a miscreant country would face a more restrictive emission cap for the “next compliance period,” whatever length of time that might be. Also, they would not be allowed to use “sinks” or trading to make up the ground. The key question of what happens to a nation that fails to meet the caps of this anti-growth measure remains un-answered, highlighting the folly.

This supposed “breakthrough” is obviously unworkable. In all likelihood any second compliance period, expected to bring the next round of cuts, will now be reserved for those recalcitrant countries failing to meet their first obligation. They’ll have to stay after class while the rest proceed under (post-ratification) business-as-usual. A new level of cuts merely initiates for the bad actors a cycle of noncompliance, because no nation failing to meet its first obligation is going to meet it, in addition to a 30 percent penalty — and certainly won’t do it without employing some sort of mechanisms like trading and sinks.

As still-scarce details take form, Kyoto seems increasingly designed to fail. Hence, in contrast to all the media hype, a more appropriate summation of the accord’s status might be Chevy Chase’s classic “Saturday Night Live” offering: “This just in — Generalissimo Francisco Franco is still valiantly holding on in his fight to remain dead.”

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Q & A WITH BJORN LOMBORG: AUTHOR OF THE SKEPTICAL ENVIRONMENTALIST



Bjorn Lomborg is professor of statistics in the department of political science at the University of Aarhus in Denmark. He recently spoke at an event sponsored by the Cooler Heads Coalition on the opportunity costs of adopting the United Nation's global warming treaty as a mechanism for addressing the effects of climate change in Third World countries. His new book, The Skeptical Environmentalist: Measuring The Real State of the World, was published in the U.S. by Cambridge University Press and has received excellent reviews, including in The Washington Post.

In the book, Lomborg provides comprehensive statistical analyses of a broad range of environmental problems, including population growth, food production, natural resource depletion, chemical risk analysis, and global warming. Using the best data available, he concludes that, contrary to the alarmist assertions of many environmentalists, on the vast majority of environmental issues things are getting better, rather than worse. He recently sat down with CEI Update to discuss how he reached these conclusions.

CEI: You've said on several occasions that you first felt inspired to study environmental trends by an interview you

read with Julian Simon, the former economics professor at the University of Maryland, in an issue of *Wired* magazine. Was it his approach to backing up his claims with data that led you to include a quote from him on your book's first page?

Lomborg: No, it was because Simon's long-term predictions so well seemed to capture the basic thrust of the book — which is that things will get better, but people will still claim it is getting worse.

CEI: What was your primary motivation in writing the book? It contains an enormous wealth of information about how various global environmental trends are improving over time. Was it to debunk people like Lester Brown, chairman of the Worldwatch Institute, which publishes the pessimistic *State of the World* book series? Or was it more to prove a point about how environmental trends should be studied and documented?

Lomborg: Initially, I wanted to prove [Julian] Simon wrong. When I realized that he was right on many — though by no means all — counts, I wrote four articles on the issues in Denmark, which sparked a firestorm of debate. Thus, my main personal motivation for the book was to see not only that the world was doing better on the four topics chosen for the initial articles in Denmark, but to look at the entire picture — to see if it really could be true that things in general were getting better. I hope the book's purpose for others will be to provide an overall view of the major issues of human welfare and environment, past and future.

CEI: The book has garnered an enormous amount of attention on an international scale. When you did the initial research, did you expect the book to cause such a stir?

Lomborg: In Denmark, I kept being surprised about the attention my work was getting. I thought the original articles would cause a couple of weeks dis-

cussion — but instead, the debate spread into all major media, newspapers, TV, and radio, and lasted for almost half a year. Likewise with the Danish version of the book, which I honestly thought would take up some discussion for a month, but lasted years, with an entire book written against me. I guess by the time the English version was to be published I was more prepared for the discussion it would spark. But yes, I'm still surprised with the amount of attention and controversy.

Moreover, I've come to realize that the entire subject of the environment is so emotionally charged that most people, myself included, would find it difficult to stop believing the litany that all things are getting worse. Thus, I placed a heavy stress on documenting the facts, as seen in the almost 3,000 endnotes and more than 1,800 references I include in the book.

CEI: What is the most frustrating thing about trying to teach people about global environmental trends? Is it that they generally feel uncomfortable whenever they confront arguments that conflict with their long-held beliefs? Or is it more of an unwillingness to accept that, in this particular case, many of those beliefs were unfounded to begin with?

Lomborg: No, I don't find it frustrating that most people are very skeptical of my arguments — for I was once exactly that way myself. I do, however, find it exasperating when professionals, who should know better, counter the important points with surprisingly trivial nit-picking. That seems to me to indicate an inability to separate a professional analysis from personal political understandings.

CEI: Throughout the book, you offer insights into how various environmental issues and challenges will impact people living in Third World countries. Do you feel that overall prospects for solving environmental problems in these nations are strong in the short run? Or will it be a long time before things start to improve?



Lomborg: Some of the more important environmental issues for the developing world, especially air pollution, will be improving within the next ten to 30 years, whereas others, such as wildlife preserves and reforestation, may take much longer. However, the main point is that it is a result of “their” priorities — choosing between more riches and food versus a better environment — which I think we should be careful not to question, based on our much richer starting point. Therefore, my main argument in the book is that what we should do, if we want to do good for the Third World, is to do what they would want — facilitating economic development by allowing their agricultural and textile products on our markets, for instance — instead of what we think they should do, which is the imposition of stricter local environmental regulation.

CEI: During your Cooler Heads presentation, you discussed why it’s important for policymakers to choose the best possible way to aid the Third World, and that the Kyoto Treaty on global warming just isn’t one of those ways. Do you feel that lawmakers have done an acceptable job of weighing the opportunity costs inherent in many of the international environmental treaties sponsored by the United Nations?

Lomborg: It is hard to compare all the different UN treaties, but in considering Kyoto, by far the most important of them, there has been far too little discussion of opportunity costs. If the treaty is primarily about helping the Third World, Kyoto will actually do very little to do so — by merely postponing warming for about 6 years in 2100. If we can solve the single biggest problem in the developing world by providing clean drinking water and better sanitation to every single human being for what com-

plying with Kyoto will cost in just one year, then yes, we need to start thinking about not just doing something that sounds good, but actually does good.

CEI: In trying to teach people about the abundance of various natural resources, Julian Simon became the victim of many personal attacks. Do you feel that the attacks on your work — particularly from other Aarhus professors who have denounced the book — have become too personal? Do you fear that they will become more personal over time?

“...my main argument in the book is that what we should do, if we want to do good for the Third World, is do what they would want...instead of what we think they should do...”

Lomborg: Oh, yes, there are a lot of personal attacks, but I have always taken that as an indication of the weakness of the counter-arguments. If you have good arguments, you pound the case. If your arguments are weak, you pound the table. When I got pied [in the face] in Oxford, England, I was astounded; I mean, I can psychologically understand why somebody might pie a representative from the World Bank, because you feel powerless against such big, powerful bureaucracies. But if you feel powerless against an academic like me, armed only with arguments, what does that powerlessness indicate?

CEI: In the book, you include a section on the precautionary principle in your discussion of biotechnology. This is significant, because the precautionary principle is increasingly being invoked to guide the negotiation of international environmental agreements. Do you feel this has distorted the use of risk analysis in weighing the relative costs and benefits of various aspects of these agreements?

Lomborg: I point out that using the

precautionary principle as a way to reduce environmental uncertainty means that it increases all the other social uncertainties, simply because we have a budget restriction. If we over-worry about the environment, we have got to under-worry about all other areas. This effect can be documented, as I point out, in the largest study of the cost-efficiency of American legislation that has as its main focus saving human lives. The cost of saving lives in the environmental area is 200 times higher than in health care. This means that every time we save one human being through action

on the environment, we forgo saving 200 people in the health care arena. Our over-worry in one area, in other words, has the concrete cost of making us make light of 199 human lives.

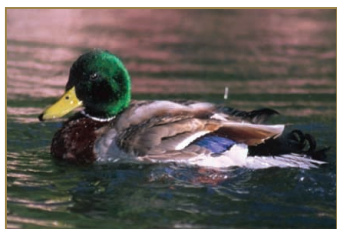
CEI: The United Nations’ 2002

Summit on Sustainable Development in Johannesburg is coming up soon. Do you feel that, in light of new data about global environmental trends, the focus of this meeting should be shifted away from much of the doom and gloom that plagued the Rio Summit in 1992? If so, where should its new focus lie?

Lomborg: I think that it would make good sense to try to establish what are the main policy challenges to the world, both environmentally and developmentally, and to see what areas will be the most cost-efficient. Basically, we all want to leave the world a better place for our kids and grand-kids. The challenge is to focus on what will do the most good. And as I’ve pointed out, the UN Climate Panel’s own scenarios seem to indicate that the cost of not doing the best we can in climate policy could be about \$0.3 trillion, whereas the cost of not getting a globally integrated economy could be about \$240 trillion over the rest of the century. This shows us that the biggest problem for this century — especially momentous for the Third World — is not climate policy but to ensure the success of world trade.

PRIVATE CONSERVATION: A TOCQUEVILLIAN TRADITION

by Robert J. Smith



America's unique approach to private conservation and private stewardship grows out of the penchant by Americans to undertake and form voluntary associations. Alexis de Tocqueville, in his *Democracy in America*, singled out this characteristic of the Amer-

ican people as one of the most striking things that separated them from the people of the Old World.

"In no country in the world has the principle of association been more successfully used or applied to a greater multitude of objects than in America," observed de Tocqueville. "Americans of all ages, all conditions, and all dispositions constantly form associations ... to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes; in this manner they found hospitals, prisons and schools. If it is proposed to inculcate some truth or to foster some feeling by the encouragement of a great example, they form a society. Wherever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association."

This analysis was based on de Tocqueville's observations of America in the 1830s, which of course predated the conservation crisis that Americans began to recognize in the 1880s. Americans naturally utilized a similar approach for the protection of wildlife and habitat that were vanishing. Sportsmen and women and outdoors advocates, who had seen firsthand the vast flocks and herds slowly diminish in numbers, created the first private, voluntary associations to attempt to stem and reverse the tide.

While many of these people and organizations lobbied for laws to protect wildlife and for changes in hunting seasons, methods, and bag limits, most of them engaged in private action long before government became aware of the problems, and certainly before public opinion made it politically feasible for government to act.

Efforts to protect songbirds and plume birds from slaughter for the millenary trade were largely responsible for the creation of a series of Audubon societies from about 1885 on. These finally coalesced in the creation of the National Association of Audubon Societies in 1905. Audubon immediately took action to educate the public on the need to stop the slaughter and acted to replace the traditional Christmas "side hunts" in which groups of men and boys went afield to see who could bag the largest numbers of birds and mammals. In its place they promoted the Christmas Bird Count, in which people went afield to count all the birds they could find within a prescribed area. These Christmas Counts provide the lon-

gest continuous database of bird populations in existence: 100 years.

Audubon hired biologists to locate the last remaining nesting colonies of bird species especially subject to the gunners' efforts. They purchased many of these sites as private sanctuaries and still own them today. They hired private Audubon wardens to protect their sanctuaries.

Both before and after Audubon, groups of concerned citizens formed voluntary associations to preserve whatever environmental or wildlife amenities they valued. In the Dust Bowl years of the 1930s, Americans discovered that the government's encouragement of settlement of the Great Plains had destroyed the wetlands and prairie potholes that were nesting habitat for much of the nation's waterfowl. In short order sportsmen, hunters, biologists, and conservationists formed a number of organizations and associations to respond to the crisis.

Surely the most important conservation association formed during the Dust Bowl period was Ducks Unlimited (DU). DU undertook private action to save the most important waterfowl nesting habitat, the pothole wetlands of the Canadian prairie provinces. And they did it the old-fashioned way. They raised money and leased the wetlands — paying farmers not to put waterfowl habitat to the plow.

Ducks Unlimited proved to be one of the most successful examples of private conservation anywhere, and it spawned fellow DUs in countries around the world. Saving wetlands for the selfish desire for more ducks for hunting is sometimes criticized as 'impure' but it also saves those wetlands for hundreds of other species. If DU saves a marsh for duck habitat, that marsh is also saved for herons, rails, blackbirds and sparrows; for snakes, frogs, salamanders, scores of dragonflies, and hundreds of invertebrates. Thus, DU happily provides public environmental amenities at private expense.

DU even helped answer an old conundrum in economics — the free-rider problem. Private citizens, economists have argued, won't undertake expensive activities that provide benefits to the public at large if they cannot charge the public. But it turns out that under the driving force of voluntary association and private conservation, the free-rider problem is far more of a problem for economists than for duck hunters. For the past six decades the nation's waterfowl hunters have been willing to raise tens of millions of dollars annually to save wetlands so that they would have a chance to see and perhaps shoot more ducks each fall. And it has been totally immaterial to DU's membership that millions of birdwatchers, naturalists, fishermen, photographers, and the general public have been able to benefit at no cost.

It's simply one of the many benefits of living in a free society based upon private property, voluntary association, and voluntary action.

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DANIEL S. GREENBERG: SCIENCE, MONEY, AND POLITICS

by Michael Mallinger

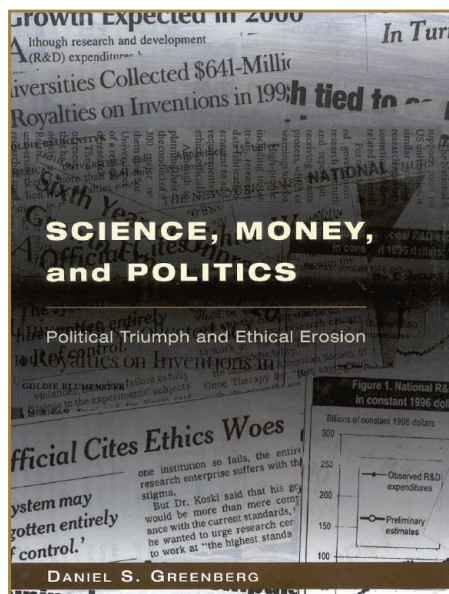
Public interest theories are taking their knocks these days. As people realize that much human behavior we witness in the real world is influenced by individual self interests, many public interest theories have gone down the tubes. First, Nobel Laureate James Buchanan and professor Gordon Tullock successfully debunked the notion of the benevolent politician. Next, Nobel Laureate George Stigler challenged the public interest model of regulation. And now, the innocent view of scientists as diligent public servants who stand above the profit motive — selflessly seeking to promote the common good — is being called into question.

Daniel Greenberg, a journalist who has covered the politics of funding scientific research for more than 20 years, has produced a comprehensive documentary of how scientists function as an interest group in Washington. His new book, entitled *Science, Money, and Politics: Political Triumph and Ethical Erosion*, explains how many large science lobbies — including the National Academy of Science, the American Association for the Advancement of Science, and the National Institutes of Health — constantly pressure Congress to provide more federal funding for scientific research. Although he does not question the perceived need for government support of basic research in the pure and applied sciences, Greenberg offers a scathing rebuke of the notion that simply sending more and more taxpayer dollars to scientists will endlessly boost economic growth and technological innovation.

Greenberg explains that scientists aren't like lawyers, teachers, or physicians — they don't engage in direct lobbying to get what they want from Washington. Instead, they utilize more covert tactics. He states that, traditionally, scientists have benefited from what he calls "intellectual liberty," or the view among politicians that unfettered science always benefits people in the long

run. This, he asserts, enables them to operate virtually insulated from public scrutiny.

He notes that the press rarely questions the efficacy of scientists' claims or their avoidance of responsibility when ethical questions arise. They operate in an undercover atmosphere in which



they conduct their lobbying underneath the radar screen: "Scientists ... prefer the benefits of a pluralism that provides multiple streams of government money, both for basic and applied research, flowing into universities and government and industrial laboratories," writes Greenberg. "Pluralism created a scattering of science and technology agencies. Though large in the aggregate, they are dispersed throughout the government and among innumerable nongovernmental organizations of science — and so is their potential for political influence."

Thus, scientists obtain funding for their pet projects without having to conduct "get-out-the-vote" drives, set up Political Action Committees, or give soft money to the two major parties. Instead, they conduct large stakeholder meetings among policymakers and leaders of the major scientific organizations and produce technical reports for Congressional committees that have jurisdiction over

federal support for research. Although it enables Congress to avoid the appearance of engaging in logrolling, it produces the same result — sending large sums of money to districts with federal research facilities or large universities.

However, lobbyists for scientific research do not always speak with a unified voice. Greenberg explains that many smaller, less prestigious universities have blasted their larger counterparts for seeking "earmarked" funds — money for specific projects added to large appropriations bills at the end of a Congressional session. He notes that most of these projects successfully elude the informal peer review process under which applications for new grants are screened by panels of professors at other universities to filter out unnecessary spending.

Although Greenberg does an excellent job shedding light on how scientists use the political system to get funding and favors they couldn't otherwise obtain, he ignores the opposite phenomenon — scientists abusing science to take advantage of the political system. For example, he declines to discuss efforts at the UN's Intergovernmental Panel on Climate Change to overstate the potential risks of global warming to increase its budget and influence. Thus, in only documenting half of the perverse incentives scientists face in expanding their portion of the federal budget, he fails to question their ultimate motives.

Greenberg's critique of the scientific establishment isn't perfect. He consistently infuses his work with anti-capitalist rhetoric about the alleged inability of markets to provide socially beneficial guidelines for the use of scientific results. Despite this limitation, his book provides a devastating critique of the popular view of scientists as servants of the public interest. True champions of the public's welfare, including those seeking to end the reign of special interest groups in the appropriations process, should take note.

Michael Mallinger (mmallinger@cei.org) is a Research Associate for CEI.

The Good, the Bad, AND THE UGLY

The Good: American Taliban Temporarily Routed in Montgomery County

Evidently embarrassed by the unflattering national attention his county drew for passing what could be the most draconian anti-smoking law in the nation, Montgomery County Executive Douglas Duncan — in a laudable bow to sanity — recently vetoed a county ordinance that attempted to regulate cigarette smoking in private residences, and included a \$750 fine for anyone whose cigarette or cigar smoke wafts beyond their property line and enters the offended nostril's of a nosy neighbor.

The measure sparked a storm of indignation after columnist George Will likened the Montgomery County Council to Afghanistan's Taliban on ABC's *This Week*, and even the *Washington Post* found it worthy of a parody, in which fictional ordinances were passed banning bad music and overweight people. Such deserved scorn and ridicule prompted one council member who had supported the ordinance to reverse himself, saying "We've become the laughingstock of the world," paving the way for Duncan's override-proof veto. The law also would have allowed cigarette smoke to be regulated by county air quality enforcers, just as they do substances like radon and asbestos.

Montgomery County is quickly earning a reputation as one of the most politically-correct counties in America. A ban has been imposed on the use of American-Indian names or references for sports team names or mascots. Even Santa Claus was banned from a recent Christmas Tree lighting ceremony in Kensington, "because two families in our town felt that they would be uncomfortable with Santa Claus being a part of our event," according to town mayor Lynn Raufaste, who called the Santa Ban "a shame."

The Bad: CDC: The Good Life will be the Death of Us

Researchers at Atlanta's Center for Disease Control and Prevention (CDC) would seem to have their hands full these days, given their inability to as yet identify the source of Anthrax spores being disseminated through the U.S. mail, or solve the mystery of how two women were stricken with the disease seemingly out of the clear blue. Yet the CDC evidently still has enough time on its hands to sound the alarm about yet another health risk it says is stalking an unwary public. Small Pox? No. West Nile Virus? Sorry. Bubonic Plague? Ebola? Dengue Fever? Wrong on all counts, Watson. Actually, one recent report from CDC identified so-called urban sprawl as a health risk to Americans — a conclusion naturally jumped on by environmentalists and other interest groups that would like to confine humankind to people reservations, so the rest of the world's creatures can frolic unmolested.

To hear CDC tell it, seeking the good life in suburbia holds some serious risks, including longer commutes, more car rides and less walking, and even an increased risk of being killed in floods allegedly caused by poor zoning laws. Obesity, asthma, diabetes, and heart disease are all on the increase as a result of lives led in what the report's authors call the "built environment." The report (co-authored, not surprisingly, by an urban planner — speaking of plagues) prescribes "smart growth" as the cure for what's ailing Suburban-Americans. Although ludicrous, the report's conclusions will almost certainly be used to turn what has until now been an aesthetic argument against "sprawl" into a public health issue — ignoring all the health risks inherent in life in the congested, costly, and crime-ridden urban centers in which anti-sprawl advocates would like Americans confined.

THE UGLY: CHOOSING SIDES, AT HOME AND ABROAD

Just as President George Bush has asked the rest of the world to choose sides in the war on terrorists abroad, Colorado Rep. Scott McInnis and a handful of congressional colleagues have put some people on the hot seat by asking seven of the nation's largest environmental groups to choose sides in the war on terrorism here at home, by publicly disavowing acts of eco-terrorism in the wake of the September 11 attacks. "We believe it is critical for Americans of every background and political stripe to disavow terrorism in all its forms and manifestations," a letter to the groups said. "Americans simply cannot tolerate, either overtly or through silence, the use of violence and terror as an instrument of promoting social and political change."

Although burning ski resorts, spiking trees, and vandalizing animal labs may not quite rise to the level of smashing airplanes into skyscrapers, U.S. eco-terrorists have been increasingly active of late, including the burning of a Bureau of Land Management barn and corral in Nevada and one recent (but thankfully failed) attempt to bomb a Michigan university.

Although one group, The National Wildlife Federation, was quick to respond to McInnis with a letter condemning acts of eco-terror, other green organizations equivocated, and rather than responding instead slammed the request as a ploy by congressmen to paint them as guilty by association. Buck Parker, executive director of Earthjustice, said he was "troubled" by "a certain witch-hunt aspect" to the request, saying of the congresspeople: "They have no reason to think that environmental groups would support terrorism." Rather than denounce terrorism, the Sierra Club's Carl Pope instead derided McInnis, who in 1998 saw a ski resort in his district torched by eco-terrorists. "We have been denouncing ecoterrorism since before Scott McInnis knew it even existed," sneered Pope. So why not do it again, just for the heck of it?



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With the threat of bio-terrorism continuing to hang over the United States, much of the public has become legitimately concerned about the ability of the country's medical infrastructure to respond to a large-scale attack. Stockpiles of the anti-Anthrax antibiotic Cipro in particular have been criticized as insufficient, leading some to call on the government to revoke the patent of the drug's manufacturer to more cheaply build reserve stocks. Taking on this dangerous idea recently were CEI President Fred Smith and Senior Fellow James V. DeLong. Smith was quoted in news stories around the country, such as the *Orange County Register's* October 25 editorial. DeLong also helped clarify the threats such an approach would have with his *C:\SPIN* tech commentary of November 9.

"Right to Know" and Chemical Terrorism

The campaign to get the Environmental Protection Agency to stop publishing sensitive data about chemical and industrial facilities around the nation has accelerated in recent weeks with relevant hearings in both houses of Congress. While the EPA has taken most of the reports relating to the so-called Right to Know issue off of its website, they are still making them available via reading rooms around the country. Director of Risk and Environmental Policy Angela Logomasini has been busy explaining the issue to print and radio audiences around the country, giving more than thirty interviews on the subject, including this quote featured in a November 1 story for the *Kansas City Star*: "The Competitive Enterprise Institute, which promotes free enterprise and limited government, said the recent terrorism should prompt the repeal of the entire law that required chemical plants to disclose their hazards. 'This information is only useful to groups that want to scare the public about chemical risks or those who might

use it for selecting targets,' said Angela Logomasini, the Competitive Enterprise Institute's director of risk and environmental policy."

The Sun Sets on the Microsoft Antitrust Case

After years of litigation, the federal government has finally settled its antitrust suit against Microsoft, with only a handful of state attorneys general to negotiate their own suits. While the requirements imposed on the company did manage to avoid the structural remedy of a breakup, continued government interference in the technology sector is likely to slow innovation and hurt both consum-

ers and investors — who are, after all, increasingly overlapping groups. Senior Fellow James V. DeLong assessed the settlement in op-eds for *USA Today* and the *Washington Times*. Writing for *USA Today*, DeLong laid out the problem: "Microsoft's sins, as the case emerged from the federal appeals court, involved a few actions designed to maintain the firm's power in the narrowly defined market of operating systems for personal computers running on chips made by Intel. The settlement extends far beyond this limited area. It deals with Internet services, server computers, media players, online delivery of intellectual property and even e-mail and instant messaging. It meddles casually in an intense ongoing contest among IBM, Hewlett-Packard, Microsoft, Sun and others over whether software code should be secret and proprietary or open to all and owned by none. It has serious ramifications for the shifting balances among mainframes, servers, PCs, local networks, the Internet, distributed computing and other complicated choices. Anyone who believes that the government officials involved in the settlement have a good grasp of its impact in all of these areas, or in any of them, has been spending too much time in the Drug Enforcement Administration's evidence room."

By the way...

BY CEI AUTHORS

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Robert H. Nelson, Senior Fellow
"Unseen Hand of Religion Extends America's Reach," *Insight*, November 5.



(Continued from Page 5)

broadband, since they see its rapid deployment as a road to recovery. Gridlock over intellectual property issues is also giving rise to impatience, again because the high tech sector sees it as creating stasis. CEI has hopes that business may also come around to supporting the need for review of anti-trust policy.

Financial Privacy



CEI's work on financial privacy issues in 2001 had a dual focus: to protect the freedom of businesses to use information to improve financial products and services, while holding back the threat of privacy invasions by "Big Brother" governments. The

latter task became particularly important in the wake of September 11, as legislative responses to the attacks struck a blow against financial privacy. However, a group of financial privacy experts — including CEI financial policy analyst Solveig Singleton, who served on a task force advising the U.S. Department of Treasury on information-sharing and financial privacy issues — worked with some success to remove the worst proposals from the anti-terrorism bill.

Highlights

- A new FTC promised to focus on enforcement of existing laws against identity theft and fraud rather than advocating more overbroad privacy regulation of legitimate business. CEI continues to lead in analyzing data protection from a free-market perspective, publishing two major papers on the topic in 2001.
- Tax havens formed their own organization to combat the OECD anti-tax haven initiative, and Secretary of the Treasury Paul O'Neill withheld support from the most extreme parts of OECD plan. Singleton took part in meetings to encourage opponents of the OECD measure to join forces.
- Singleton joined a task force advising Treasury on information-sharing and financial privacy.

LOWLIGHTS

- Following the terrorist attacks of September 11, legislators struck a blow against bank confidentiality with new "anti-money-laundering" laws. CEI's Solveig Singleton worked alongside other financial privacy experts to remove the worst proposals from the bill, with some success.
- The Organization for Economic Cooperation and Development (OECD) threatened a crack-down on international tax competition by blacklisting tax havens and demanding broad information-sharing rules to benefit the tax collector. As part of CEI's response, Singleton presented a paper on financial privacy and human rights at a major conference on the OECD's initiative in Reykjavik, Iceland.
- As the Gramm-Leach-Bliley (GLB) Act's overbroad "data protection" provisions were implemented, problems with the new law came to the fore. Singleton spoke to these issues at conferences and roundtables around the country.

End Notes

How about a little "Movement" with your Protest

Inaugurating what could turn out to be an exciting new chapter in the history of environmental agitation, anti-logging activist Dona Nieto has been organizing and leading a series of "strip tease to save the trees" protests against timber harvests in Northern California's Headwaters Forest. Nieto, who also goes by the name *La Tigresa*, and a handful of fellow dancers recently held up work at the evocatively-named "Hole in the Headwaters" by gyrating, singing, and passing out chocolates to idled, but probably not disinterested, timber workers gathered nearby. "To log the Hole in the Headwaters is like raping a virgin," purred *La Tigresa*, "because the Headwaters Forest Preserve is supposed to be kept intact and virginal." One wonders whether the same could be said of Nieto herself.

Trees Get no Reprieve in E-mail Era

British university researchers have found that use of internet e-mail, rather than representing a reprieve for trees destined for the pulping plant, may actually be increasing paper consumption in offices by as much as 40 percent, according to a report in Canada's *National Post*, because the seemingly stubborn habit of having something on paper and in-hand is hard to break even for those riding technology's fast lane. In fact, a study conducted by the University of Surrey's Digital World Research Center found that paper consumption increased after the introduction of each new communications technology, including faxes, e-mails and instant messaging. Researchers found that rather than risking that their notes and documents will vanish into cyberspace, workers instead print them out on good old-fashioned paper, frequently in multiple copies. "If you really want to get to grips with a document, you need paper," according to one leader of the study.

Explore the Fabulous, Undersea World of Burger King Reef

For a minimum bid of a mere \$2 million, the Internet site E-Bay in November put up for auction the right to name an artificial reef being planned for the Florida Keys. Win the auction and the nonprofit Artificial Reefs of the Keys will affix whatever name you desire to a reef created by this month's sinking of the 13,000-ton Gen. Hoyte S. Vandenberg, a decommissioned military ship, in waters southeast of Key West. The group hopes that the site will attract enough divers to reduce pressure on natural reefs in the area. "Obviously, these are tough economic times, and [bidding on a reef] is certainly not for everybody," the group's president said. At press time no bidders had as yet stepped forward to pay a few million and name the reef — which is surprising given all the marketing opportunities presented by the idea. Just maybe, if you readers rush your donations today, there can someday even be a CEI Reef.

End Notes

Don't Cry Sally; Grandma is a Home for the Seahorses

Now, thanks to a provocative melding of entrepreneurial capitalism and natural conservation, mafia informers aren't the only people that have an opportunity to "sleep with the fishes." A Florida company has begun marketing something called the Eternal Reef for those who would rather have their cremated loved ones "buried" at sea, for the betterment of the environment, than left sitting around in a closet somewhere, getting mixed in with all the other shoe boxes. The company creates artificial reefs by mixing the cremated remains of its clients with the concrete used to form its domed fish homes, which are transformed into thriving undersea gardens when placed on the sea floor. Of course, this will mean having your dearly departed first relegated to a cement mixer, then poured into a mold and left to harden in the sun, before he or she is finally consigned to one of the company's "community reefs" at sea.

Of Mice and Men

According to a published reports, the Bush Administration may be poised to reverse a Clinton-era ban on the use of human subjects to test what levels of pesticide exposure may be harmful to a person's health. The practice was stopped three years ago in response to pressure from environmental groups for whom all pesticide use is anathema, no matter what benefits might be gained in terms of increased agricultural yields and decreased produce prices for consumers. A 1998 government panel split on the propriety of private industry using human volunteers to test pesticides, with the vast majority arguing that such testing would be appropriate if limited in scope and conducted according to certain standards. A lack of human testing means that government regulators must instead rely solely on extrapolations based on animal testing to determine toxicity levels, resulting in overly-conservative standards of questionable scientific validity.

Big Brother Issues Speeding Tickets to Washington Cops

Big Brother not only is watching ... but he's also issuing speeding tickets to hundreds of bewildered Washington-area motorists — including District of Columbia police officers — who exceed the posted limit while passing one of the city's proliferating number of traffic cameras. The controversial systems, which automatically mail out a speeding ticket to cars that get photographed while going even a few miles over the limit, are being criticized as everything from a fundraising racket by the city to an Orwellian intrusion upon civil liberties to an automated form of highway robbery. Some city cops who've been ticketed by the machines while on official business, and had to pay the stiff fines, say the machines are slowing their responses to police emergencies. Since the machines were instituted in August, they've reportedly generated more than 75,000 tickets worth more than \$1.4 million. The city's general fund has enjoyed an \$848,000 boost as a result, while the private company that operates the cameras received a \$600,000 piece of the action.



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