



West Coast Libertarian

Newsletter of the Greater Vancouver Libertarian Association

Volume 16, Issue 6

December, 1996

BC Conservative Peter Macdonald and his "Taxcap" Program

by Paul Geddes

The speaker at November's GVLA Supper Club was BC Conservative Party (BCPC) Leader Peter Macdonald. Macdonald came to us to see if libertarians were interested in helping with his "Taxcap" program - a plan to permanently limit the role of the state in BC's economy.

Macdonald is a computer systems analyst, who reminds me of a British naval officer from one of those old black and white movies. He is tall, thinnish, and commanding. He speaks slowly with a slight British accent and has clearly picked his political party not for personal gain but to get a set of ideas discussed.

The last member of the Conservative Party to be premier in this province was Simon Tolmie, who went down to defeat in 1933. No member of the party has been elected to the legislature since 1975. In 1981, the provincial party split from the federal party mostly so power seekers could climb the influence ladder with the federal Conservatives while keeping their local options open within the Social Credit network. The remnant in the local party were a strange mixture of different political views.

Shortly after the split, the then BCPC membership chairman Laurie Ludlow, definitely a small government man, was a speaker at one of our very first libertarian supper clubs. Ludlow wanted us to join him in offering BCers a small government political option. When the party then hired GVLA member Morley Evans as its executive director, quite a few of us joined up. Unfortunately, the then leader, Brian Westwood was also interested in lots of other ideas. (Jud Cylloran, the "numerologist" who later gave premier Vander Zalm all that trouble also had some strange hold over Westwood.) When we discovered that the Conservatives were just a different flavour of the same old collectivist thinking that dominates so much of Canadian political thinking, most of us just drifted away.

Macdonald was just getting interested in politics at about the same time. He claims he had known for some time that something was wrong with government in Canada but couldn't quite put his finger on what it was. In 1982 he walked to the microphone at a tax protest meeting in

Burnaby and the ideas spilled out that would eventually become "Taxcap". In 1989, looking for a platform to express his ideas, he joined the BCPC, went to a convention, emerged as party Vice President and shortly thereafter, leader.

He started refining, polishing and preaching "Taxcap". This culminated in a news conference on January 11, 1994. (He picked a Tuesday in January - the slowest of news days - to more easily make a splash) He gathered together the leaders from seven of BC's political parties (all except the Communists, NDP and Liberals) to announce their endorsement of "Taxcap". The conference hit a nerve. He had phone calls from around the world asking for more details. "Taxcap" was editorially endorsed by the Globe and Mail and the Financial Post did an 8 page special on it in which they announced their polling had found 92% public support for the idea.

So what is "Taxcap"? Macdonald's idea is to amend the BC constitution so that at the beginning of each political campaign, each political party would have to announce the portion of gross provincial product (GPP) that would be controlled by government. If the party failed to live up to this contract, there would have to be either a referendum establishing a new target percentage or failing that, a new election. Government bookkeeping would have to conform to generally accepted accounting principles (GAAP), which

(Continued on page 5 - see Taxcap)

IN THIS ISSUE

Liberty Snippets	4
Jimmy Lai - Advocate of Freedom	6
Calendar of Events	7
Analysis of 1996 U.S. Election	8
Private Prisons: Cons and Pros	10
Privatize the CBC	11
The Possibility of Exit	12

Message from the President

One of the most brilliant aspects of the late Ayn Rand's philosophizing was her decision to focus on ethics as a prime mover in society and turn the ethical world upside down. She noted, correctly, that the left had long dominated the field of ethics with its advocacy of altruism and self-sacrifice. She pointed out that even those conservatives who advocated free markets conceded the moral realm to the left.

Christian conservatives in particular were prone to swallow the altruist ethic wholesale while practicing the opposite. They would rail against selfishness, echo the biblical platitude that it "is easier for a camel to pass through the eye of a needle than for a rich man to enter heaven" and so on, while running successful businesses and getting rich! They would be consumed by guilt because of this psychological contradiction, but rather than renouncing their ethics, they renounced their practice. They conceded respectability to the preachers of self-abnegation while pleading a tired "mea culpa" to their personal lives, but excusing it by saying one had to live after all.

Rand then did an amazing thing. She redefined altruism. She pointed out that it was not simply a question of helping your neighbours or the less fortunate. It was not a philosophy of benevolence. Using original philosophical sources like Auguste Comte, the person who coined the term "altruism", and such philosophers as Kant and Hegel, she demonstrated that altruism or self-sacrifice meant the sacrificing of a higher value for a lower value. That it could not mean otherwise. Even in a situation where a person willingly gave up his life to save a loved one, or in a war to preserve's one freedom, one was not practicing altruism if the value fought for meant more to them than life itself. Patrick Henry's cry of "Give me liberty or give me death!" was not a cry for self-sacrifice. It was an expression or a passionate conviction that life without liberty was not worth living.

Rand introduced the concept of the trader as a high ethical principle, one who gives value for value. Her novel, Atlas Shrugged, in particular, developed that concept and gave it life. She once said that if a million people read Atlas Shrugged, the altruistic culture's goose was cooked. And so it has been. Witness the changes of the last thirty years - privatization, free trade, de-regulation and the rise of a growing self-awareness and self-development movement.

However, the war is not over. The preachers of selflessness, the denouncers of "greed", the advocates of more government to counter our "selfishness" persist. Just take a look at the coverage of the recent civic election in Vancouver in the Vancouver Sun or the prattling of Sun ethics columnist Douglas Todd recently about the "virtue" of sacrifice and a whitewash of enviousness equating that sin with a spirit of justice of all things.

What we need to do more than ever in the libertarian movement is to take the moral high road. We need to emphasize not just the value of liberty, but we must point out again and again that ours is a profoundly ethical position.

Recently author Mary Ruwart had done just that. Her book, Healing Our

(Continued on page 3 - see Message)

West Coast Libertarian

is the official publication of the Greater Vancouver Libertarian Association ("GVLA"). The GVLA is a local constituency association of the Libertarian Party of Canada ("LPC"), 1 St. John's Road, Suite 301, Toronto, Ontario, M6P 4C7 (telephone 416-763-3688; fax 416-763-5306).

As members of the LPC, we advocate free markets, civil liberties, self-responsibility, and drastically reduced government interference in our lives. Our fundamental principles forbid the initiation of force, fraud or coercion against any person or group and we expect that government accept these principles too.

Voting membership of the GVLA or LPC requires the signing of our Statement of Principles.

As a registered federal political party, contributions to the GVLA or LPC qualify for a tax credit.

GVLA/LPC memberships are \$5 for 5 years. Subscription to the *West Coast Libertarian* is \$20/year anywhere in North America. Membership and subscription inquiries should be directed to:

Bill Tomlinson
922 Cloverly Street
North Vancouver, BC V7L 1N3
Voice: (604) 980-7370

Articles of interest to libertarians are welcomed and encouraged. Please send letters, newspaper clippings, jokes, cartoons, copies of your letters to editors, original articles, notices of upcoming events, etc. to:

Gordon Denusik
#88 - 6700 Rumble Street
Burnaby, BC V5E 4H7
Voice: (604) 525-5886
Email: Gordon_Denusik@bc.sympatico.ca

Submissions must be typed and are encouraged by email or on 3 1/2" IBM PC diskette in plain ASCII format.

Unless otherwise noted, all original material may be reprinted freely, accompanied by the following credit: **Reprinted with permission from *West Coast Libertarian*, 922 Cloverly St., North Vancouver, BC V7L 1N3 (Annual Subscription: \$20).**

Editor: Gordon Denusik
Contributors: D'Arcy Flannery, Byron Fraser, Paul Geddes, Dave McNeal, Marco den Ouden, Kerry Pearson, Brad Thorstinson



Letters to the Editor

Send your letters to the editor of the WCL:
by mail: c/o 88 - 6700 Rumble Street, Burnaby, BC V5E 4H7
by email: Gordon_Denusik@bc.sympatico.ca

We are a Social Club

In the October, 1996 WCL, new GVLA president Marco den Ouden declared: "There are several reasons for our failure to evolve into a mass movement (or at least a movement of more than a few hundred people). Perhaps the most important is that, in many ways, we really are a social club."

This is familiar rhetoric indeed, for those who have been in the LP for a while (like Mr. den Ouden and myself). A host of movers and shakers have passed through our party during the years, vowing to fix those evils that have denied us the coveted mass movement status. The "social club" demon (and its equally evil twin, "political debating society") have often fingered out, and their very place in the party mocked, challenged, and substantially erased.

The result? Not only has there not been much progress; there has not even been much continuity. In Ontario, for example, there is only one active Libertarian Association. This one, like all those that have gone before, is kept alive by one volunteer. All the others were equally dependent on one or two volunteers, and did not outlast their departure.

Across Canada, the only association that has maintained its continuity is the GVLA. And that is entirely due to its "social club" role. That role has allowed it to both attract new blood and keep existing members involved, and as a result maintain a stable volunteer and fundraising base for elections, grassroots campaigns, and new approaches like those Mr. den Ouden rightly emphasizes.

One such new initiative we have begun in Toronto this year is a monthly Event night, just to get our members into our office and involved to some extent with their Party: an

initiative frankly copied from what I consider the GVLA's successful strategy.

The Party is more than a "social club." But the social club function is important to the party's maintenance, activity, and prospects for success, and therefore vital. Attempting to deny or suppress it could be fatal.

George J. Dance
Chairman, Ontario Libertarian Party
george.dance@druid.com

Geddes' Mini-People's Republic

Paul Geddes' problems with his condo (October, 1996) remind me of my adventures living in housing co-ops. One small co-op worked by consensus, which meant that one belligerent individual was able to impose his agenda on all of us. The other, of 40 units, voted on a simple majority basis which meant the dictatorship of the majority he talks about.

I think it possible to alleviate these problems to a good measure. Condos, co-ops, and now that I think of it, all organizations, need to have a constitution which severely limits the power of the collective will. Voting should also be based upon a two-thirds or three-quarters majority. This would make it much more difficult for busybodies and authoritarians to cobble together enough votes to ram their schemes down the throats of the minority.

Good luck, Paul, in your mini-People's Republic!

Larry Gambone

Message from the President

(Continued from page 2)

World, takes a completely different direction from Rand in tackling the ethical question. She emphasizes again and again that the principle involved is one of "honouring our neighbour's choices". She focuses repeatedly on the idea that "aggression disrupts the marketplace ecosystem". She argues that aggression creates a "lose-lose" situation and that only non-aggression can result in a "win-win" scenario.

*Dr. Ruwart has captured the ethical buzzwords of the nineties and turned them to good advantage. Stephen Covey's *The Seven Habits of Highly Effective People*, the most influential self-improvement book since *How to Win Friends and Influence People* is centered on the idea of win-win strategies. So is libertarianism! The environmental movement has been another major influence in the last twenty years.*

Libertarianism should emphasize as Dr. Ruwart does, that the market is an eco-system and we tamper with it at our peril. But most importantly, Dr. Ruwart promotes the idea of "honouring our neighbour's choices". This idea captures the ethical notions that libertarianism is a philosophy of respect for other people, of honouring other people, of learning to accept people's differences and individuality, as opposed to the "selfishness" of those who want to mould people "at gunpoint if necessary" (another of Ruwart's constantly repeated phrases) to their own ideals.

We should not let go of these high ideals, and we should not absent them from our discussions of our philosophy. They are popular and saleable ideas. Let's use them!

Marco den Ouden



Liberty Snippets

Environment News You Probably Missed

From *The Heartland Institute* (800 East Northwest Highway, Suite 1080, Palatine, Illinois 60067), November 8, 1996 by Joseph L. Bast:

According to the University of California Transportation Center, improvements in fuel economy mean the average automobile today consumes 3,593 BTUs per passenger mile, 25 percent less than the BTUs consumed in 1980.

While cars have been getting more efficient, buses and trains have been getting less efficient due to declining ridership and the addition of energy-hungry amenities such as air conditioning. Consequently, transit buses now consume 4,374 BTUs and trains consume 3,687 BTUs per passenger mile.

The old saw among environmentalists - that public investment in mass transit is the best way to "save energy" - is no longer true. This new information may lead some cities to reconsider their tax subsidies to mass transit systems.

-G. Denusik

Underground Economy Hurts Children?

From the *Financial Post*, November 20, 1996 by William Watson:

The Quebec government is currently treating the province's TV viewers to an ad designed to discourage the underground economy. The camera pans over several people sitting under a table passing cash back and forth to each other and then pulls back to show a forlorn little kid sitting on the edge of the table, swinging his legs back and forth. "Under the table?" the ad says, "Never!" The subtext is that by cheating the government out of \$2 billion a year, roughly 5% of its revenue, we're forcing our kids into higher debts.

There are at least three things wrong with this message: one, we could cut spending instead of going deeper into debt; two, many of the tradesmen who ask me for cash have kids, with whom they doubtless share their tax-free incomes; three, University of Alberta economist Bev Dahlby has calculated that, including all clawbacks and consumption taxes, in the 1993 single Quebecers' marginal tax rate on labour income averaged 65%. A 65% tax on honesty just ain't going to be dented by a TV ad, no matter how clever.

-K. Pearson

Radical Thought on Education

The September/October, 1996 *Home Education News* reprinted the following quote by John Taylor Gatto:

Whatever an education is, it should make you a unique individual, not a conformist; it should furnish you with an original spirit with which to tackle the big challenges; it should allow you to find values which will be your road map through life; it should make you spiritually rich, a person who loves whatever you are doing, whomever you are with; it should teach you what is important, how to live and how to die.

-D. McNeal

Anarchist P.J. Proudhon

Larry Gambone, a frequent contributor to WCL's letters-to-the-editor, has published a 12 page pamphlet entitled *Proudhon and Anarchism: Proudhon's libertarian thought and the anarchist movement*. The pamphlet on Proudhon, writes Gambone, "should be of interest [to libertarians] since his thought bridges the left-right dichotomy in anarchism and he was such an important influence on [Benjamin] Tucker and other Individualists. Basically, I am trying to rescue Proudhon from the leftists and re-establish him in the eyes of libertarians."

The pamphlet costs \$2, and is available from Red Lion Press (1579 Centre, Montreal, Que H3K 1H5).

-G. Denusik

TWA Flight 800 downed by Friendly Fire?

In early November, retired ABC journalist Pierre Salinger announced that he had received a document from French intelligence sources proving that the TWA Flight 800 plane, which exploded in flames and crashed into the ocean off Long Island, New York on July 17, 1996, had accidentally been shot down by a U.S. Navy missile.

Almost immediately after Salinger's announcement, the mainstream media attacked both Salinger and his story. The *New York Times*, for example, asserted that the FBI investigated the document in question and determined it was "baseless". The *Chicago Tribune* denounced Salinger's memo as nothing more than a "bogus story he got off the

(Continued on page 5 - see Snippets)

(Snippets - Continued)

Internet". But are Salinger's allegations "baseless"? In *Just the Facts*, Ian Williams Goddard summarizes numerous facts that appeared in stories published in both the mainstream and fringe media which supports Salinger's allegations. The following are just a few of the facts gathered by Goddard:

- July 17th breaking news reports, rarely to resurface, stated that naval maneuvers were being conducted off-shore near the explosion of TWA flight 800.
- The professional aviation publication *Aerospace Daily* (8/26/96) reported that naval warning zones - designed to keep aircraft departing New York safely north of military maneuvers - were activated at the time of the TWA crash.
- Over 100 eyewitnesses reported seeing a rocket type object streaking toward TWA 800 just before it exploded. Two national guard pilots in the area of the crash reported seeing a missile.
- An aviation disaster expert, speaking live on CNN (07/17/96) shortly after the TWA explosion, said he believed that it was a missile-hit based on eyewitness reports of two explosions, one small then one large.

Finally, Goddard points out that at one of the "government" press conferences regarding the TWA crash (11/08/96), ten security guards ushered a reporter out of the briefing room after FBI's Assistant Director James Kallstrom ordered the reporter removed. The reporter's crime? - he asked Kallstrom "Why is the Navy not a suspect?"

-B. Thorstinson

Peter Macdonald's "Taxcap" Program

(Continued from page 1)

means proper amortization of all capital expenditure, proper accounting for unfunded liabilities and simple, consolidated accounts perhaps published by an independent authority, so taxpayers could know what their government was up to.

Macdonald told us that the first party leader he had approached was our own Wayne Marsden. Once Wayne's OK was secured, it made it a little easier to get other leaders to agree.

But "Taxcap" is not a libertarian idea. Libertarians can support it only tactically, and only if we think it will succeed in reducing the role of government in BC. Why? At root, Macdonald's plan is based on the idea that government is not working today because the elites and special interests have taken control of government away from the people. Currently, the provincial government controls about 25% of the GPP up from 15% in the early 70s before the first NDP government and Macdonald feels this is not what the people of BC want. His reform is an attempt to help the general population gain better control of their government.

But libertarian criticism of government is more fundamental. We think that people should be free to use their funds as they wish even if the general population votes for the state to control X % of the GPP. We are just as fearful as government dominated by genuine majorities as we are those dominated by dictators or special interest groups. The only reason to favor more democracy is if we believe the general public will give us greater liberty than current political elites. In other words, a "Taxcap" constrained government would still violate our rights. The question is whether it would violate fewer rights than the current system.

There are other more practical criticisms of "Taxcap". If government is currently dominated by special interests, why would it ever willingly submit to greater constraints? Would a cat ever agree to bell itself? If government is truly dominated by elites, all this talk of constitutional reform is just pie-in-the-sky. And if we're going to spend scarce energy on trying to get political reform, doesn't it make sense to talk about something more libertarian like privatizing government services, rather than difficult institutional change which may not give us a more libertarian world.

Afterwards, I asked Macdonald why he choose the BCPC party over the Libertarian one. Was there something in our platform he didn't like? He says he believes that libertarianism is the political philosophy of the future. He compared us to the Fabian movement in Britain at the beginning of this century. He is convinced that our influence is going to grow greatly and he is personally favourably inclined to our views. However, he doesn't feel BCers are ready for some of our ideas (legalizing drugs, private medical care) yet. And so, he wants to work for something he feels is more attainable at present.

All in all, we had an enjoyable evening. You have to admire Macdonald's singleminded dedication to the "Taxcap" idea and the hard work he has done to spread the concept. If it was just a matter of personal integrity of the leader, I can see why small government lovers could be attracted to Macdonald's BCPC party. Those libertarians who feel there is merit in working to achieve a better chance at "half-a-loaf" reforms should contact him and get involved with his party.

And speaking of taxes, did you know . . .

Because the GVLA is a local constituency association of the Libertarian Party of Canada, an officially registered federal political party, a portion of your contribution may be claimed as a federal tax credit. The government allows you to direct a portion of the income they have stolen from you to an organization dedicated to reducing taxation. Ironic, isn't it? If you donate \$100 to the GVLA, you will get a tax credit of \$75. If you donate \$200, you get a credit of \$125.

The GVLA is committed to the promotion of the ideals of liberty. Please contribute generously before December 31, 1996 (to get your 1996 tax credit). Send your cheque to the GVLA, 922 Cloverly St., North Vancouver, BC V7L 1N3. Thank you!

Jimmy Lai: the boy who learned the value of freedom

*For many libertarians, Jimmy Lai is admired for his support of freedom and, consequently, his battles against the Chinese government. Recently, the **South China Morning Post International Weekly** printed an extract from the book **Hong Kong Remembers**, which was compiled by Sally Blyth and Ian Wotherspoon. In this extract, textiles tycoon turned media boss Jimmy Lai writes of the poverty of his childhood in communist China, his escape to Hong Kong, his dealings with the Chinese government and his hopes and fears for the future of Hong Kong.*

One night, a while ago, I was reading the Old Testament. I often pick up the Bible, but that evening, as I was reading about Adam and Eve, a thought struck me.

I said to my wife: "If Eve hadn't bitten the apple, the forbidden fruit, the world would not have news because people would not have any concept of right and wrong, or of evil and gossip. So the origin of news is the bite Eve took in the Garden of Eden."

It was something of a joke with my wife, but when it came to naming my newspaper, I thought *Apple Daily* would be very appropriate.

The media business means a great deal more to me than just making money. We sell information, and the better informed people are, the better equipped they are to make informed choices in life. That means greater freedom. Freedom is fundamental to me, and I believe that we should be doing all we can to uphold the freedoms we have.

I feel very passionately about that because I was brought up in an atmosphere of oppression, fear and chaos. All the adults in my family were sent off to labour camps [in China] where they didn't live like human beings. They were reduced to the basics of life, living in desperation with no hope, no aspirations for the future. My family was shattered after the communists took over, and my own destiny changed dramatically.

I was born into a very wealthy Guangdong family a year before the communist revolution. My parents had to suffer the humiliation of having once been a prominent and respected family, now being denounced as an enemy of the people and a curse. They spent most of my childhood caught up in the troubles, and I really had nobody to take care of me, except a partially handicapped uncle who taught me how to read. I was left to my own devices, and most of the time I skipped school and took to the streets to make money.

I had four sisters - one of them was my twin and another had polio, so I felt I had to help to support them. I was either selling something on the black market or stealing. Sometimes I hustled people to help them with their luggage in hope of a tip. I used to hang around restaurants, waiting until people had finished their dinner, so I could grab the

leftovers. I was just trying to survive.

There was one day, when I was 11 years old, when I was extremely depressed. I was just sitting in the street, not really doing anything. A tricycle, carrying a man loaded down with bags and a suitcase, stopped close to where I was sitting. I jumped up wildly and helped the guy off the tricycle and offered to carry his bags. He gave me a bar of something to eat as a tip, instead of money. I took a bite and could not believe it! I had never tasted anything so delicious. I asked the man what it was. He said: "It's chocolate."

There were quite a few tourists coming to Guangdong in the late 1950s and they often brought goodies which were impossible to obtain in China. I asked the man where he was from and he told me Hong Kong. It sent a chill down my spine. From that moment I wanted to go to Hong Kong, regardless of the risks.

At first my mother thought it was a crazy idea, but, after pestering her for nearly three months, I eventually applied for a permit to go to Macau. From Macau I was smuggled in the bottom of a fishing boat to Hong Kong. I was taken to my relatives who paid \$370 to the smuggler. The next day I started work in a factory as an odd-job-worker.

That was in 1961. I was earning \$60 a month and I lived in the factory.

The conditions, in hindsight, were dreadful, but, given my past experience, it was just like paradise! I was never hungry. I had enough to eat and \$60 a month was a lot of money. I could buy things to eat. It was just eat, eat, eat!

However, I treasured most something more basic and fundamental - the freedom I had, the hope I had, I knew then there was a future for me, and I was very happy.

* * *

In 1992, we [Giordano, the clothing company Jimmy Lai launched in Hong Kong in 1981] opened up into China. I spent a year launching the business there. It was no easy task.

The main problem is the lack of trust and the little respect which is given to the law. Law based on objective standards of personal liberty is not a tradition in Chinese society. Instead Chinese law is based on one's subjective conscience. This is not law. Chinese society was based on social norms of trust, family, loyalty, and community networks, but that has all been destroyed by communism and there has been nothing to replace it. Communism has destroyed traditional ethics. This means, for example, there is no guarantee that contracts will be honoured.

Most companies wanting to do business in China believe

(Continued on page 7)

(Continued from page 6)

that the higher the level of official contacts you have, the more successful your business ventures will be. They believe these officials will open up avenues and get you a good deal. However, this can restrict your operations in China because your business is then dominated and monopolized by the interests of that particular official. The businesses at the end of the day may be successful, but I question whether it is worth all the heartache of cutting through the red tape and whether the financial returns are all that great.

When I planned to launch Giordano in China, I had no openings with high-ranking officials, but believed that working at a lower level, with the men on the ground, would be more successful. Again it was a question of trial and error, but we did a great deal of research finding shops in what we believed were good locations but which were losing money. We went into joint ventures with the owners, in which they were the silent partners, with the guarantee of a fixed income in return for the shop lease.

We were successful until political factors came into play. Two years after opening our shops in China, I had to sell my controlling stake in the company because the Chinese authorities were harassing my mainland business and intimidating my employees. This was after a controversial article, criticizing [Chinese] Premier Li Peng had appeared in my magazine, *Next*.

In 1996, I sold my remaining interest in Giordano, but, despite that, two months after the sale, the authorities in China closed down more of the company's shops. To me it was a clear message to the Hong Kong investor - do not upset China. Why should the Chinese authorities want to take action against a company which I no longer even owned? I believe that Beijing is trying to isolate me and force the closure of my business by frightening people from investing in any of my companies in the future. This has been sparked by the role I played during Tiananmen and the publishing ventures I subsequently set up.

I was very moved and touched by what the students in China were trying to achieve in 1989 and I admired their courage to stand up and fight for greater freedom. I empathised with the student movement and I was able to relate to China in a way I had never been able to before. It was as if China was my mother, but I had never been able to talk to her until then. I was very excited and I wanted to be part of the change which I thought was about to happen. I did many things in support of the pro-democracy movement in China. I donated money, I used Giordano to display banners and print T-shirts, and I was very outspoken.

It was after the intense media coverage I received at the time that I appreciated the importance of the media. In 1990 I started *Next* magazine, which, despite being a glossy publication, is respected in the market for having the courage to take a stand on issues and to speak out. We have

attacked China a great deal, but I have never had any regrets about what we have published as it reflects my true sentiments.

In contrast, I found myself becoming conscious of increasing self-censorship in the media as 1997 came closer. Newspaper readership was dropping and I knew this was illogical. I realised many newspapers were slowly alienating their readers by their kowtowing stance and I saw an opportunity for a new independent voice. There was a vacuum to fill and I took up that challenge with the launch of *Apple Daily* in 1995.

I believe that information may be a saving grace in the future. If China tackles something unjustly or wrongly in Hong Kong after 1997 it will be doing it in the face of world opinion. If China treasures Hong Kong, and is smart enough, it should react quickly. This makes me optimistic about the future because the force of information is increasing every day.

Information is not the only key to Hong Kong's future success - the maintenance of a firm structure of law and order will also be essential, and a free market economy. Hong Kong will be finished if either is diluted or destroyed.

Those wishing to learn more about Jimmy Lai should purchase Hong Kong Remembers. Those wishing to learn the latest about Jimmy Lai and his battles against the Chinese government should purchase the South China Morning Post International Weekly.



Calendar of Events

Dec. 31, 1996

Last day to make your contribution to the GVLA in order to receive a 1996 federal tax credit.

Help promote liberty by contributing to the GVLA. The GVLA promotes the ideals of liberty via scholarships, supper clubs, media releases, briefs to government, public events, etc.

Send your contribution to: GVLA, 922 Cloverly St., North Vancouver, BC V7L 1N3 or call Paul (944-2845), Marco (467-8800) or Kerry (244-7625) for further details. Thank you!

Jan. 12, 1997 10:00 AM

GVLA Executive Meeting

703 - 1180 Falcon Dr., Coquitlam

RSVP: Paul (944-2845) or Marco (467-8800)

Jan./Feb., 1997

Supper Club Event - TBA

Analysis of the 1996 U.S. Election

Although **Bill Clinton** was re-elected President, there were a number of bright spots in the 1996 U.S. Elections.

Many freshmen Republicans retain their Congressional Seat

The "freshmen" Republicans tend to be greater advocates of freedom than the average Republican. Some of the freshmen may even be classified as libertarian-conservatives. The good news from the 1996 election is that many of the freshmen Republicans retained their seat. Washington State Congressman **Jack Metcalfe** (whom **Murray Rothbard** described as a "veteran paleo-libertarian activist . . . knowledgeable advocate of the free-market gold standard, and an implacable foe of the income tax and of the Federal Reserve") and Idaho Congresswomen **Helen Chenoweth** (whom libertarian-conservative columnist **Robert Novak** calls the greatest protector of property rights currently in Washington, D.C.) were both re-elected.

Texas Republican Congressman **Steve Stockman** received 46% of the votes in his riding and therefore now faces a run-off against his nearest competitor (in Texas, to be elected, one must receive 50% or more of the votes). Steve, who featured a "FIGHT CRIME, SHOOT BACK" poster in his 1994 campaign and who has been very critical of **Janet Reno** and the U.S. Government and their role at Waco, is very libertarian.

Former Libertarian candidate for President, **Ron Paul**, was elected to Congress as a Texan Republican. Paul is so principled in his support of individual freedom that when he ran to become the Republican nomination for his riding, **Newt Gingrich**, **Phil Gramm**, **George Bush** and many other Republican elites were against him. Paul nevertheless won the Republican nomination, in part due to an endorsement from **Milton Friedman**.

(Continued on page 9)

The Libertarian Majority in California

by *John Heilemann*

Now that the Right Coast political and media establishments have had a week or so to hunker down and sober up, its members are suddenly realizing that, despite the lack of spills and chills in the presidential and congressional elections, out on the Left Coast a pair of hugely consequential things happened on 5 November. And the establishment is deeply confused.

As every Golden Stater knows, the things I'm talking about are (a) the passage of the California Civil Rights Initiative ("CCRI"), which bans affirmative action in public education, employment, and contracting, and (b) the passage of Proposition 215 ("Prop. 215"), which legalizes the medicinal use of marijuana.

Throughout the year, both the CCRI and Prop. 215 were treated largely as curiosities, or at least sideshows, by the national media. It might not have been so. Back before the campaign got underway, many political analysts assumed that whoever ended up being the republican standard-bearer would embrace and elevate the CCRI as part of the strategy of using affirmative action as a wedge against Bill Clinton. And although Dole's people didn't ever really do that, they prayed hard for the chance to do something similar if Clinton had come out in favor of, or even wavered on, Prop. 215. Naturally, typically, he didn't; instead he adopted a line on the initiative every bit as hard as Dole's and State Attorney General Dan Lungren's.

But although Dole's queasiness over attacking affirmative action and Clinton's faux Republicanism on Prop. 215 kept the two issues from going national during the campaign, it's already clear that in the aftermath, the implications of both extend will beyond California's borders. In a year that offered few clear ideological triumphs for either liberals or conservatives, each side is pointing to the passage of its favored initiative as a big win - and planning to extend it elsewhere.

In states all across the country, opponents of affirmative action are said to be copying down the CCRI's language and

preparing to launch ballot-measure campaigns of their own. Meanwhile, the forces in favor of medicinal pot (and those in favor of legalizing drugs who privately admit that the foes of Prop. 215 were exactly right when they said its passage would be just the first step down a slippery slope toward a less-punitive drug regime) are doing the same. Such efforts may go nowhere. But you need only think back two decades ago, to the way California's Prop. 13 sparked a national wave of property-tax rollbacks, to understand the portentous potential of last week's [i.e. November 5th] votes.

All this is well understood by the Right Coast heavies. What confuses them - and, to be fair, plenty of other people - however, is the apparent contradiction between the two. How could the same state that passed the "conservative" CCRI have passed the "liberal" Prop. 215? The answer isn't obvious, and it certainly isn't anything along the lines of "Oh, those wacky, mixed-up Californians! What'll they think of next? Right turns on red???" No, I suspect the answer had something to do with the fact that, although the CCRI was backed most ardently by "conservatives" and Prop. 215 was backed most ardently by "liberals", the two initiatives actually didn't fall neatly into either category. In truth, both were basically (if unwittingly) rooted in a common world view: libertarianism. Indeed, the statistic I'd most like to know coming out of this election is how many people voted in favor of both; I suspect the figure is surprisingly large.

California, of course, has always nurtured a strong strain of libertarianism - and so maybe the results aren't so contradictory after all. The question is whether, if both these initiatives are replicated in other states, it's a sign that libertarianism is on the march as well.

This article is copyright 1996 HotWired, Inc. and may be redistributed provided that the article remains intact, with this copyright message clearly visible. This article may not under any circumstances be resold or redistributed for compensation of any kind without prior written permission from HotWired, Inc.

If you have any questions about these terms, or would like information about licensing materials from HotWired, please contact HotWired via telephone:

Libertarians don't have a technical quick fix

by Brian Doherty

The eternal hope for libertarians (and Libertarians) in electoral politics is: something has to change. Lots of things change; our technologies, our jobs, our wealth, our knowledge. Our lives are different month by month, in important ways. But politics doesn't seem to change, or at least not much. This presidential election, as in every one this century, it was a foregone conclusion that the victor would be a Democrat or Republican. Indeed they pulled about 90 percent of the vote; the major wildcard, Perot, is a somewhat frightening joke whose policies are little different and in some cases quite a bit worse.

Libertarians live on hope, and sometimes very thin hopes. This year's hope leaned heavily on one of the most obvious changes in the American polity and life since the last election: the enormous growth in use of the Internet, whose users are, the conventional wisdom and libertarian rhetoric assure us, quite libertarian and ready to accept sweeping political change. (The *Wall Street Journal*, however, quotes a poll done for its interactive edition in August showing support for Clinton nearly identical between Web users and nonusers.) Harry Browne's campaign trumpeted his ability to sweep Internet polls, even ones sponsored by unfriendly faces such as the leftist magazine *Mother Jones*. Such self-selected polls, of course, indicated nothing other than a strong fervor for Browne on the part of a few thousand people; nothing to build a political future on.

The lesson for libertarians and Libertarians seems reasonably clear: Despite Browne's rhetorical insistence that most Americans understood, or could easily be made to understand, that Government

Doesn't Work, argumentative groundwork has not even begun to be well-laid. America is not a crypto-libertarian nation just waiting for a credible person to explain to them that they don't have to vote for the two major parties. Despite Browne's success in breaking into the new media of radio talk show and the Internet, that type of media exposure proved politically worthless in the face of old-wave media's continued stonewalling of the reality of third-party choices.

And techno-optimistic quick fixes like the Net (or even talk radio) aren't reason to assume the battle for a libertarian politics is nearly won, or any closer to being won than 4, 8, 12 years ago. Despite the tens of millions Browne reached through talk radio and the 15 million estimated using the Net regularly in the United States, Harry pulled less than a half a million votes. Even if you assume that every single vote came from Web-savvy netizens, he only polled about 3 percent of them. Digital revolution notwithstanding, the revolution or even a noticeable leap in the evolution toward libertarian politics is still ahead of us. The Net, despite hype mostly spread by those whose livelihood depends on people believing in the importance of the Net, is no secret key. While it is an avenue of communication -- like every other avenue of communication -- that needs to be used and mastered by advocates of liberty, it's not inherently a place where they have any secret advantage. Libertarians don't have a technical quick fix; they have a set of cogent and ethical ideas about social orders that need to be spread and sold, by as many means as are effective, and that is likely to be their position for many elections to come.

Brian Doherty (BMDoherty@aol.com) is Assistant Editor of Reason magazine, a contributing editor of Liberty magazine, and runs Cherry Smash Records out of Los Angeles, California.

This article first appeared in a libertarian discussion newsgroup on the Internet.

(Continued from page 8)

Republicans Retain Control of the Senate

Not only do the Republicans retain control of the Senate but also their majority leader is now **Trent Lott** of Mississippi. Although Trent is not a libertarian, he is a far greater proponent of liberty than **Bob Dole**, the previous Senate majority leader. Dole, as you will recall, resigned from his Senate seat in early 1996 so that he could focus all his attention on running for President (Job well done, Bob! Can you imagine how you would have fared if you didn't resign from the Senate?).

Referendums

Californians voted in favour of two libertarian measures - the California Civil Rights Initiative, which bans affirmative action in public education, employment and contracting, and Proposition 215, which legalizes the medicinal use of marijuana (see article by **John Heilmann** for further details). Voters in Arizona passed a similar proposition regarding medicinal use of marijuana.

Harry Browne - Libertarian Candidate for President

Although **Harry Browne** was disappointed with receiving just over 470,000 (.5% of the popular vote), his vote total not only represented a 63% increase over the 1992 results but also it was the second most successful presidential campaign in Libertarian Party history.

The campaign by Browne resulted in tremendous exposure of libertarian ideals to the U.S. citizens. "We opened the door this year," Browne said. "Finally this year, people are recognizing that there is a Libertarian alternative. We have doubled the party's membership in just the past two years. And thanks to this campaign, everyone in politics and the media knows who we are and what we stand for."

-gordon denusik

(Hot Wire Copyright notice - continued from page 8)

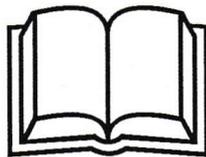
+1 (415) 222 6340, or email: consent@hotwired.com.
HotWired is located on the World Wide Web at <http://www.hotwired.com/>. "Wired" and HotWired" are trademarks of Wired Ventures, Inc.

Libertarian Review of Books

Private Prisons: Cons and Pros

(Oxford University Press, 1990)

by Charles H. Logan



WCL wants your libertarian review of books. Send your reviews to WCL c/o #88 - 6700 Rumble St., Burnaby, BC V5E 4H7; or Gordon_Denusik@bc.sympatico.ca

review by Byron Fraser

Libertarians are always on the look-out for literature which is pushing back the boundaries of the permissibly thinkable. Charles Logan's *Private Prisons: Cons and Pros* is such a book. At the time of its publication in 1990 Logan was documenting a minor but significant trend which happily has now become America's fastest growing business. One likes to think that this well researched and well-argued volume played no small part in this development.

We should say at the outset that the movement towards private prisons (mainly in the U.S.) is not privatization in the purest sense but rather the contracting of services previously provided only under full government monopoly. As such it represents merely a step in the right direction, albeit a significant one. Most of Logan's book is therefore taken up with chapters weighing the pros and cons of contracting within an over-arching governmental framework though in his final chapter he does sketch briefly what a pure libertarian system might look like.

The objections to private prisons come from many sources (A.C.L.U., public employee unions, leftist academics and public policy advisors) and, at first, might seem insurmountable. But Logan takes all these arguments head-on in a methodical fashion showing their fallacies while making ample reference to the empirical data to date. He considers issues of cost and efficiency, quality, quantity, flexibility, security, liability, monitoring, corruption, dependence and more. And time and again he turns the tables on the statist showing that the problems they worry about are more endemic to socialist monopoly than to a privatized alternative.

The issue which probably exercises the opponents of private prisons the most is the age-old suspicion of the hoary "profit motive". The concern is that private prison owners would scrimp and save at the expense of prisoners, employees, and humane conditions, etc. Logan points out, however, drawing on public choice analysis, that motives of self-interest are at least as operative among public employees and that fact is that conditions couldn't be much worse than in the chronically capital-poor public sector where public employees skim off the gravy and leave little or nothing to capital improvement or operating expenses. Moreover, unlike the marketplace, the government monopoly institutions have no effective checks and balances to ensure quality. The answer, says Logan, lies in the fact that in the marketplace

"you get what you pay for" and competitive contracting provides the most effective way of ensuring this. Besides there are additional ways of maintaining quality such as on-site monitoring and accreditation of staff by independent authorities.

But the proof is really in the pudding. As Logan illustrates with numerous examples the experiments to date point to almost universal cost-savings to the taxpayer along with quality *improvement* which has even won the acclaim of many prisoners.

As to the issue of the propriety of delegating authority to private actors, Logan makes the argument that government itself is a delegate of rights originally retained by the people. As such its officials do not have exclusive power to act on behalf of victims of harm - this is a function which can rightfully (and constitutionally) be assumed by anyone willing to assume the responsibility under the rule of law.

In fact, the shifting of liability from public to private hands while not only representing a significant savings to government also represents a significant benefit to prisoners in terms of keeping prisons accountable and responsive because staff can no longer hide behind the doctrine of sovereign immunity or legislated caps on lawsuit vulnerability.

Probably the most attractive feature of contracting out is government savings on the cost of capital expenditures is new and up-graded facilities. Rather than going to the hard-pressed taxpayers for new large sums they are often unwilling to approve, the burden can be shifted to private financing which is more than willing to take on the obligation for its piece of the actions. Moreover, self-interest in preservation of capital values by private vendors bids fair to avoid the problem of antiquated 100 year old falling apart institutions crowded to overflowing.

There are many more issues which Logan goes into in his book, too many to detail here. Suffice it to say that this is a pathbreaking book well worth a read. It rolls back all of the conceptual obstacles to private contracting and many of his arguments are applicable to other fields. Finally he references the work of Randy Barnett, Bruce Benson, Murray Rothbard, David Friedman and other anarcho-capitalists who have seen even further into the libertarian future. His work is an important step on the path.

Privatize the CBC!

In the Saturday Review section of the November 23, 1996 issue of the Vancouver Sun, "ethics" columnist Douglas Todd wrote an opinion piece entitled "Some Ethical Reasons for keeping the CBC". Both Paul Geddes and Marco den Ouden responded with letters to the editor of Vancouver Sun Saturday Review. Below are their responses:

Paul Geddes' response (This letter appeared in the 11/30/96 issue of the Sun.):

Why is someone as ethically challenged as Douglas Todd asked to write an "ethics" column for your paper? His "ethical" arguments for keeping the CBC (Nov 23, F3) boils down to: 'I like it and it's OK to stick a gun to the head of otherwise innocent Canadians to force them to pay in taxes for something I like.' This is a moral argument?

Todd claims that because the Liberals lied about funding the CBC in the last election, that this is a moral claim on my hard-earned income. Why? I knew it was a lie then and besides, I didn't vote for them. So why does Todd claim that I am still obligated to take food out of my children's mouths to pay for more of the CBC's statist drivel?

Todd's expert on "media ethics", a state-subsidized academic, called opposition to the CBC "extremely naive". But a more appropriate use of this tag is for the supposed hard-bitten reporter from the private newspaper who couldn't see through the self-serving pleading for more lolly from another parasite on the public teat.

Perhaps Todd did do the public an accidental good turn by exposing this expert's codswallop. There is something a little sickening about the tone of moral superiority lorded over us by members of Canada's elite 'New Class'. You know the type... educated at the public expense, coddled and pampered in subsidized institutions, secure in their continued escape from the hurly-burly worry of pleasing clients who must put their own money on the line. Do they show a little gratitude, or humility even? The audacity of their pretended moral superiority: "We know what's best for you..."

Here is the bottom line. If Todd likes the CBC, let him pay for it, HIMSELF. I would never force him to pay for my pursuits. Why does he think it moral to enslave me for his?

Marco den Ouden's response (note: due to space restrictions, we had to edit Marco's response for brevity):

When a group of people in society, like the CBC and its supporters, cannot find the support they want for their activities by voluntary interaction with their neighbours, or by supplying services that people will voluntarily financially support, it has several options. It can scale back its activities to reach the targeted market of supporters or it can change the services it supplies to appeal to a broader spectrum of people. These are honourable choices. The other alternative is to act dishonourably and take the money it wants from unwilling people at gunpoint if necessary through the use of government force. If you believe, as I do, that it is a monumental evil to initiate the use of force, then one can only condemn this solution as vicious.

* * *

Perhaps the most ethical reason for privatizing the CBC is that it honours our neighbour's choice. It honours our neighbour's right to choose whether or not to support the CBC financially. If, as Todd argues, the majority of the people do support the CBC, then let them do so voluntarily. And let those who decline to support the CBC do so as well. Honouring our neighbour's choice goes hand in hand with respect for the rights and property of others, a sense of community, and a spirit of goodwill. The introduction of coercion destroys all three.

* * *

The only way to make CBC an honourable institution is to privatize it and have it finance itself through the voluntary support of its admirers. The CBC does have an excellent product and many supporters and should be viable as a private organization. It may even improve!

Humour from the Net

by Kerry Pearson

Politics Made Simple: The Bovine Model

PURE SOCIALISM: You have two cows. The government takes them and puts them in a barn with everyone else's cows. You have to take care of all the cows. The government gives you as much milk as you need.

BUREAUCRATIC SOCIALISM: You have two cows. The government takes them and puts them in a barn with everyone else's cows. They are cared for by ex-chicken farmers. The government gives as much milk and eggs as the regulations say you need.

FASCISM: You have two cows. The government takes both, hires you to take care of them and sells you the milk.

PURE COMMUNISM: You have two cows. Your neighbours help you take care of them, and you all share the milk.

OLD FASHIONED RUSSIAN COMMUNISM: You have two cows. You take care of them and the government takes all the milk.

CAMBODIAN COMMUNISM: You have two cows. The government takes both and shoots you.

DICTIONARSHIP: You have two cows. The government takes both and drafts you.

BUREAUCRACY: You have two cows. At first the government regulates what you can feed to them and when you can milk them. Then pays you not to milk them. Then takes both, shoots one, milks the other and pours the milk down the drain. Then it requires you to fill out forms accounting for the missing cows.

The Possibility of Exit

by Gordon Denusik

At a recent conference in Portland, intellectual historian Dr. Ralph Raico stated that the possibility of exit - that is, an individual possessing the ability to leave one jurisdiction for another - is perhaps the most effective tool we have in protecting and enhancing our liberties and freedoms. This is because individuals are valued assets to governments - i.e. they are government's primarily source of revenue. Governments must therefore compete with other governments in terms of lower taxation and guarantee of liberties in order to not only maintain their current base of assets (i.e. citizens) but also attract new ones.

Dr. Raico argued that it was the possibility of individuals to exit which was largely responsible for the emergence of freedoms and liberties in Western Civilization during the sixteenth through nineteenth centuries. He pointed out that during this time, there was no one power controlling of Europe; rather, Europe was decentralized. As such, the various rulers and governments of Europe were forced, through competition with other rulers, to grant greater freedoms and liberties to their citizens (i.e. representative assemblies, limitations on taxation, and certain personal liberties). If they didn't, there was a risk that their citizens would exit to another jurisdiction which offered those freedoms.

Dr. Raico contrasted the emergence of liberties in Europe during the sixteenth to nineteenth centuries with that of China during the same period. China did not experience the same emergence of liberties and freedom. Why? Because China, which is so large, was ruled by one power. It was therefore virtually impossible for Chinese individuals and merchants to exit and move to a freer jurisdiction. With no possibility of exit, there was no pressure on the Chinese rulers to provide greater freedom to its citizens.

The possibility of exit or as Dr. Walter Block calls it - voting with one's feet - is therefore a powerful weapon we possess to secure and enhance our liberties and freedoms. Unfortunately, its effectiveness is slowly being eroded because there seems to be more and more consolidation of government powers. Consider the following:

- NAFTA. It wasn't really just about freer trade, but rather, as the great libertarian Murray Rothbard pointed out in 1993, it allows for the creation of "super-governmental commissions, unaccountable to any taxpayers, [which] will be able to enforce and 'upwardly harmonize' even greater environmental and labour regulation standards against the wishes of the citizens of each country." Therefore in the near future, it may not be possible for a North American merchant to escape oppressive labour laws and regulations of one state or country by exiting to another state or country because,

through NAFTA, laws in each jurisdiction in North America will be harmonious. And if the possibility of a merchant to exit is diminished, what pressure will there be on the local, state, provincial and federal governments to provide a free market friendly environment?

- Europe's consolidation. The European common market harmonizes labour, environment and even some tax laws; and now there is a movement toward the establishment of one common European currency. One common currency in Europe will significantly diminish an individual's ability to move his wealth. And if an individual cannot move his wealth into, say, a hard currency jurisdiction (i.e. Switzerland), what restraint will be placed on central bank authorities to limit their inflationary tendencies? One common European currency, and attempts to consolidate other currencies, will result in a decrease of competition among all government currency authorities, and the result will most likely be greater inflation and more fraudulent income redistribution.
- Hong Kong's impending loss of sovereignty to China. There was no serious attempt or objection by any of the "free and democratic" countries to prevent this takeover by the Chinese communist government. And why would there be an objection? The control of Hong Kong by China actually aids the United States and other Western governments because it will eventually result in the elimination of one jurisdiction for which individual and merchants seeking escape from high taxation and regulation can exit to.
- The Canadian federal government's attempt to harmonize federal and provincial taxes. Currently, it is the ability of Canadians to move, either themselves or their wealth, to another province (i.e. Alberta) which largely prevents the likes of Glen Clark and other provincial rulers to increase, even further, the taxes they impose. Take away the competition among provinces to attract businesses and individuals, and watch the taxes rise!

The consolidation and centralization of government power is a dangerous and disturbing trend. The greater it continues, the less effective our ability to exit becomes. And as the possibility of exit diminishes, we will slowly lose our liberties and freedoms. As libertarians, we must beware of this and fight against the consolidation and centralization of any and all government power. We must preserve the possibility of exit!