

INDIANA POLICY

review



Private Property: Not on the Agenda

A GOVERNMENT OF UNIONS

"A future that works."

*In Congress, July 4, 1776,
the unanimous declaration of the thirteen United
States of America:*



When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes: and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security.



A FUTURE THAT WORKS

Our mission is to marshal the best thought on governmental, economic and educational issues at the state and municipal levels. We seek to accomplish this in ways that:

- Exalt the truths of the Declaration of Independence, especially as they apply to the interrelated freedoms of religion, property and speech.
- Emphasize the primacy of the individual in addressing public concerns.
- Recognize that equality of opportunity is sacrificed in pursuit of equality of results.

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*Joyce A. Preest, copy editor; Robert and Lisa Barnum, graphic design.
Cover: Chicago police officers protest stalled contract negotiations,
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THE THURSDAY LUNCH

Private property: the missing item on the governor's agenda.

There were some fine, full-throated defenses of liberty and smaller government in Gov. Mitch Daniels' address Nov. 4 and earlier on the night of mid-term elections. We were happy to hear them. What we didn't hear, though, may be portent — a defense or even explanation of the underpinning of all that rhetoric, the concept of private property.

"The right of property is the guardian of every other right," famously wrote Arthur Lee of Virginia at the birth of the nation, "and to deprive a people of this is in fact to deprive them of their liberty." Frederic Bastiat put a finer point on it, and Ayn Rand a finer one still: "The right of property is not a guarantee that a man will earn any property but only a guarantee that he will own it if he earns it."

Even so, there is sympathy here for public figures who avoid mention of the term. They feel vulnerable to the politics of envy, the perception they are lackeys for the wealthy. Or they entertain the fallacy that we play a zero-sum game where one man gets rich at the expense of another.

And still others don't feel sufficiently convicted to be persuasive in justifying the central role of private property, so easily disparaged as greed. They feel more comfortable when the subject is one of the socially acceptable liberties such as worship or speech, or a gauzy declaration of patriotism.

Yet, we cannot afford to let this truth be obscured; indeed, we cannot survive without it. Consider just one example of its erosion in the last half century: compulsory public-sector collective bargaining. It is the growing power of government unions to take property — steal it, if you will — through politically coerced labor contracts negotiated by compliant public officials.

Please know that these unions are made up of your friends and neighbors: policemen, teachers, firefighters, bus drivers, cafeteria workers, janitors. They work hard and deserve to be paid well. Their families need security. But they are unwitting participants in a little-known legal movement that claims to have discovered "The New Property."

That is the title of Charles Reich's 1964 article in *the Yale Law Journal*. Reich's new property, which includes government transfers of wealth in the form of pensions and even welfare benefits, is argued to be as permanent a form of property as a field of corn or an auto-assembly plant. This figment of the academic imagination has now



(Photo by Scott Olson/Getty Images)

expanded into something called "economic rights," which include health, housing, food, etc., the beginnings of a list that could stretch to the end of human need or want.

Obviously, this cannot work — only it's not so obvious.

In Indiana since the 1970s it has been perfectly legal for a firefighters union, say, to take democratic control of a city

council and proceed to award itself considerations to the point of municipal ruin.

This costs more than just money. There are the rights lost by other citizens when a government union, which is a private entity, distorts democratic process to its will. Their city, county and state governments are inherently changed — turned upside-down, some would argue — by what in effect is a political machine.

The majority in a 1974 North Carolina U.S. District Court ruling put this case well:

All citizens have the right to associate in groups to advocate their special interest to the government. It is something entirely different to grant any one interest group special status and access to the decision-making process.

That opinion has not prevailed. And no one here presumes any of it can be solved easily, not even with reforming state legislation. The history of entitlements — economic "rights" if you prefer — is that they are rarely given back peacefully. Recent events in Europe bear witness.

But this is America, this is Indiana; we trust in reason and common sense to avoid such havoc.

Our friend Ryan Cummins, a former finance committee chairman on the Terre Haute Common Council, has thought carefully about the issue both as a citizen and as a politician. He argues in these pages that principles of free-market labor can ensure both reward and accountability for public-sector work.

That would necessarily shift policy in favor of those policemen, firefighters and teachers providing uncommon service. It would shift it away from the mediocre and the lax. And it would require that public-sector organization and negotiation be voluntary.

Yes, like private-sector unions they would be tied to market forces and productivity measures. And yes again, their factional collective position would be less advantageous than currently.

That's not unreasonable, though, when in the employ of a government built on liberty and individual responsibility. — *tcl*

A GOVERNMENT OF UNIONS: ONE COUNCILMAN'S EXPERIENCE

'Freedom of association fuels the goodwill that civil society depends on; forced association destroys it.'



The author, an adjunct scholar of the foundation and formerly a major with the U.S. Marine Corps, served two terms on the city council of heavily Democratic Terre Haute, including several years as chairman of its finance committee. The owner of a family business and a sharp questioner of compulsory collective bargaining, he was re-elected despite a well-

organized campaign against him by the city's police and firefighter unions. His article is directed generally at Indiana council members facing a 2011 budget deficit. It is directed specifically at those with the courage to do something about it.

"At the end of the day, if Indiana voters believe taxes are too high, it follows that their government is too large."

— Dr. Eric Schansberg, writing in the Winter-Spring 2008 issue of the Journal

by RYAN CUMMINS

Indiana cities and counties are facing the full impact of property-tax caps, and it is the rare local elected official who is happy about it. At a minimum, the caps are seen as a hindrance to delivering services. A number of officials, however, see it as even more onerous — affecting their ability to meet even the basic obligations of local government.

Property-tax caps were the direct result of local-government taxation that caused visible and vocal resistance by taxpayers across the state over the past decade.

We tax too much because we spend too much. We spend too much because government does too much, a great deal more than it both can and should. It makes sense, then, to take an honest look at what local government does and how it spends our money.

In the "New Indiana Cities" issue of this journal (Winter 2009), the challenges facing local government were detailed. Moreover, substantial steps were recommended to meet those challenges.

The first was to pursue limited government on a local level, being defined as that which performs only those essential functions involving the protection of individual rights, the rights of each Hoosier citizen to his or her life, liberty and property.

Step One: Cutting and Privatizing

This means that local governments, if they are to remain solvent, would undertake a great deal less

than currently — in my city and county and in yours. Accomplishing this task legislatively would be by far the easiest part. Politically, however, it engenders significant opposition — often an unbridled emotional response from local special interests. Even modest reductions in a city budget's line items can become the most politically difficult undertaking that a local elected official attempts in a political career. And yes, that's the "easy" step.

Even so, it is time to quit taking citizens' money to pay for functions that are not essential. Let's look at actions beyond routine line-item cuts — eliminating overtime pay, take-home cars, weekend library hours, extra copy paper, etc.

Imagine you are a mayor or commissioner overseeing a couple of publicly owned golf courses requiring annual subsidies, say, of over \$1 million in tax dollars.

Now imagine that your city is coming up \$7 million short this next year. It doesn't take much imagination, even if you happen to be an avid golfer, to realize that subsidizing golf courses is a terrible use of tax money, especially considering the dire fiscal circumstances in which you find your community.

Common sense, fiscal reality and municipal budgeting should — I repeat, should — come together to recommend selling, privatizing or bidding out the operation of the golf courses. After all, who could seriously argue that golf is an essential function of government?

OK, now slap yourself awake and prepare for the emotional and political backlash. It will come from those who want a portion of their Saturday golf game, be it an essential function of government or not, paid by someone else.

Are you beginning to understand why this "easy" step is the political equivalent of running a three-hour

marathon? Your task, although doable, will require tremendous effort, determination and an unfailing willingness to endure.

Step Two: Market Solutions

By the time you have reached this point, you have a list of other subsidized items in your local budget provided by private-sector suppliers (recreation, transportation, training, services and more). That list is a good start.

Even if you do your best with that first “easy” step, however, and faithfully check off the items on your list, you have only begun to make the cuts necessary to put your local government on sound financial footing — that is, in line with the actual revenues your city can expect in this climate of tax caps, reduced state and federal support and taxpayer reticence.

So put the small stuff behind you. Take the second step and acknowledge that there is an elephant in the room, an elephant sitting on a great part of your budget. Be warned that such an acknowledgment, though obvious by definition, is in itself politically dangerous. For the elephant represents the wages and benefits of public employees, many of them unionized and politicized.

In a typical Indiana city, public-safety spending alone accounts for 70 cents or more of property-tax revenue. This is not a startling revelation for anyone familiar with local-government finance. Nor is it much different from compensation costs in a typical business.

Indeed, the trick to this second step involves applying the same market solutions practiced in the private sector as owners and managers struggle to keep their operations profitable. Although government cannot be “run like a business,” its policies can be guided by private-sector standards and methods.

Going back to our definition of “essential” government functions, public-safety spending certainly conforms as opposed to subsidized golf or providing free rides to Wal-Mart.

The reality is that most of even an essential municipal budget goes to compensation, and most of that compensation is for public safety — that is, police and firefighters.

Step Three: The Compensation Process

It is here that I need to describe my experiences as a councilman and finance chairman. It was utterly frustrating. And over the last decade, I have spoken with a number of people from other cities and counties who find that experience typical.

We can all agree that emotion and anecdote are poor criteria to use when making important decisions. As a Marine officer, I understood that basing my leadership decisions on emotion and anecdote was a sure way to fail in my mission.

Likewise, as a small-business owner I understand that using this basis for important choices leads to lost sales, unemployment and ultimately bankruptcy.

As a city council member responsible for other people’s money, I understood it would lead to skyrocketing costs and unmanageable burdens on taxpayers.

Yet, in my eight years addressing salary ordinances for public-safety employees, this was the *only* basis on which decisions were based.

In those years, there were all manner of changes in compensation. None, however, were ever justified in any common business sense. One year, for example, we might increase pay by 4 percent. The next year it would be 2.5 percent (plus lower co-pay on health insurance). The next year it would be a flat \$1,000 increase with another paid personal day. The following year it would be 3 percent plus a larger contribution to retirement.

On and on it went with increases divorced from any type of objective, measurable performance standards. Most of the time we didn’t even know the actual cost increase these changes represented in the context of total city expenditures.

The most extreme example of the emotional nature of these deliberations was in the summer of 2002. The union representative for the police officers came to the council microphone to ask that we approve increases in compensation. Why? Because of the deaths in New York City of police and fire personnel on Sept. 11, 2001. One council colleague rightly called it “emotional blackmail.”

The reality is that most of even an essential municipal budget goes to compensation, and most of that compensation is for public safety — that is, police and firefighters.

As a councilman, I asked this question of public-employee groups: "If you want more money, tell me what I'm going to get that I wasn't already getting?" The response from police and firefighter representatives was disappointing — always reactive, personal and emotional.

Nobody can win in such a scenario — not police officers, not taxpayers, not officeholders. There has to be a better way.

Let's call this next one the hard step.

The Unanswered Question

I recognize that it is difficult to separate out emotions when determining compensation. After all, when you are sitting on the council with a salary ordinance in front of you deciding on x dollars and y benefits you are telling someone how much (or little) you value what he does as his life work. It's hard not to take it personally.

That makes it all the more important to remove emotion from the process and rely on objective, measurable standards.

It is true that when a customer comes into my business and decides against giving me \$5 for a garden mum, telling me he thinks someone else has a better deal, I feel a tinge of emotion.

I get over it, however, because I know it's just business. Indeed, it gives me valuable information that will help rather than hurt me. It tells me that I need to get better, to work harder, to work smarter, to offer a better value to the people who are considering giving me money for what I have to sell.

It tells me that I need to figure a way to: 1) Sell the same number of plants with fewer workers, lower utility costs and, yes, lower tax levels; or more problematically 2) sell three times the number of plants with the same number of workers, utility costs and taxes.

If I cannot respond to my customers' satisfaction, like it or not, I probably won't get their money. I have to show that I have better quality, better varieties, better and more knowledgeable staff, more convenient facilities and hours, quicker checkouts, etc.

The list is practically endless as to the ways I must compete and figure out how to offer the best value. After I've done all that, when he comes in the next day, it will start all over again. My customer will ask, openly or in his own mind, "OK, you did good yesterday, now what are you going to do for me today?"

That is the standard to which we in the private sector are held. It is part and

parcel of the profit motive that guides — and limits — private business. It is the standard, interestingly, to which public employees hold a private business when acting in the role of consumer.

And as it is the private sector that pays the taxes that pay the compensation of these government workers, it is not unreasonable to apply the same standards when determining their compensation.

The lack of a profit motive in government, and the easy measure of progress that situation provides, makes it all the more important to ask public employees what they are doing to justify any increase in compensation.

As a councilman, I asked this question of public-employee groups: "If you want more money, tell me what I'm going to get that I wasn't already getting?"

The response from police and firefighter representatives was disappointing — always reactive, personal and emotional.

Freeing the Public Worker

At first, I was taken aback by this reaction. To my mind, I was simply applying the standard to which every tax-paying manufacturer, retailer, distributor or service business is held every day.

I knew this could be a win-win situation for both these government employees and the citizens. Under this approach to compensation, when current pay and future increases are tied to objective, measurable standards, the sky is the limit for that compensation.

You might scratch your head right here and wonder how I would claim that there is no upward limit to potential compensation while simultaneously stating my primary goal is to reduce spending.

If there is one thing the free market teaches, it is that competition makes everyone better while always meeting the needs of the customer. The customer, we must remember, is the taxpayer.

Because there is a significant, albeit limited, amount of tax revenue available at any time, good government requires there be competition between groups of employees to provide the essential functions of government. There also must be competition between private and public providers of these same functions. The groups, individuals or private companies

that demonstrate the ability to offer greater measurable value gain greater compensation. Those that don't, don't. Citizens win because they gain greater competency for the same tax dollars.

Never again would a firefighter or police officer have to be satisfied with some arbitrary number regarding his compensation. He could, with or without a union, negotiate even higher pay and benefits in return for higher competency and standards.

When some council person asks that question about what they are going to get in return for increased compensation, the employees can reel off that they will do A for x dollars, B for y dollars, and C for z dollars. That council person, representing taxpayers, can then more adequately determine if the value is appropriate for the money — and defend that decision during the next election cycle.

Emotion and anecdote are minimized, replaced by objective, measurable standards that benefit both the employee and the citizens buying the service (the party left out of the current process).

In sum, we have a market solution to what otherwise is an intractable political problem. We will look at the details of such an alternative in a moment.

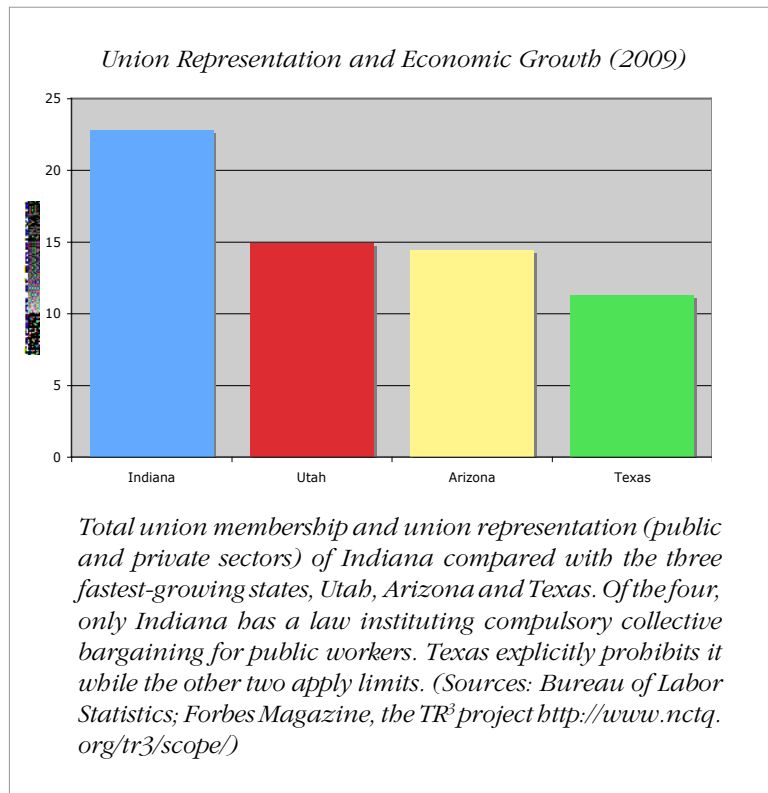
A Conflict of Interest

In Indiana, persons on the staff of a city or county are also allowed by state law to sit on the fiscal body of that same entity.

Think about that for a moment. It is difficult to imagine a more blatant conflict of interest. It is a direct and proximate cause of the union political machines and the destructive political rent-seeking described elsewhere in this journal.

In my second term on the Terre Haute Common Council, four of my nine fellow council members served with this conflict of interest. Two were active firefighters and union members, one a retired police officer and another a city bureaucrat. Similar situations are found on city and county councils across Indiana.

It was discouraging to watch a city employee vote directly on wages and benefits for himself while saying — with a straight face — that he was capable of representing both sides of the transaction. Such claims were made during all eight



years of my time on council. They occur regularly throughout the state.

That, of course, defies what most of us understand to be human nature. In any transaction involving taxpayers and government employees, the goals of each side are the same as when you go to buy a product or service from a private company. That is, the taxpayers want to get the most for the least compensation and the government employee wants to do the least for the most compensation.

This doesn't mean that taxpayers are cheapskates or that government employees are lazy. It means they have differing incentives and goals in a given transaction.

Again, it helps to turn to the private sector for our standard. Few of us would agree to be bound by a settlement negotiated by an attorney presuming to represent both sides of a dispute. Nor would we accept a real estate agent who tried to represent the interests of both buyer and seller. In fact, such situations are often prohibited.

Candidates from any party when running for government office often use the cliché, "common-sense Hoosier values." Well, for most Hoosiers, preventing blatant conflicts of interest is as common-sensible as it gets.

In Indiana, persons on the staff of a city or county are also allowed by state law to sit on the fiscal body of that same entity.

Why do council members bother voting on a salary ordinance if they have no real choice but to approve it? Are the votes of a common council little more than political theatre?

In sum, there is no reason that protections against conflicting interests that work in the private sector should not be applied to the government.

Forced Collective Bargaining

Although rising compensation costs can be partially addressed by combining a market approach with the elimination of conflicts of interest, the problem won't be solved until the ground rules of employment are changed — namely, the rules of compulsive public-sector collective bargaining.

For in reality the only option that is ever on the public-sector negotiating table is an increase, the argument being limited to how much. That, from the taxpayers' point of view, is not much of an option.

Again, look to the free exchange of the market for the answer. No matter what, a business cannot force a customer to buy. If a business cannot sell its product or service and turn a profit doing so, it goes bankrupt or ceases operation. (One caveat here; we can only hope that GM and Goldman Sachs were aberrations never again to be repeated.)

The constraints forced on private companies by the market affect and hold accountable private-sector union members. These constraints and accountability do not exist in government — and the difference is critical. Governments can force their “customers” to buy from them.

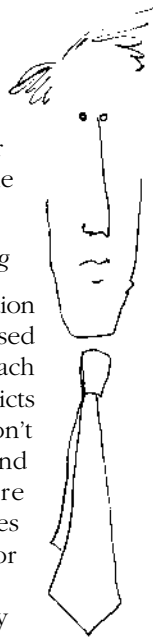
Dr. Charles Rice made several prescient observations on these pages back in February of 1990:

The power of public-sector bargaining to cause directly an increase in taxes is sufficient reason to treat public employment differently from the private.

He went on to predict that the result of forced collective bargaining, even with no-strike provisions, would be “the ongoing politicization of public employment.”

Information Is Power

Those higher taxes and that politicization have come to pass in Indiana.



During my time in office, every meeting where salary ordinances were on the agenda the council chambers overflowed with employees and their families. They were shouting and holding signs, implying or stating outright the political consequences for those officeholders who might reject their demands.

Again, emotion, shouting and group demonstrations are not a basis for properly determining compensation.

I once asked the city attorney of Terre Haute what would happen if the council didn't approve the wages and benefits to which the municipal executive had agreed in a forced collective-bargaining session.

His answer was astonishing, and I hope incorrect. He said that the council could be sued for breaching the terms agreed to in the bargaining sessions with the mayor.

It begs the question as to why council members would even bother voting on a salary ordinance if they had no real choice but to approve it. Are the votes of a common council little more than political theatre?

It would seem, considering the Terre Haute attorney's answer, that forced collective bargaining excludes taxpayer representation in a process that imposes millions of dollars of costs on those same taxpayers.

To return to our alternative of voluntary unionism, supporters of forced collective bargaining argue that such a proposal, at bottom, is simply anti-union.

It is true that the individual is at a disadvantage in any negotiation because he or she normally lacks quick and complete access to useful if not necessary information (comparable wages, payments, requirements, etc.).

Nor would the individual have a working knowledge of all alternatives to an employer's proposal (for benefits, for training, etc.).

Groups of employees, however, by voluntarily assembling could solve this information problem without undermining

"The essence of government is power; and power, lodged as it must be in human hands, will ever be liable to abuse."
(James Madison)

democratic representation or bankrupting their cities. These groups could affiliate with a union that, in return for dues, offered the quickest, most complete informational support.

I have pointed to market solutions throughout this essay and do so again here. Information and alternatives are offered to private consumers (also at a disadvantage with respect to knowledge).

This information is provided by organizations such as Consumer Reports, Underwriters Lab and Angie's List. Private consumers, paying a fee similar to union dues, thereby gain a competitive edge when deciding what to pay, who to hire or even who to work for.

Companies can voluntarily work with these organizations or not, as they see it benefiting them.

The key word again is "voluntary." Wendy McElroy, writing in *the Freeman*, sums up the choice before us:

Freedom of association . . . fuels the goodwill that civil society depends on; forced association destroys it.

This shines a different light on our system of forced representation by unions and forced collective bargaining. It shines a different light on the emotionalism during our council sessions.

For an end to forced unionization and forced collective bargaining would not only be good for taxpayers and elected officials but for the employees themselves.

The future

I started with this and I will close with it: We tax too much because we spend too much, allowing government to grow so big it cannot be monitored and therefore cannot be trusted.

And the biggest part of that spending growth — gloss over it though some might — is on compensation for public employees. The connection to our current problems is therefore clear: We must stop the politicizing of public employment, skyrocketing costs, union political machines and political rent-seeking.

The future of our cities and state depends first of all on the willingness of Hoosiers to redefine their local government with regard to essential functions. And to those functions deemed essential we must apply market principles, competition, ethics and the right of voluntary assembly.

If you are an elected official, or seeking office or contemplating doing so, or if you are a citizen concerned for the future of your community, you are asked here and now to acknowledge the above simple truths — inconvenient though they may be — and take action.

If, however, you prefer the status quo, your city faces a grim future. The federal government, by the way, isn't going to save your mid-sized Hoosier city or town. It's broke, and state government is near broke.

Ending on the most practical of warnings, please know that advocating more taxes rather than honestly examining these systemic reforms is not only the worst possible answer but a quick way to lose office.

That is not a threat. It merely reflects a growing realization that the time has come to step up and bring our local governments under control.

My years in public office tell me there is no more important work before us.

Know that advocating more taxes rather than honestly examining these systemic reforms is not only the worst possible answer but a quick way to lose office.

While many communities are fearfully contemplating extensive cuts, Maywood, Calif., says it is the first city in the nation in the current downturn to take an ax to everyone. The school crossing guards were let go. Parking enforcement was contracted out, City Hall workers dismissed, street maintenance workers made redundant. The public-safety duties of the Police Department were handed over to the Los Angeles County Sheriff's Department. At first, people in this poor, long-troubled and heavily Hispanic city southeast of Los Angeles braced for anarchy. Senior citizens were afraid they would be assaulted as they walked down the street. Parents worried the parks would be shut and their children would have nowhere to safely play. Landlords said their tenants had begun suggesting that without city-run services they would no longer feel obliged to pay rent. The apocalypse never arrived. In fact, it seems this city was so bad at being a city that outsourcing — so far, at least — is being viewed as an act of municipal genius. — *David Streitfeld, "A City Outsources Everything; Sky Doesn't Fall," the New York Times, July 19, 2010*

THE COMPULSION OF COLLECTIVE BARGAINING

State and local governments claimed one-third of the \$747-billion 'stimulus' appropriation.

by CRAIG LADWIG

Gov. Mitch Daniels got it right on his first day in office, rescinding the collective-bargaining power of certain state workers. Unfortunately, his order could not cover teachers, firefighters or police statewide, nor would anybody else at the Statehouse pick up this very hot potato.

Indiana is not alone in its reticence. Matthew Brouillette of the Commonwealth Foundation cites a refusal to challenge government unions as a reason for the recent collapse of municipal finances in Harrisburg, Pennsylvania. And Harrisburg, opines *the Wall Street Journal*, is the “canary in the default mine of state and municipal debt problems.”¹

And don't assume that Indiana cities are better managed.

“We have a new privileged class in America,” Governor Daniels told *Politico* magazine this summer. “We used to think of government workers as underpaid public servants. Now they are better paid than the people who pay their salaries.”²

Indeed, the one question about compulsory collective bargaining for government workers that never gets answered is the first one — why does it exist?

“It's a part of a very large question the nation's got to face,” Governor Daniels added. “Who serves whom here? Is the public sector — as some of us have always thought — there to serve the rest of society? Or is it the other way around?”

In the 50 years of executive orders and court rulings, it has never been made clear from whom we are trying to protect government workers. Government, by definition, is a closed system, a monopoly unaccountable to markets or competitors. Why would government take advantage of itself, its own managers and employees?



In fact, it does quite the opposite. According to Michael Barone, one-third of last year's \$787-billion stimulus package was aid to state and local governments. It was “an obvious attempt

T. Craig Ladwig is editor of the journal.

to bolster public-sector unions,” writes Barone, “and a successful one.”³

“While the private sector has lost seven million jobs,” he notes, “the number of public-sector jobs has been increasing by 10,000 a month, and the percentage of federal employees earning over \$100,000 has jumped to 19 percent during the recession.”

A senior Indiana state senator, part of the Republican leadership team, called an officer of the foundation one day puzzled by its position on public-sector unionization. “Somebody's got to represent these people,” he asserted.

Well, no, they don't.

“There never was a ‘labor problem’ in government for unions to solve,” wrote Dr. Morgan Reynolds in this journal almost two decades ago. “Government has always been a model — read generous — employer, lavishing good pay, the eight-hour day, fringe benefits and civil-service protections on its own,”⁴

“A coherent rationale for public-sector bargaining has never been offered,” added Reynolds.

Indeed, public-sector “unions” should be in quotes to draw a distinction from private-sector unions. What the media calls a public-sector union is more accurately understood as a political machine, one that tries to install its own bosses and set its own salaries within a tightly controlled government monopoly.

Whatever they call it, Hoosiers need to know that labor action by the local teachers union or police union or firefighters union shares few economic or political characteristics with those romanticized David-versus-Goliath labor battles of the early- and mid-20th century — the miners, the steelers, the automakers.

Public-sector unions have advantages. Most obviously, their members are paid from tax revenue. That means there's no bottom line.

There are other, more subtle differences. Here is an inventory compiled by Chris Edwards writing in the *Cato Journal*.⁵

- Public-sector unions tend to be static; once workers have been organized into a union group they tend

“More.”

— The one-word response of Samuel Gompers, head of the American Federation of Labor, when asked what unions wanted.

to stay organized. In the private sector, businesses go bankrupt frequently and new businesses arise, requiring a constant organizing effort.

- Police and fire services, to pick the two most-significant examples, are legal monopolies. Consumers generally don't have the option of abandoning them if they become inefficient.

- When lobbying by public-sector unions leads to higher costs for the employer (the government), the burden is borne by someone else entirely (the taxpayer). "During labor negotiations," Edwards observes, "public officials often succumb to pressure to make short-term concessions that end up damaging public finances in the long run."

Private-sector unions, in contrast, need to keep in mind that higher business costs may result in lost sales and fewer jobs.

Government Unions 101: The Ultimate Special Interest

These tactical advantages have resulted in material advantages.

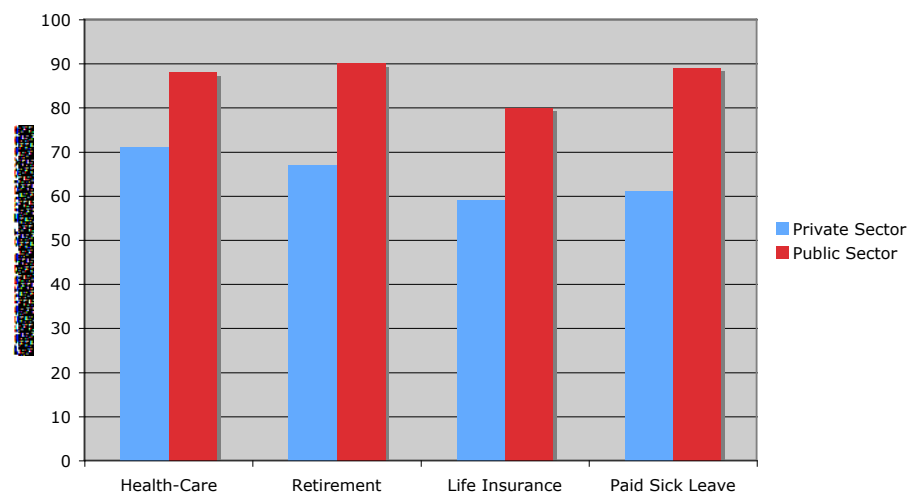
In June 2009, the Bureau of Labor Statistics reported that total compensation per hour in the public sector was 45 percent greater than the average in the private sector. The advantages in benefits was a whopping 70 percent greater.⁶

Between 1958 and 2008, public employment grew by almost 250 percent and government-employee union membership increased by more than 750 percent, to 7.8 million.⁷

New research by the Heritage Foundation shows that federal workers are paid hourly wages as much as 22 percent above that of comparably skilled private workers.⁸

Encouraged by state laws and court judgments in the 1970s, the share of state and local government workers represented by unions nationally now has climbed to 38.5 percent (27.3 percent in Indiana) compared with 7.6 percent in the private sector.⁹

Public- and Private-Sector Benefits (2009)



Source: U.S. Bureau of Labor Statistics

A past contributor to this journal, Myron Lieberman, has raised the point that the growth of unions has changed the very nature of American government, that the NEA's "influence on noneducation issues at the federal and state levels is arguably more important than its influence on educational issues."¹⁰

This thought was included in what some consider the strongest legal argument against compulsory collective-bargaining for public-sector workers, a 1974 U.S. District Court opinion upholding the constitutionality of a North Carolina law declaring such contracts void:

To the extent that public employees gain power through recognition and collective bargaining, other interest groups with a right to a voice in the running of the government may be left out of vital political decisions. Thus, the granting of collective bargaining rights to public employees involves important matters fundamental to our democratic form of government. The setting of goals and making policy decisions are rights inuring to each citizen. All citizens have the right to associate in groups to advocate their special interest to the government. It is something entirely different to grant any one interest group special status and access to the decision-making process.¹¹

Judicial action aside, the huge and relatively new block of union workers is an unmanageable situation for the legislative branches of government and the reform-minded politician, be he Democrat or Republican. It is the rare state, county or city office-holder who can ignore the wishes of the local government unions.

"To the extent that public employees gain power through recognition and collective bargaining, other interest groups with a right to a voice in the running of the government may be left out of vital political decisions."

— 1974 U.S. District Court opinion upholding the constitutionality of a North Carolina law declaring compulsory public-sector collective-bargaining agreements void

"It is in the interest of a politician to offer a program whose benefits are highly concentrated and visible to its beneficiaries while making the costs vague and widely dispersed — and thus, veiled from the taxpayer."

— Cato

"With public employees constituting a significant interest group in any community, there tends to develop a symbiotic relationship among elected officials, bureaucrats and public employees," writes the authors of a Cato Institute analysis. "Public employees have been found in a number of studies to be upward of 40 percent more likely to vote than private-sector employees."¹²

Again, these are distinctions routinely overlooked by politicians, journalists and ultimately voters. And that is another remarkable thing about government-sector unions: How little most Hoosiers know about them — about the unions themselves, about how much they affect the nature of our government or about their influence over our economy.

Few could name a single person within their social or professional circle who had read an objective history of American labor law. A couple of more might have a general awareness that labor law has become more involved than a Dickensian right to stand up for a fair wage and safe working conditions.

It is a good bet that nobody would be able to give you an explanation of the unique nature of government-sector unions and the implications of mandatory collective bargaining on Indiana since the mid-1970s.

And this public ignorance works in the favor of the government unions and against the reforming politician. Indeed, the unions could not exist without it, for they make little sense to anybody other than themselves and the politicians whom they keep in office.

"It is in the interest of a politician to offer a program whose benefits are highly concentrated and visible to its beneficiaries while making the costs vague and widely dispersed — and thus, veiled from the taxpayer," observed the Cato research team.¹³ There is no better example of that than the pension plans established for member of public-sector unions. Politicians have promised them lavish pension plans that neither Indiana nor any other state nor city can afford. It is a ticking fiscal time bomb.

This foundation's Dr. Maryann O. Keating has repeatedly warned that Indiana's pension plans are using

optimistic assumptions to value future liabilities, assumptions that Warren Buffett recently called "accounting nonsense."¹⁴

But they aren't really nonsense, are they? They allow politicians to give specific and substantial future rewards to union constituencies while hiding the real cost from voters.

The Rise of the 'Rent-Seeker'

The impact of union growth on politics and the economy prompted Armand Thieblot, a labor consultant writing in the *Cato Journal*, to coin the term, "political rent-seeking." By that he means to differentiate public-sector rent-seeking from that long associated with unions in the private-sector.¹⁵

There is need right here for some "disambiguation of terms," as an economist friend likes to say. Rent-seeking in this specific economic context might be represented by a worker increasing his pay not by increasing his productivity but by cozying up to the boss or, if need be, intimidating the boss.

This by itself could explain the boom in government unions since the 1960s when the professional associations in public education militarized to strike for collective-bargaining laws and access to the government monopolies of education, firefighting and law enforcement.

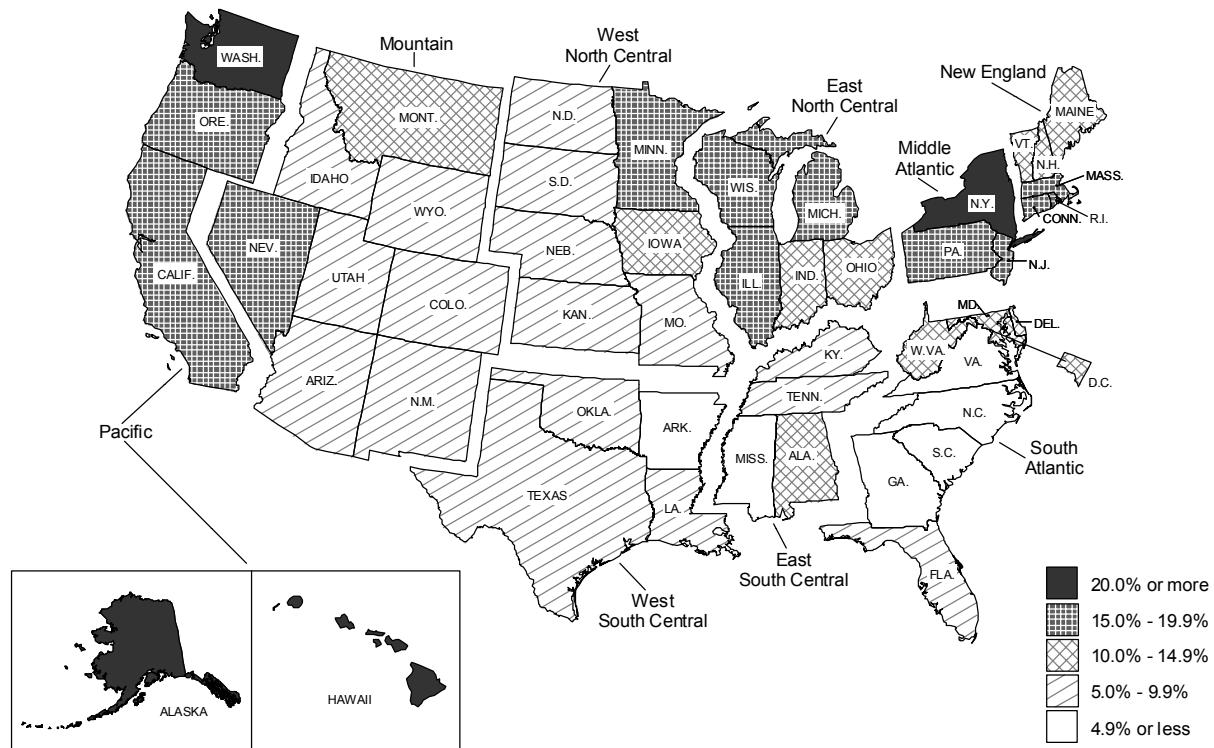
Is "militarized" too strong a word? Let the union tell the story in its own words. This is from the official history of the American Federation of Teachers, later to become the National Education Association (NEA):

The age of teacher militancy began in November 1960 with a one-day walkout of the United Federation of Teachers (UFT) of New York City; two years later the UFT won the first comprehensive teacher contract in the country. The events in New York City spawned more than 300 teacher strikes throughout the country in that decade and the national AFT grew from under 60,000 members in 1960 to more than 200,000 by 1970.¹⁶

By 2008, 39 percent of all state and local workers were members of unions and many more were represented by unions, captured by a state's mandatory collective-bargaining law.¹⁷

The Bureau of Economic Analysis reported that same year that state and

Union Membership Rates by State, 2009 Averages



Source: Bureau of Labor Statistics

local governments spent \$1.1 trillion on public-employee compensation. That number accounts for one-half the total spending and reflects the fact that these employees earn 34 percent more in wages than workers in the private sector.¹⁸

The Job-Quit Rate

The leaders of the government unions, you see, have garnered seemingly unlimited riches in the tactical observation that public officials, in the secrecy of a board room, were even more likely to make costly concessions (*i.e.*, spend someone else's money) than corporate executives.

So, exactly how much is collective bargaining costing?

Both economic and political rent-seeking describe what Thieblot and others believe is the inevitable waste of resources when men seek favors from government that "constitute an unwarranted excess paid to any factor of production that could not be sustained in an ordinary competitive market."¹⁹

A rule of thumb in the private sector is the "Voluntary Job-Quit Rate." A low rate

indicates that compensation is more than adequate to attract qualified workers. Over the years, data from the Bureau of Labor Statistics (BLS) show that the job-quit rate among government workers is just one-third that of the private sector.²⁰

Given current data collection, it is difficult to determine precisely how much this costs Indiana. Edwards, however, has constructed a statistical model that a financially strapped Indiana council might find useful. It shows that unionization pushes up the cost of the state and local government workforce by 8.1 percent nationwide.²¹

Indiana, according to the BLS, has 596,000 public-sector state or local workers represented by a union, making an average of \$26.72 an hour in total compensation.

You can do the math with your calculator — or more to the point here — your councilman or legislator can do it with a trusty comptroller at his side.

Early Warnings

In its very first issue, *The Indiana Policy Review* warned of the inherent

Chris Edwards of the Cato Institute estimates that unionization pushes up the cost of the state and local government workforce by 8.1 percent.

“Glenn Goss retired four years ago (2005), at age 42, from a \$90,000 job as a police commander in Delray Beach, Fla. He immediately began drawing a \$65,000 annual pension that is guaranteed for life, is indexed to keep up with inflation and comes with full health benefits. Mr. Goss promptly took a new job as police chief in nearby Highland Beach. One big lure: the benefits. Given that the average man his age will live to 78, Mr. Goss is already worth nearly \$2 million, based on the present value of his vested retirement benefits.”

— Forbes

dangers of government unions. Charles Rice, past dean of the Notre Dame Law School, argued in a brief for the winter 1990 issue that expanding the numbers of state employees enjoying the various powers of collective bargaining, including unconstrained benefit and pension funds, would be a disaster for municipal, state and county finances.²²

To make sure you understand how well Rice predicted the current wave of municipal budget crises, he is quoted here at length:

The law-making power conferred on government-sector unions by collective bargaining directly affects the taxpayers as well as the employees in the bargaining unit. Agency shop or “fair-share” arrangements in the government sector entail “taxation” of the employees by joint decisions of the union and the state employers. The union and the state also jointly make “law” for all the employees in the bargaining unit when they establish terms and conditions of employment. Of course, this sort of lawmaking occurs in the private sector as well. But when the state itself is the employer, market constraints are absent. The “consumer,” the taxpayer, has no choice as to whether he will continue to “buy” the services of the employer.

Rice recognized a related line of argument that collective bargaining for government employees is an “imprudent vesting of part of the law-making authority of the state in a financially interested private entity.”²³

Please know that when the union and mayor’s negotiators meet (appointed, not elected, and often in private) they are in effect making law — for the public beneficiaries and for the unrepresented taxpayers.

For the truth is that a firefighters’ union, however heroic and dedicated to public service may its members be, is in fact a private entity — not distinctive in this sense from a bank, a law firm or a shoe store, none of which you would knowingly allow to directly and secretly write law or public policy.²⁴

As for the supposed “no-strike” provisions written into Indiana’s public-sector collective-bargaining laws, experience shows them to be ineffective in practice.

“The outcome of public-employment bargaining disputes tends to be measured

by whether an (illegal) strike occurs,” Rice wrote, noting that government unions have a long history of striking regardless of such provisions. “Unnoticed are the imprudent concessions that might be made to avoid even the possibility of a strike.”

Rice asked journal readers to recall the so-called “work action” of Anderson firefighters in 1978. Five large commercial buildings covering a half a city block were destroyed as union members “stood around to watch the buildings burn and set up picket lines to keep the units from the surrounding communities from reaching the fire.”²⁵

He concluded by recognizing “the right of government employees to form voluntary unions and to expect government to negotiate with them.” But public-sector collective bargaining, Rice warned, combines mandatory bargaining with the exclusive representation of all employees in the bargaining unit by the union that prevails, hook or crook, in an election.

In a later, related article for the journal, Dr. Morgan Reynolds posed that question mentioned earlier as to whether there was any reason, other than the collection of power and money, for the passage of an Indiana collective-bargaining law for government employees.

Reynolds, who would be named the chief economist for the U.S. Labor Department, was specifically referring to Evan Bayh’s campaign promise to unionize those government employees not already in teacher, firefighter or police unions:

“It’s power politics, a milking of the fatted taxpayer, the new spoils system. Buy some friends, give the unions what they want. No guile at all.”²⁶

The Thick Blue Line

A ready example of all this, sad to say, is the last labor agreement with police or firefighters signed by your city council. Indeed, elsewhere in this journal Ryan Cummins, a former chairman of the finance committee of the Terre Haute City Council, details the challenges faced by a typical council in even assessing the cost of political rent-seeking by public-safety employees, let alone of reducing it.

Let’s begin here with a real-life example as described by *Forbes* magazine:

Glenn Goss retired four years ago (2005), at age 42, from a \$90,000 job as a police commander in Delray Beach Fla. He immediately began drawing a \$65,000 annual pension that is guaranteed for life, is indexed to keep up with inflation and comes with full health benefits. Mr. Goss promptly took a new job as police chief in nearby Highland Beach. One big lure: the benefits. Given that the average man his age will live to 78, Mr. Goss is already worth nearly \$2 million, based on the present value of his vested retirement benefits.²⁷

Looked at another way, however, Mr. Goss is a walking \$2-million tax liability.

“Public-safety workers tend to receive the most generous public-employee pensions,” agrees Josh Barro, a Manhattan Institute fellow, in *the National Review*. “They are based on a significantly shorter career — it is not atypical to see policy and fire pensions based on 20 years of service — and they also tend to be more generous as a percentage of salary.”²⁸

Even so, to quote the great Samuel Gompers, they want “more.”

For example, any Indiana public official watching the concerted campaign against Police Superintendent Jodi Weis in neighboring Chicago would be right to feel intimidated.

The bet is that Weis, who dared reduce the size of his city’s police force, will lose his job partly as a result of political demonstrations by the Fraternal Order of Police. But the superintendent’s comment to a television reporter strikes true: “You can give someone a gold brick and they’ll complain it’s too heavy.”²⁹

It’s not just a problem in urban Democratic strongholds. Barro noted the “politically heterodox” nature of police and fire unions that make them particularly powerful at the municipal and county levels: “Republicans don’t view it as a waste of time to try to make police unions happy.” *The National Review* article concluded:

State and local governments facing structural deficits must be allowed to lower labor costs without endangering public safety — by reducing compensation across the board instead of laying off staff. In most jurisdictions, governments can’t renegotiate the terms of existing union contracts, even in fiscal emergencies. This must change. Better yet, states should follow the lead of Virginia and ban collective bargaining by public employees.³⁰

So it boils down to this: Whether hard-working firefighters and policemen actively support unionism or even like it, they owe their standing to a political *quid pro quo*. If you doubt this, listen to Chuck Deppert, president of the Indiana AFL-CIO, commenting on union expectations for the Bayh administration:

We’ve waited years for a governor who supported collective bargaining. It was kind of a shock to the system to be told to wait a year after putting money into the governor’s race.³¹

The Non Sequitur: Public Education

It is one of Indiana history’s great ironies that the law giving the teacher unions and the Democrats a headlock on Statehouse business was put forward by a popular conservative GOP governor.

Collective bargaining for the state’s teachers was the concession Democrats extracted from Gov. Otis Bowen for passage of his property-tax reforms. The reforms, compromised by subsequent legislation, soon fell apart. Collective bargaining, however, not only held solid but has been strengthened by every subsequent general assembly.

The rationale for collective bargaining for public employees is encapsulated in the 1973 Collective Bargaining Law (CBL). Charles M. Freeland, an attorney and MBA, was commissioned by the foundation in 2001 to lead a team of law students in a six-month review of the CBL that included comparing the labor agreements of all 295 Indiana school districts.³² The researchers found the contracts practically identical, although written by independent school boards, a testimony to the statewide influence of the unions and their empowerment by the CBL.

Freeland noted that the authors of the legislation took unusual care to explain why the law was needed, suggesting that the reasons were not self-evident to many of the Republicans who signed on to the Bowen compromise. Freeland’s conclusion:

While many other sections of the statute have been amended over the ensuing years, Section I (the rationale) remains unchanged and makes interesting reading. In the opening section of the statute, the General Assembly makes references to ‘harmonious and cooperative relationships,’ the alleviation of ‘various

“We’ve waited years for a governor who supported collective bargaining. It was kind of a shock to the system to be told to wait a year after putting money into the governor’s race.”

— Chuck Deppert of the Indiana AFL-CIO

“By the 1980s and 1990s, when unorganized capitalists had become thin on the ground and those already organized had mostly been rendered uncompetitive by past concession to union demands, unions’ new guiding trope became ‘More government.’”

— Thieblot in the *Cato Journal*

forms of strife and unrest’ and the state’s obligation to ‘protect the public’ from ‘material interference’ in the educational process. Such language makes it hard to avoid the conclusion that the adoption of the CBL was in response to threats from the teacher unions.

Freeland focused on four untenable arguments woven into the CBL, noting that while the legislators went to great trouble inventing requirements not in the Indiana Constitution they failed to address requirements that are in it. We quote at length in recognition of the import:

- “First, said the General Assembly, teacher unions should receive extraordinary legal privileges because schools are ‘not operated for profit’ but to ensure the ‘rights guaranteed’ by the Indiana Constitution. This statement is a *non sequitur*. Whether or not schools are operated for a profit has nothing to do with carrying out the constitutional mandate.

- “Second, the General Assembly stated that teacher unions should be granted extraordinary legal privileges because of ‘increasing technology’ and the need for ‘educational innovation.’ Such reasons are, today, justification to privatize public education, not to insulate it from the market.

- “Third, the General Assembly stated that teacher unions should be granted extraordinary legal privileges because the responsibility for carrying out the constitutional mandate for free public education had been delegated to local school corporations composed of elected representatives. We must, alas, rely on the drafters to explain how this makes any sense. It is another *non sequitur*.

- “Finally, the General Assembly stated that teacher unions should be granted extraordinary privileges because of ‘constitutional and statutory requirements’ for public school corporations to treat teachers differently than private employers treat their employees. If there are such constitutional requirements, they are not to be found within Article 8, which deals with education. Similarly, to the extent that the reference to ‘statutory requirements’ means the CBL, the reasoning is circular. It amounts to saying that this law is justified because this law exists.”

Freeland’s research and explication of the CBL were so strong that one struggles

today to excuse a generation of lawmakers, especially on the more economically savvy GOP side, that allowed the law to stand without serious challenge. And that is so considering only the law’s internal contradictions, its corrupting nature and the pandering to special interests.

Now, on top of all that, is the looming possibility it will bankrupt our state and cities.

The Tipping Point

There is no shortage of economists joining these early voices in sounding the alarm. In the context of a stubborn recession, they are adding to our understanding of how unionism has made the jump to cash-flush public agencies. Thieblot, writing in this winter’s *Cato Journal*, brings us up to date:

By the 1980s and 1990s, when unorganized capitalists had become thin on the ground and those already organized had mostly been rendered uncompetitive by past concession to union demands, unions’ new guiding trope became ‘More government.’ To achieve it, unions became mordantly political. In economic terms, after unions had absorbed all of the readily available economic rents from their capitalist opponents, they have turned to seeking rents from new sources beyond the system — from the polity at large (from taxpayers), using government as the intermediary. For want of a better term, I call this ‘political rent-seeking.’³³

Thieblot goes on to warn that unions may be nearing a point of dominance over the democratic process at all levels of government: “(Public-sector unions) soon may be able to write their own labor laws, and thus their own rewards, free from any normal economic or competitive restraints. This should be of general concern.”

Randall Holcombe and James Gwartney of Florida State University, writing in the same issue, add that the same unconstrained union influence that crippled the private sector is now being seen in the public sector:

“While private-sector union density is relatively low and declining, public-sector union density is higher and stable. Local government employees have a union density of 46 percent, and many of the same factors that applied to the United Auto Workers’ adverse effect on the auto industry also apply to local public-sector employees. Benefits are very generous,

imposing a less-visible future cost that will have to be borne by taxpayers unless those benefits are restructured.”³⁴

The two researchers conclude with what one would hope is by now an obvious point. Although unions have left the private sector for the public sector, and now fight with campaign contributions rather than pickets, it is society that still pays the cost of their rent-seeking:

In the future, the largest impact of unionization in the United States will come from public-sector unionization. The burden of generous retirement benefits will crowd out other government expenditures, will be a force for higher taxes, and will impose an increasing burden on the private sector of the economy that pays those taxes.

Conclusion

The choices for Indiana local government most often put forward are false ones — bankruptcy or mass layoffs, with the traumatic reductions in public service and even safety that both imply.

A third choice, the one rarely mentioned, is for our legislators and councilmen, judges and voters to do their jobs — restore constitutional order.

In any case, a public in which one out of four families knows someone who has lost his job may have lost its tolerance for union special interests.

A July 7 national Rasmussen poll found that only 19 percent of Americans said that they would be willing to pay higher taxes to keep government workers from being laid off.

“Even in public safety, where Americans are sometimes reluctant to see cutbacks, the poll found only 34 percent endorsed higher taxes to preserve police and fire jobs,” notes Steve Malanga in *the Wall Street Journal*.³⁵

Given the waste and misappropriation identified by the authorities in this article, there is little reason to believe that the repeal of compulsory public-sector collective bargaining would mean a reduction of service or safety.

In fact, the arguments for Indiana to leave the group of 26 states with such an inefficient bargaining system are overwhelming. And they have been so for more than two decades.

Yet, if these arguments continue to be set aside on the mere hope that somehow

things will right themselves, the future is gloomy.

For the worst news has been put off for last: Hoosiers have nobody looking after their interests.

“Bosses beholden to their employees are not likely to be accountable to the taxpayers,” observes Bellante *et al.* And economic history predicts that public-sector unions will only increase their influence under Indiana’s compulsory collective-bargaining law, unimpeded by democratic shifts.

Bellante *et al.*, warn that our representatives in this matter, the government employers (the authors call them “double agents”), will be as interested in the growth of public-sector unions as the union leadership.

As noted throughout, there are logical reasons for all of this.

First of all, the need to bargain with unions increases the influence of both politicians and bureaucrats regardless of party. And there is that symbiotic relationship among elected officials, bureaucrats and public employees stemming from both the growing number of public-sector employees and their high voting rate.

So it comes as no surprise the BLS data show that, during both good times and bad, layoffs and discharges in the public sector occur *at just one-third the rate of* the private sector.

“Public-sector workers rarely get fired for poor performance or laid off because of employer cost-cutting,” observes Edwards. “but those events occur frequently in the private sector.”³⁶

State and local employment, therefore, ratchets upward each business cycle, each generation.

“While cuts in state and local government employment are highly publicized during an economic downturn, the fact is that they are small relative to cuts in the private sector,” found Bellante *et al.* “Once recovery is underway, employment growth in state and local governments is just about the same as in the private sector.”

Our ruin, then, absent the heroic political stances demonstrated by our Founders, is not just politically likely but mathematically certain.

A July 7 national Rasmussen poll found that only 19 percent of Americans said that they would be willing to pay higher taxes to keep government workers from being laid off.

Economic history predicts that public-sector unions will only increase their influence under Indiana's compulsory collective bargaining law, unimpeded by democratic shifts.

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In 1962, President John F. Kennedy signed Executive Order 10988, which permitted collective bargaining by federal employees. Widely seen as a gift to George Meany, the AFL-CIO head who helped Kennedy win the White House, the executive order was also a gift to government unions, both because it widened federal membership and because it signaled national approval of unions for state and local employees. Public workers took a blow to their dignity in 1981 when President Ronald Reagan, following Coolidge's lead, fired 11,000 striking air-traffic controllers of the Federal Aviation Administration. Forgotten is that the Reagan, Bush, Clinton and Bush years were the period when the tenure rules, pay schedules and compensation packages of today were signed. Another factor leading to the rise of the public unions is the decade-over-decade increase in the size of government. Not only through the New Deal, but also through the 1950s and onward the number of workers in the public sector grew. By 1962 they represented an eighth of the national work force. — *Amity Shlaes in the Sept. 4, 2010, Wall Street Journal*

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THOUGHTS ON NOT BEING DICK LUGAR

Have we merely switched from the Hatfields to the McCoys?

by ANDY HORNING

I was trying to explain constitutional Rule of Law to a reporter during my first political campaign in 1996 when the fellow raised an eyebrow in a gesture of cynicism and said I'd be another "perennial candidate." Since that was just the first of many times I'd be so labeled, I didn't understand the term to be journalistic shorthand for "loser."

So I replied, "What? Like Richard Lugar?"

"You're no Richard Lugar," the reporter muttered over his shoulder.

That's true. I was 38 years old when I first ran for public office. Mr. Lugar had already been a politician for six years by that age. He was Indy's mayor by age 35. He'd been in the U.S. Senate since 1976, and voters will almost surely send him back in 2012.

Eternal politicians like Mr. Lugar, free of any contentious ideology or principles so voters can imagine whatever they like about them, are safely ensconced as political idols.

So, I am certainly no Richard Lugar. But then, Richard Lugar is no Richard Lugar. He is us. For elections have nothing to do with candidates. Our politicians, love 'em or hate 'em, perfectly represent who "We the People" really are.

For the past 100 years over 95 percent of voters have chosen ever-more politics, more corruption, more war, more spending, more debt. Even now, under an anti-incumbent storm cloud, we still vote almost exclusively for the same central banksters, same legal abominations, and of course the same political parties.

Oh, we may switch from Hatfield to McCoy, then from McCoy back to Hatfield. It is particularly clear now, however, with some in the "opposition" party, the Republicans, hedging on even their temporary tax cuts, and after having made a real mess of each of their turns at power, that party loyalties belie the real choices we've made.



Andrew M. Horning, an adjunct scholar of the foundation, was the GOP candidate for the 7th Congressional seat and more recently the Libertarian candidate for governor.

As we sacrifice our legal liberties for "freedom," give up our wealth for "security," maintain borders everywhere in the world except here, seize homes to pay for homelessness programs, and wage endless war for "peace," the political Cassandras among us are ignored while those who've never been right keep doing what they've already done.

Paracelsus, the renaissance scientist and physician, said that dose makes a remedy — or a poison. We've swallowed too much politics so I'd like to offer a carefully measured dose of the antidote, the Constitution of the United States of America.

All federal authority is clearly written in Article I, Section 8; Article II, Sections 2-4; and Article III of the Constitution. There is no other federal authority. All other powers are denied at least by the one short sentence called Amendment 10.

There. That's it. Even the entire Constitution with all amendments is shorter and immeasurably simpler than the one section of the so-called Patriot Act that delineates "enhanced surveillance procedures."

It's your choice. You could read all of it on your lunch hour. It boils down to a single question: Do you want to govern government so that as long as you don't harm anybody else or take what's not yours, you can keep what you earn, and live how you'd like to live — or not?

The words of the Constitution are simple enough to understand, few enough to remember and important enough that you shouldn't ever walk into a voting booth again until you've read them.

For politicians in this country don't just promise to obey a flag, they swear an oath to the Constitution. It's our choice, however, whether that oath means anything — or not. And it's our choice whether our votes will reflect perennial idols and failure, or the best social contract yet devised.

Even now, under an anti-incumbent storm cloud, we still vote almost exclusively for the same central banksters, same legal abominations, and of course the same political parties.

AN ACADEMIC RULING CLASS

All protestors are not equal under the Golden Dome.

“(Notre Dame) acts with tolerance toward pro-gay and anti-military supporters but with severity toward pro-life supporters.”

— William Dempsey, president of the Sycamore Trust

by CHARLES E. RICE

Friar Norman Weslin, O.S., at the complaint of Notre Dame, was arrested in May 2009 and charged as a criminal for peacefully entering the Notre Dame campus to offer his prayer of reparation for Notre Dame’s conferral of its highest honor on Barack Obama, the most relentlessly pro-abortion public official in the world. The university refuses to ask the St. Joseph County prosecutor to drop the charges against Fr. Weslin and the others arrested, still known as the “ND 88” although one, Linda Schmidt, died of cancer this past March. Judge Michael P. Scopelitis, of St. Joseph Superior Court, recently issued two important orders in this case.

The first order denied the state’s motion to consolidate the cases of multiple defendants. That motion would have denied each separate defendant his right to a separate jury trial. The order did permit consolidation of the trials of twice-charged defendants on the separate offenses with which that defendant was charged; a defendant charged, for example, with trespass and disorderly conduct would therefore not have to appear for two trials. Judge Scopelitis also denied the prosecution’s attempt to force each defendant to return to South Bend for each proceeding in the case, which would have coerced the defendants to abandon their defense. Instead, the judge permitted the defendants to participate by telephone in pre-trial conferences.

The second order upheld the subpoena issued by Thomas Dixon, the attorney for the ND88, to compel the pre-trial testimony by deposition of William W. Kirk, who was summarily fired by the university on June 14 from his position as Associate Vice-President for Residence Life. The

details of Mr. Kirk’s firing were analyzed by Prof. David Solomon in *The Irish Rover* of August 31. Judge Scopelitis’ order is limited and permits defendants to “inquire as to why William Kirk no longer holds the position of Associate Vice-President, Resident Life, at the University of Notre Dame.” The university and the prosecution had strenuously resisted any attempt to have Mr. Kirk deposed although he is willing to testify under subpoena and at the eventual trials of the ND88. Nor is the university willing to have the president, Friar John I. Jenkins, and relevant senior officials, above the Notre Dame Security Police, deposed. Mr. Dixon wants such pre-trial testimony to explore the seriously discriminatory, illegal and unconstitutional character of the university’s actions against the ND88.

Judge Scopelitis’ orders move the case along. But they unavoidably leave a few questions unresolved. Why did the university try to prevent the deposition of Bill Kirk and why is it unwilling to agree to such testimony by senior university officials? What is the university trying to hide? Perhaps it is the unprecedented and discriminatory character of the university’s treatment of the ND88. In his statement of April 30, Fr. Jenkins reiterated Notre Dame’s position that, “the university cannot have one set of rules for causes we oppose, and another more lenient set of rules for causes we support. We have one consistent set of rules for demonstrations on campus — no matter what the cause.” That statement is untrue.

On March 8 and 9, 2007, the Soulforce Equality Ride conducted a “gay rights” demonstration on the Notre Dame campus. Six demonstrators were “arrested,” taken to the campus security building and



Professor Charles E. Rice, a founding scholar here, is professor emeritus and former dean of Notre Dame Law School. This article originally appeared in the Oct. 3 *Irish Rover*. Copyright © The Irish Rover 2010. All rights reserved. Reprinted by permission.

photographed. They were then driven by campus police to their hotel. "We never heard another word," said Delfin Bautista, one of the demonstrators. "It was just a setup to get us off campus." Their trespass notices, incidentally, were stamped with the signature of William Kirk. On March 26, 2007, Catholic Worker protestors demonstrated on campus against the Reserve Officer Training Corps (ROTC). Nine trespass citations and three trespass notices were issued. One demonstrator, George F. Arteaga, was taken to the county jail. The next morning he was told by a guard, "We're letting you go," and was released. The trespassing and disorderly conduct charges against him were dismissed by the prosecutor's office and no further proceedings occurred against any of the demonstrators.

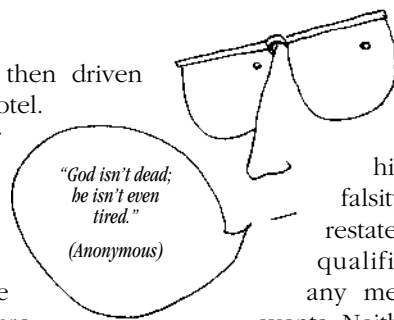
Those 2007 events were recounted in *the South Bend Tribune* of May 1, 2010, and in several extensive letters written in February and March 2010 to Fr. Jenkins and Dennis Brown, university spokesman, by William H. Dempsey, president of the Sycamore Trust.

Wrote Mr. Dempsey to Fr. Jenkins on March 11, 2010: "I tracked down four persons who had been involved: two Catholic Workers (one a priest) and two Soulforce members. They confirmed that the demonstrators had in fact been arrested — one read the citation to me — and that this was the last they had heard of the matter."

Mr. Dempsey's conclusion is an undeniable indictment of Notre Dame's position:

The short of it, then, is that Notre Dame is not enforcing "one consistent set of rules for demonstrations on campus — no matter the cause." Heretofore, it evidently has exercised a discretion appropriate to the circumstances. The result of adopting an inflexible stance respecting the ND88 is truly bizarre. The university acts with tolerance toward pro-gay and anti-military supporters but with severity toward pro-life supporters.

Let us assume that Fr. Jenkins had been unaware of what happened on his watch in 2007. But when he restated on April 30 the university's claim of equal treatment for



all, he was aware of Mr. Dempsey's investigation and his demonstration of the falsity of that claim. Yet he restated that claim without qualification and without any mention of those 2007 events. Neither Fr. Jenkins nor any other university official has apologized to Fr. Weslin and the ND88 for its misrepresentation of the university's policy and for its disparate treatment of them. Nor has Notre Dame sought to rectify that injustice by asking the prosecutor to drop the charges.

How can we explain this vindictive treatment of the ND88? Permit me first to tell you a little about those targets of the university's wrath. Fr. Weslin was 79 and in poor health when he was arrested at Notre Dame and literally dragged off the campus on a pallet. Born to poor Finnish immigrants in upper Michigan, he joined the Army after high school. He converted from the Lutheran to the Catholic faith and married before earning his commission. He became a paratrooper and rose to Lieutenant Colonel in the 82nd Airborne Division, earning his college degree en route. When he retired in 1968, he and Mary Lou, his wife, became active pro-lifers in Colorado. In 1980, his wife was killed by a young drunk driver whom Norman personally forgave. Norman later was ordained as a Catholic priest, worked with Mother Teresa and devoted his life to the rescue of unborn children through peaceful, prayerful direct action at abortuaries. In December 1990, I was privileged to defend Fr. Weslin when he and his Lambs of Christ were arrested at the South Bend abortuary. One does not have to agree with the tactic of direct, non-violent action at abortuaries to have the highest admiration, as I have, for Fr. Weslin and his associates. He is a hero of the Faith. Notre Dame should have given Fr. Weslin the Laetare Medal rather than throw him in jail.

The other "criminals" stigmatized by Notre Dame include many whom this university should honor rather than oppress. One is Norma McCorvey, the plaintiff in *Roe vs. Wade*, who has become pro-life and a Catholic actively

*The other "criminals" stigmatized by Notre Dame include many whom this university should honor rather than oppress. One is Norma McCorvey, the plaintiff in *Roe vs. Wade*, who has become pro-life and a Catholic actively trying to spread the word about abortion.*

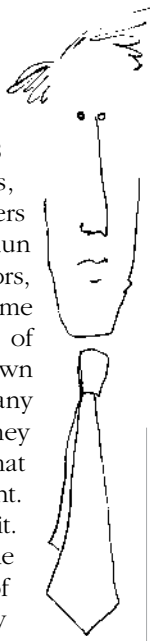
Notre Dame appears to be governed by academic ruling-class wannabes. The operative religion of the academic and political establishments, however, is political correctness. Activist opponents of ROTC and activist advocates of "gay rights" are politically correct. Activist pro-lifers, such as Fr. Weslin and the ND88, are not.

trying to spread the word about abortion. The ND88 include retired professors, retired military officers, mothers of many children, a Catholic nun in full habit, Christian pastors, several Ph.D.s and Notre Dame graduates. They are "the salt of the earth." They came at their own expense, and not as part of any "conspiracy," from 18 states. They came because they love what Notre Dame claims to represent. They themselves do represent it. But it is doubtful that Notre Dame does anymore. The leaders of Notre Dame ought to be deeply ashamed of their continuing persecution of such people.

In response to criticism of its honoring of Mr. Obama and its persecution of the ND88, Notre Dame has commendably taken pro-life initiatives, including Fr. Jenkins' leading of a Notre Dame delegation to the March for Life. It was the first official Notre Dame participation in that event since its inception in 1974. In a discordant note, however, Fr. Jenkins went to the march while he was, by his own choice, the intransigent jailer, in effect, of pro-life witnesses whose "crime" was that they sought to pray, peacefully, at and for the University of Notre Dame.

Nothing in this article is meant to disparage those reactive pro-life initiatives Notre Dame has taken, including the recent appointment of Mary Daly as coordinator of University Life Initiatives. Fr. Jenkins and other relevant Notre Dame officials are acting in what they see as the best interests of Notre Dame. But to what extent is Notre Dame serious about its pro-life commitments? Why do they impose such unrelenting persecution — an apt word — on pro-life witnesses, especially in light of their non-prosecution of pacifist and "gay rights" protestors and their reliance on the brazen falsehood that they "have one consistent set of rules for demonstrators on campus"?

Perhaps a clue may be found in Angelo Codevilla's new book, "The Ruling Class." Dr. Codevilla, who received his master of arts at Notre Dame and is professor emeritus at Boston University, demonstrates that we are governed by a political and



"The essence of Government is power; and power, lodged as it must be in human hands, will ever be liable to abuse."
(James Madison)

cultural "ruling class," characterized by its "insistence that people other than themselves are intellectually and hence otherwise humanly inferior" (see pp. 57-58). A comparable ruling

class dominates the academic world. Since the misbegotten 1967 Land O'Lakes Declaration which asserted the autonomy of "Catholic" universities from Church teaching authority, Notre Dame has striven to become an accepted player on the periphery of that academic "ruling class." As a former president, Friar Edward A. Malloy, said at the 1993 board of trustees meeting, "We think we should have greater input into national policy decisions and into ethical preparations for decisions. We think we're capable of operating in the same world as the Ivys, Stanford, Vanderbilt, Duke, Southern Cal and Northwestern." (*the South Bend Tribune*, Feb. 15, 1993, p. B1.)

Notre Dame appears to be governed by academic ruling-class wannabes. The operative religion of the academic and political establishments, however, is political correctness. Activist opponents of ROTC and activist advocates of "gay rights" are politically correct. Activist pro-lifers, such as Fr. Weslin and the ND88, are not. For Notre Dame's leaders to show respect for the ND88, let alone apologize to them and seek an end to their prosecution, as they ought, would be to touch a third rail of academic respectability.

It would not play well in the ruling academic circles. What would they think of us at Harvard, Yale, etc.? Notre Dame has expressed a worthy desire to be a pro-life champion. If they really mean it, the first step must be a public request by Notre Dame to the prosecutor to dismiss unconditionally the charges against the ND88. Without such a rectification of an injustice inflicted by the university, Notre Dame's otherwise commendable pro-life initiatives are merely cosmetic, a defensive covering of the institutional anatomy. The ND88 — and Notre Dame itself — deserve better.

LEGISLATORS: GO AND GERRYMANDER NO MORE

by ANDREA NEAL

(Oct. 12) — A GOP takeover of the Indiana House would put Republicans in control of redistricting in the 2011 legislature. This makes it all the more important that voters get candidates on record now. It would be way too tempting for Republicans to use their majority status to draw lines that favor their party for the next decade.

Secretary of State Todd Rokita, a Republican running for the 4th District congressional seat, has kept the issue in the spotlight, despite the fact he will no longer be Indiana's chief election officer. His redistricting reform proposal would require more compact districts that honor township and county borders to the extent possible and prohibit use of political data, such as incumbents' addresses, in drawing lines.

Mr. Rokita recently wrote candidates for the legislature to urge them to support redistricting reform. Last year he launched a Facebook campaign to identify supporters. At last count, his Rethinking Redistricting page had 470 friends. He's also asking citizens to sign a Facebook petition by clicking the "Like" button at the top of the "I Support Rethinking Redistricting" page.

Some legislators, even in his own party, would rather Todd Rokita mind his own business. "It would have been easier for me not to champion this," he said. "I'm a reformer. We're trying to get government back in the hands of the people."

Pleas for redistricting reform are heard every 10 years as legislatures redraw state and federal house districts to reflect the latest census data. The purpose is to make sure that legislative bodies based on proportional representation remain proportional, meeting the



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Supreme Court standard of "one person, one vote."

The problem occurs when legislators engage in gerrymandering, a practice as old as politics but made easier by 21st-century software that can combine political data and census numbers to draw districts that favor one party or the other.

Just ask Mr. Rokita. He considers the 4th District "one of the worst examples" of distortion. The district has been described as wrench-shaped and sprawling, extending over all or parts of 12 counties from Monticello on the north to Mitchell on the south. It's one of the most-Republican districts in the country, which is why Mr. Rokita is considered a shoe-in to replace retiring Rep. Steve Buyer.

One of the most troublesome consequences of gerrymandering is just that: Elected officials end up picking voters, not the other way around. As the 2005 Redistricting Reform Conference noted, "If all districts are gerrymandered to be lopsided and non-competitive, political power shifts from the voters to the mapmakers. And if the voters can never 'throw the bums out,' eventually their legislatures may be filled with them."

Legislatures are filled with incumbents, and gerrymandered districts are one reason why. Political scientists define a district as competitive if the election is decided by 10 points or fewer — about 10 percent of congressional races. In 2004, for example, 27 of 435 House races were competitive.

According to the National Conference of State Legislatures, 21 states have implemented redistricting reform in the form of non-political commissions. Some commissions draw up the plans, others advise the legislatures and a few merely serve as a backup if the legislature fails to come up with something.

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— Neal

“Ultimately, the products of Indiana companies selling overseas will depend on quality and their prices in local currency. Exchange rates are beyond the control and expertise of ordinary firms producing products on world markets.”

— M. Keating

State Sen. Mike Delph, R-Carmel, advocates the commission approach because of the “inherent conflict of interest” when legislators make policy that affects their political futures. However, he believes it would take a constitutional amendment to create a commission in Indiana, and there’s no time for that before the 2011 redistricting. He’ll back any legislation requiring mapmakers to respect communities of interest.

He and Todd Rokita are hopeful a Republican victory will advance the cause. Mr. Rokita noted that redistricting reform has made headway twice in recent years, once in the Senate under current President Pro Tem David Long, and once in the House when Republicans held the majority and Brian Bosma was speaker. Delph said Governor Mitch Daniels’ support of redistricting reform will be helpful.

So would a loud statement from voters that they won’t tolerate gerrymandering any more.

The Yuan and Indiana Jobs

by MARYANN O. KEATING

(Oct. 5) — The U.S. government is putting diplomatic pressure on the Chinese to permit the value of the Yuan to rise with respect to the U.S. dollar. The assumption is that if Americans pay more in dollars per unit of Chinese currency, Chinese goods would be less attractive in price, and U.S. imports would decrease. Similarly, the Chinese would find U.S. exports less expensive per Yuan, purchase more U.S. goods, and help correct the U.S. balance of trade deficit.

So, is the Chinese Yuan-U.S. dollar exchange rate of any consequence to the economic well-being of Indiana?

The Kelley School of Business at Indiana University’s “2008 Report on Indiana’s Global Exports” notes that China ranks sixth among destination countries for Indiana exports, following Canada, Mexico, the United Kingdom, France and Germany. It is likely that China’s share of Indiana’s exports will increase relative to other primary traders, experiencing low growth relative to emerging economies

such as China, Brazil, India and Russia. Exports to China from Indiana have increased five-fold since 1997.

In 2007, China overtook Japan to become Indiana’s fourth-largest machinery export destination. Machinery exports to China from Indiana increased at an 18.2 percent annual rate of change from 2001 to 2007. China is also in the top five among all countries for Indiana exports of electrical machinery, iron and steel, aluminum and plastic products. The sixth-largest export destination for Indiana’s organic chemicals is China, which saw an 81.9 percent jump from 2006 to 2007.

Excluding Puerto Rico, Indiana, with 9.5 percent of the total, ranks third among pharmaceutical exporting states, and China is one of the five largest destinations for Indiana’s pharmaceuticals.

As a state, Indiana is quite dependent on selling merchandise abroad to all countries, including China. Indiana ranks eighth among the 50 states in terms of export sales to its total production. Among Midwestern states, only Michigan and Kentucky are more export dependent. Indiana’s Global Exports notes that the number of jobs is not necessarily tied to the dollar value of export sales. For example, a relatively small dollar value of exports in fabricated metal products drives a large number of jobs in Indiana. In 2006, export sales supported more than 27,000 jobs in Indiana’s transportation equipment manufacturing industry.

Indiana exported \$25.9 billion in goods in 2007, an increase of 14.4 percent over its 2006 export total. These numbers probably underestimate the global reach of Indiana production. The value of corn, soybeans and other agricultural products, sold abroad by intermediaries, are not fully accounted as Indiana exports.

Because Indiana is relatively dependent on selling manufactures abroad, any deceleration in export growth (due to exchange-rate changes or otherwise) has a considerable economic impact. Indiana is vulnerable to variation in export sales by industries, both positive and negative. Sales for pharmaceuticals are particularly



erratic. Most fluctuations in the nature of Indiana's exports can be accounted for by the top three destinations: Canada, Mexico and the United Kingdom, rather than by China and other emerging countries.

Although economic theory confirms that a reduction in the value of a country's currency increases exports, this is a case where we have to be careful for what we wish.

What the weakening dollar gives in terms of helping export sales, it may take away in rising import prices. A weakening dollar makes U.S. goods cheaper in world markets, but the rising cost of imported inputs puts a profit squeeze on producers.

The risks associated with exchange rates present an additional challenge to exporters when collecting foreign currency from firms thousands of miles away. Erik Hromadia discusses what an international banker can offer Indiana exporters in *Indiana Business Magazine*. For example, he recommends that firms entering global markets use an export letter of credit issued by the importing customer's bank and confirmed by the Indiana exporter's home bank.

Banks have set up an additional variety of tools to hedge against exchange-rate risk. A forward contract is an agreement to exchange two currencies at a fixed rate at a future date. An options contract offers the flexibility to purchase or sell foreign currencies at a fixed rate on a future date without making a commitment to do so.

Exports are a significant part of production and jobs in Indiana. Yes, a change in the value of the U.S. dollar with respect to the Yuan and other currencies changes the competitiveness of Indiana's products in world markets. Exchange-rate fluctuations can wipe out profit — or create windfalls.

Ultimately, the products of Indiana companies selling overseas will depend on quality and their prices in local currency. Exchange rates are beyond the control and expertise of ordinary firms producing products on world markets.

By purchasing a forward or options contract, the Indiana exporter does not have to play the foreign-exchange lottery.

'Australian' Internet Reform

by **BARRY KEATING**

(Sept. 7)—Australia is a long way from Indiana, but Hoosiers can learn a valuable lesson by observing the debates from the recent national election in Australia. One of the principal topics in their electoral campaigns this summer has been the provision of Internet broadband services to households. The debate has centered on who will provide the Internet service and who will pay the bill. This Australian debate has been mirrored in the United States with the proposal recently announced by our Federal Communications Commission (FCC) to include broadband Internet in their regulatory family (up to now Internet services have not been under the direct purview of the FCC).

So, what does this have to do with Hoosiers? It means Indiana is likely to have the same debate the Australians have already had, and every resident of Indiana will be affected directly or indirectly by the result. The result of the debate will be the answer to two questions. First, who will provide Internet connections? Second, who will pay for the Internet service and how much will they pay?

Over the past 25 years, the Internet has flourished in the United States in large part due to the extremely limited role that government has played. In less than a decade, the private sector has expanded broadband Internet access to over 91 percent of Indiana households.¹ Some Hoosiers get their Internet through a cable (perhaps bundled with television service like Comcast), others receive the Internet through unused wires in their household telephone line (called DSL as AT&T provides), and yet others receive it directly through a satellite service (such as WildBlue). In addition to these three primary means of providing the Internet to households, many Hoosiers receive Internet services on their mobile devices (iPhone, Blackberry, Android, laptop, etc.). In fact, Indianapolis is one of the top five cities in the country in terms of the speed of its 3G network (a 3G network provides

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Barry Keating, Ph.D., an adjunct scholar of the foundation, is the Jesse H. Jones Professor of Finance at Notre Dame University.

“Hoosiers should consider opposing the FCC’s effort to regulate the Internet under Title II of the Communications Act of 1934; it was written during the Depression era to regulate now-obsolete telephone monopolies – 60 years before the Internet was ever conceived.”

— B. Keating

Internet service wirelessly to these mobile devices).² Indiana also has speedy Internet connections when compared to other states; a 2009 study shows the average Internet connection speed in Indiana to be 5.7 megabits per second (mps) while the average for the entire United States is just 5.1 mps.

Since 2004, the price to access the Internet has dropped by 23 percent in America, while during the same period overall consumer prices have trended upward. Of households in Indiana presently lacking broadband access, many have Internet access through cell phones and smart phones. These mobile users access the Internet, send and receive e-mail, and play games just like “wired” broadband households. Many of the seemingly “unconnected” Hoosiers are not “hardwired” at their residences but are well-connected otherwise. Less-affluent households may benefit more from using less-expensive currently existing technology rather than by being taxed for the provision and regulation of static last-generation technology. For example, “African-Americans and English-speaking Latinos continue to be among the most-active users of the mobile web. Cell-phone ownership is higher among African-Americans and Latinos than among whites (87 percent versus 80 percent) and minority cell-phone owners take advantage of a much-greater range of their phones’ features compared with white mobile-phone users.”³

All of this sounds much like a success story for Indiana; a large percentage of Hoosiers have Internet access of one type or another, our access speeds are above average, and, as the percentage of connected individuals continues to grow, the price of access continues to fall. Such are the benefits of private provision and competition. The FCC, however, would like to go the route that Australia has recently chosen: control of the Internet by the central government.

Despite universal acknowledgment that we enjoy a free, open and vibrant Internet, the FCC is relentlessly pursuing a massive regulatory regime that could actually stifle broadband expansion, create congestion, slow Internet speeds, jeopardize job retention and growth, and

lead to higher prices for consumers. The FCC has mandated that they legally have the right to control the Internet because Congress in 1934 gave them the right to regulate telephone monopolies.

The Internet is viewed by the FCC as a public utility requiring regulation because it is naturally a monopoly. But is there true monopoly power in providing Internet services in Indiana? That’s hard to believe when I receive mail each day requesting me to change my Internet provider.

Hoosiers should consider opposing the FCC’s effort to regulate the Internet under Title II of the Communications Act of 1934; it was written during the Depression era to regulate now-obsolete telephone monopolies – 60 years before the Internet was ever conceived.

These proposed regulations would permit the FCC to dictate how the networks that serve as the backbone of the Internet are managed, thereby removing incentives for further investment and opening the door for price setting or future regulatory action.

Placing Indiana’s 21st-century communications system under a pre-World War II law is perhaps a misguided approach to continuing broadband Internet expansion and adoption. The Internet has never been a regulated utility and state legislators could ensure, rather than retard, communication technology by rejecting so-called “Net-Neutrality” regulations on the Internet.

Endnotes

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Hoosier Wind Power

by ANDREA NEAL

(Aug. 31) — If the term *wind power* evokes images of picturesque Dutch windmills amidst a landscape of tulips, take a drive up I-65 north of Lafayette. A wind farm in an Indiana cornfield looks more like the setting for a sci-fi film than for a 17th-century Flemish painting.

Hundreds of turbines loom over the adjacent countryside. Rotary blades of 100 feet or more top massive towers and sweep a vertical airspace of just under an acre apiece.

“It is surreal, very surreal, the first time you see it,” acknowledges Travis Murphy, program manager for renewable energy in the Indiana Office of Energy Development.

Hoosiers: Get used to the sight. Indiana is in the middle of a wind-power boom encouraged by liberal taxpayer subsidies at the federal level and plentiful wind resources and easy access to transmission lines at the state level.

Four wind farms producing 1,036 megawatts per year are online in Indiana; 20 more are being developed or have been proposed. The Fowler Ridge Wind Farm in Benton County operated by British Petroleum (BP) is the largest wind farm east of the Mississippi. Horizon Wind Energy, the one lining I-65 in White County, is expanding that site to produce more than 1,000 megawatts per year. That will make it one of the biggest wind farms in the world.

Interest in wind power is exploding even as the economics of wind power are under attack. Touted as a cost-effective alternative to fossil fuels, it’s not that cheap and it isn’t reducing reliance on fossil fuels, Robert Bryce wrote in the Aug. 23 *Wall Street Journal*.

Bryce, a senior fellow at the Manhattan Institute, wrote, “A slew of recent studies show that wind-generated electricity likely won’t result in any reduction in carbon emissions — or that they’ll be so small as to be almost meaningless.”

At the same time, he noted, the wind industry receives much heavier subsidies than those for oil and gas. The federal government provides a production tax credit of \$0.022 for each kilowatt-hour

of electricity produced by wind, 200 times greater than those given to oil and gas on the basis of per-unit-of-energy produced.

The Heritage Foundation calculated in March that if wind power alone provided electricity for a family of four, it would cost \$339 a month compared with \$188 for coal. Statistics like these have critics worrying that the federal government’s push toward renewable energy will cost consumers in the long run.

Murphy has a different take on the situation. Indiana’s objective isn’t to replace fossil fuels with wind power, he said. In fact, it’s “a bit of a misconception that it’s going to get us off coal. Coal is a part of our energy mix and means a lot to our economy.”

Murphy sees wind power as a way to add new capacity in a market in which demand typically goes up two percent a year. It will do so in a cleaner and more fiscally stable manner than imported oil, for instance.

Indiana wisely has avoided precise targets for the percentage of energy that must come from alternative fuels. That’s allowed the market to develop on its own. About 30 states have set specific requirements, and Congress has discussed doing so nationwide. California by 2020 will require utilities to get a third of their electricity from renewables, which critics fear will cause electricity costs there to skyrocket.

Murphy says Indiana’s policy goal is to produce more of its energy needs using in-state resources. Local communities will take the lead in determining whether wind power is right for them. All four of our existing wind farms received local property-tax abatements in addition to federal subsidies but no special incentives from the state.

That’s as it should be. The verdict is not in on whether wind power makes economic or environmental sense.

Whether you agree with federal subsidies or not, they’re being handed out like candy, so — unless you can’t stand seeing those massive turbines — there’s no harm in Indiana getting in on some action.

“Indiana wisely has avoided precise targets for the percentage of energy that must come from alternative fuels. That’s allowed the market to develop on its own.”

— Neal

‘THE WHITE MAN’S BURDEN’

*To the distress of the Fort
Wayne Journal Gazette,
Indiana is on the short
list (along with Idaho)
of states with no woman
on its highest court.*



by LEO MORRIS
Opening Arguments
www.news-sentinel.com

(Fort Wayne, Sept. 20) — My sterling record of political predictions continues. It was barely more than a month ago when I speculated that Gov. Mitch Daniels would look at the two men and one woman who were finalists for the Indiana Supreme Court vacancy and choose the woman. If all three were equally qualified, I said, there “would be no particular reason not to” and it would remove Indiana from the short list (along with Idaho) of states with no woman on its highest court.

But even among the “equally qualified,” there can be degrees of excellence, and Governor Daniels went with one of the men, Boone Circuit Court Judge Steven David, because he was impressed with the diversity of his experience to the point where he called him the obvious choice.

Indiana has had only one female justice in the state’s history — Myra Selby, who served five years on the bench before stepping down in 1999. (Theodore) Boehm, who announced in May that he would step down in September, had said he hoped Daniels would pick a woman. Daniels said he would have loved to have named a woman, but in the end, David was the clear choice. “My task was to find the best person on the merits — I’m sure I did,” he said. — *Fort Wayne News-Sentinel*, Sept. 18

So, we’re not completely barbaric — we did let a gal into the boys’ clubhouse once.

This is all very distressing to editors of *the Journal Gazette*, who see it as incredible insensitivity from a governor whose top administrators are “overwhelmingly white and male.”

The latest slight comes from Gov. Mitch Daniels, who passed over an eminently qualified female judge to appoint Judge Stephen (sic) David to the all-male Indiana Supreme Court. . . . While David, a Boone County Circuit Court judge, is well qualified for the post, his appointment is a disservice to Hoosiers — women in particular. — *The Fort Wayne Journal Gazette*, Sept. 18

There’s a curious choice of words there. Judge David has a noteworthy breadth of experience that includes 15 years on the bench, a military career that involved defending Guantanamo detainees, private practice and business experience, yet the *JG* can only bring itself to say he is “well qualified.” But Judge Robyn Moberly just has a judicial career that began 12 years ago after 18 years in private practice — a little less diversity there — and she is deemed “eminently qualified.” I’d love to know the thinking behind the selection of those two qualifiers.

I have no idea which of the three finalists would be the best justice, or indeed if one of those three is the best. Neither does *the Journal Gazette* or anyone outside the process. All we can do is look at their qualifications and decide whether we believe Governor Daniels when he says he tried to live up to his task of finding “the best person on the merits.” Those who think “being a woman” is an essential part of “the merits” will be less likely to believe him than those who don’t.

The governor says he was impressed with Judge David’s views on judicial restraint and the idea that courts should be careful to interpret laws rather than make them. That’s important to me, too, so I’m inclined to trust the governor’s judgment. Accepting someone only slightly less qualified because you think there’s a higher social goal is different only in degree, not in kind, from letting quotas set policy. It’s always going to be somebody’s turn, whether that results in the best person for the job or not.

You know the person I feel sorry for? Karl Mulvaney, Indianapolis attorney. You won’t see his name in *the Journal Gazette* editorial, and why would it be there? He’s merely the other man on the finalists’ list. He wasn’t the one chosen by Governor Daniels, and he has one too many Y chromosomes, so to heck with him.



by ERIC SCHANSBERG
Schansblog
schansblog.blogspot.com/

(*New Albany, Sept. 8*) — In a speech today, Barack Obama is expected to propose tax credits to business as part of a renewed effort to “stimulate” the economy, according to Tom Raum of the Associated Press.

It’s difficult to know what motivates this — from an increasingly sad/amusing attempt to pull levers and manipulate the economy to a shrewd political move to attract voter support and to potentially point to Republican hypocrisy and obstructionism.

The article reports that Mr. Obama has supported this for a long time. But given the timing (why did he wait this long if he’s such a big fan?) — both in the sense of being a few months before an election and in a time when Congress is unlikely to consider the proposals — it seems more political than policy. But hey, that’s what politicians do.

Barack Obama’s proposed tax breaks for business sound like ideas that have enjoyed broad Republican backing in the past. But in today’s toxic political atmosphere, he’s unlikely to get much — if any — GOP help. Still, his plans put Republicans on the spot, making it harder for them to say no to legislation they once embraced. . . . In a speech on Wednesday in Cleveland, Obama will ask Congress to let businesses quickly write off 100 percent of their spending on new plants and equipment through 2011 . . .

Some supply-side stimulus (albeit narrow and short-term) and “trickle down” from Barack Obama? Interesting.

Obama had his economic advisers come up with a fresh set of proposals with job-creating potential. Among them: a \$50-billion program to rebuild roads, railways and airports and to create a new infrastructure bank to oversee long-term projects. Legislation containing multiple public-works projects has usually been popular in Congress across party lines.

Uh, yeah. Politicians (and voters) like it when other people pay most of the tab on their infrastructure projects. And then we forget (or like to pretend) that we’re not picking up the tab for others. Unions like them too. Of course, national infrastructure should be paid through national means, but state and local projects should be picked up by state or local.



by FRED MCCARTHY
Indy Tax Dollars
www.indytaxdollars.
typepad.com/

(*Indianapolis, Sept. 19*) — One of our readers took us to task about our last post wherein we had understated the cost of the new scoreboard for the Pacers at Conseco Fieldhouse.

It apparently should have been \$1.6 million instead of \$1.2 million. We apologize, but we also claim extenuating circumstances — numbers fatigue.

It is difficult to read or listen to national news these days without running into the term “trillions.”

Personally, we find it hard to get a real handle on that number. What would a trillion golf balls look like? What if the nearest Ritter’s frozen-custard shop was a trillion miles away? How about the nearest gas station at a trillion blocks?

The step down to billions doesn’t provide that much relief. It does at least come closer to the figure “millions” as it gets thrown around locally. The “B” word does actually figure in, though.

A competent friend assures us that, interest included, the debt for the new football field is well over a billion dollars. And we took notice of a small item in *the Indianapolis Business Journal* recently saying that the organization owning the Pacers had “completed its \$2.3-billion acquisition” of 21 shopping centers.

We’ve also seen stories about public money as a major share of billions of dollars of “investment” in downtown Indianapolis.

While politicians, business “leaders” and the media generally have all told us it’s been a good deal, the alleged “investment” has yet to yield a return which allows ordinary municipal functions — such as a library system — to fulfill the needs of citizens.

Then, of course, we get down to the more simple millions. Like \$33.5 million for those Pacers, \$12.5 million to turn Georgia Street into a garden path, another \$8 million of property taxes for the Capital Improvement Board, \$2.7 million for the City Market, etc.

And we get picked on for missing a lousy little \$400,000. Easy, folks.

“Politicians (and voters) like it when other people pay most of the tab on their infrastructure projects. And then we forget (or like to pretend) that we’re not picking up the tab for others.”

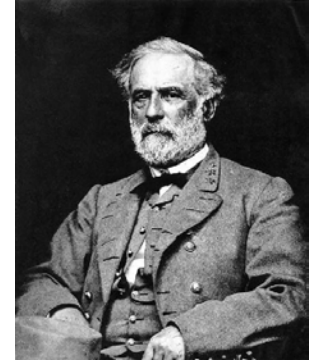
— Schansberg

“The alleged ‘investment’ (in downtown Indianapolis) has yet to yield a return which allows ordinary municipal functions — such as a library system — to fulfill the needs of citizens.”

— McCarthy

THE 'CONFUSION' OF ROBERT E. LEE

You need false historical stereotypes to mount a class and racial war.



"So far from engaging in a war to perpetuate slavery, I am rejoiced that slavery is abolished. I believe it will be greatly for the interest of the South. So fully am I satisfied of this that I would have cheerfully lost all that I have lost by the war, and have suffered all that I have suffered to have this object attained."

— Gen. Robert E. Lee

by CRAIG LADWIG

A friend and inspiration for our foundation, Dinesh D'Souza, the new head of King's College in New York City, has written a book on this president. The title, "The Roots of Obama's Rage," begins the argument that our nation is being led by a dysfunctional individual who has dedicated his presidency to fighting the ghost of colonialism in our foreign policy.

It is a war that Barack Obama may imagine his father would want him to wage. Members of this foundation, however, understand the anachronism that such a world view would represent. The United States of America, in fact, was the first to throw off colonialism — once being, after all, just a bunch of abject colonies owned by King George. To this day, its constitution provides the only alternative to colonialism that does not turn on itself, that institutes not just independence from a foreign power but liberty for all.

Nonetheless, in coming months and in coming political campaigns we will learn how dangerous this view can be as a rationale for class and racial hatreds.

As we have written here before, a false historical stereotype appeared early in this presidency. Barack Obama joked a few weeks after inauguration that the sight of himself representing the presidency at the exclusive Alfalfa Club in Washington, D.C., would leave Gen. Robert E. Lee "very confused." It was a warning that American history had been taught only selectively these past 20 years, even to the Harvard elite. And for those content to divide the world simplistically into haves and

have-nots, blacks and whites, colonialists and colonies, it apparently had not been taught at all.

For General Lee never expressed the view that blacks would not achieve equality. Nor is it recorded that he ever spoke disparagingly of blacks (something that cannot be said of his Union conqueror, Ulysses Grant, or even the great emancipator, Abe Lincoln).

The general was emphatic that slavery was "a moral and political evil." He believed that American slaves would be free one day "in God's time," and a decade before the Civil War he freed the slaves inherited by his wife. His decision to join the Confederacy was based on his and the founders' conviction that states should be sovereign.

Indeed, it can be said that what the general's beloved Virginia suffered during Reconstruction was the closest thing to colonization that has occurred in American history here or abroad. OK, that's stretching the point, but General Lee's demonization by a Chicago pol is not something an honorable American, Southern or Northern, can abide.

So, what would confuse the general about America in 2011? My first guess is the loss of liberty for nominally free men and women even in the North, black or white. Next would be the triumph of envy over individual responsibility, a state of mind that historically creates a nation of peasants — slaves, to use the phrase of Joe Sobran.

Who, for instance, would like the job of explaining to the general that equality

of opportunity had been sacrificed in the pursuit of equality of results? Or that application of the Rule of Law was a point of great controversy?

What would the general say to the realization that it is common in 2011 for a middle-class professional, black or white, to work a lifetime without real property or savings, indentured to a hopeless mortgage, sending her children to schools on loans that will never be repaid?

General Lee would want to know how such a situation came about. He would have to be told that taxes and regulations now take as much as half of an average worker's payroll allowance.

At this point one could only pray that the general did not ask the obvious question: "Where does all that money go?" The answer — that spending measures have become so large that nobody really can know — would be too much for his noble soul to bear.

In any case, it would be necessary to go further — taxes on income, capital gains and even on savings, compulsory public-sector unions, federally mandated state and municipal regulations, socialized medicine, prohibitions on gun ownership . . . the poor man's heart would surely break.

Bringing himself painfully up to date, he would want to know that Congress had in effect ordered banks to issue loans expressly to those who could not afford to pay them back and that Wall Street had learned to invest in enterprises not on the basis of their productivity but on their political standing. He would need to learn that money backed by silver and gold was no longer a constitutional requirement and that a group of men in a room at something called the Federal Reserve could order the printing of as much money as they thought necessary — and do so in the interest of individual short-term gain at the expense of the future common good.

But who would be brave enough to tell the general that the taxes on a man's property have made private ownership theoretical?

Or that the U.S. Secretary of the Treasury was sworn into office even though he made tens of thousands of dollars in "mistakes" on his own tax returns? That a nominee for Secretary of Health thought his limousine

was tax-exempt? That there is a Secretary of Health? That there are limousines?

Who, finally, would want to introduce the general to Barney Frank? Nancy Pelosi? Rod Blagojevich, or explain partial-birth abortion? How would we introduce him to a president intent on punishing the country that nourished and embraced him to honor a father who abandoned him?

Confused? That might not be a strong enough word.

World to End: Editorial Writers to Be Hit Hardest

First of all, full disclosure. I have spent my adult life, sad though it may seem, writing editorials, *i.e.*, spouting my personal opinion. So there is a vested interest here in the topic of this article — the public discussion.

When public battles are fought by assigning motives rather than citing facts, we are in trouble. That was the case with the proposed Ground Zero "community center." The headlines verified a concern that, the magic of the Internet notwithstanding, meaningful public discussion had died.

This is bad for editorial writers, surely, but it also is bad for the nation. Democracy doesn't work if you don't know what's on the ballot. That's why the First Amendment is the first amendment.

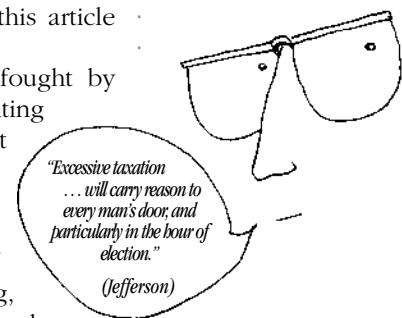
The problem is not any decline in journalism. Community newspapers, interestingly, are doing relatively well compared with the big-city dailies. Nor is it any bias. Local journalists, in my experience, are willing to take a look at both sides of any discussion, given equal access to the facts and a firm assurance it will involve no outdoor work.

It is more serious than that. Let's role-play for a better understanding:

- You are sitting on the local school board wondering why you should vote to give both the administration and union teachers an across-the-board pay raise in a depressed economy when all measures of classroom learning are declining. The board member next to you explains that it's "for the kids." Discussion over.

- Your congressman listens to your argument that the government is impeding

Political correctness makes it impossible for journalists or anyone else to discuss our most-critical problems, let alone prompt their solutions. The result, as a Japanese politician observed recently, is that Americans carom "simple-minded" from crisis to crisis.



Look, let us grant that politics is the art of the possible rather than the ideal. Indiana Democrats, however, when they were a scraggly bunch of malcontents in a historic minority, somehow found it possible to convince a popular Republican governor and an all-powerful GOP House leadership to pass the state Collective Bargaining Law (CBL) of 1973.

if not actually destroying jobs and investment. Moreover, he agrees with your economic reforms. He promises to do whatever he can short of endangering his re-election. Discussion over.

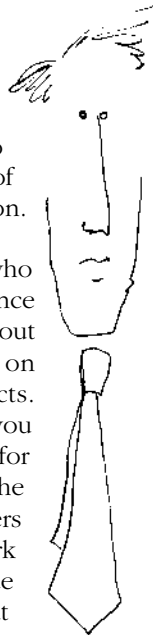
- You are a governor who learns that you could balance the state budget by opting out of prevailing-wage rules on public-construction projects. Moreover, you realize that you could position your state for historic growth by lowering the entry-level wage for teenagers and installing a right-to-work law for everyone else. An aide reminds you that all of that would be bad for the “working man.” Discussion over.

- You are a Homeland Security guard at an international entry point. You begin to gather the information needed to determine if the applicant before you is likely to instigate a “human-caused disaster.” A question of ethnicity is raised. Discussion over.

There is a favorite example of all this. It occurred a few weeks after the attack on the New York World Trade Center. The then head of the Missouri University School of Journalism took the time to add up the number of 9/11 stories that included expert commentary by women. There weren’t enough of them for her.

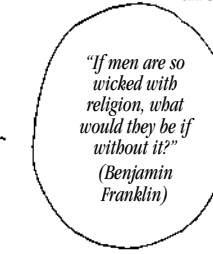
A nationally respected journalism professor thought it important for us to know as the nation climbed out of the Ground Zero rubble that people sitting in stuffed chairs hundreds and thousands of miles out of harm’s way were victims too — of sexual discrimination in the explication of national catastrophe. The joke about how *the New York Times* would play news of the world’s end (“Women and Minorities Hit Hardest”) would never be funny again.

Political correctness makes it impossible for journalists or anyone else to discuss our most-critical problems, let alone prompt their solutions. The result, as a Japanese politician observed recently, is that Americans carom “simple-minded” from crisis to crisis.



Ruin doesn’t require dramatic events. No, creeping hypersensitivity to even the most-bizarre social complaints combined with a stiff-necked righteousness and an impulsive drive for political sinecure will suffice.

For this editorial writer, though, societal collapse caused by a shortage of persons willing to shoot off their mouths would be the end too tragic to bear.



There’s Nobody Here but Us Reformers

“If you spend any time rubbing shoulders with Indiana’s ruling class, you’ll recognize the circular logic: ‘The solutions to our problems are not politically achievable, and in any case they are beyond local control.’”

The ink on the above introduction to the fall issue of *The Indiana Policy Review* was not dry when Gov. Mitch Daniels provided a working example of its application:

“It’s not like we can get 50 percent (of my education agenda), or 40 percent, or 10. It’s zero,” he told an *Indianapolis Star* columnist this August. “We’ve got to be able to at least get the bills to the floor.”

Later, expressing enthusiasm for a battle he had carefully avoided, Governor Daniels offered: “We’re raring to go.”

So, the news is that the sorry state of Indiana k-12 education (and the 53 percent of the state budget it is expected to consume to the point of deficit in 2011) is not the governor’s fault — that and it cannot be used against him in any presidential campaign.

All politically deft, to be sure, especially considering that the House was sure to go Republican in the mid-term election, clearing the way for the governor to count coup on an educational issue or two.

Wouldn’t it have been helpful, though, at least for those of us left behind in Indiana, if the presumed presidential candidate had spent more of his eight-year assignment here describing in detail what education reform looked like, how it would work better for long-suffering school patrons and taxpayers?

The reforms that the governor proposed — he mentioned letting high-

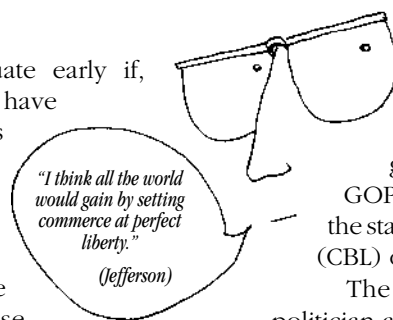
school students graduate early if, hold your breath, they have the necessary credits — were pegged to what the teacher unions might accept. None of his public ideas (he may have commendable private ones) promise significant change in the Indiana education establishment.

Indeed, the one reform about which Governor Daniels has been most animated, for which he dedicated the weight of his office early on, was full-day kindergarten — an idea as innovative as 1816 and that old fool of a socialist Robert Owen.

If the governor needed specific suggestions, four years ago the Indiana Policy Review Foundation placed on his desk a detailed, nationally tested and comprehensive reform plan for Indiana, the “Weighted Student Formula,” returning classroom decisions to teachers and principals.

Or as the governor pondered another \$200 million from Washington to prop up union teacher salaries, he could have mentioned the stack of research showing that federal mandates and even state regulations are costing us more than they are worth, that per-student costs will soon exceed \$8,000 compared with half that for private schools.

Look, let us grant that politics is the art of the possible rather than the ideal. Indiana Democrats, however, even when they were a scrappy bunch of malcontents in



a historic minority, found it possible to convince a popular Republican governor and an all-powerful GOP House leadership to pass the state Collective Bargaining Law (CBL) of 1973.

The governor, as scrappy a politician as there is, could be making clear the CBL is the measure that established lock-step, assembly-line rules to the sensitive task of educating young minds.

He could be making clear it created the pension-hungry political machine that now eats his state alive.

But he is not.

Resources

Matthew Tully. “Education Stand Could Hurt Dems.” *The Indianapolis Star*, Aug. 9, 2010.

George Edwards. “The Federal and State: A Marriage of Constitution.” *The Indiana Policy Review*, Fall 2010.

Lisa Snell, ed. “Government Schools: What’s Got to Change.” *The Indiana Policy Review* (Winter 2007) (archive available to members at www.inpolicy.org under the “Journal” tab).

David Boaz, R. Morris Barrett. “What Would a School Voucher Buy? The Real Cost of Private Schools.” Cato Institute Briefing Paper No. 25, March 1996.

Charles M. Freeland. “The Teacher Unions: Cutting Out Paper Dolls.” *The Indiana Policy Review* (Winter 2001).

If the governor needed specific suggestions, four years ago this foundation placed on his desk a detailed, nationally tested and comprehensive reform plan for Indiana, the “Weighted Student Formula,” returning classroom decisions to teachers and principals.

The best refutation of the theory of the survival of the fittest is probably the corn-ethanol lobby, whose annual \$6 billion in federal subsidies have managed to outlive both its record of failure and all evidence and argument. So while we doubt another devastating study will result in any natural selection, recent findings from the Congressional Budget Office (CBO) deserve more attention all the same. The CBO reveals that it costs taxpayers \$1.78 in ethanol ‘incentives’ to reduce U.S. gasoline consumption by one gallon — or nearly two-thirds of the current average retail gas price. . . . An even more astounding feat is that these ethanol subsidies are redundant — consumers are already required to buy ethanol at the pump under the arbitrary gasoline blending mandate that Congress imposed in 2007. CBO is also honest enough to mention that in reality \$754 may be purchasing a net carbon emissions increase. ‘Because the production of ethanol draws so much energy from coal and natural gas,’ the authors write, ‘it can be thought of as a method for converting natural gas or coal to a liquid fuel that can be used for transportation.’ — *Wall Street Journal*, July 26, 2010

OK, NOW WHAT?

(Nov. 4) — On the issue of labor reform, members have high expectations for the new GOP super majority in the Indiana Senate and a 59-seat majority in the House. Sixty-four percent believe legislation will be passed changing the state's union-friendly labor laws. Moreover, there is uncommon agreement on what exactly should be done:

- (84 percent) — “Ensure that a worker’s job is not dependent on whether he or she joins a union or does not join a union.”
- (76 percent) — “Prohibit state government from regulating wages in the private sector.”
- (76 percent) — “Allow all public-sector workers, including Indiana teachers, to negotiate their own employment contracts independent of a union.”

This quarter’s survey attracted a relatively high number of respondents (45 out of 119 opened and 591 delivered). The comments were spirited:

- *“I’ve heard or personally talked with a number of the newly elected members. As a group, it does not appear that the political courage and principles are there to accomplish real, substantive reform that moves toward a free market in labor, be it the private or public sector. The current Republican leadership certainly does not possess the courage and principles necessary.”*
- *“As a business person in the manufacturing sector and supporter of the National Right to Work Committee, the election results are exciting. But my concern is that pro-union Republican legislators will kill the bills.”*
- *“I’m not sure if mainstream Republicans understand how deep-seated is the desire and necessity for change.”*
- *All of the suggested changes are fine. Until Indiana specifically proscribes compulsory public-sector collective*



Q. Will the new GOP majority in the Statehouse pass legislation reforming Indiana labor laws?

bargaining, however, we are doodling in the margins of this issue.”

Yes 64%

- *“We’ve rearranged the deck chairs on the Titanic but otherwise changed next to nothing. Moneychangers and party leaders are still safely ensconced, and we’re still all about robbing Peter to pay Paul.”*

- *“Repeal Davis-Bacon. Make right-to-work the law. Eradicate the Indiana State Teachers Association and force it out of its criminal enterprises. Erode public-sector unions.”*

- *“Outlaw public-sector workers’ unions; they are less necessary than teats on a boar.”*

- *“This Frankenstein’s monster is completely out of control, and no elected official will be courageous enough to attempt to reform state labor laws.”*

- *“This is a one-time opportunity to set Indiana apart and give this state the chance to grow unimpeded by unions both public and private. I would suggest a push toward public funding of services to reshape education in this state and to establish a trend toward excellence; something that has been missing since the early 1960s.”*

- *“A little-discussed reform would be to allow teachers to be in a job market, e.g., portable pensions so they are no longer tied to a particular school system.”*

- *“I hope they make this state more business-friendly so as to attract new investments, which means more jobs. Making Indiana a right-to-work state would be a good start.”*

- *“We need to be a right-to-work state, free of government-mandated wages on construction projects (common wage), and also outlaw PLA’s (Project Labor Agreements).”*

- *“If our state and nation are going to survive financially, the influence of public-sector union must be reduced. Why should teachers have contracts? They are simply employees like most of the population.”*

People who know about opinion surveys don’t think much of ours. The sample is inherently biased and so small as to be little more than a focus group. The questions, sometimes confusing, are casually worded and transparently drive at one point or another. That said, we have learned to trust our members and eagerly await their opinions about this or that. The latest survey was opened by 119 members, correspondents and friends (persons on its monthly newsletter list) between 9 a.m. Nov. 3 and 9 a.m. Nov. 4. There were 45 completed questionnaires for a response rate of 38 percent.

THE DESTINIES OF THOSE WHO SIGNED

From an essay on the signers of the Declaration of Independence by Rush H. Limbaugh Jr., distributed by the Federalist Magazine

• **Francis Lewis** — A New York delegate saw his home plundered and his estates, in what is now Harlem, completely destroyed by British soldiers. Mrs. Lewis was captured and treated with great brutality. She died from the effects of her abuse. • **William Floyd** — Another New York delegate, he was able to escape with his wife and children across Long Island Sound to Connecticut, where they lived as refugees without income for seven years. When they came home, they found a devastated ruin. • **Phillips Livingstone** — Had all his great holdings in New York confiscated and his family driven out of their home. Livingstone died in 1778 still working in Congress for the cause. • **Louis Morris** — The fourth New York delegate saw all his timber, crops and livestock taken. For seven years he was barred from his home and family. • **John Hart** — From New Jersey, he risked his life to return home to see his dying wife. Hessian soldiers rode after him, and he escaped in the woods. While his wife lay on her deathbed, the soldiers ruined his farm and wrecked his homestead. Hart, 65, slept in caves and woods as he was hunted across the countryside. • **Dr. John Witherspoon** — He was president of the College of New Jersey, later called Princeton. The British occupied the town of Princeton, and billeted troops in the college. They trampled and burned the finest college library in the country. • **Judge Richard Stockton** — Another New Jersey delegate signer, he had rushed back to his estate in an effort to evacuate his wife and children. The family found refuge with friends, but a sympathizer betrayed them. Judge Stockton was pulled from bed in the night and brutally beaten by the arresting soldiers. Thrown into a common jail, he was deliberately starved. • **Robert Morris** — A merchant prince of Philadelphia, delegate and signer, raised arms and provisions which made it possible for Washington to cross the Delaware at Trenton. In the process he lost 150 ships at sea, bleeding his own fortune and credit dry. • **George Clymer** — A Pennsylvania signer, he escaped with his family from their home, but their property was completely destroyed by the British in the Germantown and Brandywine campaigns. • **Dr. Benjamin Rush** — Also from Pennsylvania, he was forced to flee to Maryland. As a heroic surgeon with the army, Rush had several narrow escapes. • **William Ellery** — A Rhode Island delegate, he saw his property and home burned to the ground. • **Edward Rutledge** • **Arthur Middleton** • **Thomas Heyward Jr.** — These three South Carolina signers were taken by the British in the siege of Charleston and carried as prisoners of war to St. Augustine, Fla. • **Thomas Nelson** — A signer of Virginia, he was at the front in command of the Virginia military forces. With British General Charles Cornwallis in Yorktown, fire from 70 heavy American guns began to destroy Yorktown piece by piece. Lord Cornwallis and his staff moved their headquarters into Nelson's palatial home. While American cannonballs were making a shambles of the town, the house of Governor Nelson remained untouched. Nelson turned in rage to the American gunners and asked, "Why do you spare my home?" They replied, "Sir, out of respect to you." Nelson cried, "Give me the cannon!" and fired on his magnificent home himself, smashing it to bits. But Nelson's sacrifice was not quite over. He had raised \$2 million for the Revolutionary cause by pledging his own estates. When the loans came due, a newer peacetime Congress refused to honor them, and Nelson's property was forfeited. He was never reimbursed. He died, impoverished, a few years later at the age of 50. • **Abraham Clark** — He gave two sons to the officer corps in the Revolutionary Army. They were captured and sent to the infamous British prison hulk afloat in New York harbor known as the hell ship "Jersey," where 11,000 American captives were to die. The younger Clarks were treated with a special brutality because of their father. One was put in solitary and given no food. With the end almost in sight, with the war almost won, no one could have blamed Abraham Clark for acceding to the British request when they offered him his sons' lives if he would recant and come out for the king and parliament. The utter despair in this man's heart, the anguish in his very soul, must reach out to each one of us down through 200 years with his answer: "No."



Emanuel Gottlieb Leutze, oil on canvas, 1851



Thomas Hoepker, photograph, Sept. 11, 2001

Please Join Us

In these trying times, those states with local governments in command of the broadest range of policy options will be the states that prosper. We owe it to coming generations to make sure that Indiana is one of them. Because the foundation does not employ professional fundraisers, we need your help in these ways:

• **ANNUAL DONATIONS** are fully tax deductible: individuals (\$50) or corporations (\$250) or the amount you consider appropriate to the mission and the task ahead. Our mailing address is PO Box 5166, Fort Wayne, IN 46895 (your envelope and stamp are appreciated). You also can join at the website, <http://www.inpolicy.org>, using your credit card or our PayPal system. Be sure to include your e-mail address as the journal and newsletters are delivered in digital format.

• **BEQUESTS** are free of estate tax and can substantially reduce the amount of your assets claimed by the government. You can give future support by including the following words in your will: "I give, devise and bequeath to the Indiana Policy Review Foundation (*insert our address and amount being given here*) to be used to support its mission." A bequest can be a specific dollar amount, a specific piece of property, a percentage of an estate or all or part of the residue of an estate. You also can name the foundation as a contingency beneficiary in the event someone named in your will no longer is living.



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An Indiana Journal of Classical Liberal Research and Opinion
Observing its 21st Year