EDITORIAL

LESSONS FROM ALASKA

> Our territory and now state has traditionally been the home of people who prize their individuality and who have chosen to settle or to continue living here in order to achieve a measure of control over their own lifestyles which is now virtually unattainable in many of our sister states. — *Raven v. Alaska (Alaska Sup. Ct. 1975).*

Alaska has recently pioneered in three areas which are of interest to those involved in the battle to preserve personal liberty from encroachment by the state. The three developments were significant, although they did not receive much attention in the national media.

The first event took place last year, when the Alaska Supreme Court held in *Raven v. Alaska* that criminal penalties for adult possession of small amounts of marijuana in the home was an unconstitutional invasion of the individual's right to privacy. Although limited to possession by adults for personal use at home, the landmark decision was the first to recognize that the possession of marijuana is constitutionally protected. Relying in part on a 1969 U.S. Supreme Court case holding that an individual had a right to possess pornography for private use at home, the Alaska decision was based on the right-to-privacy amendment which was added to the Alaska Constitution in 1972. The court stated that "privacy in the home is a fundamental right," and that the state could prohibit the possession of marijuana for personal use in the home only if it could persuasively show "that the public health or welfare will in fact suffer if the controls are not applied."

After a lengthy review of scientific evidence, the court concluded that "the use of marijuana, as it is presently used in the United States today, does not constitute a public health problem of any significant dimensions." The court also found that marijuana use "is far more innocuous in terms of physiological and social damage than alcohol or tobacco," but emphasized that it did not condone the use of marijuana, which the court viewed as a matter for individuals to determine for themselves. Criminal penalties for possession of marijuana outside the home were upheld, primarily based on the court's assertion that it related to the need for control of drivers under the influence of marijuana.

At least fourteen suits challenging marijuana prohibition are now pending in the United States based on the Alaska ruling that possession of marijuana in private by adults may not be constitutionally criminalized. While it may be properly criticized for its rather limited holding, the Alaska precedent is an innovative step forward, in combatting the overreach of the criminal law, which may also prove useful in challenges to laws regulating other private adult conduct such as consensual sexual behavior.

The second noteworthy Alaskan development was the adoption of a new, stricter standard to review the constitutionality of legislation challenged as violative of equal protection rights. In *Isakson v. Rickey,* the Alaska Supreme Court decided to reject the conventional equal protection test which—except in the limited situations subject to "strict scrutiny," where the right infringed upon is classified as "fundamental" or the statutory category is deemed to be "suspect"—invariably results in the upholding of legislation. Although many attempts at legislative economic regulation were struck down by the courts under the contract clause or Fourteenth Amendment due process clause of the United States Constitution prior to 1934, the courts thereafter adopted a "hands-off" position, using a "rational basis" test to uphold all types of regulatory legislation as valid exercises of state police powers.

The Alaska court noted widespread dissatisfaction with the "rational basis" test, which results in virtually rubber-stamping legislation that is of dubious propriety. Enunciated in May 1976, the new standard requires that challenged legislation (which does not involve a fundamental right or suspect classification) must be shown to bear a "fair and substantial relation to the purpose sought to be advanced."

Courts have devised various formulas to determine the constitutionality of legislation, and—except for the "strict scrutiny" test—most of them are inadequate in restraining legislative power. Alaska's new "substantial relation" test is more demanding than the old "rational basis" standard, and, the court notes, raises the level of the test "from virtual abdication to genuine judicial inquiry." In its first application of the new test, the Alaska Supreme Court ruled that a cut-off date for applications for commercial fishing entry permits did not bear a fair and substantial relation to the purpose of the legislation and therefore violated equal protection rights.

An 1866 New York decision knowingly observed that "No man's life, liberty or property are safe while the legislature is in session." Times haven't changed much since then, and thus we generally favor an across-the-board application of the "strict scrutiny" test, because it inevitably favors the challenger against the state (although it occasionally has been used to strike down sound legislation). Nonetheless, although its new test would sustain undesirable legislation so long as it closely relates to the legislative purpose, we commend the Alaska Supreme Court for taking a significant step in the direction of judicial protection of the citizenry from the heavy hand of the legislature.

The third significant development was the enactment of legislation to permit Alaskan doctors to administer the controversial drug Laetrile to cancer patients. The importation of Laetrile is prohibited by Federal law, and its prescription as a cancer treatment has been banned by laws in every state. Some Americans have gone to Mexico to obtain the drug, which is made from an extract of apricot pits, and a number of criminal cases are pending involving charges of smuggling the drug into the United States from Mexico. The ban on Laetrile is based on the paternalistic notion that the drug is not a proven treatment for cancer and its use may endanger patients who delay in seeking other proven treatment methods.

Alaska Governor Jay Hammond was urged to veto the legislation by the F.D.A. and the medical profession, but he refused to do so, stating, "The main question in my mind is how far do you go in protecting people from themselves." Hammond soundly concluded that a patient has an "overwhelming" right to receive Laetrile and that the legislation merely "allows each Alaskan to decide for himself" what is in the patient's best interests. The legislation became effective on June 21, 1976. It provides that the drug might still be banned if the Alaska Medical Board ruled it was harmful, but there have been no indications that the Board will take a position on the use of Laetrile.

There's obviously much more pioneering to be done, but it's nice to see how personal liberty is being sheltered by the emerging trends in Alaska. Let's hope that other governmental units swiftly follow these Alaskan lessons. — **Manuel S. Klausner**

LETTERS

(continued from page 4)

operating on the 100% reserve principle possess, to the extent of their notes or promises issued, a reserve fund. Their notes are not inflationary since they do not result in an increase in the amount of money or money substitutes in circulation. For every note issued, an equivalent amount of real money is withdrawn from circulation to be held in the bank's vault as part of its reserve fund.

Issuing promises to pay money at a certain specified time is not fraudulent, provided that the issuer has a reasonable expectation of having the required cash or bullion on hand at the necessary time. However, issuing promises to pay money *on demand* (particularly when such promises are intended to circulate like money) in excess of the cash or bullion on hand is fraudulent. The legal holder of such a promise (to pay on demand) has the right to demand real money for it at any time. The issuer of such a promise (in excess of the cash or bullion on hand) knows it is impossible to redeem all of his promises at the same time and is therefore acting fraudulently.

Anyone interested in the principles underlying this discussion should by all means consult Murray Rothbard's excellent monograph, THE CASE FOR A 100 PER CENT GOLD DOLLAR.

Carl Watner
Baltimore, MD

Mr. Cobb replies: I am sorry that Mr. Watner considered my article "amorphous" (presumably that means poorly written). I am even more sorry that he missed my main point. His pet scheme of 100% reserve banks would not solve his problem as long as other institutions, or individuals, can issue money substitutes.

Even if there were a United States law requiring 100% reserves for all domestic banks, how would this law control banks in the Cayman Islands, which maintain dollar deposit accounts and make loans in dollars?

The proposal for 100% reserves is an attempt to impose a *Quantity Rule* on the supply of money and credit. Such a device can only work if all forms of interpersonal credit creation are brought under regulation—which no libertarian could tolerate. If you prefer a 100% reserve bank, and I prefer a 10% reserve bank, who are you to tell me and my banker that we cannot make a contract?

What I proposed in my article (and this is not original with me) is a *Price Rule* for the unit of account, rather than a quantity rule for the set of promises which circulate as money. It is the unit of account, after all, which is our problem. If Mr. Watner examined David L. Fargo's excellent article in the June issue, "Will Gold Clauses Return," he might have noticed that the power of Congress to take a six letter word ("dollar") and make a unit out of it, without any constraints from the real sectors of the economy, is the source of our problem. If the unit of account itself were a real unit, such as "gram" or "ounce," the citizenry would laugh if the government tried to alter the definition of the currency unit. The transitional program which I suggested, which Mr. Watner also failed to comment on, would represent a workable "floor support system" for the dollar against gold—and if the government proved completely irresponsible, the dollar itself could be junked in favor of "gold-grams" or some better monetary unit of account.

I certainly have read Murray Rothbard's booklet, and I do not quarrel with him as far as he goes. I would suggest that your readers go directly to the source, however, and read Ludwig von Mises, *Theory of Money and Credit,* or the very recent short pamphlet by Prof. F. A. Hayek, *Choice in Currency,* published by the I.E.A. in London.—J.C.

REVOLUTIONARY APPLAUSE

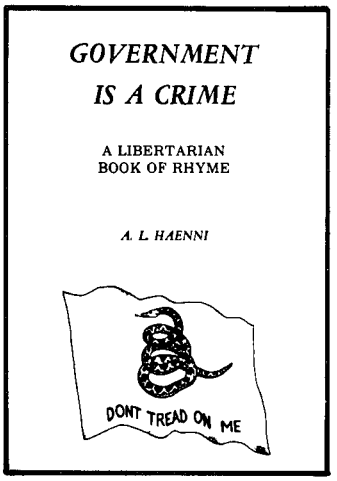
Congratulations! The REASON staff has surpassed itself in the July issue. Every month, for years, I have anticipated the pleasure of devouring the articles, comments, viewpoints, and classifieds. But the July 4th issue is the best yet.

Marty Zupan's interview with Adam Smith is an excellent introduction to his laissez faire economics. Beautifully edited.

Bill Marina's essay, "American Revolution as a People's War," is a long awaited correction of the myth of the revolution as a minority movement.

And Murray's "American Libertarian Revolution" puts the emphasis where it belongs—on ideology, not economics. Not that we libertarians can't recognize an anti-state movement when we see one. But after all the claptrap written by both conservatives and collectivists; Murray is a breath of fresh air (sometimes pure oxygen).

This is a very short book of libertarian rhyme, Conservatives and Liberals may think it a crime...



93 Pages — $2.00
shipped postage paid in a protective book mailer direct from the author
Box A
Grover, Missouri 63040
Quantity Prices on request

CHEROKEE INSTITUTE
Box 7243-V
Kansas City, MO 64113

SMOKERS' TOOTHPOWDER

Remove tobacco film with this activated British toothpowder. Here is a strong power against the most stubborn and ugly nicotine stains. And you get a gently refreshing Regimental formula that Winston Churchill used . . . $2.50 a tin, and worth 3 times the price.

World Famed BREVETTATA Tear Gas Pistol SOLD DIRECT BY MAIL

REQUIRES NO PERMIT

Solid metal construction with bulldog grips, looks like a real gun. Stops aggressor without permanently injuring him. Gives needed protection for people who work in lonely, dark locations. Ideal night security for wives and daughters. Still no federal permit or license needed, but not sold to minors. Fires seven cartridges without reloading. The price of each gun-unit includes one gun, ten rounds of tear gas shells, and all shipping cost. Prompt shipment. Insured. We've been selling tear gas equipment for the past fourteen years. Thousands of satisfied customers.

- ☐ 1 Gun-Unit $17.00
- ☐ 2 Gun-Units @ $15 ea. .....(total $30)
- ☐ 3 Gun-Units @ $14.50 ea. ...(total $43.50)
- ☐ 4 Gun-Units @ $14 ea. .....(total $56)
- ☐ 6 Gun-Units @ $13 ea. .....(total $78)
- ☐ Extra tear gas shells .....$3 for ten
- ☐ Blanks for practice .....$2.50 per 100
- ☐ Holsters .....$2.50 ea.
- ☐ Tear Gas Antidote, Bottle $2.88

NAME ... CITY ...
ADDRESS ... STATE ... ZIP
Enclosed is ☐ Check for $___
☐ Money Order for $___
or charge my ☐ Master Charge ☐ BankAmericard
Card Number ___
Exp. Date ___ 1975 Brevettata
Signature ___

ORDER BY MAIL from BREVETTATA,
Dept. PE, 310 W. 9th St.
Kansas City, Mo. 64105

REASON'S COMMENT OF THE MONTH

The letter below by subscriber William A. Hayes, appeared in the July 10, 1976 issue of *The National Observer:*

FREE MARKET MOMENTUM

It pleased and somewhat surprised me to find an article in The Observer *[Mainstreams, May 29] extolling the virtues of* laissez-faire *economic principles. That this is a position easily misunderstood is made evident by Morton C. Paulson's Observations of June 12.*

When Mr. Paulson asks Mr. Roberts to "show us the way out of it all," he demonstrates either ignorance of or disregard for the history of governmental intervention in our economy. Item: The Great Depression, both its causes and its two major relapses, as well as other "wrenching business cycles," resulted from the activities of government agencies, especially the Federal Reserve. (See Milton Friedman's Capitalism and Freedom.) *Item: Every oppressive monopoly which has ever survived has been protected by law or other actions of government. (See* The Myth of Antitrust, *by Alan Greenspan.) Item: Laws to protect individuals from pollution by corporations and other bodies and individuals have existed since the 1890's but have been ignored until recently by government in the interest of "progress" and the "public good." Item: When property is private, it is protected by its owners; when it is public, it is owned by no one and abused by all. Witness government leasing of timber and mineral rights, and our national and state parks. Item: Consumer fraud, deceptive advertising, true corruption, etc. are properly handled by honest adjudication of fraud suits in the courts. We have excellent civil law to protect us as individuals from force and fraud in the "private sector," but very little defense against the same crimes perpetrated by our government (e.g., the actions of IRS, CIA, FBI, FDA, etc.).*

The truth is that the economic expansion of the Twentieth Century was generated by the mostly free market of the Nineteenth and has been hindered during the last 75 years from being as great as it could have been. The momentum so generated now appears to be slowing, and without a major influx of the philosophy of libertarianism will apparently grind to a halt, aided and abetted by those in political power.

It is awareness of the facts of political-economic history which evidently motivated Mr. Roberts to write what he did. These same facts have led to increasing support for the Libertarian Party, with its philosophy of individual liberty and economic freedom.

William A. Hayes
Maquoketa, Iowa

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, and to submit replies to TV and radio editorials, presenting libertarian views on topics of current interest. Each month the editors of REASON select the most notable published letter or broadcasted reply for republication in this space, and honor the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters or broadcasted replies to Reason Comment of the Month, Box 40105, Santa Barbara, CA 93103.

If some readers haven't read Murray's volume I, *Conceived in Liberty* (co-authored with Leonard Liggio) then I recommend it as a powerful history text.

Thank you editors. Happy revolution day.

Janice Laraine Allen
Neshanic Station, NJ

DIVESTING MYTHS

Congratulations for printing William Marina's insightful article on the American Revolution. I count myself among the many who had been sucked in by the myth that the Revolution was a minority movement, and I am happy to find I was misled. In other ways I also appreciate the perspective of Marina's article, which shed additional light upon *recent* history as well as past history. Even more, I am confirmed in my belief that what passes for instruction in history in the public schools is no more than the rankest kind of political indoctrination. Would that the truth will out!

I would also like to comment briefly on some remarks Paul Beaird made in his review of Spooner's *Natural Law, Or the Science of Justice.* Toward the end of his review, Beaird reiterates some basic maxims of natural law theory—with most of which I am in sympathy. It seems to me, however, that natural law theorists pay insufficient attention to the element of caprice in nature's events. I often get the impression that natural law theoreticians look upon themselves as following a scientific tradition of seeking after the "laws" that regulate nature . . . and humanity. The analogy doesn't quite fit, because science is really the pursuit of a *description* of nature. So far, these descriptions have become rather comprehensive—but all of them recognize the essentially statistical nature of physical processes, i.e. the presence of caprice in the so-called natural "order." There is plenty of disorder in the world, and this is perfectly natural.

What has this to do with natural law? Beaird tends to echo Lagrange, with his early notion of a completely causal universe, where consequences inexorably redound to the agent of actions. Unfortunately, complete causality is equivalent to determinism and the natural law concept of justice-proceeding-from consequences is more wishful thinking than an accurate world-view. Need I remind anyone that there are often cases when "consequences" do *not* redound on the doer—either because of anonymity or natural caprice—and cases where consequences befall the innocent? There is no "justice" in contracting polio, for instance. Neither is there justice in having one's business wiped out by more aggressive competition.

This talk of justice tends to invoke a world-view that interprets good and evil as things inherently definable in nature. Nothing is further from the truth. Good and evil are human inventions, and so is justice. Nature knows nothing of either and works without regard to either.

It may not be good natural law theory, but I hold with Walter Kaufmann that we would be better off to divest ourselves of this myth of justice. Instead, we should concern ourselves with making the best of whatever we are dealt, rather than trying to enforce on the world a fancied "natural balance."

Mike Dunn
Santa Barbara, CA

A TOUCH OF BIAS?

Your July 1976 number featuring articles on the Bicentennial of not only American Independence but also

the publication of *The Wealth of Nations* was more than usually pleasant and informative. However, I wish to disagree with some of the conclusions presented in the article "The American Revolution as a People's War," by William Marina.

It is a relief to see that Mr. Marina does not fall into the error of portraying the Revolution as having been won by buckskinned frontiersmen who took their long rifles off the wall and went out to hide behind rocks and trees and shoot British formed up in triple line. However, he does fall into the error of inflating the prowess of the Patriot militia.

For example, he says, "They [the militia] were intelligent enough to see little sense to the 'stand up and fire at the other guy' tactic that characterized warfare then . . . ." (p. 36). In warfare tactics are primarily dictated by technology. The primary infantry weapon used by both sides was the "Brown Bess" musket, or American-made copies thereof. This weapon was characterized by poor accuracy, low reliability, and, by modern standards, a low rate of fire. (Experienced troops could, in battle, get off three shots a minute.) These factors dictate concentration of troops to attain effective fire.

Or, on page 37, "The American militia swarming around General Burgoyne's forces at Saratoga . . ." The militia force on hand the day before the battle amounted to 4000, as compared to Gate's 8000 Continentals. Suddenly, the greater portion of the militia remembered that their enlistments expired that very same day, and promptly left.

Or, the implication that Cornwallis's forces were defeated by the militia, found at the end of the paragraph containing the previous quote. The American commanders in the South found it necessary to post their militia in the front line in battle. This was because upon coming under fire, the militia tended to panic and flee.

In actuality, the siege of Yorktown was conducted by Washington's 11,000 Continentals, who were drilled in the contemporary European style of "stand up and fire at the other guy." The trainer to these troops was Friedrich von Steuben, a former Prussian officer. Now the Prussians were the most typical of European troops in their tactics. (Of course, one must not forget the Comte de Rochambeau and his 12,000 French troops, nor the French fleet under de Grasse that prevented evacuation of Cornwallis's troops.)

Finally, do I detect a touch of bias? "The Americans also practiced terror . . . it was strategic and selective . . . whereas British reprisals against the population . . . were random and without real purpose." (p. 36) It has always been the privilege of the victors to write the history of the war to suit themselves, whitewashing themselves and blackening the enemy's record. The preceding statement is an ideal example of this.

Joseph T. Major
Hopkinsville, KY

PANAMA CAVIL

I am referring to the July Viewpoint article denigrating U.S. title to the Panama Canal because it is an enclave of U.S. socialism. A superimposed layer of Castro-Panamanian socialism would hardly improve the situation. If according to treaty sovereignty is Panamanian and title American, why not let it remain that way without any concession?

The column charges impropriety only on the part of U.S. in the original treaty negotiations. If so, then why did money leave the U.S. Treasury rather than enter it? All America received was a strip of malaria-infested

(continued on page 49)

Three taped speeches by one of the most important and controversial figures on the "New Left."

KARL HESS

takes you inside politics -- from right to left.

From establishment Republican to New Left anarchist. From leading conservative ideologue to tax rebel.

Such was the remarkable political odyssey of Karl Hess.

In the course of his journey, Hess turned out numerous articles and books that have been a major force in creating and publicizing the libertarian movement. "The Death of Politics" in *Playboy*, for example, and "An Open Letter to Barry Goldwater" in *Ramparts*.

If you're intrigued by Karl Hess' ideas and his political metamorphosis, you'll want to hear him speak. Now, three major addresses by Hess are available on cassette tapes—exclusively from AUDIO-FORUM.

On these tapes, Hess proves to be even more eloquent and hard-hitting than he is on paper. His probing analyses and devastating wit give you a first-hand, "behind-the-scenes" look at politics and society—unlike any you've heard before.

When Karl Hess reports on what goes on in right- and left-wing circles, he speaks with the authority of a true insider. Hess was a founding editor of *National Review*. Barry Goldwater's chief speechwriter in the 1964 presidential campaign, and the holder of a top post with the Republican National Committee. Yet only a few years later, he was to find himself involved with SDS, the Black Panthers, the antiwar movement, tax resistance, and various alternative projects for achieving social change at the neighborhood level.

Yet Hess maintains that he did not undergo a dramatic "conversion," but simply a logical development. "I still believe in the same things I've always believed in," he said recently.

Here's your chance to find out what Karl Hess is *really* like. Order one, two or all three of these fascinating tapes.

What Happened to Conservatism?/ Hess traces his development from conservative to New Left libertarian. His incisive and critical discussion covers a broad range of issues, including the economy, the role of the corporation, the concept of an "American destiny," military defense, and labor unions. Speaking before a largely conservative audience in Washington, Hess alternately shocked and delighted his listeners. This on-the-spot recording captures all the intellectual excitement of the occasion, and includes a lively question-and-answer session./ **Tape 319 (58 min.) $9.95**

The Psychology of the Ruling Class/ A perceptive analysis of power and those who wield it. Hess discusses the psychological traits which distinguish the "power elite" from the rest of us. He provides some startling new evidence to support the old dictum that "power corrupts absolutely." Recorded at the University of Maryland's "Who Rules America?" conference. In the course of the question-and-answer session, Hess presents his opinions on current issues and political figures in the news./**Tape 422 (53 min.) $9.95**

Libertarian Advocate Dinner/ We are saddled, Karl Hess believes, with a tyranny of the inept. He delivers a blistering attack on Rockefeller, Kissinger, Reagan, and assorted Government agencies. Also included on this tape are short speeches by Murray Rothbard, Peter Breggin, E. Scott Royce, and Chuck Morgan. Hess is introduced by Alan Bock, director and founder of the Libertarian Advocate./**Tape 420 (107 min.) $12.50**

All tapes unconditionally guaranteed. Rush order form today!

Send me the Karl Hess tapes I've checked below. I understand that if I'm not entirely satisfied, I may return the tape or tapes purchased within three weeks for a prompt refund.

☐ All three Karl Hess tapes at a 12% discount, $28.50
☐ #319 "WHAT HAPPENED TO CONSERVATISM?" $9.95
☐ #422 "PSYCHOLOGY OF THE RULING CLASS" $9.95
☐ #420 "LIBERTARIAN ADVOCATE DINNER" $12.50 AF143

Name _____
Address _____
City _____ State _____ Zip _____

☐ Enclosed is my payment ☐ Charge my credit card.
☐ BankAmericard ☐ Master Charge ☐ American Express
Card Number _____ Date Exp. _____
Signature _____

AUDIO-FORUM® 901 N. Washington St./Suite 200 Alexandria, Va. 22314

SA770

TRENDS

MILKING THE CONSUMER

The Council on Wage and Price Stability reports that U.S. consumers pay an extra $5-600 million each year for milk, because of state and Federal regulations. The Department of Agriculture is investigating charges that large dairy co-ops illegally raise milk prices. The 1975 President's Economic Report acknowledged the effect of regulations on raising retail milk prices. And the Justice Department's Antitrust Division is now looking into Federal milk regulation.

In addition to talk there has been some action. In the past two years the Virginia and Louisiana legislatures have repealed their milk regulations, leaving only 11 states with such laws. After a 1975 California repeal effort failed, the Consumer Cooperative of Berkeley challenged the constitutionality of the state price-fixing law by lowering its price 8¢ below the legal minimum (see "Trends," May 1976, p. 34). The State Director of Food and Agriculture has gone to court seeking a permanent injunction against the co-op. The latter, meanwhile, has been joined by Consumers Union, which has filed a "cross complaint in intervention." Thanks to this filing, if the injunction is denied and the law found unconstitutional, the finding will apply statewide, not just in the Berkeley area, thereby saving California shoppers an estimated $100 million per year.

Besides California, milk price fixing states include Alabama, Maine, Montana, Nevada, New Jersey, North Dakota, Pennsylvania, South Carolina, South Dakota, and Utah. Hopefully, repeal efforts will begin in these states, too, before long.

SOURCE:

- "The Revolt Against Milk Price-Fixing," *Consumer Reports,* July 1976, p. 416.

MEDICAID CAPITALISM

"Anything you can do I can do better," seems to apply no matter where private enterprise turns its attention to performing government services on contract. The latest example is state medicaid programs and the case in point is North Carolina. Last year that state signed a two-year, fixed-price ($405 million) contract with Health Application Systems, Inc. to operate the state's entire medicaid program. In return for that $405 million, HAS will pay all legitimate claims, even if costs rise and more people become eligible for the program. State officials are pleased with the contract because they know in advance what the program will cost, and estimate a two-year saving of $4.5 million compared with running the program themselves.

How does the company expect to make money on the deal? For one thing, it has developed automated claims-processing and management techniques that can spot fraud and waste far more effectively than the state's former manual processing methods. Secondly, the firm has full control over hiring and firing of its employees, unlike the state bureaucracy with its civil service workers. Consequently it fully expects to make a profit on the contract. HEW officials regard the North Carolina experiment with interest, as a possible prototype for replication in other states. Creeping capitalism turns up in some of the least expected places

SOURCE:

- "When a State Turns Over Medicaid to a Private Firm," *U.S. News and World Report,* March 22, 1976, p. 20.

PROFESSIONAL LOOSENING

Yet another skirmish in the battle to free the market for professional services has been initiated by the ever-innovative Federal Trade Commission. The agency has announced an investigation of state laws that prohibit dental laboratories from selling dentures directly to customers, permitting only dentists to practice this arcane trade. An FTC spokesman noted that this most recent probe is, as REASON readers are well aware, part of a wide-ranging program investigating "matters that restrict competition and may be raising the price" of health care services.

One might think, with such FTC pronouncements becoming common and with the Supreme Court beginning to throw out such laws, that other professions would get the message. Not so. At the recent National Water Resources and Ocean Engineering Convention of the American Society of Civil Engineers, many speakers urged that state engineering registration boards be made *stronger.* The ASCE Committee on Standards of Practice even urged that the state boards, rather than the professional societies, enforce professional codes of ethics. Fortunately, cooler heads than the Committee's prevailed when it came to a vote, with a final tally of 150-2 in favor of ASCE continuing to enforce its own code of ethics.

SOURCES:

- "FTC to Weigh Bypassing Dentists in Denture Sales," AP (Washington), July 23, 1976.
- "Highlights of the San Diego Convention," *Civil Engineering,* June 1976, p. 70.

PEANUT SUPPORTERS

Perhaps anticipating a Jimmy Carter presidency, the Agriculture Department has launched a drive to terminate the government's program of peanut price supports. Peanuts are the last remaining food crop being kept out of the free market by government programs—in this case (1) import controls to prevent the entry of low-priced foreign peanuts, (2) restrictions of peanut crop sizes by acreage restrictions, and (3) government support prices above free-market levels (i.e., prices at which the government guarantees to buy up any surplus—typically 30 percent of the crop). The net effect of these programs is to raise the prices of peanuts and peanut products, besides taking some $200 million each year directly in tax money.

Repeal of the peanut program faces tough going in a Congress in which agricultural Democrats still control important committees. If Earl Butz can pull this one off, he can take a certain well-deserved satisfaction in hitting the potential next president where he lives.

SOURCE:

- "Costly Peanut Plenty," *Time,* July 19, 1976, p. 48.

CURBING THE BIG SPENDERS

One morning in the not-too-distant future, Congress might wake up to find itself stripped of a major power. Prospects have increased substantially for a new Constitutional convention that would force Congress to balance the budget. Twelve states to date have passed a resolution insisting upon just