That dissatisfaction has spurred electoral reforms in the United States (e.g., term limits), Italy, Japan, New Zealand, and elsewhere. It's also prompting "more involvement in nonpartisan forms of political action," such as citizen interest groups and referendums. And, the authors believe, it will eventually lead to louder demands for direct citizen involvement in the details of policy administration. This "public skepticism about political parties is one piece of a general syndrome involving the public's growing doubts about representative democracy, and a search for other democratic forms."

POLITICS & GOVERNMENT

## Senile Justice?

**THE SOURCE:** "Life Tenure on the Supreme Court: Time for a Change?" by Kevin T. McGuire, in ***Judicature***, July–Aug. 2005.

The recent appointments of 50-year-old John G. Roberts and 55-year-old Samuel Alito reduced the previous 8–1 majority of senior citizens on the Supreme Court, but in the age of ever-lengthening life spans, the worry that justices stay on the bench far too long isn't likely to go away. The Founding Fathers, acting when life expectancy was less than 40 years, could hardly have foreseen the danger that lifetime tenure might mean a superannuated Court rarely refreshed by new appointments.

Yet a hard look at the historical record shows that the danger is exaggerated, contends Kevin T. McGuire, a political scientist at the University of North Carolina, Chapel Hill.

Before 80-year-old Chief Justice William Rehnquist's death last year, the median age of the justices was 69. That was only five years more than the Court's average median age since the dawn of the 20th century.

What about length of service? Rehnquist served 33 years, one of the Court's 10 longest tenures in history, and retired Justice Sandra Day O'Connor, 75, served only a decade less than he did. The median length of service for sitting justices before the recent departures was 18 years. Before the Civil War, the median length of service reached a high of 24 years. Since 1869, when Congress began offering financial support to justices who retired, the median length of service has seldom exceeded 15 years, so rookies Roberts and Alito return the Court close to the historical norm.

From the mid-19th to the mid-20th centuries, justices generally were appointed in their mid-50s, leaving the Court when they were about 70 years old, often only at death. Of the justices appointed since the 1950s, all those who left the Court before Rehnquist went willingly into retirement—but at the more advanced median age of 77. Even so, that is not much different from the age-75 maximum that reformers have proposed be adopted by constitutional amendment.

All in all, McGuire concludes, the historical evidence indicates there's no need to tinker with lifetime tenure for Supreme Court justices. But if Congress decides it wants to speed up turnover on the Court, a much simpler remedy is at hand: Just offer justices who step down before they reach age 75 or complete 15 years of service the opportunity to retire at twice their current salary. Let the record show that the pension bait of 1869 revealed that even the lofty Supremes aren't immune to financial incentives.

ECONOMICS, LABOR & BUSINESS

# High Tech's Log Cabin

**THE SOURCE:** "A Garage and an Idea: What More Does an Entrepreneur Need?" by Pino G. Audia and Christopher I. Rider, in ***California Management Review***, Fall 2005.

"Birthplace of Silicon Valley" reads the plaque outside one of California's official historic landmarks: a garage on Addison Avenue in Palo Alto where, in 1938, the cofounders of Hewlett-Packard began their ascent to fame and fortune. It's a sacred item of American mythology that big dreams are born in humble places. The Walt Disney Company, Apple Computer, and Mattel all have garages in their pasts, and other firms can boast a basement (United Parcel Service), a dorm room (Dell Computer), or a kitchen (Lillian Vernon) in theirs. Indeed, business school students in one recent survey estimated that nearly half the entrepreneurs in the country get started that way.

That estimate is way too high, say Pino G. Audia and Christopher I. Rider, a professor of organizational behavior and a graduate student,

David Packard (seated) and William Hewlett launched their first product, an audio oscillator, in a Palo Alto garage in 1938. Their working capital was $538, most of which was spent on a used Sears drill press.

respectively, at the Haas School of Business at the University of California, Berkeley. But far more important than the number of garage-style start-ups is the misunderstanding of their character. The myth of lone-wolf entrepreneurs casting aside all connections to the corporate establishment on their way to glory obscures the vital "social" dimension of these success stories. The entrepreneurs often "acquire the psychological and social resources necessary to form new companies through prior experiences at existing organizations in related industries." In one study, 70 percent of 890 founders of new businesses had had such experiences.

Take William Hewlett and David Packard. Before they began building custom electronic devices in that Addison Avenue garage, Packard had worked at General Electric, and with an inventor at Litton Engineering Laboratories. The pair had met as students at Stanford University, where both took a graduate course in radio engineering from Frederick Terman, the authors note. "Terman was instrumental in introducing the two to potential customers and suppliers and in arranging for fellowships and jobs to pay for the co-founders' living expenses. Litton provided space and equipment for the production of many of Hewlett and Packard's early orders." From his courses at Stanford and his work at GE, Packard had "gained confidence in his ability to handle the legal and business matters of the young company." HP's first "real product" was an audio oscillator Hewlett had developed in Terman's lab.

> The Walt Disney Company, Apple Computer, and Mattel all have garages in their pasts.

After about a year, Hewlett and Packard moved out of the garage. It certainly had played a role in their success, but hardly the starring one that legend assigns it.

ECONOMICS, LABOR & BUSINESS

# The Case for Cheap Gasoline

**THE SOURCE:** "The Uneasy Case for Higher Gasoline Taxes" by Ian W. H. Parry, in ***The Milken Institute Review***, 2005: No. 4.

The logic of increasing taxes on gasoline seems a no-brainer to many people who worry about America's dependence on foreign oil, global warming, and traffic congestion. At an average of 40 cents per gallon, federal and state taxes on gas are about the same, in inflation-adjusted terms, as they were in 1960, and they are a fraction of taxes paid in Europe. Yet raising gas taxes wouldn't be the most effective way to address these problems, argues Ian W. H. Parry, a senior fellow at Resources for the Future, a Washington-based think tank.

Consider the costs of oil dependence. America currently gets 56 percent of its oil from abroad, and that percentage is expected to grow. This dependence leaves Americans vulnerable to oil price–related disruptions; also, since Americans are the world's largest consumers of oil, their purchases may drive up the world price. Taking those risks into account, economists estimate the costs of oil dependence at no more (and perhaps much less) than about 30 cents a gallon—in other words, less than the average taxes already imposed.

The geopolitical costs of oil dependence—that it might undermine U.S. foreign policy or national security—are virtually impossible to quantify, Parry notes, but upping fuel taxes would be unlikely to