



CASCADE UPDATE

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Time to unlock SAIF

Much media attention and political fanfare surrounded the March 1 release of Cascade's latest report, *The Benefits from Unlocking SAIF: Why Oregon Should Open Its Workers' Compensation Market*. SAIF Corporation is a state agency that sells workers' compensation insurance to Oregon employers. By law, virtually every business must buy such insurance, either from SAIF or a private competitor, or self-insure.

Is SAIF well run? Does it benefit Oregon as a whole or only select organizations? Should the state government be engaged in this activity? These questions and others are answered in *The Benefits from Unlocking SAIF*.

Cascade chairman William B. Conerly, Ph.D., author of the report, is a member of Governor Kulongoski's Council of Economic Advisors, and he served in that capacity for Governors Goldschmidt, Roberts and Kitzhaber. In late 2002 Conerly was appointed by the Oregon Speaker of the House to a PERS reform taskforce. He is the principal of Conerly Consulting, an economic and financial consulting firm.



In an interview with Portland's KGW-TV News Channel 8, Oregon Labor Commissioner Dan Gardner stated, "I think that Cascade Policy is right on target. They say that we should be selling the SAIF Corporation. I think they're right."

Ultimately, Conerly concludes, "There is no good reason for the State of Oregon to be in the insurance business. The usual theories used to support government activities do not support SAIF's existence." Conerly's conclusion is buttressed by financial findings. His recommendation—that Oregon "sell SAIF to the highest qualified bidder"—was success-

fully accomplished in Michigan nearly a decade ago. Conerly advocates that sale proceeds be used "to provide tax relief or general benefits for everyone."

Among the key financial findings Conerly highlights in *The Benefits from Unlocking SAIF* are:

- SAIF has \$200 million to \$500 million more in reserves for future payments than it needs. In addition, it has a huge cushion of about \$1.1 billion because its reserves for future payments are not discounted to take into account the time value of money. SAIF's surplus is also about \$200 million higher than an insurer its size needs. Combining these figures, SAIF could pay a dividend to its owner of \$400 to \$700 million and still have the \$1.1 billion cushion against unforeseen problems.

- If sold on the open market, the assets of SAIF Corporation and the Industrial Accident Fund are worth about \$2 billion more than

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Oregon, hungry for the truth

by John A. Charles

Oregon's status as the so-called "hungriest state in the nation" has given advocates of big government increased traction in their drive to redistribute more wealth. For example, groups such as the Oregon Food Bank have successfully used the issue to campaign for an increase in Oregon's minimum wage in 2002.

A recent article of mine challenged the conventional wisdom about hunger—and it caught the media's attention. Susan Palmer of the Eugene *Register-Guard* wrote, "John Charles of the Cascade Policy Institute, a free-market think tank in Portland, caused a stir in food bank and anti-poverty circles with a January article in *Brainstorm*, a Northwest magazine of politics and culture, that called into question the national data." Parts

of her story were picked up by the Associated Press and re-printed in numerous newspapers throughout the state.

Why all the controversy?

"Lowering income tax rates would be the most direct way to put more money back in the pockets of hungry Oregonians."

The federal hunger survey: less than meets the eye

Since 1995, the U.S. Census Bureau has surveyed some 40,000 households annually to assess food insecurity. Respondents are asked 18 key questions, and the answers place them on a con-

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In support of free markets

"I support the free-market just as much as you do, but ..." I've heard this refrain several times in recent years, and it never fails to catch my attention.

The first time was in 1991 when the City of Portland was planning to franchise residential garbage service. At the time Portland was the largest city in the country without government garbage service or a private monopoly protected by law.

After I had written and testified before the city council about the harmful effects of government intrusion into the garbage business, a local garbage hauler called me. He wanted to explain how protected franchises—that is, government protected private monopolies—were actually a good thing.

After a few minutes he realized that I wasn't buying his arguments, so he made

what I refer to as The Statement—"I support the free market just as much as you do, but..." The but, of course, was the exception he felt should be made to protect his business from competition and consumer choice.


Today I'm hearing The Statement from business people who argue that the State of Oregon should continue to sell workers' compensation insurance in competition with private firms. Cascade's just released report on SAIF Corporation calls for government to get out of the insurance business.

I understand that SAIF has provided low net premiums for many businesses, including Cascade. Those low premiums, however, are low at the expense of other businesses and all Oregonians. Our report explains in detail why there is no compelling reason for government to sell the insurance it requires. This is

consistent with Cascade's mission, which is not pro-business and not pro-corporate welfare, but rather pro-liberty, markets and consumer choice.

Business people argue for government help at their peril. If government is justified in selling insurance, then why shouldn't it sell food, clothing or shelter, all things we cannot do without? The slippery slope to socialism begins when businessmen and women fail to consistently defend capitalism.

There may be a case for government franchising garbage, selling insurance, and subsidizing some businesses at the expense of others. It's just not a free market case.



Steve Buckstein, President

Cascade Policy Institute

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Long-time supporter elected to board

Larry W. Dennis, Sr. was elected to Cascade Policy Institute's board of directors in January. Dennis is the founder and president of **Turbo Leadership Systems**, an executive team building and leadership skills development organization. Dennis has been a consultant and trainer since 1962.

"Larry's background will strengthen the Institute's leadership and broaden its ability to advance individual liberty and market-based solutions in Oregon," said Cascade president Steve Buckstein. "Larry has been a friend of the Institute for years. We're glad to formalize the relationship."

Dennis has consulted for business executives and personally trained sales and

customer service representatives and entrepreneurs coast-to-coast as well as South Africa, Italy, the West Indies, Canada, and Great Britain. He is the author of six business books on topics including leadership,



Larry W. Dennis, Sr.

team building, customer service, and time management, and writes a weekly column for the *Portland Daily Journal of Commerce*.

Dennis currently serves on his church board. He formerly served on the Business Advisory Council at Warner Pacific College, the Board of Trustees at John Wesley College, and the Education Committee of the Portland Chamber of Commerce.

Dennis states, "With honor and enthusiasm I accepted the invitation to join the board. Cascade and I share the same philosophical foundation and vision of a society of free and responsible people. That's why I have supported the Institute financially and attended many of its events over the years, and encourage friends and colleagues to do the same."



Cascade's new board member Larry Dennis visits with education policy analyst Nick Weller.

“There ought *not* to be a law”

by Wendy McElroy

One danger of arguing for or against a position is that everyone thinks you are saying, “There ought to be a law.”

Take the issue of discrimination on the basis of sex or gender as an example. If you argue against it, people assume you want to prohibit discrimination. If you argue for the right to discriminate, they assume you want to return to Jim Crow laws and force women back to the kitchen.

“There ought to be a law” is the unspoken message underlying much of public discourse. And that message makes people reluctant to listen impartially because agreement might lead to yet another regulation.

On most of the issues I address, my underlying message is “there ought *not* to be a law.” This is because the issues involve personal ethics, not public policy. The difference: Personal ethics involve moral decisions concerning the use of your own body and property—that is, virtue and vice. Public policy involves those actions that threaten or violate the rights of others—that is, crime.

“The Bill of Rights protected personal morality by telling the government to mind its own business regarding matters of conscience.”

Lysander Spooner, a 19th-century legal theorist, wrote a classic tract entitled *Vices Are Not Crimes*. He argued: “Vices are those acts by which a man harms himself or his property. Crimes are those acts by which a man harms the person or property of another.” I prefer a different wording. A vice is the bad or immoral exercise of a right, for example, to conclude that blacks or women are subhuman and/or to refuse to associate with them. A crime is an act you have no right to commit at all—for example, theft, murder, rape.

This distinction lies at the heart of the Bill of Rights, which codified individual rights—the right of every individual to



determine the use of his or her own person and property. The Bill of Rights protected personal morality by telling the government to mind its own business regarding matters of conscience. Consider the First Amendment, “Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press ...”

“You cannot force a person to be moral; you can only make them conform. True morality requires freedom and cannot exist without it.”

The Bill of Rights doesn’t say the “establishment of a *proper* religion” or “freedom of *respectable* speech.” It protects the right to believe and to speak, even if the ideas and attitudes expressed are wrong, immoral. As Mark Twain would say, “Every man has the right to go to hell by a means of his own choosing.”

James Madison, often referred to as the father of the U.S. Constitution, wrote in *The Federalist Papers*: “The diversity in the faculties of men, from which the rights of property originate, is an insuperable obstacle to a uniformity of interests. The protection of these faculties is the first object of government.”

Today, the distinction between personal morality and public policy is collapsing. Much of the blame rests with political correctness. This evolved form of liberalism declares that certain ideas and attitudes are improper and, so, should be prohibited by law. For example, because it is improper to view women as inferior to men, discrimination against women should be prohibited. The law should encourage correct attitudes and discourage incorrect ones.

Political correctness stands in sharp contrast to the traditional American value of legally respecting, not restricting, everyone’s right to their personal beliefs. The beliefs may be accurate or false, virtuous or vicious, but everyone has the right to use their own judgment to arrive at their own conclusions.

And the right to discriminate based on those conclusions comes from freedom of association. That is, the right to decide whom you wish to invite into your home. Whom you wish to hire as an employee in

a business you own. And that decision should be left to the judgment and conscience of each human being. Not law.

The conflict between personal freedom and public policy arises when society strongly disapproves of certain moral choices, such as discriminating on the basis of race or gender. When a choice becomes widely viewed as a vice, society often tells the erring individual, “you have no right to reach this conclusion and live according to it.” In other words, “there ought to be a law.”

This approach assumes that personal freedom must be restricted in order to promote virtue: It assumes that the two are in conflict.

I believe the opposite is true. The freedom of individuals to choose, without intrusive state regulation, is the prerequisite of morality. A coerced “choice” does not reflect virtue, only compliance. In other words, you cannot force a person to be moral; you can only make them conform. True morality requires freedom and cannot exist without it.

“Political correctness stands in sharp contrast to the traditional American value of legally respecting, not restricting, everyone’s right to their personal beliefs.”

Those who value virtue should be first in line to declare, “There ought not to be a law” governing vice.

What there ought to be is a return to non-legal remedies for vice: education, peer pressure, denial of membership, shaming, persuasion, excommunication, therapy, losing face, losing business, non-violent protest ...

People who believe in both morality and freedom, as I do, should argue vigorously for virtue without ever denying the freedom of the individual to decide. Because without freedom there is no morality. Only social control.

Wendy McElroy is the editor of ifeminists.com, a project of the Independent Institute. She is the author and editor of many books and articles, including *Freedom, Feminism, and the State* and the forthcoming anthology *Liberty for Women: Freedom and Feminism in the 21st Century*.

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tinuum with “food-secure” at one end and “food-insecure with hunger” at the other end.

Approximately 13.7 percent of Oregon households were “food-insecure” during the years 1999-2001, while 5.8 percent of households had at least one person who experienced hunger at some point during the survey period. These numbers are actually lower than the 1996-98 period, when Oregon’s rates were 14.2 percent and 6.0 percent, respectively, but that modest improvement does not get broadcast. What is discussed is that Oregon’s rate for “hunger” was the highest of any state in the country.

“The federal report states, ‘The prevalence of hunger on any given day was much lower than the annual rate; on a typical day in 2001, about 0.4 to 0.6 percent of households were food-insecure with hunger.’ This clarification is rarely, if ever, mentioned by mainstream journalists.”

The annual federal survey drives the public discussion, but the numbers are deceiving. First, the actual hunger rates are just estimates. Due to sampling error, we can only say that Oregon’s food insecurity rate probably lies between 10.7 and 14.5 percent, and that the hunger rate lies between 4.8 and 6.8 percent. Thus, Oregon’s status as the “nation’s hungriest state” is a myth perpetuated for political purposes; any of six states may actually have the



The challenge we now confront in Oregon, and across the country, is that the last residual pockets of hunger may often be the result of poor lifestyle choices made by the hungry themselves. According to an Oregon Food Bank survey, more than 30 percent of food bank users dropped out of high school.

most hunger, but no one knows for sure.

Second, people reported as food-insecure with hunger are not chronically at risk; it means that they experienced hunger some time (possibly only once) during the previous year. The federal report states, “The prevalence of hunger on any given day was much lower than the annual rate; on a typical day in 2001, about 0.4 to 0.6 percent of households were food-insecure with hunger.” This clarification is rarely, if ever, mentioned by mainstream journalists.

Mark Nord, the team leader for the federal research group that produces the annual study, reiterated this point, “The food security measure is quite sensitive temporally in that it reflects the worst conditions of the year. We keep saying this over and over in the reports.”

Income, poverty trends tell a different story

The annual food insecurity survey would be disturbing if that were the only source of information we had about human well-being, but other statistical measures suggest that Oregonians are far better off than the survey indicates. In fact, most trends related to food availability, income, and consumption are overwhelmingly positive.

For example, according to the Oregon State Audit, income per person in the state rose from \$16,398 in 1989 to \$28,224 in 2000.

As the wealth tide rises, it is lifting all boats, not just those of the rich. According to the U.S. Census Bureau, between 1967 and 2001 the percent of all U.S. households earning less than \$15,000 annually dropped from 22 percent to 15 percent, nearly the lowest level in history.

Meanwhile, the number of affluent households is increasing. During that same period, the number of families with annual incomes greater than \$50,000 increased from 23 percent to 43 percent of all families.

Americans are eating better at lower cost

In terms of food availability, there has never been a better time to be alive. Consumers have far more choices, and they spend less of their disposable income on food than ever before.

Americans now consume about 50 percent more grain products and about 25 percent more fruits and vegetables per capita than they did in 1970. Americans also eat leaner meat and drink lower fat milk (surprisingly, per capita consumption of coffee dropped by 32 percent, notwithstanding the meteoric rise of Starbucks).

Because incomes have risen much faster than food prices, the amount spent on food

by the typical family dropped as percentage of household income. According to the U.S. Department of Agriculture (USDA), the percentage of disposable personal income spent on food declined from 17 percent in 1960 to 11 percent in 1997. This has freed up more household income for utilities, rent and recreation.

“The annual food insecurity survey would be disturbing if that were the only source of information we had about human well-being, but other statistical measures suggest that Oregonians are far better off than the survey indicates.”

Food is not really the issue

Because the cost of food is lower than at any point in history, there isn’t much to be gained by trying to further subsidize food purchasing. Other areas of policy offer a bigger bang for the buck in terms of reform. One is the high cost of housing, typically the largest single expense for most families. The biggest impediment to producing more affordable housing is the proliferation of zoning laws. State and local regulations regarding lot size, minimum density, and farmland preservation can add tens of thousands of dollars to the cost of an individual home, without providing any increased protection for public health or safety.

As a recent paper by the National Bureau on Economic Research noted, “In the places where housing is quite expensive, zoning restrictions appear to have created these high prices.”

People who care about hunger should be in the forefront of challenging Oregon’s burdensome land-use regulations. To date, that has not happened.

Another area of reform that could help low-income people would be tax relief. Lowering income tax rates would be the most direct way to put more money back in the pockets of hungry Oregonians. But that is just the start. Employers are hammered with a multitude of taxes that many employees do not even know about, such as business license fees, taxes for unemployment benefits and social security, and (in Portland) the Tri-Met regional payroll tax. Business taxes take revenue that could be used to pay higher

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wages, employ more people, or are added to the cost of goods or services, thereby saddling the poor and others with higher prices. Hunger activists should be working to lower or repeal many of these taxes.

The Cascade report, *Unintended Consequences: How Government Policies Hurt Oregon's Poor*, is as relevant today as it was in May 1996 when it was published. Public officials who truly want to help those who want to help themselves can find that report at www.cascadepolicy.org.

“Because incomes have risen much faster than food prices, the amount spent on food by the typical family dropped as percentage of household income....This has freed up more household income for utilities, rent and recreation.”

Lifestyle choices matter

The USDA noted in its *2000 Guide to Measuring Household Food Security*, “The success of the nation’s nutrition-assistance safety net...has meant that extreme forms of hunger, common in Third-World countries, have been virtually eliminated in the US.”

The challenge we now confront in Oregon, and across the country, is that the last residual pockets of hunger may often be the result of poor lifestyle choices made by the hungry themselves. According to an Oregon Food Bank survey, more than 30 percent of food bank users dropped out of high school. Others undoubtedly became parents before they were ready or developed costly tobacco and alcohol habits that cut into their food budgets. Yet, much of the literature produced by hunger advocacy groups avoids discussing these problems. To the contrary, most of the reports and newsletters treat low-income families as victims of an unjust economic system that must be reformed through greater regulation.

Actions have consequences, and attempting to help poor families without expecting something in return will not break the cycle of poverty. That explains the widespread failure of most welfare entitlement programs over the past 40 years.

Confusion about human rights

In 1991, the Oregon legislature adopted a state policy that “all Oregonians have a right to be free of hunger.” As is often the case, legislators apparently forgot to consult the Bill of Rights before voting. The U.S. Constitution guarantees certain rights to opportunity, such as the right to assemble, to publish a newspaper, and to speak; it does not guarantee outcomes. Those are determined on the basis of ability and the work ethic of each individual. Achieving a hunger-free Oregon through legislation is not possible, and the attempt to do so by redistributing wealth will dramatically reduce individual liberty.

Former U.S. Supreme Court Justice Louis D. Brandeis observed, “Experience should teach us to be most on our guard to protect liberty when the government’s purposes are beneficial. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greater dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.”

A longer version of this essay, “Feast or Famine: How Hungry is Oregon?” by Cascade senior policy analyst John A. Charles, appeared in the January 2003 issue of *Brainstorm NW*, available at www.brainstormnw.com.

Cascade research intern and Portland State University student Joseph Coon helped organize a campus talk by **Cato Institute** senior fellow Tom G. Palmer. Nearly 100 attended his presentation, “Globalization is Great...but the World Bank and IMF Ain’t.” Palmer spoke on behalf of the Institute for Humane Studies (theIHS.org), which offers programs for students interested in liberty, markets, and peace.



Students discuss the benefits of free trade with Palmer after his presentation.



Debbie Brannigan, co-founder of www.capitalistchicks.com, and Cato’s Tom Palmer after his PSU talk.

Donating time and talent

By Claudine Paris

Cascade president Steve Buckstein and I have known each other since 1991, when the Institute was founded. Over the last twelve years I’ve watched—and helped—the Institute earn the respect of business and community leaders and public officials for its common sense solutions to policy questions.

My initial contributions to Cascade were financial. I am now retired, however, and cannot provide as much financial support as before. To make up the difference I donate my time and talents. Recently I have prepared mailings for legislators and supporters, assisted with donor development and helped staff Cascade events, which allows me the opportunity to hear great speakers and meet other supporters.

When I volunteer at Cascade I know my efforts are helping to move Oregon and the nation closer to the ideals of this country’s founding: individual liberty, personal responsibility, open markets, and peace. This provides great personal satisfaction.



Claudine Paris and Paul Keller (back to camera) assist Jon Hadley with a Cascade mailing.

Like me, you may wish you could do more—and you can. If you have writing, editing, publishing, layout, event organizing, fund raising, web site or other skills that could help advance the Institute’s mission, contact administrative assistant Jon Hadley. He can be reached at (503) 242-0900 or info@cascadepolicy.org. Contact Jon today and join me to make Oregon a more prosperous, culturally dynamic, and free state.

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their future liabilities.

In a related Cascade commentary about SAIF Conerly wrote, “No other agency could accumulate hundreds of millions of excess dollars that weren’t needed to accomplish its mission.” In his report he emphasizes, “Tinkering with SAIF is the least desirable option. Tinkering would lead to continued arguments about technical details without removing the underlying conflicts that exist because of how SAIF is structured.” Taking SAIF’s excess resources to plug current state budget holes would only provide short-term budget relief and leave the state engaged in a non-governmental activity. He emphasizes the best solution is to sell SAIF.

“Michigan has done exactly what I propose. In 1994, the Accident Fund of Michigan was sold by the state to Blue Cross/Blue Shield. Rates fell the next year.”

—William B. Conerly

Conerly writes, “The fact that the State of Oregon runs a workers’ compensation company is a historical artifact, not a necessity. Michigan has done exactly what I propose. In 1994, the Accident Fund of Michigan was sold by the state to Blue Cross/Blue Shield. Rates fell the next year.”

There would be significant competition to purchase SAIF, and competitors to challenge it once sold. Conerly’s research shows that Oregon “has 446 private insurers authorized to write workers’ compensation insurance. Not all of them are currently active, but 206 reported collecting workers’ compensation premiums in the state in 2000.” Other firms might also have an interest in buying SAIF. The private sector is providing this service; there is no need for the State of Oregon to do so.

An alternative to selling the agency would be to give SAIF to its policyholders. This, too, has been done. Conerly states, “In 2000 Nevada gave its insurance operation to the policyholders, making it a mutual insurance company. Oregon could follow Michigan or Nevada’s lead after transferring excess resources to the state.”

A third option would be to give Oregonians ownership of SAIF, much like state-owned companies were transferred to

private hands in former Eastern Bloc countries. If this option were pursued Conerly estimates, “Oregonians would get stock worth perhaps \$1,500 per household” (\$2 billion divided by 1,334,000 households).

Other conclusions in the report include:

- SAIF does not earn a return for the general public and taxpayers. Benefits from SAIF’s assets are used to expand SAIF and to provide below-cost insurance to favored businesses. As such, SAIF’s operations constitute corporate welfare.
- SAIF’s economic structure presents conflicts of interest and potential for empire building and political abuse.
- SAIF Corporation does not provide universal access, and it reduces competition.
- Contrary to its claims, SAIF does not lower costs for the overall workers’ compensation market in Oregon.

Measuring Oregon against comparable states and using a two-firm concentration ratio, Conerly’s research shows, “Oregon is clearly the most concentrated workers’ compensation insurance market in the country.” In short, there is less competition here, giving SAIF a stronger position. “We can expect further concentration of the Oregon market as SAIF accumulates more and more resources.”

When it has suited their interests, SAIF officials claim it is a government entity. For example, when sued for age discrimination SAIF’s attorneys argued in court that it was a public agency, and therefore exempt from such laws. However, at other times SAIF officials have argued that it is a private organization, thereby providing it protection from different rules, protection that government agencies do not have. There are at least six reasons why SAIF, in reality, is a government agency:

- SAIF management and staff are members of the Public Employee Retirement System (PERS).
- SAIF claims exemption from federal and state income taxes, and does not pay them.
- SAIF is exempt from assessments to the Oregon Insurance Guaranty Association (all private insurers are legally required to pay into this fund, which would pay claims if an insurance company fails).
- SAIF is limited by law to writing workers’ compensation insurance, and can do so only in Oregon.



William B. Conerly, Ph.D., was interviewed by three television news programs about his Cascade SAIF report.

- A government agency—the Oregon Investment Council—manages SAIF’s investment portfolio.
- Oregon courts have ruled that SAIF is a government agency.

“Why should the State of Oregon run an insurance company? There is no good reason for this any more than there is a good reason for the state to run a grocery store or a gas station.”

—William B. Conerly

Conerly asks, “Why should the State of Oregon run an insurance company? There is no good reason for this any more than there is a good reason for the state to run a grocery store or a gas station.”

Nonetheless, some argue that the state must sell worker’s compensation insurance because it mandates all employers to carry it. This is logically incorrect, notes Conerly, “The state requires automobile drivers to carry liability insurance, but it does not sell that kind of insurance.”

Prior to March 1, word of the soon-to-be released report spread and Cascade began receiving calls from public officials and the media. Conerly was interviewed by three Portland television stations the weekend *Unlocking SAIF* was released; shortly thereafter he met with the editorial page editors at the *Eugene Register-Guard* and *Salem Statesman Journal*. He was invited to speak on the topic before the Senate Committee on Transportation and Economic Development. On March 10 the

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Oregonian cited Cascade's report in an editorial titled, "The combination to open Saif." In a television news interview Oregon's newly-elected Labor Commissioner Dan Gardner, a Democrat, said, "I think Cascade Policy is right on target."

"This report has ignited a healthy debate, and Conerly makes a compelling case to sell SAIF," says Cascade president Steve Buckstein. "Whether taxpayers, policyholders and/or other constituencies reap the proceeds is tangential to the principled position that Oregon state government has no business selling insurance."

"If sold on the open market, the assets of SAIF Corporation and the Industrial Accident Fund are worth about \$2 billion more than their future liabilities."

—William B. Conerly

Buckstein points out, "The private sector is perfectly able to provide workers compensation policies that protect injured workers at an affordable cost to employers. The state should focus on its core responsibilities of protecting our lives, liberty and property."

The Benefits from Unlocking SAIF: Why Oregon Should Open Its Workers' Compensation Market is available online at www.cascadepolicy.org.

Mr. Buckstein goes to Washington

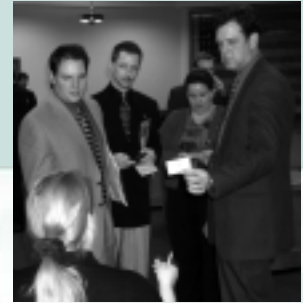
Institute president Steve Buckstein and a select group from 35 other state think tanks participated in a three-day conference in Washington, DC. Organized by the **Frontiers of Freedom Institute**, Buckstein and his peers spent the afternoon of March 13 at the White House, where they were briefed by senior administration officials on a myriad of issues.

"I was encouraged by the ideas expressed by leading administration officials," said Buckstein. "They spoke strongly about general tax cuts, the elimination of the double taxation of dividends, a move toward personal retirement accounts, and important medical liability reform. If put into action, such ideas will strengthen our economy and benefit all Americans."

Cascade just completed four Legislative Leadership Forums at the State Capitol, as it did during the 2001 and 1999 sessions. The forums are open to state legislators and staff, public employees, lobbyists, members of the business community and others engaged in public policy. Speakers provided an overview of important issues facing Oregon lawmakers, and offered practical suggestions for policymakers.



Feb. 13 — Cascade education policy analyst Nick Weller (left) discusses school choice with Ed Dennis (center) and Mike Greenfield, respectively chief of staff for Oregon's Superintendent of Public Instruction and the deputy superintendent of operations. Weller's talk addressed "Oregon Education: Spending, Funding and Learning."



Feb. 18 — Erik E. Swensson, MD (right), president of the McMinnville Physicians Organization, speaks with forum attendees after his "Making Health Care Healthy Again" presentation. To his immediate left is Maribeth Healy, project manager of Oregonians for Health Security.



Feb. 26 — Cascade chairman William B. Conerly highlights "The Path to a PERS Solution" before legislators and their staff, the PERS legislative liaison, a Senate General Government Committee representative, a former political science professor, and others.



Mar. 12 — Michael Garvey (center), legislative assistant to Sen. Bruce Starr, asks Cascade environmental policy director John A. Charles a question after his talk, "An Introduction to Free-Market Environmentalism." Listening in are (left) farmer and property rights activist Deanna Dyksterhuis, and two of several homeschool debate students who came to the Capitol for Cascade's forum.

Think tank seeks accountant

Cascade Policy Institute seeks a qualified accountant. This position entails an average of 10 hours of work weekly and, though time in the office will be necessary, some work may be completed offsite. This opportunity is well-suited for a retiree, stay-at-home parent, and other individuals interested in part-time work.

The successful applicant will be responsible for a full range of general ledger tasks, from accounts payable through financial statement presentation. Other aspects of the job include: preparing journal entries, preparation of payroll, bank reconciliation, and basic cash management.

The ideal candidate will be a CPA or have a strong accounting background. Expe-

rience required. Applicants must possess the following skills: knowledge of accounting theory, analytical ability, and proficiency in written and spoken communication and Microsoft Excel. Experience with QuickBooks Pro is a plus.

Please, no phone calls. Send your cover letter (indicating salary requirement) and résumé to jobs@cascadepolicy.org, or:

Finance Director
Cascade Policy Institute
813 SW Alder, Suite 450
Portland, OR 97205

April 5 – The 2003 Oregon Land Use Forum in Wilsonville, organized by Oregonians in Action (www.oia.org).

April 8 – King City Republican Women host a luncheon, “Reviving Health Care” with Kurt T. Weber. Please contact Ruth Kennedy (503) 537-9685, or Lou Mathis (503) 639-3367 for more information.

April 16 – Cascade hosts a Portland luncheon for Andrew Coulson, author, *Market Education: The Unknown History*. His luncheon presentation will be, “Are Public Schools Hazardous to Public Education?”

Publications

• **The Benefits of Unlocking SAIF: Why Oregon Should Open Its Workers’ Compensation Market**, William B. Conerly, Ph.D., Policy Insight No. 123, March.

• **It’s time to unlock SAIF**, William B. Conerly, Ph.D., Cascade Commentaries (CC) 2003-08, March.

• **Let neighborhood schools determine their future**, Nick Weller, CC 2003-07, February.

• **Options increase in local phone markets**, James Gattuso, J.D., CC 2003-06, February.

• **Fix PERS to fix future budget problems**, William B. Conerly, Ph.D., CC 2003-05, February.

• **Don’t buy the Beavers, sell the stadium**, Michael L. Barton, Ph.D., CC 2003-04, January.

• **Shop ‘til you drop, public officials**, Adrian Moore, CC 2003-03, January.

• **Flock to Hawk Mountain**, Bart Frazier, CC 2003-02, January.

• **Oregon state spending up even if Measure 28 fails**, William B. Conerly, Ph.D. and Steve Buckstein, CC 2003-01, January.

Publications and event details are online at www.cascadepolicy.org, or call (503) 242-0900.

By Kurt T. Weber

Several years ago a farmer in the former Soviet Union was interviewed on a national news program about the transition to more market-like agriculture policies. He wearily wondered aloud, What happens if I have a bad year of crops? What will I do?

Having grown accustomed to the government dictating what crops to plant, where they would be sold and at what price, the farmer grew dependent and, in his mind, helpless. Government subsidies notwithstanding, U.S. markets offered farmers the opportunity to care for themselves through crop insurance, crop futures, and other private means.

After Oregon voters rejected Measure 28 and higher income taxes, others immediately threw up their hands. If government does not take care of the truly needy, who would? We will, and we have.

In the early 1800s, Alexis de Tocqueville lived in the United States, where he was impressed by Americans’ private charitable instincts. In *Democracy in America* he wrote, “I have often seen Americans make really great sacrifices for the common good, and I have noticed a hundred cases in which, when help was needed, they hardly ever failed to give each other trusty support.” He noted, “I have come across several types of association... and I have often admired the extreme skill they show in proposing a common object for the exertions of very many and in inducing them voluntarily to pursue it.”

De Tocqueville observed, “In the United States, political associations are only one small part of the immense number of different types of associations found there.

“Americans of all ages, all stations of life, and all types of disposition are forever forming associations. There are not only commercial and industrial associations, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large and very minute. Americans combine to give fêtes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons, and schools take shape that way. ...In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association.”

With foresight de Tocqueville warned, “The more government takes the place of associations, the more will individuals lose the idea of forming associations and need government to come to their help.”

There are countless private associations for helping those who need a helping hand. The United Way. Your church. Habitat for Humanity. The Muscular Dystrophy Association. Union Gospel Mission. Salvation Army. Ronald McDonald House. Red Cross. American Cancer Society. Your local shelter. March of Dimes. And thousands more.

Upset by government waste, or Measure 28? Want to help the needy? Take action. Give to a private charity that provides direct help, not one that lobbies to create dependency. You can provide a helping hand. Today.

Kurt T. Weber is vice president of Cascade Policy Institute.



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