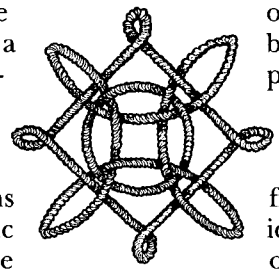
CHARLES II

By Glenn C. Loury

"For many years now, too many scholars on left and right alike have pretended they live in a Lake Wobegon world where everyone can be above average. It is time for policy analysts to stop avoiding the reality of human inequality, a reality that neither equalization of opportunity nor a freer market will circumvent."

So concludes a thin monograph just published by the American Enterprise Institute under the title *Income Inequality and IQ.* The author? You guessed it, Charles Murray, who, along with the late Richard Herrnstein, wrote the incendiary 1994 bestseller *The Bell Curve.* Murray is back on message—chastened perhaps, but unrepentant. While studiously avoiding any claims about the innate intellectual inferiority of blacks this time around, he is still preaching his gospel about a social hierarchy based on sheer mental candlepower. He still claims that inherited human differences dictate disparities of income so stubborn that we can have a more equal society only if we tolerate government intrusions that would surely curtail liberty. "No realistic assessment of our empirical experience," he declares, "can yield grounds for concluding that our repertoire of social interventions, augmented with greater funding and energy, may be expected to narrow the national income inequality statistics."



I like that "our"—Murray having never met a "social intervention" he much cared for. But never mind. The fact is that "our empirical experience" compels no such categorical judgment. Murray persists in making sweeping claims of the sort that were effectively rebutted years ago, while ignoring the most serious criticisms of his earlier work. One cannot imagine his coauthor, Richard Herrnstein, who had been a respected professor of psychology at Harvard before his untimely death, behaving in so unscholarly a fashion. Indeed, one wonders whether Murray, who has never shown mastery of statistical technique in his work (his gift is exposition), has a sufficient grasp of the methodological issues involved to engage in an expert discourse.

Certainly, *Income Inequality and IQ* does nothing to dispel this suspicion. The monograph uses a subsample of the National Longitudinal Survey of Youth, consisting of matched pairs of siblings raised in the same households. The survey looks, first, at how these siblings fared on cognitive skills tests that they took when they were in their late adolescence. It then looks at how those siblings do in their late 20s and early 30s—that is, how much money they earn, how much education they receive, how much job prestige they gain. Murray uses these data to establish a causal relationship: By comparing persons with middling test scores to siblings whose scores were either much better or much worse, Murray finds that, among youngsters raised in the same household, those who did better on the cognitive test were substantially more successful later in life. Ergo, he says, innate cognitive differences explain inequality.

Of course, the story is a lot more complicated than that. Nobody disputes that people with better mental skills will, on average, perform better in our society. And, yes, this view is rather more broadly accepted now than it had been before the appearance of *The Bell Curve.* But Murray still hasn't managed to answer the academic community's chief complaint: His theory does not adequately account for the role social environment plays in determining one's lot in life.

As you may recall, in *The Bell Curve* Herrnstein and Murray used an extremely crude measure of social background, then contrasted its effects with those of a test of mental skills given to most of the sample in late adolescence. Murray claims his new study answers this criticism: "*The Bell Curve*'s method of controlling for SES [socioeconomic status] and the sibling method of controlling for everything in the family background yield interpretations of the independent role of IQ on income that are substantively indistinguishable," he writes. But the test Murray uses, the Armed Forces Qualification Test, is not an environment-free measure of intelligence, so it does not identify "the independent role of IQ." Scores on the AFQT have been shown to vary significantly with the quantity and quality of education to which a young person has been exposed.

Moreover, comparing siblings, while helpful, does not come close to "controlling for everything in the family background." Environments can differ within families, too—because of differences in the sex, personality, or birth order of the children, for example. In any case, Murray's conclusion—that improving the environments of unrelated children will do little to reduce inequality—is a non sequitur. Finding a correlation between intelligence and success *within* families says nothing about the extent to which inequality in a population is driven by differences *between* families. After all, incomes are much more equal among siblings than among unrelated individuals, which attests to the equality-enhancing effects of a common family environment. Variance in IQ explains at most one-fifth of the variance of incomes; so, most inequality is caused by other factors. It is by now well-established that, holding ability constant, more education raises earnings, and well-designed, early childhood interventions can improve later-life outcomes for disadvantaged youths in a cost-effective way. But Murray seems utterly unfazed by these results.

Several months after *The Bell Curve* appeared, the Uni-

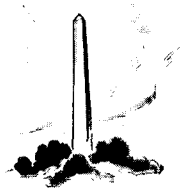
versity of Chicago arranged a workshop in which Murray was to face one of his most distinguished critics, the renowned econometrician James Heckman, in a discussion on the technical merits of his work. Murray backed out of that engagement. "I am canceling out of the session," he wrote to the organizer. "My experience of the last few months leads me to this position.... I will no longer deal with academics in groups." A few weeks later, Murray appeared at Harvard's Kennedy School of Government, before a rather large group of academics, to debate a nonspecialist under a strictly regulated format. Murray obviously prefers nonexpert audiences that can't ask him overly technical questions. Is it any wonder why? •

WASHINGTON SCENE

HACK HEAVEN

By Stephen Glass

Ian Restil, a 15-year-old computer hacker who looks like an even more adolescent version of Bill Gates, is throwing a tantrum. "I want more money. I want a Miata. I want a trip to Disney World. I want *X-Man* comic [book] number one. I want a lifetime subscription to *Playboy*, and throw in *Penthouse*. Show me the money! Show me the money!" Over and over again, the boy, who is wearing a frayed Cal Ripken Jr. T-shirt, is shouting his demands. Across the table, executives from a California software firm called Jukt Micronics are listening—and trying ever so delicately to oblige. "Excuse me, sir," one of the suits says, tentatively, to the pimply teenager. "Excuse me. Pardon me for interrupting you, sir. We can arrange more money for you. Then, you can buy the [comic] book, and then, when you're of more, say, appropriate age, you can buy the car and pornographic magazines on your own."



It's pretty amazing that a 15-year-old could get a big-time software firm to grovel like that. What's more amazing, though, is how Ian got Jukt's attention—by breaking into its databases. In March, Restil—whose nom de plume is "Big Bad Bionic Boy"—used a computer at his high school library to hack into Jukt. Once he got past the company's online security system, he posted every employee's salary on the company's website alongside more than a dozen pictures of naked women, each with the caption: "THE BIG BAD BIONIC BOY HAS BEEN HERE BABY." After weeks of trying futilely to figure out how Ian cracked the security program, Jukt's engineers gave up. That's when the company came to Ian's Bethesda, Maryland, home—to hire him.

And Ian, clever boy that he is, had been expecting them. "The principal told us to hire a defense lawyer fast, because Ian was in deep trouble," says his mother, Jamie Restil. "Ian laughed and told us to get an agent. Our boy was definitely right." Ian says he knew that Jukt would determine it was cheaper to hire him—and pay him to fix their database—than it would be to have engineers do it. And he knew this because the same thing had happened to more than a dozen online friends.

Indeed, deals like Ian's are becoming common—so common, in fact, that hacker agents now advertise their commissions on websites. *Computer Insider*, a newsletter for hackers, estimates that about 900 recreational hackers were hired in the last four years by companies they once targeted. Ian's agent, whose business card is emblazoned with the slogan "super-agent to super-nerds," claims to represent nearly 300 of them, ages nine to 68. A failed basketball agent, Joe Hiert got into the industry when one of his son's friends, 21-year-old Ty Harris, broke into an Internet security firm three years ago and came to him for advice. The software maker paid Harris $1 million, a monster truck, and promised "free agency"—meaning he can quit and work for a competitor at any time.

Of course, a cynic might say hacker schemes look an awful lot like protection rackets. *That's an awfully nice computer network you got there. It'd be a shame if somebody broke into it....* Law-enforcement officials, in particular, complain that deals between companies and their online predators have made prosecution of online security breaches impossible. "We are basically paralyzed right now," explains Jim Ghort, who directs the Center for Interstate Online Investigations, a joint police project of 18 states. "We can't arrest or prosecute most hackers, because corporate victims are refusing to come forward. This is a huge problem."

In March, Nevada law-enforcement officials got so desperate they ran the following radio advertisement: "Would you hire a shoplifter to watch the cash register? Please don't deal with hackers." The state took to the airwaves shortly after a hacker broke into a regional department store's computer system and instructed it to credit his Visa card about $500 per day. According to Nevada officials, the boy racked up more than $32,000 in credit before he was caught—but the store wouldn't press charges. It let him keep the money, then threw in a $1,500 shopping spree—all in exchange for showing them how to improve their security.

Little wonder, then, that 21 states are now considering versions of something called the Uniform Computer Security Act, which would effectively criminalize immunity deals between hackers and companies—while imposing stiff penalties on the corporations who make such deals. "This is just like prostitution," says Julie Farthwork of the anti-hacker Computer Security Center, which helped draft the legislation. "As a society, we don't want people making a career out of something that's simply immoral."