

Houston Objectivism Society

Vol.7, No. 1 January 1994 Newsletter



Underlying "Relativity"

At the February 12 meeting of HOS, there will be a presentation by George Marklin entitled "The Philosophical Premises Underlying the Theory of Relativity and its Alternative." George summarizes:

"The theory of relativity is widely regarded as having philosophical implications which extend far beyond the boundaries of physics. It is thought to require a complete revision of our most fundamental concepts such as space and time, and its name is even invoked in totally unrelated fields with claims like: 'there is no absolute right and wrong because Einstein proved that everything is relative.' This talk will discuss some of these philosophical implications and analyze them from an Objectivist perspective and compare them with a possible alternative. It will be geared toward an audience with no specialized knowledge of physics but some general understanding of Objectivism."

This meeting will start earlier, 6 pm, and will take place in a private room at a restaurant: TGIF, at 9550 Bissonnet, just north of Highway 59 on the southwest side of Houston. Attendees will select and pay for their own dinner and be asked to pay a 15% gratuity.

How Come?

At the January 8 meeting, Chris Land presented HOS members with a session of "How Come?", a game which entertainingly teaches one to challenge one's implicit framework of assumptions for a situation. Chris ably led participants through a number of paradoxes, while J.P. Miller provided members with refreshments.

"How Come?" begins with a quizmaster posing a mystery or paradox, which is to be solved by asking questions of a kind that can be answered with a "yes" or a "no".

For example, a lawyer's son went to a football game with his father. They sat in their seats for the entire game, but the lawyer did not see any of the plays take place. How come?

After a series of questions, the questioner discovers that the lawyer is the boy's mother, revealing the false assumption that the father is the lawyer.

Thus, the game forces one to search for the more fundamental premises or wider context of knowledge which makes intelligible a paradox. While "How Come?" is a game, necessarily dealing with less than cosmic issues, it challenges participants to come up with questions which address more fundamental issues, a practice which would benefit anyone. One last example might illuminate this benefit:

The President of the United States proposes to destroy the world's most successful health care system. How come?

At this meeting, HOS president Warren Ross announced that pledges from members have already fulfilled scholarship awards for *The Fountainhead* and *Anthem* contests. This first year of offering a local prize for the *Anthem* contest is a big project for which Jim and Sandi Brents of Bay City have taken responsibility. Warren Ross continues to honcho *The Fountainhead* contest, a project he has taken on for seven years now.

Sarah Gonzales, a friend of members Sean Rainer and Laura Cass, was a visitor at this meeting. Sarah is a member of the Objectivist student club at Cornell University in Ithaca, New York and is majoring in communications.

Debates and Party in December

At the December meeting, two mock debates were presented, followed by a Christmas party.

The first debate focussed on the

propriety of sexual harassment laws. Janet Wich graciously took on the role of a malevolent creature arguing the need for subjective law to advance the cause of the Sisterhood, while Jeri Eagan ably defended man, rights, objective law, and civilization in general. After concluding the debate, a spirited session of "verbal contact" included questions and discussion of issues raised.

The next debate examined the issue of property rights versus zoning. Dwyane Hicks tainted the air with ardent appeals to sacrifice, the "public good", anti-ideological "practicality", and the "romance" of force to advocate zoning. Brian Phillips knocked down Hicks' evasions and falsehoods and presented the case for property rights and the fundamentals supporting it. After the debates, a police guard safely escorted Ms. Wich and Mr. Hicks to a motel room, where they underwent intellectual detoxification.

The Christmas party featured a wide variety of snacks provided by Dawn Phillips and a "Progressive" gift exchange, wherein attendees selected a wrapped gift or any gift previously selected. Frequent rapacious interchanges occurred.

Peikoff Blasts Clinton Health Care Plan

by
Dana Honeycutt

One of the most frustrating aspects of the debate over President Clinton's health care plan has been the absence of any organized, principled opposition to it. No one on the national scene—

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most notably not the Republicans in Congress—has questioned the basic premise underlying the plan: that people have a “right” to health care, whether they can afford to pay for it or not. To the extent that the Clinton plan has been challenged at all, it has been on the level of details, or the plan’s “practicality,” not on the level of fundamentals.

I was therefore pleased to discover that Leonard Peikoff was speaking at a “National Town Meeting” on health care, organized by two groups: Citizens Against Rationing Health (CARH) and Americans for Free Choice in Medicine (AFCM). Both of these are ad hoc organizations opposing the Clinton plan and supporting alternatives such as tax-free medical savings accounts. The meeting was the seventh of several planned around the country. It took place December 11 at the Red Lion Hotel in Orange County, California. There was an audience of 500, about one fourth of whom were doctors.

Dr. Peikoff was one of seven speakers at the meeting, and spoke for 15 minutes. He argued that to defend against socialized medicine, it is essential to take the moral high ground, on the basis of individual rights as *moral* concepts. It is useless to fight socialized medicine solely on the grounds that it is impractical, because given the choice between the noble and the practical, people choose the noble.

Individual rights as enumerated in the Declaration of Independence are rights to *action*. Your right to life does not mean that others have an obligation to sustain your life. You have the right to the *pursuit* of happiness, not to goods expropriated from others in order to provide your happiness. “We are not born with the right to...a trip to Disneyland...or to a kidney dialysis.” “Under the American system you have the right to health care if you can afford it, not because you want it or desperately need it.”

In his 1985 lecture “Medicine: The Death of a Profession,” Dr. Peikoff gave the hypothetical example of a government-enforced “right” to food and showed its consequences. In his latest speech, he gave a similar treat-

ment for a “right” to hair care, showing that the consequences of government funding of an industry are to destroy the industry and to enslave its practitioners. Once hair care is declared a “right,” people start changing their hair styles daily. Bald men everywhere get expensive hair transplants. Costs quickly rise out of control, with rationing following in one form or another: price controls, restrictions on services, “Certificate of Need” requirements for new barber equipment, etc. Service deteriorates. Barbers become subservient to cost-cutting administrators and bureaucrats. The better ones leave the field in disgust. Ultimately, the field collapses under the weight of controls.

The stakes are much higher in medicine than in hair care—literally life and death. As described in “Medicine: The Death of a Profession,” the above controls are already in place in the medical field under Medicare and Medicaid. The Clinton plan would all but eliminate whatever freedom is left in medicine. Clinton’s plan is both immoral and impractical. But, Dr. Peikoff concluded, to fight it based on its impracticality while ignoring or conceding the moral case is to ensure defeat.

Dr. Peikoff’s presentation was masterful, perfectly tailored to the context of the (largely non-Objectivist) audience. When, after seven minutes, he announced that he had been asked by the organizers to cut his speech short in order to get the meeting back on schedule, the crowd cried, “No!”, and he continued. When finished, he received a standing ovation. No other speaker that morning got such an enthusiastic response.

Not surprisingly, the other speakers (including three physicians and two economists) focussed less explicitly on morality and more on practicality, the issue of patient choice, and free market alternatives to the Clinton plan (e.g., tax free medical savings accounts). With the notable exception of one speech, the presentations were nevertheless uncompromising in their opposition to socialized medicine. (The exception was a speech by a Canadian physician, who opposes Canada’s socialized medical system and the Clinton plan

but asserted that any alternative plan must be “compulsory” and provide “the greatest good for the greatest number.”)

Of the two groups sponsoring the meeting, Americans for Free Choice in Medicine (AFCM) appears to be the more principled. Their literature states, “Americans for Free Choice in Medicine believes that the health care crisis can be resolved only by returning to the principles that made America great. We must restore individual liberty, promote personal responsibility, and revive free markets in health care.” AFCM lists the Ayn Rand Institute as a sponsoring organization, although the group itself is not explicitly Objectivist.

There is still time to fight the Clinton plan. The enthusiastic response to Dr. Peikoff’s speech shows that there remains an audience receptive to a moral defense of freedom in medicine. AFCM provides “Action Packs” (from which I quoted above) for distribution to doctors or other interested people. Contributions can be sent to:

Americans for Free Choice in Medicine
P.O. Box 1945
Newport Beach, CA 92659-1945
phone: (714) 645-2622
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Profile: Jeri Eagan



Jeri, I'd like to begin this by thanking you for doing this interview, as well as for writing for the newsletter in the past. But my first question is what do you do for a living?

I'm a finance manager for Shell Oil Company. I started working for Shell on December 26, 1976. It was the day after Christmas, and I was broke and ready to get to work.

This was after getting a B.S. degree?

Yes, I received a degree in accounting from the University of New Orleans.

And then you worked for Shell while getting other degrees?

Yes, first I got a Certified Management Accountant certificate, then an MBA in finance at the University of Houston. After that I studied for and passed the CPA exam. I finished schooling with a law degree at South Texas College of Law, studying at night.

Is that series of degrees fairly standard for someone at your level in management?

It's interesting to me that the finance personnel at the level directly above me typically do not have a CPA or an MBA, but those at the highest level all have both. It's helpful to have the degrees, but applying the knowledge on the job is what's really important. I've seen people who place an intrinsic value on the degrees and think they should get promoted just for having them. They don't realize that it's using the knowledge to do the job better that matters.

Has the CPA been helpful, apart

from your previous accounting knowledge?

Actually, passing the CPA probably did more for me than the MBA. I took it seven years after my first degree, so it was a good refresher in the areas of accounting which I had not used at work. And being in the controller's group, I needed to learn more. This group really recognized the value of that knowledge. The MBA has been helpful in teaching me about economics and finance and integrating that knowledge with accounting.

What about the law degree?

Again, the background knowledge has been helpful, since most of accounting deals with recording transactions which are the result of contracts. Also, knowing law helps me to understand the regulatory environment of Shell. Finally, familiarity with employment law is useful to me in management.

How do you describe your level in management?

I'm eight levels from the beginning, four levels from the top. This puts me in the top 5% of the corporate hierarchy.

You've had different jobs with Shell, in different areas. Would you describe those?

Most of my career has been spent in E&P, Exploration and Production. Exploration is the side of the business that deals with running seismic activity, searching for oil; Production deals with drilling for oil and producing it. I have also had assignments in the Controller's organization, which consolidated all of Shell Oil. There, I was able to learn about other aspects of the company.

During the last four years, I've been in Oil Products. This area deals with refineries, marketing, the service stations and distribution terminals.

Are there many other women at your level?

Within the finance skill pool, there's one other at my level and one above me, a general manager. In the engineering pool, there are now a couple of women at my level.

So women at your level are pretty rare?

Yes, I'm used to being the only

woman at most of the meetings and Shell courses I attend.

Why are there so few women?

There was a time, for perhaps two or three years, when every woman who had made it to the supervisory rank had baby number two and quit. So I think that many of the women ahead of me who could have made it to this level chose not to continue at Shell. But in most of the Shell staff planning with which I've been involved, there really hasn't been any barriers to women. I think that it's just a matter of staying around and being good enough.

So, you haven't seen a "glass ceiling"?

No.

Can you think of any ways that Objectivism has helped you at work?

One of the ways in which it helped me, initially, was to give me confidence in how I approached work. I really enjoyed the job and put in a lot of hours. In response, many people made fun of me, calling me Miss Shell and putting down my eagerness and my enjoyment of the job. Objectivism helped me to withstand that and not let it bother me at all. Too many people have the attitude that work is something you have to do and that you're not supposed to enjoy it.

I can think of two other instances of using Objectivism at work, although I'm sure there are many more.

After only a couple of years with Shell, I was in a meeting to discuss an issue related to gas royalty payments. A high level manager was ready to make a decision based on erroneous information when I quietly, but confidently, explained to him how he was wrong. The right decision was made and the manager later told me how impressed he was that I had the courage to challenge him. He accurately predicted that I would become the first female finance manager in E&P. It was much more common for Accountants to not question managers. Objectivism had taught me to be reality oriented and not be intimidated by the erroneous judgement of someone in authority, i.e., not to be a second hander.

More recently, on a committee charged with finding ways to reduce

costs, an E&P Manager was arbitrarily, but adamantly, asserting that a particular department, with which he was not familiar, could be cut 40% without effecting performance. The others on the committee knew he was wrong, but didn't know how to respond. When I asked him for the evidence upon which he based this conclusion, he replied that he "just knew it." I said that he needed to provide evidence. He could not do so, and, fortunately for Shell, the department was only cut 10%. It's amazing how powerful asking for evidence can be.

How did you first discover Ayn Rand?

In 1976, my last year in college, I was taking a bus trip from New Orleans to Tennessee, and I needed a thick book to read to pass the time. An acquaintance had mentioned how complex *Atlas Shrugged* was and that I would never be able to understand it.

What was your impression?

I was very moved by it but confused about what it all meant. For me at that time, two aspects were important: Maybe there wasn't a God, maybe I could actually think that there wasn't one. Also, the pro-business, pro-capitalist arguments were ones I had never heard before. This was the summer before my last semester of school, which was very busy with interviewing, so I didn't read further until the next year, when I was employed by Shell and moved to Houston. At that time, I started reading everything by Ayn Rand.

Were you religious at the time?

Yes, I was raised as a Catholic, and Objectivism helped me to reconsider. After thinking about it, I realized there couldn't be a God, and that released me from a tremendous amount of guilt.

Tell me about your childhood.

I was raised without a father because of an early divorce. I was next to the oldest of six children. The sister older than me was gone most of the time because of surgery for her eyes, and my mother worked as a medical technician. So from about seven to ten years old, I took care of my four younger brothers. At ten, my mother was caught shoplifting after loosing her job.

She was put in jail, and the welfare department came and found us living alone. They put us in foster homes. I was in a foster home till age fifteen.

How was that?

Horrible. My foster mother was a very domineering, irrational woman, married to a hen-pecked man and had a spoiled daughter a couple of years older than I was. She was very emotional and constantly verbally abused us, telling us that we children were poor white trash, no good, etc. We were often beaten, and the rules were very rigid, yet often unpredictable. Here, again, I was in charge of the younger children, and I had to work scrubbing floors and washing clothes using a scrub board, even though she had a washing machine and dryer. I cooked and was everyone's servant.

What got you out of the foster home?

Two wonderful little old ladies, cousins to my grandmother. They lived in New Orleans and would visit us sometimes for holidays. They took the necessary actions to become my legal guardians.

What stimulated them to do that?

When they visited, they would always ask me how things were in the foster home. I would tell them that things were fine and evade their questions, because I knew that I would be quizzed when I got home. I knew that if I said the wrong thing that I would be beat unmercifully, but finally, one day, I told one of my aunts the truth.

After you went to live with your aunts, did you have a normal high school experience?

Yes, normal for an all-girl Catholic high school. I still had chores at home, but life was much more peaceful than in the foster home.

Are there any good aspects to the kind of upbringing you had?

At the foster home, I definitely acquired a work ethic and discipline, and I learned many practical skills. It was an interesting contrast to living with my mother, before, where we were totally free to do anything, with no rules or constraints, to going to a foster home where I had nothing but constraints, with the expectation that I should be busy all the time. I have to

add that I had a strong sense of me even during this time—I knew that the things said by my foster mother weren't true and that I didn't deserve to be treated that way. And the time spent at school was wonderful. Unlike the other kids at school, a day off was not something I enjoyed. My one great joy and pleasure was learning.

Then when I lived with my aunts, they gave me, more than anything, a reassurance that I could do whatever I wanted to do with my life, in terms of ability and my own desires.

Why were you taking a bus trip to Tennessee?

To look for my mother and little brother, whom I hadn't seen since the foster home. I had heard that they were both in Nashville. It wasn't until I arrived that I learned that they were in prison. I visited my mother and it was pretty bad.

Has HOS been beneficial to you?

Yes, in meeting good people and in learning more, with the activities.

You presented one of the better papers at the Texas Objectivist Societies Conference last year. What was your motivation in doing that?

I have an interest in the theoretical aspects of law, and I wanted to apply Objectivism to legal philosophy. I realized that I really needed to concretize the concept of rights, and the paper was designed to do that from a point of view outside the normal context of two adults dealing with one another. And problems outside this context keep coming up, not only in question periods of various speeches but in current events.

I know that you act as secretary for the Association for Objective Law (TAFOL). What do you see as the prospects for that organization?

I think it has good people who are very busy. I helped Michael Mazzone with researching the mandatory pro bono case, and it's a very worthwhile project. Tom Bowden's intervention in the case dealing with mandatory service of school children in Philadelphia was also good, but these activities take a tremendous amount of time. I look forward to the day when we have more resources, but I think that TAFOL has

made an excellent beginning.

It seems to me that despite a rather rough childhood, you've built a very successful life for yourself.

I was strong and independent prior to reading *Atlas Shrugged*. At that time, I had just visited my mother in prison and decided that that was not going to be part of my life. One semester later, I had finished college and was going to Houston to start my career with Shell and, for the first time, to start a life fully within my control. All I had to do was use my mind for my own benefit, not for God, family or foster parent, but for myself. Ayn Rand gave me a sense of what life could be like and the knowledge that it was within my power to make my own life. And she told me that it was good. Since then, I've learned much more from her, and I continue to learn. But that first impact of reading *Atlas Shrugged* was wonderful. §



These two letters are reprinted from the January 1994 GoodPremises, the newsletter of the Austin Objectivist Society:

To the Editors:

Richard Salsman was enlightening in his interview in the November issue; and Robert Garmon's questions effectively focused on the philosophical underpinnings of Austrian economics and its methodology.

However, Mr. Salsman's suggestion that Milton Friedman is not a sincere advocate of free markets seems untenable. He says, "Friedman is generally for free markets in every area except the one he specializes in: money. That should tell you something." The implication is that Friedman is dishonest, has hidden motives, and wants to undermine free markets.

Describing Mr. Friedman's "market area" as money is false. Mr. Friedman does not manufacture money or provide banking services. He is an economist. He argues that a large market economy needs a stable money supply,

defined as one that increases in step with expanding industrialization, else the economy will repeatedly bog down in recessions. This is a technical problem which he sees as affecting, but not directly part of, market decisions—the effective money supply being largely unknown at the time of transactions.

One may quarrel with his assessment, or with the possibility of managing money growth even in his narrow sense; but it is wrong to attribute dishonesty or hidden motives to every "error" one detects. I don't think Mr. Friedman would even oppose business contracts written in terms of gold or other currency, as the participants desire. He has always been a strong supporter of individual rights; and monetarists have probably been more influential, if not as fundamentally sound, in keeping market ideas alive in this and other countries than Austrians.

In short, he appears to be a fine man, whom I would be honored to have as a friend.

Jack Gardner
Austin, Texas

Mr. Salsman replies to Mr. Gardner's letter:

Contrary to Mr. Gardner's account, I never said in my interview that Milton Friedman was "dishonest," had "hidden motives," or "wants to undermine free markets." On the contrary, I attacked Mr. Friedman's ideas, not his character. Specifically, I criticized monetarism. And I criticized the fact that he advocates full free markets in most areas except in money, his area of specialty. I said this should tell us something. That "something" is not necessarily that Mr. Friedman is dishonest (more evidence would be needed to say that), but that in the one area he has thought and written about most, he does not come out for free markets but for intervention. This tells us that he is not *fundamentally* in favor of free markets, no matter what are his less-studied positions on other issues.

Mr. Gardner also misses the point when he disagrees with my view that money is in fact Mr. Friedman's area of specialty. He refers to Mr. Friedman's

"market area" (an expression I never used) and says "Mr. Friedman does not manufacture money or provide banking services. He is an economist." This is an utterly fantastic reading of my remarks. I did not say Milton Friedman was a banker or currency issuer. Mr. Gardner need not inform me that Milton Friedman is an economist. For Mr. Gardner's information, the Nobel prize was awarded to Mr. Friedman for his work in money.

Mr. Gardner is also mistaken in believing Milton's Friedman's monetarism favors free markets. On the contrary, it fully endorses central banking, legal tender laws, and deposit insurance. Whether or not monetarists have been "influential," as Mr. Gardner puts it, these are statist interventions. There is no evidence to suggest that monetarists are "keeping free market ideas alive in this and other countries." To continually promote the myth that central banks can and should follow monetarist rules is to push for central planning, not free markets.

Finally, Milton Friedman is no advocate of individual rights, since he derides the very possibility of objectivity upon which those rights are based, in his 1953 essay, "*Methodology of Positive Economics*." I urge Mr. Gardner to read it before jumping to his conclusion that Mr. Friedman "appears to be a fine man." Milton Friedman himself would question the very possibility of such a definitive moral assessment.

Richard M. Salsman
Wenham, Massachusetts

CALENDAR of HOS Events for 1994

January 30: Study Group—
"Comprachicos"

February 12: Relativity—George
Marklin.

March 20: Study Group—Start of
"Understanding Objectivism"

March 12: Intro to Objectivism
—Dawn Phillips and Chris Land.

Announcements

\$ The January 20th broadcast of "Columbo", featuring William Shatner, included a brief, favorable reference to Ayn Rand by one of the characters: "Vicky's another Ayn Rand trying to bust loose from her cocoon."

\$ Coming to movie theaters in 1994: *The Browning Version*, starring Albert Finney, Greta Scacchi and Matthew Modine, based on Terence Rattigan's 1939 play. ("While other writers look for feet of clay in heroes, Mr. Rattigan looks for wings in the average man."—*The Objectivist*, March, 1971)

\$ Posters are available for mounting on bulletin boards at work, in libraries, etc. for *The Fountainhead* contest and the *Anthem* contest. Call Warren Ross at 468-2256.

\$ Three events have been added to the schedule of the HOS Study Group, meeting on Sundays at the apartment of Brian and Dawn Phillips. On January 23, Brian will lead a discussion of Ayn Rand's essays "The Metaphysical versus the Man-Made" and "Causality versus Duty." On January 30, Janet Wich will lead a discussion of "The Comprachicos." On February 20, the first lecture of Dr. Peikoff's taped series "Understanding Objectivism" will be played, followed thereafter by the rest of the lectures each Sunday except for those weekends coinciding with HOS general meetings. Meetings start at 3 pm, and all HOS members are invited. The Phillips number is 271-5145.

\$ At the March 12 meeting of HOS, Dawn Phillips and Chris Land will act as hosts for "An Introduction to Objectivism." The content of this meeting is still being planned, but it will include the discussion of questions submitted by HOS members before the meeting. Please send such questions to Warren Ross at 1903 Ganyard, Houston, TX 77043.

\$ The HOS library has recent additions: All the plays examined by Leonard Peikoff at the Thomas Jefferson School are available, and the taped lecture series *Understanding Objectivism* is now available.

\$ The Association for Objective Law (TAFOL) has announced its intent to sponsor an annual essay contest for law students beginning with the 1994-95 academic year. From the Bulletin of TAFOL: "The purpose of the contest is to promote awareness of Ayn Rand's political philosophy among law students. Students will be asked to write an essay concerning the application of Ayn Rand's philosophy to legal issues that the students might face in law school."

\$ The Objectivist Health Care Professionals Network (OHCPN) is an organization dedicated to the restoration and preservation of freedom in health care through the spread of the philosophy of reason. Their "Self-Defense Kit" is available from OHCPN, 500 Metropolitan Ave., Suite 453, Brooklyn, NY 11211. The price is \$7, payable to Salvatore J. Durante. OHCPN publishes *The Forum*, available for \$15, payable to Pamela L. Benson, at *The Forum*, P.O. Box 4315, South Colby, WA 98384-0315.

\$ — On January 15, 6% of the registered voters in Houston voted to reject zoning by a margin of 79%.

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