

# The Undercurrent

SPRING 2008 VOLUME 4, ISSUE 2 THE-UNDERCURRENT.COM

"It was as if an underground stream flowed through the country and broke out in sudden springs that shot to the surface at random, in unpredictable places." Ayn Rand

## PRAISE BIG PHARMA

The pharmaceutical industry deserves to be glorified, not vilified



by Dan Edge

If you are sick, there is no better place and time to live than America in the 21st century. The past 50 years have witnessed an explosion of medical innovation in the West. Drugs have been developed to lower cholesterol, fight AIDS, and altogether eradicate some diseases. Pharmaceutical companies have invested, and are investing, tens of billions of dollars each year researching new technologies to extend human life. Some day in the near future, doctors may be writing prescriptions to slow your grandmother's Alzheimer's, to kill your father's brain tumor, or to vaccinate your baby daughter against the virus that causes cervical cancer. (Actually, cross that last one off the list—the HPV vaccine was invented a few years ago.) Just as our current era has been called the Information Age, the next era of human history may very well be dubbed the Biological Age.

Yet, despite the obvious benefits pharmaceutical companies bestow upon mankind, "Big Pharma" is more vilified than almost any other industry. Critics charge that pharmaceutical companies, in their reckless pursuit of profit, produce dangerous and ineffective medicines. They claim that drugs are rushed to market without ample concern given to possible health risks.

In fact, since the average drug takes 15 years and \$500 million to produce, a pharmaceutical company puts its good name on the line every time it produces a new drug. The risk of expensive lawsuits, and the accompanying loss of credibility, always loom large. In the rare instances where drugs are found to have negative effects, they are taken off the market as quickly as possible. No drug company would last five minutes if it disregarded the well-being of its customers.

Big Pharma is demonized not because it profits by harming sick people, but because it profits from treating them. What critics imply, but never say openly, is that there is something nefarious about making money by fulfilling a vital human need.

Is there? Businesses earn profits by creating values to fulfill the needs of potential customers, and the more crucial the need, the greater the value. Big Pharma makes massive profits because it produces medicines that are of great value to sick people—of such great value that the sick are willing to pay top dollar for them.

Does this mean, as Big Pharma's critics say, that drug companies are holding the sick hostage? Of course not. Such a view implies that sick people are the rightful owners of the drugs, which pharmaceutical companies illicitly swipe and hold for ransom. In fact, it is the pharmaceutical companies that have a

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## INSIDE INSIDER TRADING

The nature and morality of differential knowledge in investing



by Rebecca Knapp

A scientist working for a pharmaceutical company learns that after decades of research and development, she has succeeded in creating a drug that fights cancer. She wants to buy as much stock in her company as she can afford, knowing that her efforts will cause the stock price to sky-rocket. She wants

to take full advantage of her success—to invest in herself. Yet if she buys stock in the company before the news of the cancer drug is made public, she will be liable for insider trading.

The CEO of a real estate development company learns that the local government has denied him regulatory approval for a huge new development project he has been pursuing for his company. Knowing his daughter has hundreds of thousands of dollars invested in his company, he wants to tell her to get it out before the stock price falls. But were he to do so, under insider trading laws, both he and his daughter would face huge fines and jail sentences.

Up until the late 1960s, there was no such crime as "insider trading". Today, the Securities and Exchange

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## OBJECTIVISM

*The Undercurrent's* cultural commentary is based on Ayn Rand's philosophy, Objectivism. Objectivism, which animates Ayn Rand's fiction, is a systematic philosophy of life. It holds that the universe is orderly and comprehensible, that man survives by reason, that his life and happiness comprise his highest moral purpose, and that he flourishes only in a society that protects his individual rights. In these pages we hope to defend these values. To learn more about the ideas behind them, you can begin by reading Ayn Rand's books, such as *The Fountainhead* and *Atlas Shrugged*, or by visiting [aynrand.org](http://aynrand.org).

# THE UNDERCURRENT

*The Undercurrent* is a student publication, produced and distributed by college students at campuses across North America.

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## PRAISE BIG PHARMA

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right to the drugs that they have created.

Life-saving medicines don't grow on trees. The "miracle" drugs that improve our health and extend our lives must be discovered. They would not exist were it not for the enormous investments of time and money made by the men and women who work in the pharmaceutical industry. It takes the ingenious effort of thousands of individuals and hundreds of millions of dollars to bring a single drug to market. As with any other commodity, those who create these remedies have a moral right to set the terms of their sale. And to profit handsomely from their achievement.

The enemies of Big Pharma disagree. On their view, achievement is not to be rewarded, but punished. And the greater the value one creates, the less of a right one has to it.

This is a perverse injustice. There's nothing wrong with making money by servicing people's needs. Productivity is a virtue, not a vice. The fact that Big Pharma profits by helping sick people is something for which it should be lauded, not derided.

So I say: Praise Big Pharma!

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## INSIDER TRADING

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Commission (SEC) spends a large portion of its resources pursuing insider traders. SEC regulations mandate that anyone using non-public, material information about a company to buy or sell stock, before that information has been made publicly available, may be criminally charged. The crime also applies to any type of "tip" given to others (family, friends, clients) concerning such information.

Insider trading laws force company employees, officers, board members, and those they care about to knowingly act against their own interests. Despite the fact that our scientist has spent years developing a life-saving drug, the SEC tells her that she must not make a move to profit from it. Despite the fact that our CEO knows his daughter will lose the money she had hoped to use to send her kids to college, the SEC tells him he must not lift a finger to save her investment. Insider trading laws legally prohibit investors from transforming lawfully obtained knowledge into action.

Contrary to common misconceptions, insider trading laws do not exist to prevent fraud. They

do not punish the engineer who steals a file from his supervisor's office, the lawyer who violates a contractual agreement to keep information confidential, or the CEO who disregards his legal obligation to his stockholders to act in their interests (called a fiduciary duty). Such actions are obviously illegal, but they were illegal long before insider trading entered the picture, and are prosecuted on the basis of different laws. Insider trading laws, by contrast, were created precisely to penalize trading in which such criminal activity is not involved.

If insider trading laws do not exist to prevent theft or fraud, what is their justification? Those opposed to insider trading imply that insider traders profit at someone else's expense. To quote a speech from an SEC officer, highlighted on the SEC's website: "[Illegal insider trading] is the trading that takes place when those privileged with confidential information ... reap profits or avoid losses on the stock market, to the detriment of ... typical investors." In other words, insider trading is unfair to some investors.

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# DEFINING LIFE:

## THE MORAL CASE FOR STEM CELL RESEARCH

Stem cells are not lives. They save lives.

In a recent political move, Republican Presidential candidate John McCain voiced his opposition to embryonic stem cell research (ESC). Yet, even as the controversy rages on, the real reasons for opposition to embryonic stem cell research are increasingly obscured.

Stem cells are, in simplest terms, the basic cells that replicate and change into the various cells that make up our bodies. Their medical importance lies in the fact that they can produce a virtually unlimited supply of any other cell. Because embryonic stem cells are particularly suited for this purpose, research in this field has tremendous potential to cure disease and help people live longer, healthier lives. To name just two breakthroughs this research may soon make possible: scientists at Novocell say embryonic stem cell research has the potential to revolutionize treatment for diabetes, perhaps even offering a cure. And Greon, a company doing research on spinal cord injuries, just announced that they are ready to test their stem cell treatment on people after spectacular results with rodents—joyous news for the over 250,000 Americans with spinal cord injuries, who cannot walk, feed themselves, or even move their heads.

Despite these and other potential benefits, however, many Americans adamantly oppose stem cell research. Critics condemn the practice of extracting stem cells from an embryo because, identifying embryos as human beings, they hold that destroying them constitutes murder. President Bush, for example, endorsing this perspective, explained that he would not "support the taking of innocent human life in the hope of finding medical benefits for others."

The embryos used by researchers are microscopic clusters of undifferentiated cells. If we simply compare embryos with



by Guy Barnett

human beings, it seems absurd to regard them as "innocent human life". Embryos are not conscious or otherwise recognizably human any more than plants can engage in photosynthesis. Indeed, a human being is far more similar to a snake or rat than he is to the cell mass that constitutes an embryo in the first trimester. And while embryos are genetically identical to human beings, the same can be said of every cell in the human body. No one considers it murder to have your tonsils removed.

Stem cell research opponents scoff at such analogies. Richard Doerflinger, Secretary of Pro-Life Activities, reminds us that "[t]he human embryo, at the one-week-old (blastocyst) stage, is a developing human life". Doerflinger's point—that an embryo, if left to develop, will become a human being—is, as he aptly describes it, "a basic biological fact, found in the standard human embryology textbooks." But Doerflinger assumes an additional unstated premise: that because the embryo will become a human being, it is a human being. This premise is at the crux of every argument against stem cell research. Is there any reason for accepting such an idea?

Logically, there is not. The fact that one thing has the potential to develop into another in no way implies that it *is* the

other. We do not treat children as adults, though they have the potential to reach adulthood. If having the capacity to be something were the same as already being that thing, then children would be allowed to drive cars, get credit cards, and have sex. As Dr. Leonard Peikoff of the Ayn Rand Institute observes, by this logic we could "call any adult an 'undead corpse' and bury him alive." We distinguish between children and adults, and adults and corpses, because there is an obvious difference between a potential and an actual. Thus, there is no basis for treating an embryo as a human being simply because it can develop into one.

If there is no logical reason to identify stem cells as human, what then is the basis for the widespread opposition to embryonic stem cell research? We get a clue in this statement by President Bush, made in reference to children who were implanted as embryos: "These lives are not raw material to be exploited, but gifts."

Gifts from whom? Obviously, from God. Observe that those opposing the life-saving possibilities of ESC research are uniformly religious. Their opposition is not grounded in reason or the facts of biology, but in the dogmas of faith. "God giveth, and God taketh away"—God imbues a soul into the body at conception, and he alone, not human beings, must choose when to sever that tie. This is why, from a religious perspective, there is no important difference between a biologically independent living, breathing human being on the one hand, and an embryo on the other. The observational and logical differences between these cases are irrelevant—they are all flesh in which

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### A LITTLE CHANGE MEANS A LOT

Opponents of embryonic stem cell research often highlight the similarities between babies, fetuses, and embryos, and dismiss the obvious difference between them. Their arguments almost invariably rely on the difficulty of marking precise dividing lines between them, and offer this difficulty as a reason to dismiss the distinctions outright. According to these proponents, there is only a continuum of change from embryo to baby, without any artificially differentiated stages.

Yet the fact that embryos develop into babies by degrees does not mean that there is no meaning-

ful difference between them. When a thing evolves incrementally into something else, this gradual development does not mean they are "really" the same thing. We don't say that cold and hot are the same merely because cold temperatures can, by degrees, increase to hot temperatures. Just as one can clearly observe that 30° F is not the same as 100° F, one can see that embryonic cells and babies are two very different entities.

Scientifically, it may be difficult to separate gradual changes into discrete stages. But no matter how difficult it is, this does not mean that such

distinctions are "artificial". Regardless of the fact that we may validly describe a certain range of temperatures as either the warm side of cold or the cold side of warm, this in no way erases the difference between hot and cold.

The difference between a bathtub full of ice and one of boiling water is only a question of degrees, yet the difference is nevertheless real. The vast gulf that separates embryo from baby is analogous. An embryo may, after a long period of gradual changes, become a baby, but that doesn't mean it is one.

## INSIDER TRADING

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Even if this were true, it's not an argument that the practice should be criminalized. It may be unfair for a teacher to play favorites in his classroom, or a secretary to play favorites among her co-workers, but we do not therefore establish a discrete body of law called "favorite-players law," and make it one of the primary functions of a government agency to stamp out that societal unfairness.

But in fact, the claim that insider traders profit at someone's expense simply isn't true. To profit at someone's expense is to take money that is rightfully theirs, without their consent. When our scientist bought stock in her drug company, she made an enormous profit—but she didn't steal that money from someone else who didn't want to part with it. Anyone who invested in the company made money with her when the company's stock rose. Anyone who didn't was no worse off than he had been before. And anyone who sold because he didn't know what she knew missed an opportunity because he lacked the knowledge she had—but still acted voluntarily.

When an insider sells, he sells to people who have already made the decision to buy. He is not duping any new buyer who would otherwise not have bought. When an insider buys, he buys from people who have already made the decision to sell. Again, he is not cajoling anyone who doesn't want to sell into selling.

The SEC itself is aware of this. When pressed, it effectively admits that individual investors are not defrauded by insider trading, and then switches focus: "[T]here are those who argue that insider trading is a victimless offense...this penny-wise, pound-foolish argument neglects...external costs." "External costs," then, and not harm to individual investors, are the SEC's target in prosecuting insider trading laws. What external costs? Again according to the SEC: "[I]nsider trading undermines investor confidence in the fairness and integrity of the securities markets." (Both quotes from the portion of the SEC website devoted to insider trading.)

Economists critical of insider-trading laws see that this argument, too, is arbitrary and unsupported. Writes Daniel Fischel, a professor of law and business at the University of Chicago Law School, "There is no evidence that investors had less 'confidence' in our securities markets before 1968 than after ... No matter how many times the government talked about the need to restore 'public confidence'... no one was ever able to say what this meant. And how could this meaningless test be applied? How could anyone know when investors did or did not have 'confidence'?"

Insider trading does not exploit the wealth of individual investors. It does not undercut market confidence. Most importantly, even if it did do these things, it does

not involve theft, fraud or any legitimate crime.

What, then, gives insider-trading laws their plausibility? Why has the SEC, and those who support its actions, met with so little resistance in its attempt to prosecute insider traders?

The general public opposes bad legislation and prosecutorial zeal in cases where the moral innocence of the victim is clear. When municipal governments and real estate firms team up using eminent domain law to forcibly evict gentle old ladies from their homes, the public is (properly) outraged. In the case of insider trading, however, there is no public outcry against making insider traders legally guilty. This is because they are already presumed to be morally guilty. The image of an "insider" is a sycophant banker who has risen in his company through social manipulation at golf games and charity events, and such an investor does not seem to have earned his privileged position.

But this is a prejudiced, inaccurate conception of how an insider trader accesses inside information. In any human activity, there are going to be people who take advantage of the hard work of others. There are professors who rise because they are better at navigating departmental politics, even though they are worse researchers and teachers. Doctors, construction workers, cooks, government officials—whatever the job, there is a marginal minority whose success does not reflect their effort and professional worth. The proper approach is not to look at these exceptions, but to consider the normal case. How does an insider trader come to possess the information that allows him to invest one step ahead of the rest of the public?

He earns it. Through his own efforts he gains skills, knowledge, experience, positions of employment, and the respect of his colleagues in his field. Through these means, he gains access to information that he would not otherwise be able to access. The savvy investor goes to business school, studies balance sheets, learns about corporate practices, determines how to evaluate both financial statements and managerial intangibles. He also networks with colleagues and potential clients—and this is perfectly legitimate. As a result of his efforts, the capable investor acquires access to information that someone who hasn't done the work can't access. This is part of the reward for his achievement. Ditto for the CEO who starts out as a rank and file employee, and works his way up over the course of 30 years to a position where he has earned access to information about the company's behavior—including the right to profit from that information, so long as he does not do so at the expense of the company and the company's shareholders. He earns the right to help his daughter and the people he cares about to profit or avoid loss—again, so long as this does not conflict with his legal responsibilities as CEO.

To call it unfair for people like this to profit is to say that it is unfair for one person

to learn more than another, to work more than another, to be promoted when another is not, to have friendships and relationships with one person, but not another. To say that experienced, hard-working, successful individuals cannot profit from their experience, hard work, and success because not everyone has made the efforts that they have made is to sacrifice knowledge to ignorance, industry to laziness, success to failure. It is to actively penalize virtue.

Yet it is precisely this notion of unfairness that is at the root of the widespread opposition to insider trading. This is the idea, not that everyone should be treated equally under the law (that's American capitalism), but that everyone should actually be equal, and that all differences between people should be stamped out by the government wherever they appear. On this notion, wealth must be redistributed until everyone has the same amount, and information should be redistributed in the same way.

The argument against insider trading is, at root, the ethical theory of egalitarianism. This theory holds that fairness requires equality of results, and that the government should "correct" inequalities to approximate this ideal. Whether or not one opposes insider trading comes down to one's basic view of fairness.

In a free society, fairness is taken to mean that people attain the just results of their productive activities, and that the rest of society leaves them alone to enjoy those results. Put simply, it means that people receive what they earn. Of course, this necessitates unequal results. Some people will work harder than others, and will earn more. These individuals will then have the right to share their wealth with those they value.

In the case of insider trading, the focus is not earning more, it is learning more. But the analysis is the same. It is impossible to eliminate differences in information, unless one makes all information sharing of any kind illegal. Thus, one creates a world in which no investor has any basis for his investment, and the stock market becomes a roulette wheel or a slot machine.

Insider trading laws do not punish criminals or even rascals. They prosecute productive achievement on the grounds that individuals must achieve identically, or not at all. Insider trading laws are an injustice. Enacting a perverted, egalitarian notion of fairness, they actively penalize that which should be rewarded.

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## DEFINING LIFE

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God has placed a soul, and so they are all equally human life.

The issue of whether to identify embryos as human or not is not merely semantic. The doctrine of treating embryos as actual human beings causes real harm to real people. From the child with a broken spine denied ESC treatment, to the man diagnosed with cancer who may have benefited from the ESC research that wasn't conducted—all will suffer. Real human beings will pay the horrible price of the slowdown of stem cell research. Whatever the appeals to compassion for the "unborn", the religionist's attitude amounts to: "It doesn't matter if stem cell research could allow you to walk again or save a loved one from an incurable disease. My religion teaches me that an embryo has a soul, so you'll just have to suffer." This attitude is not, as ESC opponents would have us believe, "pro-life". It is obscenely indifferent to human life. No one can claim to value human life while insisting it be sacrificed to microscopic cell tissue, even if that tissue, under the right circumstances, has the potential to become human.

Some religious conservatives respond

that no sacrifice is needed, because an alternative exists—adult stem cell (ASC) research. David E. Smith, Executive Director of Illinois Family Institute, writes "Embryonic stem cell research comes at too great a cost to human life. Our efforts and resources should be focused on... the use of adult stem cells." ASC research, like ESC research, investigates medical treatments using stem cells. However, ASC research extracts the cells from consenting adults, rather than embryos.

Religious people on the Right, like Tadeusz Pacholczyk, a Roman Catholic priest, argue that ASC research "doesn't raise the huge issue of destroying human embryos." And this view is shared by growing numbers of Americans, including scientists. It has become commonplace to read articles reporting on successful ASC research that praise it as helping to "resolve a moral dilemma for many." One commentator happily observed, "this would mean that one of the most troubling aspects of stem cell research for many people—the use of human embryos in the lab—has been sidestepped."

Much of the debate on stem cells seems to focus on choosing ASC research or ESC research, but this is a false alternative. The central issue is that scientists should not, for fear of offending religious sensibilities,

hesitate to conduct ESC research. To do so is to concede that destroying an embryo is murder, and to set the dangerous precedent that religious morality ought to be imposed on science and law. The message to religious groups is that we will sacrifice our own rational interests to respect your irrational beliefs, and close off promising avenues of research merely because you oppose them, even if it means that more people will die or live out their entire lives as helpless invalids.

Research companies and scientists should decide where to devote their energy on the basis of scientific considerations and on the potential for human benefit, not on the basis of fear that they will offend the religious. Real lives of real people hang in the balance.

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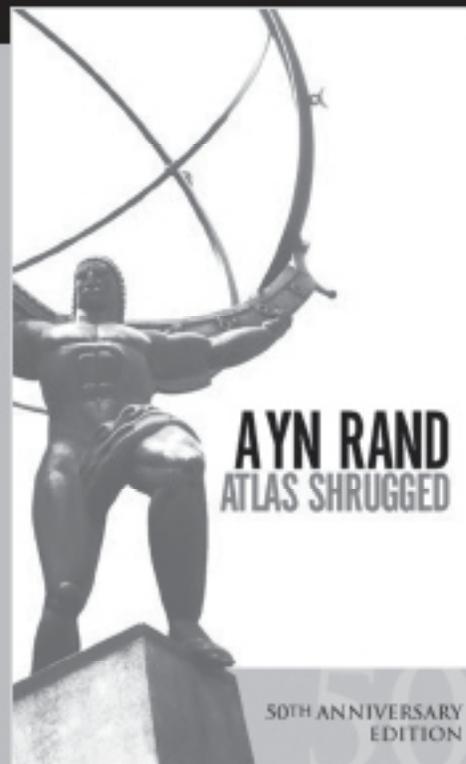
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# TOO BIG TO BAIL

by Alex Epstein

Every few days we hear that another leading financial institution has written down billions more on subprime investments gone bad. Nearly every major financial institution, it turns out, had a hand in loans to low-credit borrowers—borrowers whose ability to pay often hinged on endlessly low interest rates or a strong housing market. How could this happen? How could nearly all the leading lights of the financial industry—the experts in assessing and managing risk—expose themselves to such massive losses? Or, as a *Fortune* cover crudely put it: "What were they smoking?"

A major part of the answer is: government bailout crack.

For decades our government has had a semi-official policy that large financial institutions are too big to fail—and therefore must be bailed out when they risk insolvency—a policy that creates perverse incentives for them to take on far more risk than they otherwise would. "Too big to fail" is implemented through a network of government bodies that protect financial institutions from the long-term consequences of their decisions at taxpayer expense—a phenomenon we can observe right now.

Consider Countrywide, a major subprime money-loser just acquired by Bank of America. Private lenders have not been willing to grant Countrywide the \$10s of billions it sought to keep afloat, given the company's huge and difficult-to-measure subprime exposure. In a free market, bankruptcy would loom—but in our system, Countrywide and others can turn to the government-backed Federal Home Loan Banks for cash; these banks have lent Countrywide over \$70 billion so far. According to the *Wall Street Journal*, these banks specialize in "providing funding where other creditors won't go"—which they can do because of "a widespread belief the government would bail them out [with taxpayer money] in a crisis."

Cash from Federal Home Loan Banks is just one of the many entrees the government provides on its bailout menu. Another option a failing bank has is to court bank depositors—who will not be scared away because their deposits are backed by the government's Federal Deposit Insurance Corporation (FDIC). Countrywide



and others have a huge potential pool of capital accessible to them if they take on the additional cost of offering depositors higher interest rates than their competitors'. On its Web site, Countrywide is actively chasing your dollars, boasting, "Can your bank match our CD rates?" The policy is working; American depositors have invested or kept \$10s of billions of their savings in Countrywide's coffers—despite regular headlines about the company's perilous finances. Depositors know that no matter how reckless Countrywide is with their money, other taxpayers will be there to pay the company's FDIC-backed commitments—just as they were there to bail out depositors in savings and loans in the 1980s.

Still another item on the bailout menu is provided by the Federal Reserve. Today and throughout history, when major financial institutions are losing money, the Fed uses its power to manipulate interest rates and the money supply so that banks can borrow cheaply—giving them easy money with which to paper over their old mistakes. Again, it is other taxpayers who pay—in this case, through inflation. Inflation depletes Americans' hard-earned savings; the trend of skyrocketing housing and commodity prices we have witnessed during the last five years is just the latest and most obvious harm done by our government's inflationary actions.

The combined effect of these and other bailout policies is to make risk-taking less risky for large financial institutions—because true failure is not an option.

If an institution can be bankrupted when its investments go bad, it is supremely clear to its managers and its creditors (its depositors, in the case of a bank) that they must be continuously diligent about risk. They have every incentive to thoroughly investigate long-term consequences—because enough money badly invested could mean the firm's extinction.

However, when the long term loses its

meaning, when institutions are told they can never fail, managers are given an incentive to put more capital at risk. If the investments go well in the short term, as subprime investments did for several years, the profit potential is huge. If they eventually fail, the downside is only so bad; the government will "do something" to keep the firms afloat.

And when these reckless investments do go well in the short term, they're sure to be repeated. If one financial giant is reaping huge profits from subprime, other firms are pressured to follow along—or else risk losing investors, customers, or employees who want to be part of the exciting profit machine. The long-term result of "too big to fail" is a gradual and overall decline in responsible risk-taking—with periodic crises like the subprime debacle.

Any doctrine that encourages overly-risky investing, and punishes sound risk-taking is unfair and destructive. We need to phase out "too big to fail" and replace it with a free market in banking, which would reward sound long-term lending and borrowing practices and punish irresponsible ones. Otherwise, the next financial market fiasco is just a matter of time.

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# STUDY AYN RAND'S IDEAS

The Objectivist Academic Center offers students a chance to formally study Ayn Rand's philosophy of Objectivism.

As more and more young people become interested in Ayn Rand's ideas and methodology, there is an increasing need and demand for an institution that systematically teaches her philosophy. In fact, such an institution exists.

The Ayn Rand Institute's Objectivist Academic Center offers students an opportunity to formally study Rand's philosophy. According to the Institute's website, the OAC "offers a systematic program of instruction in the essentials of Objectivism and in the nature of objective thought and communication."

The program is intended to be a supplement to an undergraduate college education, and can be thought of as a minor in Objectivism. Launched in 2001, it has grown rapidly both in its curriculum and student body. Courses are taught online and via teleconference, so that students can attend from anywhere in the world. Students unable to attend live are provided access to class recordings and posted discussions. Most full-time students receive full tuition waivers and phone scholarships, so that the OAC is easily affordable by all who get admitted. The first year courses are formally accredited through Chapman



by Gena Gorlin

University's eCollege program, so that students get college credit for attending

The program opens with a pair of introductory courses on philosophy and non-fiction writing, with the objective of developing the student's critical analysis and communication skills. Through lectures, organized discussions, written assignments, and tutorials, instructors work to help students improve the clarity of their thinking and writing.

Later years include courses like the "Seminar on Ayn Rand's Philosophy of Objectivism" ("SARPO") and "Understanding Objectivism" (based on Dr. Leonard Peikoff's lecture course of the same name), in which the principles of Objectivism are brought under the microscope and meticulously inspected—dramatized, essential-

ized, drawn out to their full implications, and integrated with each other. Students see the implications of these principles on ethics, politics, art, science, and history. They are pushed to relate what they learn to both their other academic knowledge, and their own life experiences.

Many students interested in Objectivism start by studying Rand's works on their own. While valuable knowledge can be gained as a result, there is no substitute for the input, guidance, and professional feedback of live experts. Students who have entered the OAC program with the expectation that it would serve as "review," or that they would just be rehashing the material they had already mastered through their years of independent study, are almost invariably hit with a strong dose of reality as to the actual extent of their understanding. The level of understanding expected of them in their OAC papers generally far exceeds that attained by their own readings.

The OAC Early Admission deadline for the 2008-2009 academic year is April 16, 2008; the Regular Admission deadline is July 30, 2008. Admission is highly selective, so interested students should consider applying early.

## TESTIMONIAL OF AN OAC GRADUATE

The primary purpose of the OAC is to teach students about Objectivism. However, in my case the program also provided a major secondary benefit: the positive effect it had on the rest of my academic life.

The knowledge and skills I acquired at the OAC had a permeating impact across my academic studies: I noticed myself understanding the relationship between integrals and derivatives better as we learned about them in calculus class; the mixed ideological currents behind the women's suffrage movement as we learned about it in American History class; the fatalistic worldview that manifested itself differently in Shakespeare's comedies than his dramas (and the features of each genre that accounted for the differences) as we learned about it in English class. Even though the classes I was taking at the OAC did not touch on any of these topics specifically, they enhanced my ability to evaluate and appreciate them.

Through my four years of undergraduate study this effect grew exponentially, guiding my progress both as a university student and an aspiring intellectual. My OAC classes masterfully complemented

my college classes: in my college classes I acquired the content and prevailing opinions in many fields of study, and in my OAC classes I learned how to understand and interpret that material. At the OAC, I systematically trained my mind to think, under the tutelage of experts who knew the questions to ask and the feedback to give in order to direct my understanding.

The OAC has served as an anchor for my thinking method and has, in effect, "kept me honest". I could not "get away with" imprecision in the OAC the way I could have (and would have) in my college humanities courses; the OAC instructors' intellectual radar immediately detected any gap in my understanding or any attempt to gloss over a confusion by means of flashy rhetoric—even when I myself was blithely unaware of having tried it. Thanks to the OAC, I have developed a clearer sense of how it feels to "get" an idea—as against being able to mimic its structure or recognize its pattern without having actually understood its meaning and its evidentiary basis.

By learning to integrate, concretize, and essentialize both in thought and writing, I have excelled in difficult college classes that would otherwise have frus-

trated and mystified me. Philosophy and related humanities classes have become, if not easy, at the very least navigable. The OAC has provided me and my classmates with a valuable guidepost in the difficult world of academia.

As an undergraduate alumna and current graduate student in the OAC program, I cannot recommend the program highly enough to anyone interested in learning how to think and communicate ideas effectively—and thus to take part in competently effecting cultural change.

*Gena is an undergraduate at Tufts University and the New England Conservatory of Music, triple-majoring in philosophy, psychology, and vocal performance. She plans to attend graduate school in psychology and/or music. She has completed the four-year undergraduate program at the Objectivist Academic Center.*

# SPEAKERS, EVENTS, & MEETINGS

## REGULAR OBJECTIVIST CLUB MEETINGS

**NEW YORK UNIVERSITY**  
(NEW YORK, NY)  
NYU Objectivist Club  
**What:** Regular meetings  
**Contact:** Kara Zawwarella  
nyuoc\_president@yahoo.com

**HARVARD UNIVERSITY**  
(CAMBRIDGE, MA)  
Harvard Objectivist Club  
**What:** Regular meetings, Mondays  
**Where:** Loker Commons/Memorial Hall  
**Contact:** Kelly Cadenas  
hoc@hcs.harvard.edu  
www.hcs.harvard.edu/~hoc

**UNIVERSITY OF CALIFORNIA,**  
**LOS ANGELES**  
(LOS ANGELES, CA)  
LOGIC  
**What:** Weekly meetings  
on UCLA campus  
**Where:** Humanities A48  
**When:** Wednesdays at 7:00 pm  
**Contact:** www.ClubLogic.org  
info@ClubLogic.org

**UNIVERSITY OF CALIFORNIA,**  
**BERKELEY (BERKELEY, CA)**  
Objectivist Club of Berkeley  
**What:** Weekly meetings  
**Where:** Atrium of the Valley Life Sciences Bldg  
**When:** Wednesdays at 6:00 pm  
**Contact:** Katie Brakora  
kbrakora@berkeley.edu

**UNIVERSITY OF CALIFORNIA,**  
**IRVINE (IRVINE, CA)**  
Ayn Rand Club at UCI  
**What:** Weekly meetings  
**Where:** HH257  
**When:** Tuesdays from 7:00 pm to 9:00 pm  
**Contact:** ebrunner@uci.edu  
theobjectivistclubatuci.blogspot.com

**UNIVERSITY OF CALIFORNIA,**  
**SAN DIEGO (LA JOLLA, CA)**  
UCSD Objectivist Club  
**What:** Weekly meetings  
**Where:** Sequoia Room of Sierra Summit  
**When:** Mondays at 7:00 pm  
**Contact:** objectivist.ucsd@gmail.com

**SAN FRANCISCO STATE**  
**UNIVERSITY**  
(SAN FRANCISCO, CA)  
SFSU Students of Objectivism  
**What:** Weekly meetings  
**Where:** Cesar Chavez Student Center  
**Contact:** aynrand@sfsu.edu

**UNIVERSITY OF FLORIDA**  
(GAINESVILLE, FL)  
Ayn Rand Club  
**Contact:**  
aynrandclub@gmail.com

**UNIVERSITY OF MARYLAND**  
(COLLEGE PARK, MD)  
Terrapin Objectivists  
Contact the club for meeting information.  
**Contact:**  
terrapin-objectivists@googlegroups.com

**GEORGIA TECH (ATLANTA, GA)**  
**What:** Weekly meetings  
**Contact:** cyberbuzz.gatech.edu/aynrand

**UNIVERSITY OF COLORADO,**  
**BOULDER (BOULDER, CO)**  
**What:** Boulder Objectivist Club  
**Contact:** jim.manley@objectivistclubs.org

**TUFTS UNIVERSITY**  
(BOSTON, MA)  
Tufts Objectivist Club  
**What:** Regular meetings  
**Where:** Tufts University, Mayer Campus Center  
**Contact:** Gena Gorlin  
gena.gorlin@gmail.com

**METRO DETROIT**  
The Objectivist Group  
**What:** Monthly meetings  
**When:** Third Wednesday of each month  
**Contact:**  
togplsruchala@comcast.net

**SAN FRANCISCO, CA**  
Golden Gate Objectivists  
**Contact:**  
www.goldengateobjectivists.com  
goldengateobjectivists@yahoo.com

**WASHINGTON, DC**  
DC Objectivist Salon (DCOS)  
**What:** Monthly study/discussion group  
**Contact:** www.dcobjectivistsalon.org

**TORONTO, ONTARIO**  
OPAR Study Group  
**Contact:** Dalia Tubis  
daliatubis@yahoo.com  
& Guy Barnett  
guyusj@hotmail.com

## ONE-TIME EVENTS

**ROGERS STATE UNIVERSITY**  
(CLAREMORE, OK)  
Global Capitalism: The Solution to World  
Oppression and Poverty  
**Date:** Wednesday April 9th, 2008, 7:30pm  
**Location:** Will Rogers Auditorium  
**Description:** A lecture and Q&A by Dr. Andrew  
Bernstein

**UNIVERSITY OF COLORADO**  
**BOULDER (BOULDER, CO)**  
Religion vs. Morality  
**Date:** Thursday, April 10, 2008  
**Location:** Wolf Law Building, Room 207  
**Description:** A lecture and Q&A by Dr. Andrew  
Bernstein

**NEW YORK UNIVERSITY (NEW**  
**YORK, NY)**  
Ayn Rand's Morality of Selfishness  
**Date:** Tuesday April 10, 2008 — 7pm  
**Location:** Kimmel Center, NYU, 60 Washington  
Square South, 10012  
**Contact:** Kara, nyu@objectivistclubs.org  
**Description:** Why Objectivism provides the only  
means to achieving a flourishing life and a fully  
free, fully civilized society.

The Rise and Fall of Property Rights  
**Date:** April 21, 2008, 7:00pm  
**Location:** Kimmel Center, Room 914  
**Time:** 7:00pm, New York University, New York,  
NY.  
**Contact:** Attendees must RSVP to nyu@  
objectivistclubs.org  
**Description:** A lecture by Adam Mossoff, J.D.

The Threat of Totalitarian Islam  
**Date:** Monday May 5th, 2008, 7:00pm  
**Location:** Kimmel Center, Rosenthal Pavilion,  
New York University, New York, NY  
**Contact:** nyu@objectivistclubs.org  
**Description:** Panel Discussion featuring Dr.  
Yaron Brook, Dr. Daniel Pipes, and Flemming  
Rose

**THE UNIVERSITY OF CHICAGO**  
(CHICAGO, IL)  
The Virtuous Egoist  
**Date:** Wednesday April 16th, 2008, 7:00pm  
**Location:** Harper Memorial Library, Room 140  
**Time:** 7:00pm  
**Contact:** mcraeven@uchicago.edu  
**Description:** Lecture and Q&A by Dr. Tara  
Smith

The Morality of Capitalism  
**Date:** Thursday, May 8, 2008, 7:00pm  
**Location:** Harper Memorial Library, Room 140  
**Contact:** mcraeven@uchicago.edu  
**Description:** A lecture and Q&A by Dr. Eric  
Daniels

**UNIVERSITY OF CALIFORNIA,**  
**BERKELEY (BERKELEY, CA)**  
The Threat of Totalitarian Islam  
**Date:** Tuesday, April 29th, 7-9pm  
**Location:** 2050 Valley Life Sciences Bldg., UC  
Berkeley Campus  
**Contact:** kbrakora@berkeley.edu  
**Description:** A panel discussion with Yaron  
Brook and Daniel Pipes

**COSTA MESA, CA**  
Woodstock's Legacy: The Rise of  
Environmentalism and the Religious Right  
**Date:** Thursday, May 1, 2008  
**Location:** Hilton Costa Mesa, CA  
**Contact:** Visit [www.aynrand.org](http://www.aynrand.org) for more  
information.  
**Description:** A lecture and Q&A by Dr. Yaron  
Brook

The Morality of Capitalism  
**Date:** Thursday, May 22, 2008  
**Location:** Hilton Costa Mesa, CA  
**Contact:** Visit [www.aynrand.org](http://www.aynrand.org) for more  
information.  
**Description:** A lecture and Q&A by Dr. Eric  
Daniels

**BOSTON, MA**  
The Threat of Totalitarian Islam  
**Date:** Tuesday, May 6th, 2008, 8:00pm  
**Location:** Emerson Hall, Room 210, Harvard  
University, Cambridge, MA  
**Description:** Panel discussion featuring Yaron  
Brook, Daniel Pipes, and Robert Spencer

"Apollo and Dionysus" Revisited  
By Yaron Brook  
**Date:** Thursday, May 8, 2008  
**Location:**  
Ford Hall Forum, Boston, Massachusetts, 6:30pm  
**Contact:** Visit [www.aynrand.org](http://www.aynrand.org) for more  
information.  
**Description:** In 1969 Ayn Rand's Ford Hall  
Forum talk, "Apollo and Dionysus," addressed  
the nearly simultaneous events of Woodstock and  
the first lunar landing. Almost four decades later,  
Dr. Yaron Brook, president and executive director  
of the Ayn Rand Institute, reflects on her words  
and explores the implications of how American  
culture since Woodstock has valued individualism  
relative to collectivism and civilization relative to  
primitivism.

## GENERAL ANNOUNCEMENTS

**THE AYN RAND INSTITUTE**  
Free video and audio selections online:  
[www.aynrand.org](http://www.aynrand.org)

"The Road to 9/11: How America's Selfless  
Policies Unleashed the Jihadists," by Elan Journo  
"The Rise and Fall of Property Rights in  
America," by Adam Mossoff  
Totalitarian Islam's Threat to the West: A panel  
discussion featuring Yaron Brook, Daniel Pipes  
and Wafa Sultan  
"The Separation of School and State: The Case  
for Abolishing America's Government Schools,"  
by C. Bradley Thompson  
"Atlas Shrugged—America's Second Declaration  
of Independence," by Onkar Ghate  
"Religion and Morality," by Onkar Ghate  
"Democracy vs. Victory: Why the 'Forward  
Strategy of Freedom' Had to Fail," by Yaron  
Brook  
"Passing Judgment: Ayn Rand's View of Justice,"  
by Tara Smith  
Free Speech and the Danish Cartoons: A panel  
discussion featuring Yaron Brook and Daniel  
Pipes  
"Why Conservatives Are Anti-Business," by  
Yaron Brook  
"America's Foreign Policy: Self-Interest vs. Self-  
Sacrifice," by Peter Schwartz

**THE LUCIDICUS PROJECT**  
Free books to medical students interested in  
learning about the moral and economic case for  
capitalism.  
**Contact:** Jared Rhoads—[jared.rhoads@lucidicus.org](mailto:jared.rhoads@lucidicus.org)

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