

"Courage is the price life exacts for granting peace."

—Amelia Earhart



# The Birmingham Libertarian

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February 2001

## Organizational Meeting on February 12th

This month's meeting will include discussions concerning the Alabama legislature, the Libertarian Party of Alabama Convention 2001, ballot access, promotions including a billboard proposal, media activity, activist groups, the UAB student group, and future guests for our supper club.

We will be discussing the Libertarian National Committee meeting also taking place at this time in Indianapolis. Our chairman will be participating in this historic event. We are expecting some major changes in policy that will push us forward into the twenty first century.

The Libertarian Party of Alabama is growing! One out five voters in Alabama voted Libertarian – come join us and find out why!

### The Greater Birmingham Libertarians

David Mitchell, Coordinator

2330 Highland Avenue

Birmingham, AL 35205



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# California's power crisis: Don't blame deregulation

by Tonie Nathan

Take a look at this headline: "Deregulation Ends In Failure." Or this one: "The Perils of Deregulation: Can the Free Market Keep the Lights On?" And this: "Deregulation Sets Utilities Up for Failure." The fact is, those headlines are false, misleading, and calculated to develop antagonism to deregulation, a process by which American citizens can get unnecessary government intrusion out of their lives.

Although there was no real deregulation of California's electrical industry, the label "deregulation" was haphazardly slapped on a process whereby the state government regulated purchases, prices, and sales. The result? Public distrust for the idea of deregulation.

But California has never had real deregulation of its electrical industry. None. What they have had is socialism, and it doesn't solve problems -- it creates them. Let's look at some of the false statements being made.

James Williams, who teaches history at De Anza College in Silicon Valley, gives us a textbook example of blatant distortion: "California's electricity deregulation experiment, which makes electricity fully subject to the free market, reverses a century of sound experience. The state's crisis shortages, rising rates and threatened utility bankruptcies should be a stern warning for the rest of America. Electric power deregulation is a result of exaggerated pride and faith in the free market that now threatens the very foundations of California's prosperity and even that of the rest of the nation."

Bunk! Enacted in 1998, the so-called deregulation plan forces certain private utilities to sell some of the generating plants that gave them power. They had no choice. Is this deregulation?

The plan ordered certain private utilities to deliver power to a centralized "Power Exchange." They had no choice in the matter. Is this deregulation?

The plan compels certain private utilities to buy from sources dictated to them. They cannot search the market for better buys. Is this deregulation?

Worst of all, the plan sets the price the utilities can charge their customers. Is this deregulation? Is this the free market at work?

Obviously, the free market was not operating in California. The so-called deregulation plan just fiddled with existing government controls.

Yet the New York Times published an article December 10 stating, "California's blind faith in markets has led to an electricity shortage so severe that the governor has turned off the lights on the official Christmas tree."

The article so outraged George Reisman, Professor of Economics at Pepperdine University and author of the prestigious *Capitalism: A Treatise on Economics*, that he responded to it at length.

Reisman noted that "...the actual cause of the (California) fiasco is not at all the free market but rather, from beginning to end, destructionist government policy, in large part inspired by environmentalist fanaticism."

Reisman points out, "The so-called free market in

electric power in California consists of the fact that, last summer, price controls were removed from the power supplies of San Diego County and the southern portion of adjacent Orange County, while remaining in force throughout the rest of the state.

"The power supplies of this relatively small part of California were suddenly opened up to the competition of power companies throughout the rest of the state and in surrounding states, who were desperate for additional power to avoid the brownouts and blackouts caused by government price controls in their operating territories," Reisman continues. "Price controls and the government's restrictions preventing the construction of new power-generating capacity now repeatedly compel the utilities to operate close to the limit of their existing power-generating capacity."

When wholesale power costs shot up because of demand elsewhere and lack of supply, the retail utilities in California could not raise their rates to cover their increasing costs because they were forbidden to do so because of the so-called deregulation plan.

After blackouts started rolling through the energy grid and consumers screamed, Energy Secretary Bill Richardson intervened and substantially reregulated California, removing many of the requirements of the plan mentioned earlier.

However, Reisman does not believe reregulation is the answer. (After all, shortages had been projected for years, yet government regulators did nothing.) Reisman offers a solution for the San Diego problem, exactly opposite to

(Continued on page 3)

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[dmitchell@melior.org](mailto:dmitchell@melior.org)

**Local Meetings, 2nd Monday of the month:**  
Jim 'N Nick's Bar-B-Q  
220 Oxmoor Road  
Just off I-65  
942-3336



## Ask Dr. Ruwart



### Question:

"I find that I'm inherently in agreement with all of the principles of libertarianism. However, there is one fundamental question that I have not managed to answer for myself, and I have not yet read any attempt at addressing the matter.

"How can one expect a person to take power (in the form of a government, as a politician), and then reasonably expect them to conduct themselves in a selfless manner?"

"Even if a group of liberty-minded individuals banded together and proclaimed independence, they would forever be at the mercy of the greater masses of the mainstream... i.e., selfish and greedy political opportunists and their [hordes] of followers (admirers, conscripts & slaves), who will do their bidding, i.e., wage war.

"Given this, I cannot see how libertarianism could be successful or enduring. It seems impractical."

### My short answer:

"People are indeed selfish. They look to their own self-interest every time, both as individuals and elected officials. For this reason, the libertarian ideal is certain to succeed.

"Liberty is a win-win scenario, even for those 'opportunists and their hoards of followers' who erroneously believe that they profit by making war and controlling others. Once the aggressors understand that they get more of what they want (e.g., wealth, health, happiness) in a free society, they will selfishly become libertarians.

"For example, in my book *Healing Our World*, I estimate that the U.S. would be approximately 4-8 times wealthier as a libertarian society. For other nations, the increase is even more dramatic. Studies show that increasing the wealth of a society increases its health as well.

"I've come to believe that practicing aggression, by creating separation between ourselves and others, limits our ability to experience happiness. (Maybe that's why we never see pictures of Hitler smiling.) Using aggression to gain things (e.g., power) to create happiness, therefore, backfires every time!

"When we understand how non-aggression gives us more wealth, health, and happiness, we will do the selfish thing. We'll become libertarian."

Dr. Ruwart's book *"Healing Our World"* features persuasive arguments for liberty, backed with \*over 500 references\* showing how liberty works. You can browse the entire book online at: <http://www.ruwart.com/Healing/>

## (Continued from page 2) Deregulation

what is being considered.

"...(T)he truth is that an immediate, partial solution to the sharp rise in power prices in this limited area is the immediate decontrol of power prices throughout the rest of California and, indeed, throughout the whole Western-states region, which shares a more-or-less integrated power grid," says Reisman. "The effect of such decontrol would be an immediate substantial increase in the supply of electric power available for the decontrolled market and thus, probably within days, if not hours, a sharp drop in the price of electric power in the decontrolled market."

Supporting many of Prof. Reisman's views is Tony Blankley of the *Washington Times*.

Blankley points out: "The reason California has been hit so hard is that for 25 years environmental extremists have forced the closure of atomic energy plants and insisted on excessive reliance on always more natural gas for electricity generation. In the last 20 years no net new power has been brought on line."

And Blankley ends up where I started. "This isn't a free market, it's a governmentally rigged market."

Nuff said, I hope.

\* About the author: Tonie Nathan is a former businesswoman, broadcast journalist, and columnist. She is former national media relations director for the Libertarian Party and the first woman in U.S. history to win an Electoral College vote as the Libertarian nominee for Vice President of the United States (1972).

## Ex-LP member confirmed as Interior Secretary

A former Libertarian Party member has been confirmed as the new Secretary of the Interior -- a move that could mark a "step in the right direction" towards more sensible federal environmental and land-use policies, say party leaders.

On January 30, Gale Norton, 46, was confirmed by a 75-24 vote of the U.S. Senate to head the Interior Department, which manages nearly 500 million acres of government-controlled land, including national parks and wildlife refuges.

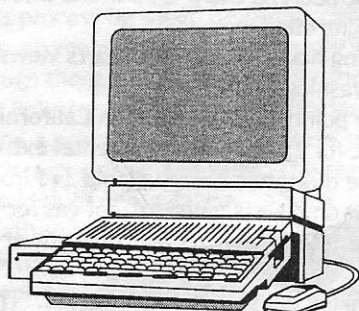
## LPA Pledge Program continues bringing in needed income. We are well on our way to DOUBLING our monthly pledges!

Included is an insert--please consider investing in the Libertarian Party of Alabama. We also have a survey that we are asking our members and friends to fill out. Frankly, we would like a little input from our readers as to where our priorities ought to be.

MR

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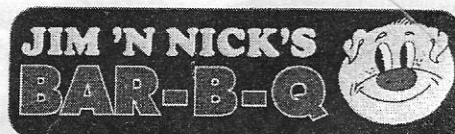
## NEWS OF THE WEIRD

by Thomas J. DiLorenzo

During the U.S. Senate confirmation hearings for attorney general nominee John Ashcroft, Senator Ted Kennedy (D-O'Shea's Saloon) threw a fit over a perfectly correct statement once made by Ashcroft regarding how the founding fathers advocated the Second Amendment right to bear arms because of their belief that a well-armed citizenry constituted yet another check on governmental tyranny. "What, us, tyrannical?" Kennedy bellowed. He then demanded that Ashcroft "apologize to the American people" for having made such an outrageous statement. Senator Kennedy is perhaps the most important member of Congress because in incidents like this he reminds Americans of how truly corrupt, tyrannical, deceitful, and rotten to the core the US State has become.

[www.lewrockwell.com](http://www.lewrockwell.com)

The Greater Birmingham Libertarian Supper Club is open to everyone. We discuss issues of the day, politics, taxes, and personal freedom. Meetings are held the second Monday of the month unless there is a holiday, when meetings are moved to the third Monday. We begin at 6:30 (dinner 6:45) unless otherwise noted. There is no charge to attend and contributions are gladly accepted. And of course, bring a friend. This month's meeting is being held at::



**Jim 'N Nick's Bar-B-Q**

**220 Oxmoor Road**

**Just off I-65**

**942-3336**

**March's meeting on the 12th!**

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31





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I would like to give a monthly pledge of: \_\_\_\_\_

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Signature: \_\_\_\_\_

☐ **YES! Please count me in! My contribution or pledge is enclosed (check box at right)**

E-Mail: \_\_\_\_\_

## **Political Survey**

**We don't get too many opportunities to hear from our membership and our contributors. We would appreciate you taking a moment to answer the following survey. For any additional comments or suggestions please use the other side of this sheet.**

**What do think should be the main priority of the Libertarian Party of Alabama? Please check two at the most.**

- ☐ **Ballot Access**
- ☐ **Activist Programs**
- ☐ **Signs and Billboards**
- ☐ **Campus Activity**
- ☐ **Legislative Remedies**
- ☐ **Candidate Support**
- ☐ **Membership Growth**
- ☐ **Other**

**What ISSUES should the Libertarian Party of Alabama focus on? Please number by priority.**

**2nd Amendment Rights** \_\_\_\_\_

**Taxes** \_\_\_\_\_

**Drug War** \_\_\_\_\_

**Privacy Issues** \_\_\_\_\_

**Government Schools** \_\_\_\_\_

**Other** \_\_\_\_\_

**Thank you,  
M.R.**