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different skills and products. Economic difficulties persist: Prices have risen by 54 percent since 1984, compared to nine percent in the U.S. during the same period. Even so, three years of "Rogernomics" have restored "a sense of national pride" to New Zealand. Thanks to deregulation, businessmen "raised to side-step and dummy their way around government controls... now believe they can take on the world."

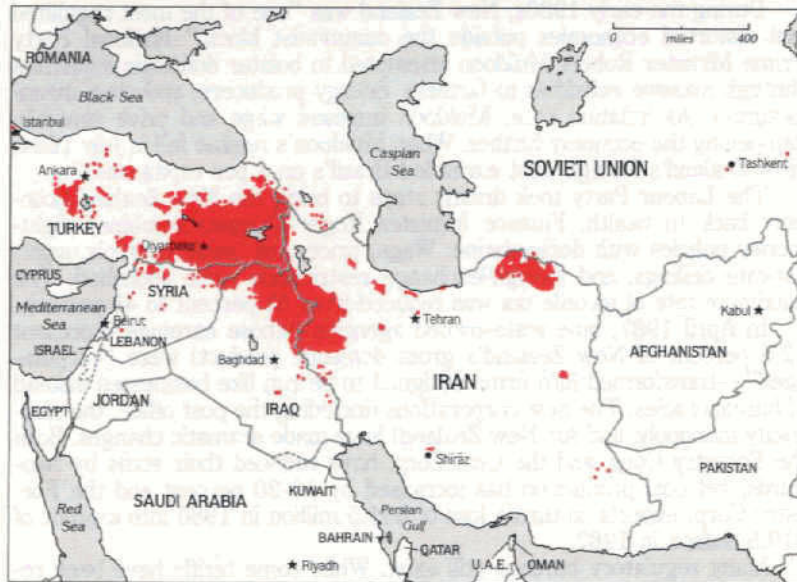
The Kurdish Way

"Sons of Devils" by Robert D. Kaplan, in *The Atlantic Monthly* (Nov. 1987), 8 Arlington St., Boston, Mass. 02116.

For 4000 years the Kurds, highland warriors with a deeply ingrained taste for the spoils of conflict, have inhabited the Taurus Mountains of the Middle East between the Tigris River and Lake Van. Today some 16 million Kurds are loyal to "Kurdistan," a territory larger than California, spread over parts of Turkey, Iran, Iraq, Syria, and the Soviet Union.

"Lacking a state of their own," writes Kaplan, a foreign correspondent, "the Kurds thrive when all the existing states are in turmoil."

Since World War II, Kurdish guerrillas, called *pesh mergas* ("those who are prepared to die"), have contributed to the Middle East's turmoil by waging war against Iraq, Iran, and Turkey. The Kurds have become allies of convenience, acquiring arms from other countries in return for advancing their interests. In 1974, for example, the United States, Israel,



The Kurdish population (shown in red) is highest in Turkey, Iran, and Iraq, but Kurds also inhabit areas of the Soviet Union and Syria.

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and Iran (under the Shah), aiming to destabilize the Iraqi government, backed a Kurdish revolt led by Mustafa Barzani. Barzani's son continues to battle Iraq, but now with support from Iran and Libya.

Since the Iran-Iraq war began in 1980, the Kurds have continued their violent campaigns in three nations.

Home to five Kurdish partisan armies, northern Iraq is "a cauldron of Kurdish separatism." Two groups of 10,000 guerrillas oppose the Iraqis, taking advantage of the army's preoccupation with the war to the south, and threatening the highway and oil pipeline to Turkey. Three armies of anti-Khomeini guerrillas based in Iraq routinely conduct raids into Iran.

Turkey does not recognize the existence of its eight million Kurds, calling them "eastern compatriots" or "mountain Turks." But Syrian-trained, Marxist *pesh mergas* have launched more than 400 attacks on Turkish border villages since 1984. To secure its southeastern provinces, Turkey is fencing the Syrian border and bombing the hideouts of *pesh mergas* in Iraq.

While some opportunistic Kurdish factions lean toward Marxist ideology, they have also welcomed support from the West. If Iran triumphs over Iraq, Kaplan contends, either superpower may use the Kurds for "an insurgency option" in Iran. "Draw up any scenario you please," he suggests, "the Kurds are available."

Deregulating Japan

"Micro Economics" by Robert Chapman Wood, in *Policy Review* (Fall 1987), Heritage Foundation, 214 Massachusetts Ave. N.E., Washington, D.C. 20002.

Japan's trade barriers against foreign imports are well known. Yet Japan has an equally formidable network of *domestic* trade barriers—internal regulatory restrictions that discourage investment and growth and encourage trade surpluses. These restrictions, says Wood, an economic consultant, "prevent Japanese citizens from buying what they most want to buy."

Japanese curbs on development, Wood argues, derive from government policies designed to "preserve the country's traditions and culture." Having been taught in school that Japan is a small nation lacking in resources (without being told about comparable areas of the world, such as southern New England or the Netherlands), few Japanese believe that they can live as well as Europeans or Americans. There is little public pressure, therefore, for the removal of existing economic barriers.

Consider Japan's housing policies. Although the nation's population density is high (846 people per square mile), Japan is actually *less* congested than such states as New Jersey (986 people per square mile). But Japanese agricultural policies, with high subsidies for farm products and low taxes on farmland, discourage farmers from selling acreage to developers, reducing the space available for new housing. (Fifteen percent of the Tokyo metropolitan area, for example, is farmland.) Meanwhile, strict national rent controls "often make redevelopment practically impossible."

New businesses are hobbled by government policies designed to preserve family-run stores. Only one "large" store is allowed in a neighbor-