

Francolon Simon — Gamma-Liaison

Applying Free Market Principles To Produce A PEOPLE'S OLYMPICS

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■ WHEN THE first recorded Olympic Games were held in the year 776 B.C., there was only a single event — a 200-yard sprint at the stadium on the sacred meadow of Olympia, Greece. The winner, a cook named Coroebus from the City of Elis, was crowned with an olive wreath. Men from all over Greece gathered at Olympia every four years to participate in and

observe this athletic competition as even wars were abandoned in a religious truce. In time, other events were added, including discus hurling, javelin throwing, wrestling, boxing, and the long jump. Horse racing and chariot racing were held at the Hippodrome, a special arena built near the stadium.

No public spectacle was more im-

The 1984 Olympic Games in Los Angeles will use existing facilities and will not cost taxpayers one penny. The revenue needed for organizing and administering the Games will come from the private sector: television broadcast rights, U.S. business sponsorships, and ticket sales. This will truly be a People's Olympics.

portant to the Greeks than the Olympic Games. Spectators came, by river and by road, from all over the country. Rich and poor, kings and farmers, philosophers, horsetraders, painters, craftsmen, merchants — all came to the Games. Tents, stalls, and booths sprang up in which peddlers sold art objects, food, and wine to the throngs.

Elimination trials were held throughout Greece to determine who would be selected for the rigorous training in preparation for the Olympics. In order to participate in the Olympic competitions, young males had to be free-born Greek citizens. Women were not permitted even as spectators.*

The incentives for an athlete to be an Olympic champion were enormous. No people ever glorified and rewarded their athletic champions to

such a degree as did the Greeks. An athlete knew that by winning the Olympics his whole life would change and he would be honored as long as he lived. Whole cities would turn out to greet the triumphant return of a champion. Poems and songs were written in his honor. Sculptors would create life-size statues of him. And an Olympic champion was exempted from taxes, and given expensive gifts and money. Merchants and innkeepers would show their pride in the hero by providing him with free goods and services for life — food, wine, lodging, barbering, etc.

These acts of generosity were voluntary and spontaneous expressions by a great people who cherished excellence. And their tradition continued for almost 1,200 years. The Games are said to have reached their zenith during the Fourth and Fifth Centuries, B.C., but began to wane in later centuries as Rome rose to world dominance and Greece declined. The last year of the Ancient Games was 390 A.D. It was the 291st Olympiad and its winner was an Armenian prince named Varastades.

The Olympics were finally abolished in 394 A.D. by Theodosius I, Christian Emperor of Rome, on the grounds that they were pagan. Before long, the Olympic buildings were vandalized and an earthquake

*In fact, any woman found at the Games was to be thrown over a cliff to her death. Only once was this rule broken. Pherenice of Rhodes disguised herself as an athlete so that she could watch her son participate. When he won the boxing event, she became so excited that she rushed over and embraced and kissed him, and was thus exposed. Her life was spared only because her father and her brothers had been Olympic champions, and because her husband had died while their son was still in training. Thereafter, however, participants in all events had to compete naked in order to avoid deception.



A successful entrepreneur and amateur sportsman, Peter Ueberroth (right) has been aggressive in obtaining private support for the 1984 Games. Using innovation and sound management, Ueberroth plans to keep the tab around \$500 million and is so confident of the Free Enterprise approach he is predicting a surplus.

wrecked what was left. The Alpheus River, which ran near Olympia, altered its course and filled the sacred valley at the base of Mount Olympus with silt.

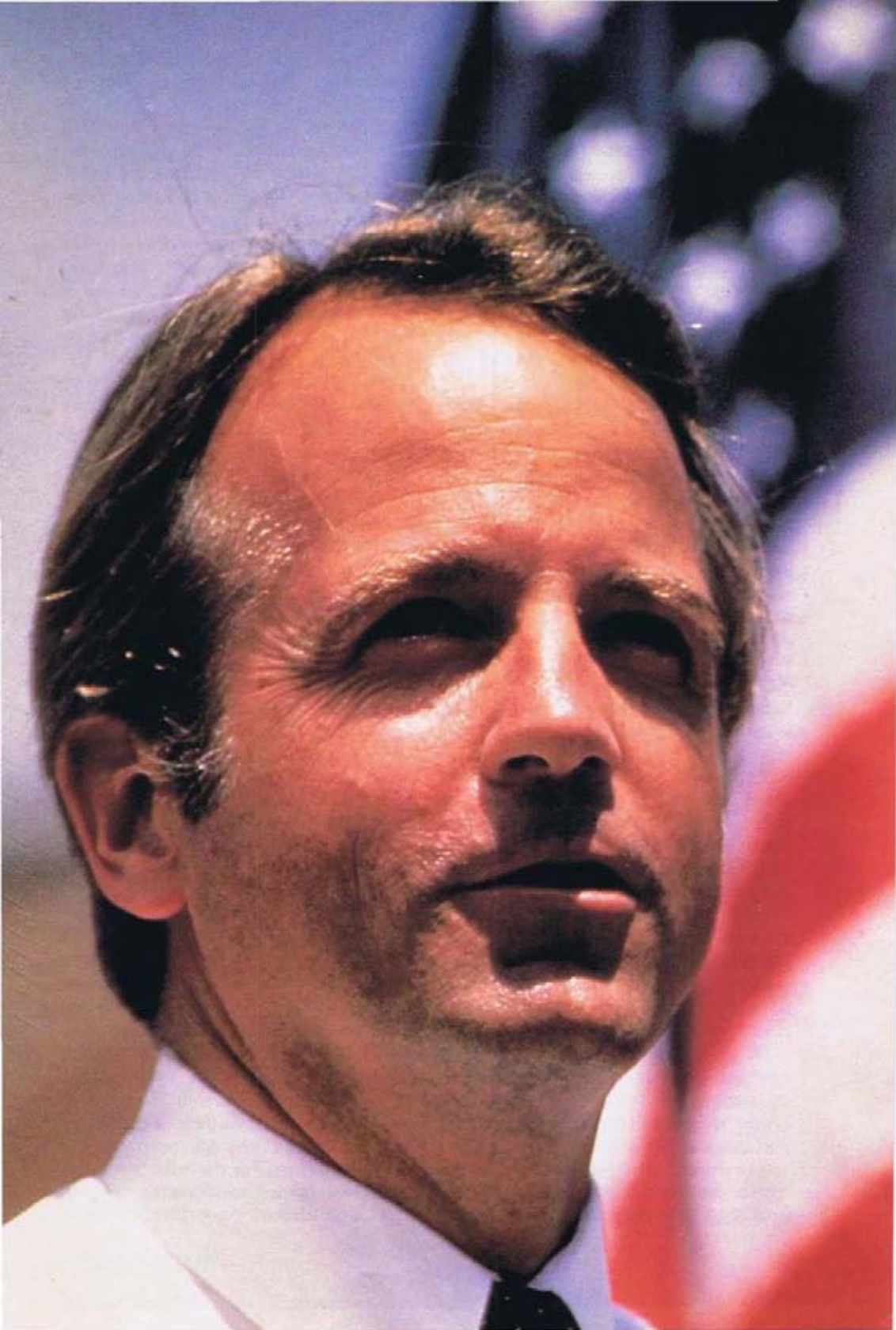
It was not until the 1880s that the buried ancient city of Olympia was rediscovered. As Pierre de Coubertin, a French baron, strolled through the excavated ruins, the idea of reviving the Olympic Games began to fascinate him. He thought that great good might be achieved if athletes from all nations in the world were to compete in a revival of the ancient competitions. It was largely the result of the efforts of this aristocrat that the Olympic Games were revived in 1896. That year the first Modern Olympiad was held in Athens, Greece. Since then the Olympics have been hosted in cities all over the world. The 1936 Olympics, in Berlin, began the practice of carrying a torch from Olympia, Greece, to the Games site. By that time, winners were receiving gold medals instead of olive wreaths. And today women are permitted to participate as well as attend the Olympic Games without fear of being thrown from a cliff.

On October 20, 1978, the International Olympic Committee (I.O.C.), the governing body of the Olympic movement, reluctantly awarded the right to host the Summer Games of

the XXIIIrd Olympiad to the City of Los Angeles. The formal agreement was signed in the Roosevelt Room of the White House by I.O.C. president Lord Killanin (later succeeded by Juan Antonio Samaranch) and Mayor Tom Bradley. This decision, the culmination of many years of persistent efforts by a few dedicated sportsmen, represented an unprecedented break in Olympic tradition: the responsibility for organizing and financing the 1984 Games would rest with the private sector, led by an independent, nonprofit corporation, and not with any level of government. It will be a true People's Olympics, as for the first time in this century taxpayers will not pick up the bill. All of which should make the 1984 Summer Olympic Games — a spectacular involving competition in twenty-three sports, with the events compacted into the sixteen-day period from July twenty-eighth through August twelfth — an even more glorious and exciting celebration of the Olympic spirit.

How L.A. Got The Games

The last time that Los Angeles hosted the Olympics was in 1932, back in the days when there was no smog, no Martin Luther King Boulevard, and the cost of a ticket to the Games was three dollars. Despite the



fact that the world was suffering the Great Depression, it was a time in which hosting the Olympic Games was a coveted honor for which large cities around the world eagerly competed. But the Games have since become more and more elaborate, and increasingly expensive. Fewer cities can afford to take on the enormous financial responsibility for the quadrennial sports festival.

Montreal was the last North American city to host the Games. As a result of its Olympic fling in 1976, that city saddled its taxpayers with one billion dollars in debts. Montreal will still be struggling under a stiff twenty-year surtax to pay off the Olympian deficit for more than a decade to come. Munich, the site of the 1972 Summer Games, also bathed its citizens deeply in red ink as a result of flagrant spending and mammoth outlays for exotic facilities.

In the wake of those two financial disasters, it is no wonder that the taxpayers of Los Angeles — upon learning of the possibility that their city would host the 1984 Games — went to the polls and voted not to allow one cent of public money to be spent on the proposed event. The Spirit of Proposition 13 was in the air. Taxpayers were mad as hell and didn't want to take it any more. While surveys of public opinion showed that eighty percent of Angelenos favored hosting the Olympic Games, the number in support fell to only thirty-five percent if the Games were not self-supporting.

What to do? Students in our government schools are led to believe as an article of faith that only government can accomplish major social and cultural objectives — that all the good things of the civilization in which we live come from political programs and the taxes which pay

for them. The notion is that, if some level of government doesn't do it, it cannot be done.

There appeared to be an impasse. But just when the chances for holding the 1984 Olympics in Los Angeles seemed most desperate — with talk of postponing the selection of a site for another year to give Montreal and Moscow a chance to bid for a return engagement — a small group of Southern California businessmen came forward to argue that the Games could be financed entirely by private contributions. Encouraged by former Treasury Secretary William Simon, now president of the United States Olympic Committee, leaders of the effort to bring the Olympics back to the City of the Angels proposed the idea of having a *private* organizing committee — completely funded by non-government sources — put on the 1984 Games. Initially, the International Olympic Committee — especially its chief, Lord Michael Killanin — balked at this proposal, expressing strong skepticism that Private Enterprise could successfully stage an event as elaborate as the Olympic Games. Besides, insisted Killanin, there were I.O.C. Rules which forbade such a thing. Rule Number Four, for example, said the host city (*i.e.*, its taxpayers) must assume financial responsibility for the Games. That's the way it's always been — and we mustn't break the Rules!

But the Los Angeles organizers were persistent. After all, their efforts to return the Olympics to L.A. had begun way back in 1939 when a group of businessmen had formed the Southern California Committee for the Olympic Games. This group had survived many disappointments over the years. For decades its members had been unsuccessful even in

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obtaining endorsement from the U.S. Olympic Committee to bid for the Games, losing each time to Detroit. Four times the U.S.O.C. tabbed Mottown over Los Angeles for the U.S. bidding. And when Los Angeles finally received the U.S. Olympic Committee endorsement for the 1976 Games, a last-minute bid from Moscow resulted in the I.O.C. picking Montreal as a compromise site.

The attitude of the International Olympic Committee has typically been: anything to avoid displeasing the Communists. Fearing embarrassing defections by its athletes, the Soviets understandably felt uneasy about having the Games in America.

Los Angeles missed again when Moscow was awarded the Games for 1980. But the competition for hosting the 1984 Olympics was very thin, the only other city vying for the honor being Teheran, the capital of Iran. One shudders to contemplate what sort of affair an Ayatollah Olympics would have turned out to be! At any rate, Teheran had dropped out of the running by late 1977, leaving Los Angeles in a one-horse race. After the financial disaster in Montreal, other cities would rather have established a leper colony than host the Olympic Games. Still, as the obstructionist Lord Killanin told the L.A. organizers at the time, "You may be the only horse in the race, but you still have to cross the finish line." He wasn't about to make it easy.

Mayor Tom Bradley had by now jumped onto the bandwagon of the Southern California Committee, but he was prevented by voters from spending so much as a penny of tax money on the event. The Los Angeles group had proposed a "Spartan

Games" — a relatively low-cost plan that would rely on corporate funding and use existing facilities — the Memorial Coliseum, Sports Arena, Forum, and Rose Bowl. The Southern California Committee created the Los Angeles Olympic Organizing Committee (L.A.O.O.C.) and insisted that this private group have full control of the Games and use any profit to help young amateur athletes all over America.

Profit! Lord Killanin and the fogeys at the I.O.C. nearly keeled over in an apoplectic fit! There weren't supposed to be profits after an Olympiad, only *debts*. Besides, another Rule, Number Twenty-one, said that any money generated from the Games must go to the I.O.C. to distribute as it sees fit.

"No way, José," retorted the businessmen.

"No Games," shot back the I.O.C.

But the International Olympic Committee had little room to press its stubbornness. There was by then no alternative city to which it could turn. Only this private Los Angeles group was willing to take on the job. A compromise emerged out of the war of words that followed. At an April 1978 meeting in Mexico City, the I.O.C. agreed to drop Rule Twenty-one and the L.A. organizers won the right to negotiate a television agreement — with one-third of the proceeds from the TV rights going to the International Olympic Committee. The payoff having been arranged, it seemed the City of the Angels had cleared the last bureaucratic hurdle and was sprinting for the tape.

Alas, fresh pitfalls soon caused Los Angeles to stumble again. When a contingent of L.A. officials went to Athens in May of 1978 to sign a preliminary agreement, trouble erupted from the bruised ego of Lord Kil-

lanin. A Los Angeles city councilman traveling with the group criticized the I.O.C. and its rigid attitudes while being interviewed by long-distance telephone for an L.A. radio talk show. He branded Killanin and other members of the International Olympic Committee "archaic and arcane aristocrats and freeloaders." True, but undiplomatic. And it assuredly did not help the negotiations.

After tempers had subsided a bit, another meeting was held in Montreal in June of that year at which William Simon and the U.S. Olympic Committee proposed that the private organizing committee contract directly with the I.O.C. for the right to host the Games, with the U.S.O.C. standing in the background to "guarantee" its performance. Still lacking confidence in a privately run Olympics, Lord Killanin rejected that proposal in July.

By this time, Mayor Bradley was ready to toss in the towel, but the Los Angeles Olympic Organizing Committee was determined to hold one more conference with Killanin. Led by its chairman John Argue, the Committee continued to press its case. Finally, at a late-summer meeting in Lausanne, Switzerland, the I.O.C. removed municipal liability for the 1984 Games by waiving Rule Four in the case of Los Angeles. Voting by mail, the I.O.C. members approved the privately funded Olympics in Los Angeles by a margin of seventy-five to three. As we have noted, the final contract was signed that fall.

Peter Ueberroth

The man selected by the Los Angeles Olympic Organizing Committee to be its president is a self-made millionaire named Peter Ueberroth. Rather than pick somebody whose life had been spent in the bowels of

government bureaucracy, the Olympic organizers chose as their leader a successful entrepreneur from the competitive world of American business. Ueberroth had built his own business, First Travel, into the second-biggest company of its kind in America — smaller only than American Express. Before his successful travel-agency career, he had run the Honolulu and Los Angeles offices of a non-scheduled airline owned by financier Kirk Kerkorian, working his way up to the position of vice president at the age of twenty-two. He had also worked his way through San Jose State University in the late 1950s paying "every last dime of my schooling and expenses," as he now proudly recalls.

But business was not the only area in which Ueberroth excelled. As a young man in school, he was active in competitive sports. In high school he was a four-letter man, going on to play water polo in college. In 1956 he tried but failed to make the U.S. team that journeyed to Melbourne for the Olympics of that year.

David Wolper, a California movie producer, recounts how he met Ueberroth. In 1973 a group of Hollywood moguls got together to plan the future of a newly launched professional sports league, the International Volleyball Association. Considering buying one of the I.V.A. franchises, young Ueberroth attended that meeting, listening patiently as Wolper and the other league organizers talked of grandiose schemes to promote volleyball and the new league.

"We thought we were running the N.F.L.," recalls Wolper. "But suddenly the new guy, this outsider, says, 'Wait a second. I'm not going to buy a franchise in this league. You guys don't know what the hell you're doing.' And then he proceeded to tell us everything we were doing wrong. He

said all us 'Hollywood types' were spending too much money and ought to cut things down. Pay everyone a fixed rate, play in cheaper stadiums, and run everything on a shoestring until we got established.

"And we said, 'Don't tell us how to run our league. We don't need your damn franchise. Take a hike.'"

Five years later, when Wolper was involved in the group of L.A. Olympic organizers, the talent search was on to find a single man to head the 1984 Olympics. After several weeks of intensive investigation the field had been narrowed to a list of six finalists for that awesome job. As the Committee began to weigh each man's qualifications, one name on the list struck a circuit in Wolper's memory bank. "Peter Ueberroth!" he exclaimed. "He's the guy who tried to tell us how to run our damn volleyball league. And he was right. We went broke. That's the guy we need! If anyone can run a Spartan Olympics that cheap sonofa***** can!"

This endorsement by Wolper put Peter Ueberroth in first place. At first, Ueberroth was reluctant to accept the offer. Why should he leave an extremely successful travel business to accept so brutal a responsibility? But John Argue and the other Olympic boosters were persistent and Mr. Ueberroth, who loves a challenge, rose to the occasion. He became president of the Los Angeles Olympic Organizing Committee in April 1979. Asked why he decided to tackle the job, Ueberroth replied: "One, because I believe that Los Angeles can put on the greatest Olympics ever. Two, because it will immensely benefit employment and boost the economy of Southern California. And three, because of the challenge of doing something right one time."

He sold his interest in First Travel Corporation (which was grossing \$300

million) to Carlson Companies for a tidy \$10.1 million. Ueberroth then plunged into his new job, starting by spending a month studying the financial plans and histories of past Olympiads. He concluded that "they all could have broken even if they hadn't done so much construction," noting that "Montreal spent \$25 million for a new rowing course, even though a perfectly good course was available." Peter Ueberroth would use already existing facilities wherever possible. Which nonetheless meant building a velodrome (for cycling events) and an Olympic-standard swimming pool. But even these new facilities would not require a dime of taxpayer money.

Existing facilities that will be used to put on the Olympics include the Coliseum for track and field events, the Forum for basketball, the Rose Bowl for soccer, Santa Anita racetrack for equestrian events, and the U.C.L.A. and U.S.C. college campuses to house the athletes.

The plan calls for keeping the total tab for the Los Angeles Games to around \$450-\$500 million, a very modest figure compared to what has been spent on previous Games in recent years. And, on top of it all, capitalist Peter Ueberroth is confidently forecasting that he will end up with a *surplus* of perhaps as much as \$50 million!

Paying The Bills

As we have noted, angry taxpayers approved an amendment to the Los Angeles City Charter in November 1978 which forbids any capital expenditures by the city on the Olympic Games that would not, by binding legal commitment, be paid back. The money needed for organizing and administering the Games is coming, instead, from three main sources: 1) the sale of television broadcast

rights; 2) corporate sponsorships; and, 3) revenues from the sale of tickets.

The cornerstone of the Olympic funding is the \$225 million that the American Broadcasting Corporation is paying to televise the Games. In addition to broadcasting the Games throughout the United States, ABC will also serve as the Host Coordinating Broadcaster for foreign coverage. But no network ever paid that much for the broadcast rights to an Olympic shindig. Indeed, NBC had bid only \$85 million for the 1980 Olympics in Moscow, and that was considered exorbitant. But Ueberroth the entrepreneur, who personally negotiated the contract with ABC, is a shrewd bargainer. He learned from his ad agency contacts how much the network could take in from the 1,750 minutes of commercial time it might squeeze into its 207½ hours of coverage.* With that information as a lever, Peter Ueberroth was able to get ABC to agree to the unprecedented fee.

Television rights have also been contracted with the European broadcasting Union (\$19.8 million) for 450 hours of coverage in Europe; Network 10/Australia (\$10.6 million) for 250 TV hours to be broadcast to the fans "down under"; TV New Zealand (\$500,000); and, Kanlaon Broadcasting System of The Philippines (\$400,000). Other such deals are equally impressive.

These Games will be the most widely covered in history. An incomparable world media event, the 1984 Summer Olympics will be televised to an estimated viewing audience of about 2.5 billion human beings — more than half the Earth's total

population! Is it any wonder that the networks and corporate advertisers are willing to pay unprecedentedly high prices for the privilege of reaching such a potential market? Yes, Ueberroth knew what he was doing when he signed those media contracts.

Another major source of Olympic funding is corporate sponsoring. Carefully selected large businesses have been chosen by Ueberroth to be Official Sponsors for the Summer Games. The competition was keen among those who wanted this designation as the prestige and advertising benefits are considered well worth the cost. But some critics, including members of the I.O.C., have expressed concern that the 1984 Olympic Games will be too commercialized. They chide the organizers of the 1980 Winter Olympics (Lake Placid, New York) for permitting a ridiculously high number of companies (some 381) to advertise as Official Sponsors, and they note that those Games still lost over \$4 million.

Ueberroth, however, waives off these worries, saying that charges of "commercialism" are unfair. Commercial sponsorship for the Olympics has been around to one extent or another for decades, he points out. "We've just made it more productive." When the Summer Games were held in Montreal in 1976 — the last time they were hosted in the Free World — there were 164 corporate sponsors who contributed only 1.5 percent of the total bill. This time, Ueberroth and his Free Market organizers have kept the number of Official Sponsors to a select group of only about thirty major companies. But sponsorships are costing corporations up to \$15 million — ten times what sponsors of previous Games had paid. The typical sponsor,

*Prime-time thirty-second commercial spots are fetching as much as \$260,000, more than twice the usual price for prime commercial time on television.

however, has contributed \$4 million in actual funds, products, or services. Official Sponsors are in turn granted the exclusive right in their product category to use the 1984 Olympics star-in-motion logo and Sam the Eagle (the official mascot for this year's Games) in their advertising and merchandising campaigns.

The strategy was to bring in only a few big hitters rather than spread the cost among hundreds of smaller contributors. Ueberroth, who interviewed executives about their Olympic marketing proposals, turned down three out of four prospective sponsors because he felt they did not share his commitment to encouraging amateur sports. His Committee has given preference to companies, such as McDonald's Corporation and Atlantic Richfield (ARCO), that have agreed to help finance pre-Olympic youth athletic programs in the United States.

McDonald's has contributed \$9 million, part of which went into financing construction of the new Olympic swimming stadium at U.S.C. But the fast-food chain has also promised to provide corporate funds for a variety of youth-in-sports programs — from swimming lessons for youngsters to Junior Olympic swimming contests. Atlantic Richfield has contributed \$9 million to refurbish the Los Angeles Coliseum and for the construction of seven running tracks. It too has made financial commitments to junior athletics in America.

The new bicycling velodrome was built with a \$4 million contribution from the Southland Corporation, which owns the 7-Eleven convenience stores. Coca-Cola provided \$15 million to be named the Official Olympic Soft Drink. Another giant, Anheuser-Busch, stepped in with \$11

million for the Games. These firms have also pledged to lend their company vehicles, drivers, or products for use by the Olympics. They are also co-sponsoring promotional activities.

Levi Strauss & Company, which is providing uniforms and apparel for the Olympic athletes and volunteer workers, came up with \$8 million to be the Official Outfitter for the 1984 Games. Olympic insignia appear on Levi's new active-wear clothing. Converse Rubber Company raced in to donate \$15 million and had one of its products named the Official Athletic Shoe this year. Converse president John P. O'Neil sees the Olympics as a unique opportunity for introducing his company's new running and basketball shoes. And, because of the Games' broad appeal, his Olympic-oriented advertising and marketing campaign "has tremendously excited our international distributors."

United Airlines is the Official Airline for the 1984 Olympics, and will coordinate air travel. The company selected to plan and manage transportation for the athletes between their dorms at U.C.L.A. and U.S.C. and their events is ARA Transportation Services. General Motors Buick Division has provided a cool \$5 million and five hundred cars and trucks to the Olympic effort. Buick is of course the Official Car for the Olympics. Minute Maid (Coca-Cola) is providing the Official Fruit Juice, and Mars has made M&Ms the Official Olympics Candy. The relatively small Arrowhead Puritas company is providing the Official Drinking Water — a very good thing for the athletes considering the taste of L.A. tap water!

While television sales and corporate financing account for most of the revenue for the Games, ticket

sales will also bring in a significant amount. The sale of some 8.3 million tickets to people all over the planet will produce a projected \$93 million for the Olympic budget. Ueberroth has initiated a special program in which two thousand V.I.P. sports fans have been sold entry-for-two admittance tickets to the events of their choice for a tax-deductible price of \$25,000. The proceeds will be used to bring to the Games 100,000 disadvantaged persons — youngsters from the inner cities, handicapped people, and the aged. These are those who would not otherwise be able to attend.

Still another source of funding has been the zig-zag Olympic Torch relay route. Criss-crossing the states, this lengthy relay is being sponsored at the rate of \$3,000 per kilometer.

Sales of gold and silver coins, specially minted by the U.S. Treasury to commemorate the 1984 Olympics, will also bring in substantial sums for the cause. Again, this is not at taxpayer expense. Mr. Ueberroth, always the entrepreneur, simply persuaded the Treasury to split the proceeds from the coin sales with the Los Angeles Olympic Organizing Committee.

Financial Triumph

"The idea of running the Olympics through the private sector might have looked very chancy a couple of years ago, but we've turned it into a manageable business-risk proposition," says businessman Peter Ueberroth. Meticulously planning for every foreseeable eventuality, he is confident when he predicts: "Ours will be the most financially successful Games ever."

With a businessman's sense of parsimony, the president of the Los Angeles Olympic Organizing Committee has done everything he can

think of to avoid making any big mistakes, gathering detailed financial research on this undertaking, locking inflation clauses into the contracts, using double and triple reserves in cost projections to cover unknown factors and unexpected developments, avoiding construction delays and cost overruns by getting bonded guarantees from builders, and employing not one but two accounting firms to oversee finances.

"The 1984 Games will be a privately managed event with no taxpayer money, no government funds, no donations, not one cent. In the past, they always awarded the Games to a city, and city-oriented people ran it. This will be the first time ever that an Olympic Games will be managed by sports people and business people, and it will be copied in the future," observes Ueberroth with justifiable pride.

But not everyone is enamored at the Private Enterprise aspect of the 1984 Olympics. Critics on the Left wonder aloud: What about soul? Has the Olympics sold out to Big Business? One who raises this question is Maureen Kindel, president of the Los Angeles Public Works Commission. She says, "I worry about the soul of the Olympics, worry that the citizens of Los Angeles will really feel a great commitment to the Olympic Games and that they will enjoy the magic of them. I worry that all we hear about is the positive balance on our ledger sheet. Are we failing to make some humanistic decisions now because of the desire for a large profit just for profit's sake?"

This is typical of the "Liberal" notion that profit means exploitation. The idea is that one person's gain requires somebody else's loss. In free exchange on a free market, however, there is mutual profit by

both parties, otherwise the trade would not take place. And when "Liberals" speak of "humanistic" considerations you can bet it is *they* who are determined to exploit the taxpayer. No deal, no trade, no choice — just exploitation.

But Ueberroth didn't get to be a successful businessman without knowing how to keep the politicians and bureaucrats off his back. He has done a study to hype what the Olympics will mean for them. He predicts that "we will generate \$231 million in real tax revenue to the federal government and \$179 million in taxes to state and local governments. We'll pump \$3.3 billion into the economy of Southern California. We'll provide 68,000 jobs averaging four months in duration. And we will leave behind as permanent legacies or contributions to Southern California some new or improved facilities that will not have been financed by the taxpayers." How is that for "soul"?

The Red Reaction

It is understandable that homegrown statists enamored of the power of megagovernment would complain that they didn't get their hands on so massive an undertaking as the Olympics. Big government, big taxation, and big bureaucracy are the foundation of their special interest. Nor is it surprising that the Soviets have moaned loudly about a privately run Olympic Games in the United States of America.

Since 1952, when Soviet athletes first began participating at the Games, the Reds have looked on the Olympics as extremely important to their propaganda. The Soviet government selects potential Olympic athletes almost from infancy, then subsidizes their life's training in some specialty, with the goal of bringing

back gold medals for the greater glory of the Communist Motherland. Sports is one of the most promoted areas of human life in the deadly dull Soviet Union. In the city of Moscow alone there are over seventy stadiums, sixty sports palaces, and more than a thousand gymnasi-ums. Athletics are government business in the U.S.S.R., with amateurism at the top levels literally unknown. In Communist countries, after all, everyone works for the State. Their athletes are paid regular working wages by the Soviet government.

How offensive it must be to orthodox Communists to have the "private sector" freely accept responsibility for organizing, managing, and staging something that has always been a political enterprise. Why, it's capitalistic chauvinism! Everyone knows that only the central planning boards of a political bureaucracy can plan anything.

The Soviet government, which spent a staggering \$9 billion on its 1980 Olympic Games in Moscow — an event that was boycotted by the United States and five dozen other nations — is understandably upset with an American Olympics being put on by the free choice of a free people for less than half a billion dollars. The Soviets have as a result brought out their propaganda cannons to blast Ueberroth and the Los Angeles Olympics. A recent article in the Soviet weekly *Literaturnaya Gazeta* expressed Moscow's disapproval and contempt for the manner in which the U.S. Games have been organized by business leaders instead of by politicians and bureaucrats. According to the article, the private sector should not be permitted to have even a role in the Games, and the fact that it is actually running the 1984 Olympics can only mean rampant exploitation.

As the writer of this Red propaganda put it, the Comrades worry that "prices will soar beyond the reach of even Sam the Eagle, the official mascot of the L.A. Games." The fact that the Southern California Olympic organizers have chosen not to build a new, centralized Olympic Village has also evoked concern among the Soviets. Knowing little about the quality of our university facilities, they declare that the dormitories at U.C.L.A. and at U.S.C. will not be up to snuff, and that "security problems" will be posed by the fact that the athlete housing and venues are spread out over Southern California rather than concentrated in one place.* This proves, according to the Soviet article, that "Capitalism multiplied by capitalism yields zero for the interests of Olympic sports."

We think this "concern" is mostly sour grapes on the part of the Communists. Their megasplurging on the Moscow Games was a poor investment on their part, even from a political perspective. That Red diatribe against the 1984 Olympics led Congressman William L. Dickinson (R.-Alabama) to recall how the Soviets handled their Moscow Games four years ago:

"The Soviets undertook a major reconstruction of their city, including 99 major construction projects. They spent an unprecedented amount of time and money throwing up new buildings, tearing down old ones, planting shrubs and spray-painting anything that did not move, including cracks in the walls. The total cost of this effort to impress the bourgeoisie of the world with the greatest Olympic production ever,

cost the Russian people an estimated \$9 billion."

But the real cost to the oppressed Soviet people was much higher. Dickinson observes: "As a result of the Olympic effort, virtually all other construction was halted, putting further strain on the already poor Soviet economy Thousands of dissidents and undesirable Soviet citizens were exiled from Moscow." In fact, according to the Congressman, about a fourth of the eight million people there were denied access to their own city, and some 300,000 "undesirables" were shipped out of Moscow for an unwanted vacation lest the world find out the truth about misery under Communism.

There is probably no way of knowing or measuring the cost of the 1980 Olympic boondoggle in Moscow, but the costs in terms of lost freedoms and even lower economic living standards for the people were terrible. Dickinson points out that scarce "food items such as meat, produce and canned goods were not available in the remainder of the country so there would not be shortages in Moscow. As in any slave-labor nation, many people were forced to work on preparations." Talk about exploitation!

Besides, as Representative Dickinson concludes, "Los Angeles was the only city to apply; and, what's more, because of Free Enterprise, they are expected to make a profit Without the generosity of American private enterprise, the 1984 Olympics might not even be held. But thanks to the American Way we will enjoy [*the Summer Games*] — and at a profit."

How Freedom Works

When we talk about the "private sector" in America we are talking about free people acting on their

*The only threat, as it happens, comes from the client terrorists of the Soviet Union. If terrorism shows itself, those responsible will be fully exposed in the international media.

own volition. Our private sector has traditionally sponsored and financed such events as the Kentucky Derby, the Pan American Games, and such crucial pre-Olympic facilities as the 34-acre Olympic training center at Colorado Springs, where more than twelve thousand hopefuls train each year. Then there is our Junior Olympic program, which American business has subsidized generously. The U.S. Junior Olympics is now the world's largest truly amateur sports program. For every youth in a Communist country who is targeted from infancy to be trained by socialist professionals for future Olympic competition, there are thousands of young Americans competing at local Junior Olympics events across the United States. Some of them will find their way to the winners' platform at the real Olympics as true amateurs. Mark Spitz, Kurt Thomas, Ken Norton, and Wilma Rudolph — just to name a few — were all Junior Olympians.

Unfortunately, we do not have enough Free Enterprise in this country. If our economy were not burdened by the innumerable regulations and capital-draining taxes taken to feed the bureaucratic monster, we could *really* show the world what a free people can do. Even now, one worry Peter Ueberroth has is that governments, wanting to get their hands in the Olympic pockets, could trip up parts of the Games. During this final pre-Games period,

the Olympic organizers are at their most vulnerable stage. Unforeseen calamities could play havoc with their fragile timetable. The Soviets are already playing politics. But the greatest concern is the possibility of last-minute meddling by local governments. "Politicians and governments can bring us to our knees," admits Ueberroth. "We need thousands upon thousands of permits for all kinds of little things. We are holding the Games in twenty-nine cities and in nine counties and in three states. That can be very difficult."

But, barring any major interference from bureaucrats, the Games will go on as scheduled. This should be one of the most thrilling of all Olympiads. Ueberroth sums up the philosophy behind this year's Olympics as follows: "Our goal is to make the Olympics a sporting event again, to do something right for the athletes. We're not trying to be bigger, better, grander. We're clearly trying to put on a Games that goes back to the early, easy principles of the Olympics — to celebrate sport."

The 1936 Berlin Olympics was lavishly staged as a showcase for Hitler's Nazis. The 1980 Moscow extravaganza was also designed as a mammoth propaganda forum. This summer, the American business community — handicapped though it is with government rules and confiscatory taxes — will show what free people can do. We are delighted. ■ ■

CRACKER BARREL

■ From Tom Anderson we learn that recent polls of college students reveal that they consider nuclear power to pose the most serious "present risk of death." Nuclear power has killed nobody, Anderson reminds us, and is far less dangerous than coal, electricity, kerosene — or mules.

■ Statistics: 400 million people speak English; 900 million speak Mandarin Chinese.

■ The best thing the United States could do in Central America, declares Senator Jesse Helms, would be to implement the Monroe Doctrine.

■ Donald Lambro reminds us: Congress has been spending money faster than the economy has been producing taxable income.