

Cato Policy Report

March/April 1993

Volume XV Number 2

Our Prussian School System

by John Taylor Gatto

The government began to compel us all to send our children to school in 1852 in Massachusetts, and from that state the compulsion spread south, west, and north. But in 1818, 34 years before the first compulsory school laws, Noah Webster estimated that over 5 million copies of his *Spelling Book* had been sold in a country with a population of less than 20 million. And every purchase decision was made freely, by an individual or a family; there were no federal, state, or city tabs on which to run bulk purchases. Each decision was made privately, and in each case somebody forked over some cash to buy a book. That would seem to suggest that most people don't have to be compelled to learn; they do it on their own because they want to.

Between 1813 and 1823 Walter Scott sold 5 million copies of his novels in the United States. That would be about equal to 60 million books today. James Fenimore Cooper's books, including *The Last of the Mohicans*, also sold in the millions. As many modern readers will attest, neither author's books are

John Taylor Gatto was the New York State Teacher of the Year in 1991.

easy reading.

In 1812 Pierre Du Pont de Nemours published *Education in the United States*, in which he expressed his amazement at the phenomenal literacy he saw. Forty years before passage of our first compulsory school laws, Du Pont said that fewer than four of every thousand people in the new nation could not read and do numbers well. He saw a world in which nearly every child was trained in argumentation (the old-fashioned term for "critical thinking"). Two decades later a French aristocrat named Alexis de Tocqueville wrote *Democracy in America*, in which he called us the best educated people in history.

It appears that, before 1852, the American people were educating themselves quite well. They made their own educational decisions, using, inventing, or substituting for schooling—as Ben Franklin did—as they best saw fit. Our early catch-as-catch-can, entrepreneurial form of instruction offered abundant choices of useful ways to grow up, useful ways to read, write, and think—historically, schooling was about literacy, and that is why it succeeded. Literacy isn't very difficult for children to achieve when they perceive that the adults

In This Issue

Niskanen on Clinton	2
The bright side of economic failure	3
Seminars held in San Francisco, Seattle	4
New book defends "liberal science" against enemies	5
Ayithey: triple tragedy in Somalia	6
How the NLRB outlaws Japanese-style cooperation	8
Bruce Bartlett joins Cato	9
Ed Crane on civil vs. political society	12

about them think that it's important.

Kids Like to Learn

The secret to our amazing early accomplishment was that reading, writing, and numbers are very easy to learn—in spite of what we hear today from the reading, writing, and numbers establishments.

A few private businesses still know that secret and manage to instill literacy correctly—at a fraction of the cost of public schools. I want to caution you that the two places I'll cite use radically different theories, but the outcome in both is very impressive. In Philadelphia the Institutes for the Achievement of Human Potential has been teaching babies to read, and teaching mothers to teach their babies to read, since shortly after World War II. What is really diabolical is that the kids have a great deal of fun learning, study sessions only last a few minutes, and the babies learn foreign languages—and the violin, too. You might want to ask your local school superintendent why you haven't heard of that business.

Place number two is the beautiful

(Cont. on p. 10)



Cato president Edward H. Crane greets Sen. Bob Dole at a Cato Institute reception celebrating the publication of *Market Liberalism: A Paradigm for the 21st Century*, edited by Crane and executive vice president David Boaz.

Clinton's Major Opportunities

Chairman's Message



In the long run our political system works best if presidents with records as weak as those of Hoover, Carter, and Bush, for example, are not reelected. May we all live so long. In the short run, however, the performance of our political system depends critically on the direction of the policy changes initiated by any new administration.

The major opportunities for each new administration are to resolve the major problems the prior administration did not successfully address. Over the past 40 years, for example, the major accomplishment of Republican presidents has been to end the Korean War, the Vietnam War, and the Cold War. Nixon's opening to China and the termination of conscription are of the same character—policies that the Republicans would probably have opposed had they been proposed by a Democratic president.

Similarly, the major opportunities for a Democratic president are to resolve the major problems that have proved to be minefields for Republicans. The following are the most important of those opportunities.

Welfare. Over the past several decades, unfortunately, federal welfare programs have become a way of life for an increasing proportion of welfare recipients, reinforcing "the culture of poverty." As a candidate, Bill Clinton struck a responsive chord by stating that welfare should be a hand up, not a handout—a safety net, not a way of life.

An incrementalist approach to federal welfare reform faces two major problems: Welfare policy specialists are now much less confident about what works than they were 20 or 30 years ago, in part because of the discouraging experience of the intervening period. And the welfare lobbies have a collective lock on many of the subcommittees of Congress. Clinton is best advised to go for broke, to devolve all federal welfare programs to the states in exchange for full federal financing of Medicaid—a proposal first made by Ronald Reagan and recently endorsed by Alice Rivlin, the new deputy director of OMB. The potential support of the governors may now be sufficient to win approval of that proposal.

Social Security. The cost of Social Security will not increase very rapidly in the near future, primarily because today's new retirees are from the smallest birth cohort in this century. Over the next several decades, however, the cost of Social Security will explode and require an increase in the payroll tax of about 10 percentage points. Two policy changes would be sufficient to avoid that outcome: Gradually increase the age for full retirement, maybe by two

months a year beginning in 1994. And index the benefits of future retirees to prices rather than wages. Those two measures would reduce both the ratio of retirees to workers and the growth of real benefits per retiree. Implementing those measures early would provide ample time for workers to increase their own savings for retirement.

Medical Care. Social Security is a time bomb, but private and government expenditures for medical care are already increasing at a very rapid rate. The several measures that Clinton is now considering would only compound the problem of increasing medical prices and expenditures. A reduction in the growth of tax-financed private and public health insurance is necessary to resolve the problem. The most promising alternative is to replace the current tax deduction for health insurance, Medicare, and Medicaid with a medical care IRA and a catastrophic plan with a high income-tested deductible.

The Environment. All of us value the environment. There is reason to believe, however, that the federal government has overreacted to most perceived environmental crises. The costs of most recent federal environmental measures appear to be substantially higher than the benefits. And voters have rejected almost all of the environmental measures on state and local ballots in the past few years. The tension between President Clinton's "people first" perspective and Vice-President Gore's "earth first" perspective may provide some opportunity for a better balance of environmental and other values. The most promising alternatives are to establish a common cost per expected life saved for all federal programs and regulations, broaden the use of tradeable pollution permits, and replace the current regulatory takings with direct federal purchase of easements to protect endangered species, wetlands, and historic properties.

Will President Clinton consider these major opportunities? Maybe. He campaigned as a "New Democrat," and he seems to be more receptive to a serious debate on major policies than was Bush. Will President Clinton realize any of these opportunities? Probably not, but it is too early to tell. His first appointments are not encouraging. The most promising indication is that he regards Ronald Reagan, not Jimmy Carter, as his model of a successful president.

Welcome to Washington, Mr. Clinton. You have a unique opportunity to make several important reforms that your predecessors either would not address or could not realize. A focus on these opportunities would earn our support, your reelection, and the prospect of being regarded as an important president.

William A. Niskanen
—William A. Niskanen

Why the Welfare State Hurts the Poor

Economic Failure Is Necessary Part of Market, Book Says

Is a free-market economy cruel because people are left unprotected against failure? Some people believe that and favor a government safety net. But a new Cato Institute book, *Failure and Progress: The Bright Side of the Dismal Science* by economists Dwight R. Lee and Richard B. McKenzie, argues that government cannot mitigate failure without also eliminating opportunities for success. "This book is written with the conviction that unless economic failure is understood as integral to the successful performance of market economies, it will be seized upon by active

political interests as justification for expanding government action that stifles general economic productivity for the short-run advantage of the politically influential few," Lee and McKenzie write.

As government takes resources from society, less wealth is left for the creation of prosperity, according to the authors. The result is a poorer society, particularly for the poor, who start with the fewest options. Moreover, by keeping resources in the hands of those who would fail, the state prevents them from moving into hands better able to satisfy consumers. For example, subsidies to the buggy-whip makers would have made it more difficult for the automakers to obtain the resources they needed to begin their revolutionary industry.

Lee and McKenzie write that the focus on short-run failure at the neglect of long-run progress prejudices the case against the free market. Similarly, the attention given to the immediate effects of government transfer programs blinds people to the long-run harm to both the poor and society in general. They point out that in a democratic society, transfer programs are never confined to the poor alone. The pressures of special-interest groups inevitably generate programs that funnel subsidies to better-off people. And as the state appropriates more and more wealth to finance the expanding programs, economic progress is stifled and everyone is worse off than they would



Dwight R. Lee

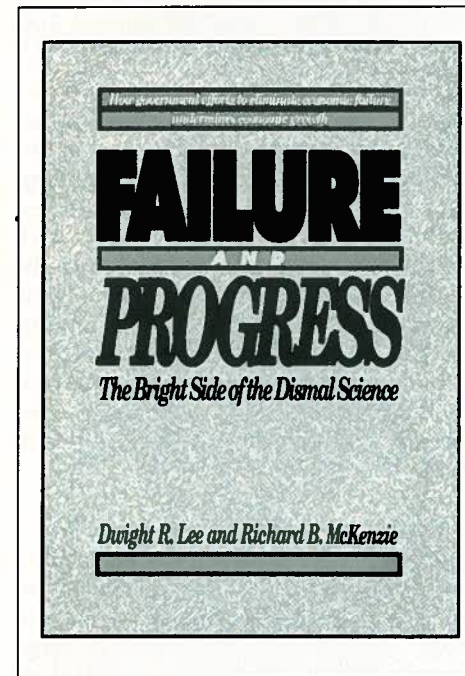
Richard B. McKenzie

have been without the programs.

Lee and McKenzie warn that fear of economic failure is slowing the transition to a market economy in the former communist countries. They urge the citizens of those countries to recognize that "the evolution of market institutions and the expansion of economic prosperity will take considerable time."

This readable, eye-opening book shows that the money absorbed by bureaucracy in the name of helping the poor would be put to better use by the wealth-creating sector where it would actually make people better-off. It addresses a fundamental obstacle to public acceptance of market processes: the fear of failure and inequality, no matter how short-term.

Lee is a professor of economics at the University of Georgia. McKenzie is a professor of economics at the University of California, Irvine. They are also the authors of *Quicksilver Capital: How the Rapid Movement of Wealth Has Changed the World*. Their new book, *Failure and Progress*, is available from the Cato Institute for \$19.95 cloth, \$10.95 paperback.



Published by the Cato Institute, *Cato Policy Report* is a bimonthly review. It is indexed in *PAIS Bulletin*.

Correspondence should be addressed to: *Cato Policy Report*, 224 Second Street S.E., Washington, D.C. 20003. *Cato Policy Report* is sent to all contributors to the Cato Institute. Single issues are \$2.00 a copy. ISSN: 0743-605X. Copyright © 1993 by the Cato Institute

David Boaz Editor
David Lampo Managing Editor
Sheldon Richman Assistant Editor

Cato Institute

William A. Niskanen Chairman
Edward H. Crane President and CEO
David Boaz Executive Vice President
James A. Dorn Vice President, Academic Affairs
Jonathan Emord Vice President, Development
Brian W. Smith Vice President, Administration

Doug Bandow Senior Fellow
James Bovard Associate Policy Analyst
Ted Galen Carpenter Director, Foreign Policy Studies
Linda Clark Director of Public Affairs
David Lampo Publications Director
Brink Lindsey Director, Regulatory Studies
Stephen Moore Director, Fiscal Policy Studies
Roger Pilon Director, Center for Constitutional Studies
Sheldon Richman Senior Editor
Julie Riggs Conference Director
Jerry Taylor Director, Natural Resource Studies
Leigh Tripoli Senior Editor

James M. Buchanan Distinguished Senior Fellow
Karl Hess, Jr. Senior Fellow in Environmental Studies
Patrick J. Michaels Senior Fellow in Environmental Studies
P. J. O'Rourke Mencken Research Fellow
Jim Powell Senior Fellow

Whittle and Medved Speak at Summit

"New Perspectives" Events Held in San Francisco, Seattle

Cato Events

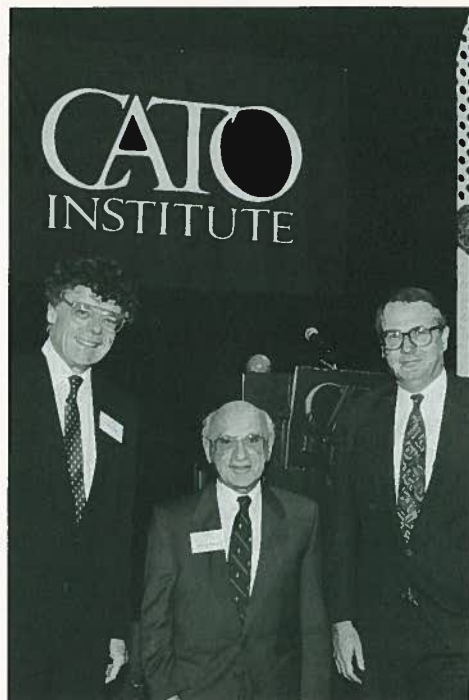
December 8: Some 300 people turned out for a "New Perspectives for the Nineties" city conference in San Francisco. The speakers included Nobel laureate Milton Friedman, philanthropist Gordon Getty, Cato's president Edward H. Crane, executive vice president David Boaz, and fiscal policy studies director Stephen Moore.

December 9: Anne Brunsdale, a member of the U.S. International Trade Commission, was the featured speaker at a "New Perspectives for the Nineties" city conference in Seattle. The other speakers were Edward H. Crane, David Boaz, Stephen Moore, and University of Washington economist Paul Heyne.

December 15: "Commercial Speech: Stepchild of the First Amendment?" was the topic explored at a Policy Forum featuring Richard E. Wiley, former chairman of the Federal Communications Commission. Wiley, who is now a private attorney, said that government regulation of nondeceptive advertising is unwise and contrary to the Constitution.



Former FCC chairman Richard E. Wiley discusses constitutional protection for commercial speech at a Cato Policy Forum.



Milton Friedman is flanked by philanthropist Gordon Getty (left) and Cato president Edward H. Crane. All were speakers at Cato's "New Perspectives for the Nineties" seminar in San Francisco in December.



Anne Brunsdale, a member of the International Trade Commission, was the featured speaker at a "New Perspectives for the Nineties" seminar in Seattle in December.



Russian liberal Ilya Zaslavsky discusses prospects for reform in Russia at a Cato luncheon in January.

January 12: Cato hosted an informal discussion and luncheon with Russian liberal activist Ilya Zaslavsky. Staff members and friends of the Institute talked about current conditions in Russia with Zaslavsky, who is chairman of both the Political Committee for a Democratic Russia and the Moscow Public Committee for Russian Reform. Formerly the mayor of Moscow's Oktyabrskaya District, Zaslavsky participated in the conference Cato sponsored in Moscow in 1991.

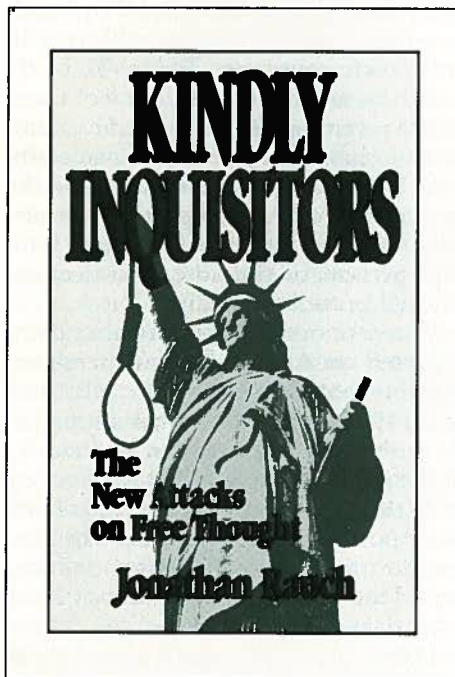
January 26: A reception was held to celebrate publication of Cato's new book, *Market Liberalism: A Paradigm for the 21st Century*, edited by David Boaz and Edward H. Crane. A large crowd attended, including several contributors to the volume, which sets out a program to expand individual freedom and shrink the federal government.

February 4-7: Cato's annual **Benefactor Summit** was held at the Ritz Carlton, Rancho Mirage, California. Among the speakers were Patrick J. Michaels, author of *Sound and Fury: The Science and Politics of Global Warming*; Michael Medved, film critic and author of *Hollywood vs. America*; Chris Whittle, founder of the Edison Project, which is establishing for-profit schools nationwide; John Stossel of ABC's "20/20"; Arizona governor Fife Symington; and Gordon Getty, philanthropist, composer, and economist. ■

Fundamentalists, Egalitarians, and Humanitarians All Threaten Freedom of Thought, Liberal Society, Book Says

Americans are used to thinking of liberal society as defined by two crucial social systems: the economic system of capitalism and the political system of democracy. In *Kindly Inquisitors: The New Attacks on Free Thought*, just published for the Cato Institute by the University of Chicago Press, Jonathan Rauch explores fresh territory by showing that the liberal intellectual system belongs side by side with the other two.

That system—"liberal science," in the author's phrase—performs the crucial task of developing knowledge by choosing between conflicting opinions. In its reliance on the exchange of public criticism to sort good ideas from bad ones, its dynamic strongly resembles those of capitalism and democracy—and it has many of the same enemies.



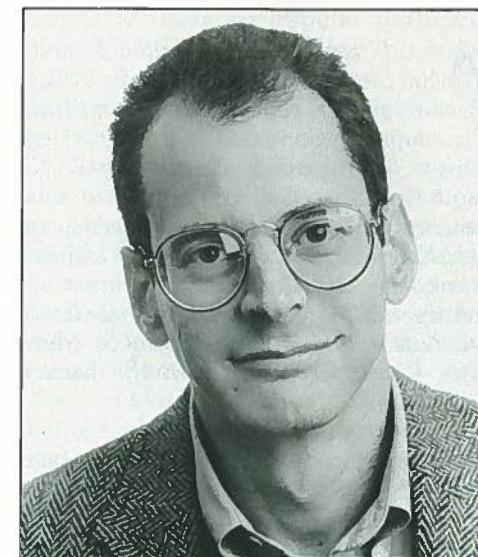
In this book, Rauch spells out just what the system of liberal science is, how and why it works, and why it is under attack. He identifies three major threats, one very old, the other two newer and considerably more worrisome today. The first is from fundamentalists—people who believe that truth is obvious and that only those who understand it should decide who is right and wrong. More troubling are the intellectual egal-

itarians, whose principle is that everyone's beliefs deserve equal respect. And most dangerous of all, because of their seeming humaneness, are the intellectual humanitarians, who decry "verbal violence" and believe that the rule in developing knowledge should be, "Thou shalt not hurt others with words."

Rauch traces the attacks on free thought from Plato's *Republic* to Iran's death decree against Salman Rushdie and then to America's campuses and newsrooms. He provides an impassioned rebuttal to the moral claims of those who would regulate criticism on the grounds of compassion. "The new sensitivity is the old authoritarianism in disguise," he writes, "and it is just as noxious."

George F. Will says that *Kindly Inquisitors* "reasserts, against the growing forces of 'sensitivity' and other forms of intellectual authoritarianism, the principle on which intellectual freedom depends: there is nothing wrong with giving offense in pursuit of truth." Roger Rosenblatt calls the book "a truly original defense of free inquiry . . . at a time when . . . intellectual hokum and political cant are menacing the colleges and the country."

White House aide William Galston says the book is "a personal, passionate, and compelling defense of unfet-



Jonathan Rauch

tered inquiry against both its new and its traditional enemies. *Kindly Inquisitors* fearlessly confronts the pieties sweeping over elite academic institutions and shows how humanitarian intentions are inexorably transformed into repressive policies. Rauch's book will make many people angry, but it can't and won't be ignored. This brave contribution to the central cultural debate of our time deserves the widest possible audience."

Kindly Inquisitors is available from the Cato Institute for \$17.95. ■

CATO INSTITUTE CALENDAR

Technology Policy: More Government or Less?

Fourth Annual Regulation Conference

Washington • Carlton Hotel • April 22-23, 1993

Speakers include David Packard, Murray Weidenbaum, Lawrence Kudlow, Peter Huber, George Keyworth, Susanne Huttner, James Bovard, and Charles Schultze.

Grand Opening Banquet

Washington Hilton • May 6, 1993

Speakers include Milton Friedman.

Religion and Liberty: In Harmony or Conflict?

Washington • Capital Hilton • June 16, 1993

Speakers include Robert Sirico, Alex Chafuen, Terry Eastland, James Skillen, Amy Sherman, Robert Knight, Angela Carmela, and Doug Bandow.

Why Africans Are Angry

Policy Forum

As U.S. troops moved into Somalia, the Cato Institute sponsored a Policy Forum on the economic and political problems of Somalia and the rest of Africa. The speaker was George B. N. Ayittey, a Ghanaian economist who now teaches at the American University in Washington. He is the author of *Indigenous African Institutions and most recently of Africa Betrayed*, a Cato Institute book just published by St. Martin's Press. Excerpts from the forum follow.

George Ayittey: People refuse to face the truth, and the truth in Africa is that many of us are fed up and angry with our leaders and with the mess they have created.

Back in the 1960s we fought for freedom and independence from colonial rule. But true freedom never came to much of Africa. We didn't ask for tyranny, we didn't ask for economic chaos, we didn't ask our leaders to loot our national treasuries for deposit in Switzerland. We are enraged at our leaders because many of them have failed us.

(Now, saying that African leaders have failed their people does not mean that you are a racist or a traitor, as their defenders will charge. There is an ocean of difference between African leaders and the African people, and that distinction must always be borne in mind.)

To understand why many Africans are angry, we should take a good look at Somalia. Somalia is a triple tragedy. It is also a case of triple betrayal. Let me begin with the triple tragedy.

First, there is the human tragedy that we see every night on TV. Millions are threatened with imminent starvation. Over 300,000 Somalis have already perished needlessly, and hundreds more die each week. Something has to be done.

Second, Somalia is an African disgrace. We have a regional organization, the Organization of African Unity, or OAU, which is supposed to resolve crises like this. But the OAU is nowhere to be found. That awe-inspiring body is best known for its vaunted rhet-

oric and befuddled logic. The OAU protests only the deeds of white leaders in South Africa; it does not see the vulturous warlords who have turned their guns on the people of Somalia.

There is one fact that we have to understand, and that is that African problems have to be solved by the Africans themselves. You may recall that French president François Mitterrand visited Yugoslavia to focus world attention on the fighting in Bosnia. We have leaders in Africa, too—in Kenya, Ethiopia, Sudan, and so on. Not one of them has visited Somalia. Of course, those leaders are the same ones who congregate every year at OAU summits to condemn Western colonialism and imperialism and then pat themselves on the back for the longevity of their rule. That leadership is a failure, and many Africans thoroughly reject it.

The third tragedy for Somalia is the decision of the U.S. government to send in the Marines. That decision was hasty and uninformed, and the invasion is bound to fail. We did not fight for our freedom and independence from colonial rule in the 1960s to be recolonized in the 1990s. More important, the only real solution to the crisis in Somalia will be to remove the warlords, who are responsible for the carnage and anarchy.

But the U.S. Marines cannot take offensive action against the warlords because the Marines have been limited, encumbered, by all sorts of restrictions and rules of engagement. Imagine a 15-year-old child pointing an AK-47 at a U.S. Marine. Before the Marine can fire back, he has to consider whether his juvenile target is (1) racially correct, (2) politically correct, and (3) religiously correct. Why are Americans putting their own soldiers in such a precarious situation in Somalia when African leaders have made no move to end the famine and starvation? Why don't our African leaders take the initiative? Because, to them, Somalia is not an exception, and that is one of the reasons there are a lot of Africans who are very, very angry.

Somalia is not an exception. Many other African countries have also been destroyed—Ethiopia, Liberia, Chad,

Angola, Mozambique, Uganda, Sudan, and Zaire. Destruction was not what we were seeking when we fought for our freedom from colonial rule in the 1960s. We were seeking freedom. But true freedom has eluded many African countries, many have gone downhill economically, and today many are worse off in terms of per capita income than they were at independence. Africa now is saddled with a huge foreign debt of \$217 billion with nothing to show for it except a multitude of black elephants—basilicas, grand conference halls, show airports, and the like.

Africa is not free. Today, only 11 of the 52 African countries can be considered democratic. This is the irony: The present black African leaders are the same ones who marched down to South Africa to demand one man, one vote for the blacks in that country. Everybody was in agreement. But those leaders don't give black people the vote in their own countries. Today, 11 of 52 countries are democratic, but 5 of those 11 are recent additions to the tiny democratic club. Twenty-two African countries are military dictatorships, and the rest are farcical one-party states where only one man runs for president, wins 99.9 percent of the vote, and declares himself president for life.

The economic and political systems imposed on Africa after independence are the root causes of the crisis there today. The mess in Africa has nothing to do with racial inferiority or superiority of the African people. What went wrong in Africa did so because wrong policies were pursued by the leaders. The economic and political institutions imposed on Africa after independence were defective and alien.

Let me give you a quick summary of why things went so wrong in Africa. After independence from colonial rule, almost every African economy came to be socialist—dominated by the state and characterized by myriad controls, regulations, and economic restrictions, which stifled initiative, drive, and enterprise. Africa leaders argued that colonialism was evil and exploitative, and since the colonials had said that they were capitalists, capitalism too was considered evil and exploitative. Therefore,

only socialism, the antithesis of capitalism, was good for Africa. So, many African leaders marched off to the East and copied and borrowed socialist systems and imposed them on their people in Africa.

The socialism that was brought to Africa was a peculiar type of Swiss Bank socialism that allowed heads of state and a phalanx of kleptocrats to rape and plunder Africa's wealth for deposit in foreign banks. When a cabinet member from Zimbabwe was asked to define what he meant by socialism, he said, in effect: "Here in Zimbabwe, socialism means that what is mine is mine. What is yours we share." That is the kind of socialism that allowed African leaders to control the economies, to restrict economic freedoms of their people—not for the benefit of the people but for the benefit of the elites.

Of course, they justify their brand of socialism by saying that it is uniquely African. Africans share things. For example, Tanzania created a special type of socialism called *ujamaa*. Nonsense—the leaders did not even understand their own indigenous African traditions. There's no way you can justify socialism on the basis of African tradition. If you look at traditional Africa, at indigenous African institutions, you find that the means of production were not owned by the chief. Not even land was owned by the African chief. The chief acted as caretaker. There were means of transportation and businesses in traditional Africa. There were markets in Africa before the colonists came. Timbuktu, for example, was one great big market town. Chiefs didn't control markets, they didn't control prices. Even today anybody who goes to an African market, especially in West Africa, notices that market activities are dominated by women and that people bargain over prices. Chiefs don't fix prices. That is the African tradition.

But after independence, all of a sudden African governments decided that socialism was good for Africa and they were going to fix prices, and those who violated government-mandated prices were thrown in jail and sometimes threatened with death. Many of us were shocked when our own governments and leaders, who professed to have brought us freedom, turned their guns on us, the people.

Politically, we have no freedom, either. The argument was that the one-party system was good for Africa. Here again, our leaders said there was an African justification. Under the traditional system, we had only one chief, and that chief ruled for life; therefore we must have one president who rules for life. That is the argument that President Mobutu Sese Seko of Zaire has been making. So our buffoon leaders declare themselves presidents for life.

There's no way you can justify the one-party system on the basis of African tradition. It is true that the chief ruled for life, but the chief was appointed. And the chief could also be removed. The African chief had to govern with a council of elders. Without a council of elders, the chief was power-



George Ayittey: "There's no way to justify socialism on the basis of African traditions."

less. The chief and the elders had to reach unanimous decisions on all important matters. If they couldn't, they would call a village meeting and put the issue before the people. Those meetings were usually held under a big tree in the village market square. (Many African languages have words that specifically denote such meetings.) An issue put before the people would be debated back and forth until a consensus was reached, and everybody in the village was required to abide by it. Traditional Africa had a primitive system of participatory democracy.

Of course, when the European rap-tors came, they didn't see a box with "ballot" written on it. So they put up a building and called it parliament. The only difference was that our traditional parliament was under a tree. Then, after independence, Africa leaders said that

the parliament building was a colonial institution. So they blew it up. But you know, we never went back to sit under the tree. It, too, was demolished, and we ended up with a political system in which we have no popular participation. If you don't belong to the ruling party, you're out. That was not the case under the traditional system of government, which was very open.

Now, a lot of Africans are saying that we have been betrayed; our leaders have never brought us freedom. Instead, they have looted our national treasuries. The question is, Why did that state of affairs remain hidden for such a long time? Why wasn't it exposed? Somalia didn't suddenly self-destruct in a day. That sort of economic catastrophe has been occurring for a long, long time, and people have seemed to ignore it. In Africa itself you couldn't expose the catastrophe, because we don't have any freedom of expression. Say something that an African government doesn't like and you're dead or in detention. So we couldn't expose the problems there. And, ironically, you couldn't expose them here, either.

There were two main reasons the problems couldn't be exposed here in America. The first one was that whites were not willing to expose the atrocities of black African leaders for fear of being called racists. So most white Americans sort of shied away from criticism of black African leaders. African Americans, unfortunately, also aided and abetted the tyranny. They wanted to connect with Africa and to express solidarity with their brothers and sisters there. But because they were misinformed about Africa, they expressed solidarity with the wrong people, namely, African rulers, and in so doing they shielded those rulers from criticism and their misguided policies from scrutiny.

Apartheid provided another shield. For a long time the world's attention was intensely focused on South Africa to the neglect of what was going on in the rest of Africa. So when Idi Amin was butchering Ugandans at the rate of 150 a day, nobody did anything. Had that many African giraffes been slaughtered, the whole world would have erupted in an uproar.

Anybody who raises a hue and cry about what African leaders are doing to their own people is condemned. If

Africans (Cont. from p. 7)

he is white, he is condemned as a supporter of apartheid or as a racist. And if he is black, he is condemned as a traitor. It is time to put a stop to such nonsense. There are many black Africans who are fighting for freedom, not only in South Africa but in the rest of Africa. Oppression is oppression irrespective of the skin color of the oppressor. We have boxed ourselves into a bad situation: when whites kill blacks in South Africa, we consider it wrong, but when black African leaders slaughter their own people, we make all sorts of nonsensical excuses for them. No wonder many of us are angry.

By the 1970s some of our leaders—the Kaundas, the Nyereres, the Nkrumahs—who had brought independence to their people had become miserable failures as rulers. So the soldiers came in and ousted them. But the soldiers were even worse. They ruined one African country after another with military rule and looted African treasuries and wealth. By 1990 almost all the African countries considered economic basket cases were being ruled by military dictatorships. Nigeria, Ghana, Somalia, Uganda, and Ethiopia were all ruled and ruined by military dictatorships.

But military dictatorships can never be justified on the basis of African tradition. So in the early 1990s many Africans recognized that the military saviors, too, had betrayed them. That is exactly what happened in Somalia. I said earlier that Somalia was a case of triple betrayal. In the early 1960s the civilian government, which took power after independence, was corrupt and inept. It was overthrown in a 1964 coup led by Siad Barre, the military dictator.

In the early 1990s many Africans decided to do battle with the military dictators. In Somalia the Somali National Movement and the United Somali Congress began a rebel movement to oust Barre. In Liberia a similar movement, led by Charles Taylor and Prince Johnson, was begun to remove Samuel Doe. But the sad part of it is that, in many African countries, the very people who opposed military rule and who set out to liberate their countries from tyranny have ended up fighting among

*City Spending Causes Economic Decline***Government Bars Worker-Management Cooperation, Baird Study Charges**

The 1993 defense authorization bill contains egregious amounts of pork-barrel spending, according to Jeffrey R. Gerlach, Cato foreign policy analyst, in "Politics and the National Defense: The 1993 Defense Bill" (Foreign Policy Briefing no. 22). The 1993 defense budget provides funding not only for unnecessary weapons such as the Seawolf submarine and the V-22 aircraft, writes Gerlach, but also for many non-defense-related projects, including "environmental scholarships and training" and "defense efforts to relieve shortages of elementary and secondary school teachers and teachers' aides."

Gerlach blames the White House, the Department of Defense, and defense contractors, as well as Congress, for misspending defense dollars; and he shows how such irresponsible spending stifles economic growth, undermines military preparedness, and may jeopardize important foreign policy goals. He argues that the defense budget should be spent to protect America's true security interests and that decisions about defense should be based not on politics but on national security considerations.

Davis-Bacon Act Hurts Blacks

The Clinton administration should refuse to enforce the Davis-Bacon Act,

themselves. They are not true liberators but crocodile liberators who leave human debris and carnage in their wake. Taylor and Johnson, who set out to liberate Liberia from Doe's tyranny, started fighting among themselves.

The same thing happened in Somalia. The United Somali Congress and the Somali National Movement started fighting among themselves. That also happened in Kenya and in Sudan, and now it is happening in South Africa. So you see, African countries have been betrayed time, after time, after time. That has to come to an end if Africa is to find its own solutions to its problems.

Before you can solve a problem, you've got to expose it. We can't expose many of our problems in Africa

which systematically excludes blacks from federal infrastructure projects, according to attorney David Bernstein in a new Cato study, "The Davis-Bacon Act: Let's Bring Jim Crow to an End" (Briefing Paper no. 17). The Davis-Bacon Act, which requires federal construction contractors to pay their workers "prevailing wages," was passed by Congress in 1931 for the explicit purpose of excluding black workers from federal public works projects, Bernstein writes. Today, that Jim Crow sop to northern unions continues to discriminate against minority contractors and workers while driving up the federal deficit by increasing federal construction costs.

Bernstein notes that although it has never been tested in the courts, Davis-Bacon is in clear violation of the equal protection principles of the Constitution. By refusing to enforce Davis-Bacon, Clinton could expand job opportunities for minorities, save millions of taxpayer dollars, and end a shameful vestige of Jim Crow.

Quality Circles Should Be Legal

As the Clinton administration looks for ways to improve the American economy in an increasingly competitive global marketplace, it faces a body of outdated New Deal labor law under which quality circles may be illegal,

because freedom of expression doesn't exist. I'd like to be able to speak like this in Africa, but I can't because the media—the newspapers, the TV, and the radio—are all owned by the governments. The first thing the World Bank and USAID, which is preaching privatization, ought to focus on is getting the African media out of the hands of corrupt and incompetent governments. The media ought to be the first strategic industry to be privatized, to be taken away from government.

The second thing the West can do to help is to apply one standard to all the regimes in Africa. Oppression should be condemned wherever it is found. Criticizing black African leaders does not make you a racist or a traitor. ■

says Charles Baird of California State University at Hayward in "Are Quality Circles Illegal? Global Competition Meets the New Deal" (Briefing Paper no. 18).

In December 1992 the National Labor Relations Board ruled that managers and workers, in effect, are permitted to discuss workplace issues only through unions. According to Baird, that ruling, which potentially affects some 30,000 employee participation committees, could not have come at a worse time—American companies already face stiff competition from foreign firms that take advantage of the very labor-management committees that are now apparently illegal in the United States.

Unless the NLRB's sweeping interpretation is reversed by the courts, or the Clinton administration can convince Congress to change the law, American business will be increasingly hampered in its effort to compete, Baird concludes, and both business and labor will suffer.

U.S. Cities Are Not Underfunded

The economic decline of many U.S. cities between 1965 and 1990 corresponded with increases in municipal spending and taxing, according to Stephen Moore, Cato's director of fiscal policy studies, and Dean Stansel, a research assistant, in "The Myth of America's Underfunded Cities" (Policy Analysis no. 188).

Moore and Stansel studied 76 of the 80 largest U.S. cities and found that declining cities, on average, spend \$1.71 for every \$1.00 spent by high-growth cities, have tax burdens that are roughly 50 percent greater than those of high-growth cities, have larger government payrolls than do high-growth cities, are more likely to impose an income tax than are high-growth cities, tend to rely heavily on income and property taxes whereas high-growth cities rely on sales taxes, and routinely spend \$1,400 more per pupil on education than do high-growth cities.

High taxes and expenditures at the beginning of a period are consistently associated with subsequent slow rates of economic growth. The authors conclude that the growth or decline of cities is due, in large part, to the cities' own fiscal policies, not to lack of federal money. ■

Cato Sets Book Marketing Changes; Authors Win 1991 Mencken Awards

Many Cato Institute books are now being distributed to bookstores nationwide by the National Book Network, a marketing service for small publishers. The association was launched with several of Cato's fall 1992 titles, including *Patient Power: Solving America's Health Care Crisis*, *What Has Government Done to Our Health Care?* and *Sound and Fury: The Science and Politics of Global Warming*.

Cato's own book distribution is now being handled by a distribution center in San Francisco. To make book ordering more convenient, we now have a toll-free 800 number for credit card orders. To order Cato books, call 1-800-767-1241 (between noon and 9 p.m. eastern time). That's 1-800-767-1241.

Mencken Awards

Two Cato authors are among the winners of the 11th annual Mencken Awards for outstanding journalism exposing government abuses of power or defending individual freedom. The awards are presented by the Free Press Association.

Executive Vice President David Boaz

won the award for best feature or essay for his article "Journalists and the Drug War" in *Liberty* magazine. P. J. O'Rourke, who is—appropriately enough—Cato's Mencken Research Fellow, won the best book award for *Parliament of Whores*.

Bartlett Visiting, Moore on Leave

Stephen Moore, Cato's director of fiscal policy studies, will be on leave from March through October 1993 to work for Rep. Richard K. Arney (R-Tex.) as a visiting scholar with the Joint Economic Committee of Congress. He will be studying federal tax and budget policies. Moore has published a number of widely publicized Cato papers, including studies of President George Bush's spending record and state fiscal policies and a rating of the governors' records on fiscal policy.

During Moore's absence, Bruce Bartlett, former deputy assistant secretary of the Treasury for economic policy, will be a Visiting Fellow at the Cato Institute. He will write on a variety of economic topics and, among other duties, supervise the fiscal policy studies project. ■



Cato's Mencken Research Fellow, P. J. O'Rourke, talks with conference director Julie Riggs at the reception for *Market Liberalism*.

Prussian System (Cont. from p. 1)

Sudbury Valley School, 20 miles east of Boston, in the old Nathaniel Bowditch cottage, which looks suspiciously like a mansion to 20th-century eyes, a place ringed by handsome outbuildings, a private lake, woods, and acres and acres of magnificent grounds. Sudbury is a private school, of course, with a tuition of \$3,500 a year—about 63 percent cheaper than a seat in a New York City public school.

Sudbury teaches a lot of things, but two things it doesn't teach anybody—and its students range in age from 4 to 18—are reading and numbers. Kids learn reading and calculation at Sudbury at many different ages (though never as babies); when they are ready to learn, they teach themselves. Every kid who has spent any time at the school has learned to read and compute; about two-thirds of them go on to college without ever taking a standardized test or getting a report card; and the school has never seen a case of dyslexia. The faculty doesn't believe such a condition exists except in a few physically damaged kids and the fevered imaginations of compulsory-school reading specialists.

They don't teach reading, yet all the kids eventually learn to read and even to like it. That poses a frustrating puzzle for many observers, but no more frustrating than trying to explain how Thomas Paine's *Common Sense* sold 150,000 copies in 1776 to a nation of 3 million people, about 25 percent of whom were slaves.

One final more or less modern example of how easy it is to learn to read well—myself. In 1941 when I went to first grade in Swissvale, Pennsylvania, a borough of Pittsburgh, at the age of five, I could read easily and well. For the first 200 years of our history most schools wouldn't *accept* children who couldn't read and count, so they must have learned those skills where I did—at home.

The miracle woman who taught me to read was Frances "Bootie" Zimmer, who had graduated from Monongahela High School in 1929. There wasn't enough money to send Bootie to college, but nobody despaired about that in those days because the country

seemed to run very well without college graduates.

Did Bootie know some secret method of teaching that could have made her a fortune if she had turned professional? I don't think so. What she knew was how to hold me in her lap and read to me while she ran her finger under the words. From the time I was two years old, she read to me every day from increasingly difficult books, none of which seemed hard because I was having so much fun. She read real fairy tales, real history books and newspaper stories, and real grown-up works including some tales from *The Decameron*. What she didn't read were scientific readers of any sort, the books with 364-word sanitized vocabularies and a lot of pictures.

"American ideological leaders fell in love with the order, obedience, and efficiency of the Prussian educational system."

We are confronted with a great mystery: We had a perfectly literate country before the advent of government schooling in 1852. What on earth has happened since? Why aren't we a literate society in the present well-schooled era?

When we consider the course 20th-century government schooling has deliberately taken, it is clear that we are in the presence of no simple mistake in engineering but in that of a powerful ideological agenda, one so passionately and grimly supported by its proponents that we might almost view it as a religion. A brief tour through history is essential to understanding the present situation. Otherwise you might continue to think that some tinkering—or God forbid, some more *money*—will cure the disease of bad schooling.

How We Got into the Present Mess

The structure of 20th-century Amer-

ican schooling is modeled on a system that was introduced in Prussia after Napoleon's amateur soldiers beat the professional soldiers of Prussia in the battle of Jena in 1806. (When your business is selling soldiers, losing a battle like that is serious.) Almost immediately afterwards the philosopher Johann Fichte delivered his famous Address to the German Nation, in which he told the Prussian people that the nation would have to be shaped up through a new utopian institution of forced schooling in which everyone would learn to take orders.

Modern forced schooling started in Prussia in 1819 with a clear vision of what centralized schools could deliver:

1. Obedient soldiers for the army,
2. Obedient workers for the mines,
3. Subservient civil servants for government,
4. Subservient clerks for industry, and
5. Citizens who thought alike about major issues.

The Prussian system was intended to create an artificial national consensus on matters that had been worked out in advance by leading German families and the heads of institutions.

A small number of very passionate American ideological leaders visited Prussia in the first half of the 19th century; fell in love with the order, obedience, and efficiency of its educational system; and campaigned relentlessly thereafter to bring the Prussian vision to these shores. Prussia's ultimate goal was to unify Germany; the Americans' was to mold hordes of immigrant Catholics to a national consensus based on a northern European cultural model. To do that, children would have to be removed from their parents and from inappropriate cultural influences.

So, at the behest of Horace Mann and other leading citizens, we adopted the Prussian schooling system. During the first 50 years of our new school system, the Prussian purpose—to create a form of state socialism—gradually forced out the traditional American purpose—to prepare the individual to be self-reliant.

The Prussian purpose was collective; the American purpose, as it had come down through history, was singular. In Prussia the purpose of the *Volksschulen*, which educated 92 percent of the chil-

dren, was not intellectual development at all; it was socialization in obedience and subordination. Thinking was left to the *Realschulen*, in which only 8 percent of the children participated. Intellectual development for the masses was regarded, with managerial horror, as something that caused armies to lose battles. For Prussia the ideal society was not that of intellectual Greece or muscular Rome but solid, settled Egypt—a pyramid of subordination where only the top leadership understood the big picture. Below that class were descending service classes, each larger than the one directly above it, each knowing less than the one above it, until at the bottom almost nothing was known except how to do a small part of a larger task that was only dimly understood.

The Prussian Educational Method

Prussia concocted an educational method based on complex fragmentation to ensure that the products of its schools would fit the grand social design. That method divided whole ideas into school subjects and shortened class periods so that self-motivation to learn would be muted by ceaseless interruptions. The whole system was built on the premise that isolation from firsthand information and fragmentation of the abstract information presented by teachers would result in obedient and subordinate graduates, properly respectful of arbitrary orders. Those thus schooled would be unable to interfere with policymakers because, while they could still complain, they could not manage sustained or comprehensive thought. Well-schooled children cannot think critically, cannot argue effectively.

The Prussian way of schooling removes the ability to think for oneself; it teaches people to wait for a teacher to tell them what to do and whether what they have done is good or bad. Prussian teaching paralyzes the moral will as well as the intellect.

Three major ideas were transferred almost intact from Prussia and slowly worked into the final structure of our national schooling. The first was the very sophisticated notion that state schooling existed, not to offer intellectual training, but to condition children to obedience, subordination, and collective life. The will of children had to be broken in order to make them plas-

tic material; if the will could be broken, all else would follow. Keep in mind that will-breaking was the central logic of child-rearing among our Puritan colonists, and you will see the natural affinity that existed between Prussian seeds and Puritan soil.

Children were not to be taught to think but to memorize; they were to be discouraged from assuming responsibility for each other, because that weakened the grasp of authority; and they were to be intimidated away from the pursuit of their own natural interests for the same reason. Henceforth, teachers would define what children's interests were. From that new logic of school management eventually arose the need to eliminate the familiar one-room schoolhouse, which had been the main

"The Prussian way of schooling removes the ability to think for oneself; it teaches people to wait for a teacher to tell them what to do."

vehicle of schooling during the first 40 years or so of the new government monopoly. The one-room school vested too much responsibility in the children themselves and thereby preserved too much of the old self-reliant, neighborly way of doing things.

The second important idea of the Prussian method was that extreme fragmentation of thinking into subjects, fixed time periods, sequences, externally imposed questioning, units, and the like would simplify the problems of leadership. Thoughts broken into fragments could be managed by a poorly trained, poorly paid teaching force; could be memorized even by a moron who made the effort; lent themselves to the appearance of precision in testing; and delivered beautiful distribution curves of "achievement."

The third idea adopted from the Prussians was that the government is

the true parent of children, the state is sovereign over the family. You can see that philosophy at work in court decisions that rule that parents need not be told when schools dispense condoms to their children, or consulted when their daughters seek abortions.

By 1889, a little over 100 years ago, the crop was ready for harvest; in that year U.S. Commissioner of Education William Torrey Harris assured railroad magnate Collis Huntington that American schools were "scientifically designed" to prevent "overeducation." The average American would be content with his humble role in life, said the commissioner, because he would not be tempted to think about any other role. My guess is that Harris meant he would not be *able* to think about any other role.

In 1896 John Dewey said that independent, self-reliant people would be a counterproductive anachronism in the collective society of the future. In modern society, said Dewey, people would be defined by their associations—the groups to which they belonged—not by their own individual accomplishments. In such a world people who read too well or too early are dangerous because they become privately empowered; they know too much and know how to find out what they don't know by themselves, without consulting experts.

Dewey said that the great mistake of traditional pedagogy had been to make reading and writing constitute the bulk of early schoolwork. He advocated that the phonics method of teaching reading be abandoned and replaced by the whole-word method, not because the latter was more efficient (he admitted it was less efficient), but because reading hard books produces independent thinkers, thinkers who cannot be socialized very easily. By socialized Dewey meant conditioned to a program of social objectives administered by the best social thinkers in government. That was a giant step on the road to state socialism, and it was a vision radically disconnected from America's past, its historic hopes and dreams.

Somewhere around the turn of the 20th century, making people dumb for their own good became the point of our national exercise in forced schooling. If you find that hard to believe,

(Cont. on p. 14)

Civil vs. Political Society

by Edward H. Crane

It is easy to get caught up in the temporary political fray and lose sight of the broader issues that ultimately should animate the political debate. What was most striking about the recent presidential campaign was its utter lack of philosophical content. Bill Clinton, Ross Perot, and George Bush all started from the same unspoken premise that the job of government was to solve every imaginable societal problem. If there was any disagreement among them, it was about our ability to pay for the government programs we are told are so desperately needed.

The question of the proper role of government in a free society—the issue that animates our interest in politics—was entirely absent from the campaign. And that represents a real crisis in the American polity. Absent a consistent defense of the individual against the state, we will face an increasingly politicized society; indeed, we already do.

That makes the work of the Cato Institute, it seems to me, all the more important. And I think the timing of our

acceptance of our new responsibility is about right. Cato is maturing into an organization that has the ability to define the parameters of the debate, an organization that may eventually be able to fundamentally recast the terms of the debate—a change that is imperative.

I've often said that there are two basic ways to order society. One is coercively through state mandates; the other is voluntarily through the private interaction of individuals and the cooperation of voluntary organizations and associations. I recently came across another way of making that point. Mark Skousen, a libertarian investment adviser, wrote that when Oliver Wendell Holmes made his famous statement, "Taxation is the price we pay for civilization," he had it completely backwards. The correct way to state that idea would be to say that the level of taxation is the measure of our failure to civilize our society.

That is, the greater the size of government—as measured by taxes, spending, regulations, and the general level of intrusion into our personal and eco-

omic lives—the less civilized we are as a society. The more we resort to the brute force of the state to order societal affairs, the less we have a civil society. We in this room have no illusions about the nature of the state. George Washington, who was not the most radical of the Founders, nevertheless got it completely right when he said, "Government is not reason, it is not eloquence. It is force. Like fire, it is a dangerous servant, and a fearsome master."

I think it is important for us to reflect on the political scene from such a fundamental perspective because it is so easy to let the local newspaper or the television networks define the debate. If we want a civil society, if we value *humanity*, we cannot let that happen. The battle we are engaged in is of much greater consequence than are debates on how to make government more efficient.

I remember the first time I went to the Soviet Union, in 1981. As a market liberal, I was prepared for the lack of creature comforts and consumer goods in a communist country. What I was not prepared for was what statism had done to the human spirit. The light seemed to have gone out of people's eyes. Everywhere you went people were rude and unhelpful. I later described the USSR as one giant department of motor vehicles.

The truly alarming problem is that we are doing the same thing here—not in the name of any particular ideology, but as the inevitable result of the public-choice imperative that says government must grow. And when it grows, when statism takes over our lives and bureaucrats and politicians make decisions that affect us and our loved ones, it doesn't matter whether the intervention is undertaken in the name of socialism, the mixed economy, or the New Covenant—it chips away at our humanity. That is why we need to redefine the terms of the debate.

Let me give you a couple of brief examples. We know that the public school monopoly leads to higher costs, lower SAT scores, and more violence in the schools. But horrible as those things

are, there's still more to it. When people who work for the government decide where our children go to school—and for the vast majority of Americans they do—when those people decide what books our children will learn from and teach what is politically correct and what is not, we who have children are robbed of some of the major responsibilities, rewards, and joys of parenthood. And it's worth noting that our children know, in subtle and unconscious ways, that we're not in charge.

When people who work for the government spend our hard-earned money on the welfare of others—when we have a huge welfare state—we know that welfare costs are going to be too high, that welfare bureaucrats will be motivated by perverse incentives, and that the web of dependence will be reinforced. But there's more to it than that. We as individual human beings are denied the satisfaction of personally helping those who are truly in need. Our charitable instincts are blunted, and we become increasingly isolated and oblivious to the condition of those around us. Charles Murray refers to that numbing process as the state's "severing the tendrils of community."

Even Social Security represents something more than a bad financial deal for young workers and a drain on savings for the economy. When the state provides a majority of retirement income to a majority of retired Americans, as it does today, it also robs us of the sense of achievement human beings should feel for having provided for their own lives.

The list of petty and not-so-petty thefts of our humanity—of our ability to experience the full range of responsibilities, achievements, and joys of a free human existence—continues to grow. Our government-structured health care system means we choose our own doctors less and less frequently; and even when we do, the doctor-patient relationship is impersonalized by insurance companies and the looming threat of litigation. The state has reached into the workplace to such an extent that our color and our gender can mean more than our competence. When they smile at each other, men and women contemplate the legal implications of flirtation.

A litigious society is not a civil soci-

ety. We have to choose. Do we want a civil society, or do we want a political society? The frictions, the tensions, and the beating down of the human spirit that marked the closed, oppressive societies of the former communist nations are growing in our own society. Too many of us don't even recognize it. The other day at a banquet I found myself sitting next to Gen. William Westmoreland. After a few pleasantries, I asked what he thought of the state of the world. He said he thought everything was great—that with the fall of communism, the greatest threat to humanity had been destroyed and no comparable threat was on the horizon. I replied that the fall of communism was certainly a great event to be celebrated, but wasn't the General a little concerned that statism was continuing to grow here at home? He gave me a puzzled look, as if to ask what I meant. I explained that the government continues to gain more control over our resources and our lives and, while it's still got a long way to go, it is clearly headed in the direction of the former communist states. He said that didn't bother him, because the communists were totalitarians and we are a democracy.

Yes, we are a democracy. One in which the average person works from January until June just to satisfy, temporarily, the voracious appetite of the state. One in which there is no area of human existence, no aspect of our lives—education, entrepreneurship, the workplace, the bedroom, the arts, the family, even the support of political candidates, you name it—that some politician or bureaucrat doesn't feel completely justified in controlling, if he's not already doing so.

What does it matter what we call such a system of government? We are increasingly living in a *political* society at the expense of a civil society. The challenge for the Cato Institute is to stand up for the principles of a civil society—one based on voluntarism—while standing in the *midst* of a statist conflagration. In the middle of a clawing debate over which direction the *political* society should take, it is Cato's responsibility to reject all those directions and to point instead in the direction of freedom and minimal state intervention. And that is a substantial

challenge.

We knew when we moved to Washington that there would be tremendous pressure to get caught up in the pomp and circumstance inside the Beltway; to start worrying about the latest mark-up of the latest bill working its way through some subcommittee; in other words, to lose our perspective. But as Milton Friedman has somewhat grudgingly conceded, that hasn't happened.

The Cato Institute is very much a part of the debate in Washington: witness the endorsements on the jacket of *Market Liberalism* from George Will, William Weld, Doug Wilder, Jack Kemp, and others. We've elbowed our way into a debate not many people in Washington wanted us to participate in. And we've done so on our own terms. It's easy to do what some groups with good intentions do when they arrive in Washington: accept the established parameters of the debate so you'll be welcome to nit pick at the margin. We've tried to avoid that, and for the most part, we've succeeded.

Our success, however, is relative. We've come a lot further than most people thought we would when we first moved to Washington eleven and a half years ago. Yet we obviously have a long way to go as part of a broader movement to direct society toward market liberalism. Nevertheless, the fundamental reason for our past success augurs well for the future.

Our success to date has been based on our ability to find policy people with three key characteristics. First, they have solid expertise in their field. They know what they're talking about. Second, they share our market-liberal vision that promotes civil society over political society. And finally—and this is critical—they are committed to *changing society*. At Cato we have tried to create a culture of change.

This is not just a job for our people—and I would include our administrative staff—this is a mission. Cato is a place where principled, talented individuals work in a highly leveraged way to change society for the better—to help create a civil society. ■

This article is based on remarks delivered at the Cato Institute's fifth annual Benefactor Summit in Rancho Mirage, California, February 4-7, 1993.



Budget analyst Dan Mitchell of the Heritage Foundation and Cato senior fellow Roger Pilon listen as Sen. Phil Gramm discusses the Clinton economic plan at a Cato luncheon.

Prussian System (Cont. from p. 11)

use the evidence of your own eyes and ears to confirm it. Do you think you can find a better way to teach? Of course you can, but you can't find a better way to teach obedience. Throughout the 19th century a small band of very influential people, substantially financed by money and ideas from the Rockefeller foundations and the Carnegie foundations, introduced socialism into American education. They had determined privately that that was the best course for American democracy, and with little wasted motion—and no public discussion—they pointed our nation down the statist road.

Bertrand Russell once observed that American schooling was among the most radical experiments in human history, that America was deliberately denying its children the tools of critical thinking. When you want to teach children to think you begin by treating them seriously when they are little, giving them responsibilities, talking to them candidly, providing privacy and solitude for them, making them readers and thinkers of significant thoughts from the beginning. You keep the games and songs and pretty colors in balance with the soberer purpose—teaching them to think. There is no evidence that teaching children to think has been a state purpose since the advent of compulsory schooling.

Choice and Competition in Education

The movement toward socialism is not a historical curiosity but a powerful dynamic force in the world around us. It is fighting for its life against forces that would, through vouchers or tax credits, deprive it of its financial lifeblood, and it has countered that threat with a demand for even *more* control over our children's lives, and even more money to pay for the extended school day and year such control would require. I note with interest the growth of day care in the United States and the repeated calls to extend school downward to include four-year-olds. When Frederick Froebel, the inventor of kindergarten in 19th-century Germany, fashioned his idea, he did not have a garden for children in mind but a metaphor of teachers as gardeners and chil-

dren as vegetables. Kindergarten was created to be, and was quietly celebrated as, a way to break the influence of mothers on their children once and for all.

A movement as visibly destructive to individuality, family, and community as government-system schooling has been might be expected to collapse under its dismal record and increasingly aggressive shakedowns of the taxpayer, but that has not happened. The explanation is largely found in the transformation of schooling from a simple service to families and towns to an enormous, centralized bureaucratic enterprise.

Although our public school system has had a markedly adverse effect on people, and on our democratic traditions, it has made schools the single largest employer in the United States, and the largest granter of contracts after the Defense Department. Both of those low-visibility phenomena provide monopoly schooling with powerful political friends, publicists, advocates, and other useful allies who are apparently outside the loop until an analysis map of special interests is drawn. That explains in large part why no amount of failure ever changes things in schools, or changes them for very long. School people are in a position to outlast any storm and to keep short-attention public scrutiny thoroughly confused. A glance at the short history of American public schools reveals a pattern marked by intervals of public outrage followed by *enlargement of the monopoly in every case*. The net result of public alarm has been to diminish worthwhile alternatives—surely the richest of all the ironies and a cosmic reversal testifying to the secret systems of nourishment available to schooling, exactly as it is.

After nearly 30 years spent inside a number of public schools, some considered good and some bad, I feel certain that management cannot clean its own house. The structure is too brilliantly designed to allow that; it relentlessly marginalizes all significant change or degrades it, and no watchdog mechanism exists, nor can exist, to effectively combat that marginalization. Teaching that is attuned to the way children learn involves a dynamic too complicated to bureaucratize. The in-

ability to see that simple truth, or to act upon it in a monopoly situation, dooms all in-system reform to trivialization.

There are no incentives for the "owners" of the structure to reform it, nor can there be without outside competition. Indeed, I'm afraid that competition too tightly monitored from a central point—as it would be in a national test situation, which would of necessity involve wildly incorrect assumptions about learning—will not touch the existing monolith. What is needed for several decades is the kind of wildly swinging free market we had at the beginning of our national history. It cannot be overemphasized that *no body of theory exists to accurately define the way children learn, or what learning is of most worth*. By pretending the existence of such theory, we have cut ourselves off from the information and innovation that only a real market can provide. Fortunately, our national situation has been so favorable, the United States has been so dominant through most of its history, that the material margin of error has been vast.

But the future is not so clear. Perhaps materially a case can be made that our position of advantage is too great at this point to squander, but in the arena of emotional capital, of simple satisfaction with life and joy in living, our relative position has been slipping for many years. That holds true whether we compare ourselves with certain other nations or with standards we set for our own lives based on our values and traditions. Violence, narcotic addiction, divorce, alcoholism, and loneliness are all tangible measures of poverty in education. Surely schools, as the institutions monopolizing the daytimes of childhood, can be called to account. In a democracy the final judges are not the experts but the people.

And the courtroom of the people is the free market. Over 50 years ago my mother, Bootie Zimmer, chose to teach me to read; she had no degrees, no government salary, no encouragement, yet her nonexpert choice has given me a wonderful and interesting life; I have never been a public charge. Trust the people, give them choices, and the school nightmare will vanish in a generation. ■

Benefactors Meet in California for Fifth Annual Summit



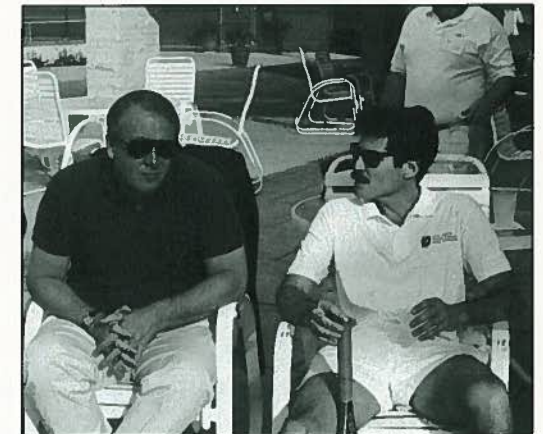
The desert and mountains of Rancho Mirage, California, provided a stunning backdrop for Cato's fifth annual Benefactor Summit, attended by the Institute's most generous contributors, at the Ritz-Carlton Hotel, February 4-7.



Finance Committee member Fred Brunner of St. Michaels, Maryland, talks with Arizona governor Fife Symington (left) after Symington's lunch talk on property rights.



Roger Pilon of Cato's Center for Constitutional Studies and board member Howard Rich shake hands after their annual, overly hyped tennis match.



Ed Crane (left) talks with John Stossel of ABC News, a conference speaker, after the annual Market-Liberal Round-Robin Tennis Tournament.



Cato board member Richard J. Dennis discusses "The Moral Case for Drug Legalization."



Gordon Getty of San Francisco and Robert Lovell of New Jersey talk with Brink Lindsey (right), Cato's director of regulatory studies, at breakfast.



Some 100 Cato Benefactors gathered at the opening dinner to hear education entrepreneur Chris Whittle discuss his plans to open 100 innovative, for-profit schools in 1996.

"To be governed..."

Underfunded schools

[New York] city's top school investigator yesterday described a corrupt system that allows head janitors to plunder schools because of virtually nonexistent Board of Education supervision. . . .

On school time one janitor relaxed on his 34-foot cabin cruiser and another ran a real estate law practice.

Others paid off personal bills and loans by hiring "ghost workers" and pocketing the salaries. . . .

School custodians—who are paid up to \$80,000 a year—have sweeping powers that affect almost every aspect of a school's operation. . . .

Principals don't even have the power to tell them how often to mop floors.
—*New York Daily News*, Nov. 13, 1992

Which ones do you think caused them?

Look through your paper for problems the country is facing. Which Cabinet members do you think might help solve them?

—The Mini Page (*Washington Post* Sunday supplement), Jan. 24, 1993

Five-year plans weren't ambitious enough

[White House aide Ira Magaziner] argued that converting defense industries to civilian uses is a task that cannot be left "to market forces aided

by a grab bag of economic adjustment measures." He called for joint government committees to develop a 20-year plan. First, he recommended, "commission a study to match current skills and facilities capabilities with those which would be required for different infrastructural projects." Then should come "a detailed organizational plan . . . to lay out how, in specific, a proposal like this could be implemented."

—*National Journal*, Dec. 12, 1992

They also serve who only price-fix and subsidize

The Agriculture Department serves more than 2 million farmers nationwide and, in many ways, it does the job surprisingly well. This year, the United States . . . will export \$42.3 billion in agricultural products.

—*Washington Post*, Jan. 14, 1993

With Republicans like this, who needs Democrats?

"Should the federal government provide a free college education to everybody who wants it?" asked Doris Dixon, education aide to Sen. Thad Cochran, a Mississippi Republican and a member of the Senate education subcommittee. "If we could afford it, Yes."

—*Chronicle of Higher Education*, Nov. 25, 1992

Just another day at the office

A federal grand jury is investigating whether [House Ways and Means Committee chairman Dan] Rostenkowski used unusually large, purported purchases of stamps from the House Post Office in an elaborate money-laundering scheme to convert campaign contributions and office expense vouchers into personal funds. . . .

"As far as any of us are concerned, it's a non-issue," said Rep. Benjamin C. Cardin (D-Md.).

—*Washington Post*, Jan. 11, 1993

The good news is, taxes are still high

Best-selling *State Tax Actions 1992* and *State Budget Actions 1992* are now completed and available. . . .

Some major findings you'll read in these two reports: . . .

The bad news—

*Increases in spending for FY93 are well below the inflation rate—the lowest in 10 years.

—mailing from the National Conference of State Legislatures, Jan. 1992

Some individuals have more rights than others

[Thurgood] Marshall's record on the court was consistent: Always the defender of individual rights, . . . he favored affirmative action.

—*Washington Post*, Jan. 25, 1993

TO POLICY REPORT

Second Street, S.E.
Washington, D.C. 20003

Nonprofit Organization
U.S. Postage Paid
Washington, D.C.
Permit No. 3571

ADDRESS CORRECTION REQUESTED

AIO
INSTITUTE