

Sen. Charles Grassley (R-Iowa) discusses America's role in the post-Cold War world at Cato's March 30 conference, "The New World Order and Its Alternatives."

they believe that in the post-Cold War era economic influence will be more important than military power.

In the final panel, "Alternative Security Strategies," two scholars advocated two different types of an activist foreign policy. Jenonne Walker of the Carnegie Endowment for International Peace called for a system of collective security under which the United States would share power and nations would give up some sovereignty. Owen Harries, editor of *National Interest*, said that although the end of the Cold War means that the United States can substantially reduce its foreign military involvement, it still has a world role—containing the military power of Germany and Japan, for example.

Doug Bandow, Cato senior fellow, criticized collective security through either the United Nations or regional alliances. He said that the United Nations cannot be trusted with military force and that the interests of the United States would not always coincide with those of its putative allies. Eric Nordlinger of Brown University said that "isolationism" would bring maximum benefits both because the United States is largely immune from foreign threats and because that policy would avoid dangerous provocations.

Sen. Charles E. Grassley (R-Iowa), in his luncheon address, said that while the United States should maintain its leadership in the world, it could not be a global policeman. ■

Book Challenges International Claim

Does Gun Control Work in Japan and England? Would It Work in U.S.?

A new Cato book tests the seductive argument that since countries with strict gun control have less gun crime, the United States would have less crime if it had stronger gun control. *The Samurai, the Mountie, and the Cowboy: Should America Adopt the Gun Controls of Other Democracies?* by Denver attorney David B. Kopel offers a thorough investigation of both the gun laws and the cultures of Japan, Canada, Great Britain, and other democracies. He concludes that the lower crime rates

of those countries reflect their less violent cultures far more than their strict gun laws.

Kopel finds that gun control in other countries is often unrelated to crime. The British Commonwealth enacted gun laws in the 1919–20 panic over the "foreign-born anarchists" who were trying to lead a labor revolution. Most of the nations that have strict gun control also have much more powerful—albeit often benign—governments and much less respect for civil liberties than we do in the United States. In any case, Kopel finds that the key explanation of a nation's crime rate is the self-control of its citizens.

Kopel offers the most comprehensive analysis ever published in the United States of the gun control laws of several foreign countries. He also explains America's unique gun culture in the context of the American traditions of civil liberties and individualism.

The Samurai, the Mountie, and the Cowboy, published by the Cato Institute and Prometheus Books, is available from Cato for \$28.95. ■



David B. Kopel

Book Calls for Health Care Reform

Decades of government intervention in the medical marketplace have brought us to the current crisis in medical care, and deregulation will lead us out. So concludes Terree P. Wasley in the forthcoming Cato Institute book

What Has Government Done to Our Health Care? In this concise and readable book, Wasley shows how the problems in our current system stem directly from a long history of government meddling. From the licensing of doctors, to state accreditation of medical schools, to restrictions on the building of hospitals, government has systematically limited the supply of medical care and stifled innovation.

Moreover, through the tax laws, regulation of the insurance industry, and Medicare and Medicaid, the federal and state governments have overstimulated demand for medical services by distorting the prices of those services. When government constricts supply and stimulates demand, Wasley writes, the result is what we have in the medical care industry today: skyrocketing prices, which take their greatest toll on the poor and the uninsured.



Terree P. Wasley

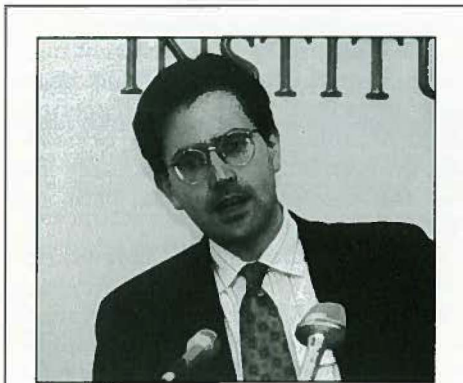
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Health Care (Cont. from p. 13)

What Has Government Done to Our Health Care? balances that history with a tour of other nations' health care systems. The book's lesson is that, contrary to the claims of those who call for further nationalization of the system, government control does not produce accessible, high-quality health care at reasonable costs. In particular, Wasley shows that Canada's vaunted national health insurance system, which has been recommended for the United States, is not what it's cracked up to be. Care is rationed by bureaucrats, and there are long delays for even routine services. But costs have not been controlled any better there than here.

Wasley's prescription is to reverse government encroachment on the medical marketplace by giving consumers the freedom to control their own health care spending. Her proposal includes letting individuals spend pre-tax money on health insurance and pay noncatastrophic health care bills from tax-free savings accounts. Under that system, prudent buyers of health care would impose cost-consciousness on the system and reverse the price spiral. That in turn would make medical care and insurance more accessible to those who earn the lowest incomes.

What Has Government Done to Our Health Care? is available from the Cato Institute for \$10.95 in paperback, \$19.95 in cloth. ■



Jonathan Emord has joined the Cato Institute as vice president for development. He is an attorney who has specialized in First Amendment and telecommunications law and is the author of *Freedom, Technology, and the First Amendment*, published by the Pacific Research Institute.

EPA Doesn't Recognize Air Quality Improvement, Cato Study Charges; Foreign Military Aid Should End

The EPA dramatically overstates the urban smog problem. No monopoly was ever created by "predatory pricing." Military aid programs are a boon to arms makers in an age of defense-budget cuts. And the political science profession has a vested interest in opposing congressional term limits. Those are the conclusions of Cato studies published over the last two months.

Clearing the Fog about Smog

There has been a dramatic improvement in ozone air quality in 61 U.S. cities that the Environmental Protection Agency still classifies as problem areas, according to a preliminary analysis of 1991 ozone data done by K. H. Jones, a former senior scientist with the Council on Environmental Quality. "The Truth about Ozone and Urban Smog" (Policy Analysis no. 168) says that if 1991 ozone data were incorporated into the three-year data base used by the EPA to determine nonattainment status, the number of cities where smog exceeds federal limits would fall from 89 to 28. Recalculation of the data base could relieve the economy of a \$26 billion annual regulatory burden imposed by the 1990 amendments to the Clean Air Act.

Jones concludes that, outside California, 57 percent of the marginal nonattainment areas, 76 percent of the moderate nonattainment areas, and 83 percent of the serious nonattainment areas are actually in compliance with federal standards. He argues that temperature-adjusted data for non-California urban areas show a 74 percent reduction in ozone nonattainment since 1985 and that America has experienced a 60 percent reduction in median ozone exceedances since 1988.

Predatory Pricing and the Market Process

Inefficient firms accuse their rivals of predatory pricing to press the government to attain for them what they cannot attain for themselves in the mar-

ketplace, charges Thomas J. DiLorenzo, professor of economics at the University of Tennessee at Chattanooga. In "The Myth of Predatory Pricing" (Policy Analysis no. 169), DiLorenzo explains that the myth of predatory pricing, which fails to recognize that price cutting is a normal activity in competitive markets, persists because predatory pricing litigation is very profitable and members of Congress frequently attempt to protect businesses in their districts from foreign competition.

Any proposal to interfere with voluntary market pricing is a denial of the legitimacy of private property rights and individual freedom of choice, DiLorenzo argues. He points out that there has never been a clear-cut case in which an alleged predatory pricing strategy led to monopoly. Government-sanctioned protectionism, exclusive franchising, and other barriers to competition—not the free market—are the true sources of monopoly, he concludes.

Military Aid Should Be Ended

Military aid programs are both expensive and morally offensive, writes David Isenberg of the Center for Defense Information in "The Sins of Security Assistance Programs" (Foreign Policy Briefing no. 18). Isenberg points out that the United States is the world's largest supplier of arms and that the Bush administration has requested \$7.38 billion for taxpayer-subsidized military aid programs in FY 1993.

He charges that Washington wants to increase commercial sales of military equipment as a way of keeping the military-industrial complex happy when the Pentagon budget is cut. He also points out that U.S. arms are routinely used by repressive regimes to menace their neighbors or brutalize their own populations, making the United States an accessory to those crimes. If one of those governments is overthrown, Isenberg writes, the United States may be blamed for the misdeeds of the ousted regime, as it was in Iran, Nicaragua, and