

INDIANAPOLIS

Review

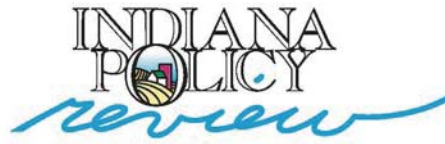
Spring 2017



Christianity through a Civic Veil

In a world of political correctness, there is one group that can be freely mocked and restricted.

“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.”



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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.

The foundation encourages research and discussion on the widest range of Indiana public policy issues. Although the philosophical and economic prejudices inherent in its mission might prompt disagreement, the foundation strives to avoid political or social bias in its work. Those who believe they detect such bias are asked to provide details of a factual nature so that errors may be corrected.

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Introduction

*Were it not for people of faith,
America's vast safety net would be
little more than a lone thread labeled
"government."*

by **MICAH CLARK**

The author is executive director of the American Family Association of Indiana. He wrote this at the request of the foundation.



The Historic Role Of Christianity

(Jan. 1) — Recently I read an article entitled, “Transgendered Woman Harassed; Seeks Changes in State Law.” The alleged victim felt her mistreatment so severe it called for a new law since the police failed to act in a satisfactory manner.

Naturally, an Indiana state senator was more than happy to do what legislators do — offer the solution of more government. Indeed, the most disturbing portion of the article was a description of the specific alleged act that “required” the new law. The alleged victim said her neighbor was “calling her names and waving a Bible.”

I’ll be the first to say that, if true, this is not my definition of Christ-like behavior or an effective means of loving our neighbor as ourselves. But is it criminal? Is it worthy of state action? The answer is only “yes” for those who consider people of faith a plague upon society.

I have witnessed the Left spend a great deal of time attempting to thus marginalize people of faith and demonize Christians in particular. Yet, as Dr. Eric Schansberg of Indiana University Southeast alluded in a recent address to

the Indiana Policy Review Foundation (and that exit-polling confirms) Christians played an enormous role in the recent election of the Trump-Pence ticket. Dr. Schansberg offered keen insight at the macro level as to what they must now do to preserve liberty.

And Adm. Daniel Gard, president of Concordia University in Chicago, addressing the same seminar, offered outstanding observations at the micro level, explaining the challenges we face in today’s increasingly anti-faith culture, on our dutiful response as people of faith, or the faith-friendly, living in today’s postmodern America.

Faith in God is a vitally important component of a strong and free society. We need only look one place to see this — charity. Were it not for people of faith, America’s vast safety net would be little more than a lone thread labeled “government.”

Our founders knew this. A quote from Patrick Henry sums it up nicely: “The great pillars of all government and of social life (are) virtue, morality and religion. This is the armor, my friend, and this alone, that renders us invincible.”

It is a great honor to be included in this edition of *The Indiana Policy Review*. For 26 years I have worked in or around the Indiana General Assembly as a voice for Hoosier families and social conservatism. I distinctly remember the first issue of *The Review* I snuck time to read as an intern in the Indiana House of Representatives in 1990. I was so excited because I feel it is an Indiana version of *the National Review*, the publication I devoured in college while forming my political worldview.

When the editor responded to my letter of thanks, it was as if I had heard from William F. Buckley himself, and I have been an avid fan of the journal, a reader, student and advocate ever since.

Thank you for taking your time to read this important issue. ◆

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From the South Wall

A decade ago, 61.4 percent of Indiana education funding went into two categories — Student Academic Achievement and Student Instructional Support. That ratio has dropped to 57 percent.

by ANDREA NEAL

The author, a columnist and adjunct scholar of the foundation, recently served on the state Board of Education. She is a former editorial page editor of the Indianapolis Star and before that she covered the Supreme Court of the United States for United Press International.



The ‘Dollars to the Classroom’ Debate

(Feb. 7) — Indiana education spending is at an all-time high, yet the percentage of money going to classroom instruction is dropping. Lawmakers have criticized the trend for more than a decade and are trying to do something about it.

Rep. Mike Karickhoff, R-Kokomo, says it will be a session priority “to make sure more state dollars make it to the classrooms.”

K-12 education is the largest item in the state’s biennial budget — more than half of the \$31 billion total — so lawmakers are intensely interested in how those dollars are being spent. Since 2006, the General Assembly has required the Office of Management and Budget to prepare an annual report on the ratio of student instructional expenditures to other costs.

Although school spending has grown faster than inflation in five of the last six years, more of the new money has gone to operations and overhead than to classrooms, the most recent OMB report showed. The biggest amount — \$54 million — went to construction.

Gov. Mitch Daniels drew attention to the issue back in 2005 when his state of the state Address

described “the imbalance between classroom and non-classroom spending” as a “major defect” of school finance in Indiana.

In 2006, Daniels signed the “Dollars to the Classroom Bill,” which gave school corporations consolidated purchasing authority to help achieve economies of scale. The law encouraged schools to join together in creating insurance pools, buying energy and developing shared services arrangements. The goal, Daniels said, was to “get more funds directly into the classroom for student learning.”

It didn’t happen.

In school year 2006-07, 61.4 percent of the funding went into two categories — Student Academic Achievement and Student Instructional Support — which are considered “Dollars to the Classroom.” These include teacher salaries and benefits, classroom aides, instructional books and technology, social workers, guidance counselors and certified school administrators. By 2014-15, the most recent reporting year, the ratio had dropped to 57 percent.

The rest of the money went to overhead, operational and non-operational categories. These cover maintenance, security, transportation, food services, construction, debt service and salaries of non-certified personnel.

The data is consistent with national reports showing Indiana schools with higher-than-average building costs and below-average teaching staff.

In 2006, the National Center for Education Statistics reported that Indiana ranked 47th in the percentage of K-12 employees who worked as certified teachers in the classroom — 46 percent. In 2013, Indiana ranked last, and the percentage of school employees who were classroom teachers was 41.4 percent, compared with a national average of 50.3.

Non-teacher staffing in Indiana schools has surged over the past 25 years relative to student population. From fiscal 1992 through fiscal 2009, according to the U.S. Department of Education,

the number of students rose 9.3 percent, while teaching jobs increased 15 percent and non-teaching staff 46.2 percent.

“I don’t think we’re seeing the result into the classroom we’d like to see,” observes the House Ways and Means Chairman Timothy Brown, R-Crawfordsville.

Brown is a co-author of House Bill 1009, which would change the way schools manage money. The bill, which has bipartisan support, simplifies accounting at the local level and adds flexibility to the way dollars may be spent.

The legislation would replace what is now called the School General Fund with an Education Fund used exclusively to pay expenses related to student instruction and learning. It would set up an Operations Fund to be used for everything else, primarily capital projects, maintenance, transportation, utilities and school bus replacement costs — all which are placed in dedicated funds.

Rep. Tony Cook, R-Cicero, the bill’s lead sponsor, believes it will drive more dollars to the classroom because of a provision allowing transfers between the Education Fund and Operations Fund, depending on local priorities. Also, simplified reporting categories will make it easier to examine comparable school systems and identify best practices that can be shared. A complaint of the current system is that spending subcategories are confusing, and it’s hard to make apples-to-apples comparisons between districts.

Lawmakers are reluctant to micromanage how local corporations set budgets because schools have such different student populations and building needs. A rural school, for example, might have lower administrative costs but high busing expenses. A school engaged in a building project might have high debt service.

As one example of the wide range that exists, the Dec. 2 OMB report showed that Muncie Community Schools directed 74.6 percent of expenditures to “academic achievement” or “student instructional support” in 2015 compared with 44.8 percent at North West Hendricks

Schools. In the early 2000s, a fad called the “65 percent solution” swept the country as reformers pushed states to insist on 65 percent of all dollars going into the classroom.

Texas was one of the first to embrace the idea, but studies have been mixed as to its effect. One 2010 study by researchers at Sam Houston state University found statistically significant, higher passing rates on the state’s standardized test in districts that spent 60 percent or more on classroom expenses. The researchers found no distinction between those that spent from 60 to 65 percent or 65 percent and higher.

“Bright-line requirements, like Texas had, add to the bureaucracy and produce more distorted results, not less,” observes Sen. Luke Kenley, R-Noblesville, who chairs the Senate Appropriations Committee. “Generally, bright-line silver-bullet solutions don’t work.”

Indeed, there’s no certainty behind the underlying assumption of HB 1009 — that getting more money into classrooms will improve student achievement. A Fort Wayne newspaper reported recently that five of nine Indiana school corporations that earned D and F letter grades from the state in 2014 were above the state average for dollars to the classroom while 61.4 percent of A schools were below it.

On one point, research is unequivocal. The single biggest factor in student learning is the effectiveness of the teacher, and benefits are cumulative over years. To the extent classroom dollars are targeted to hiring and developing high-caliber teachers, it would be money better spent than on overhead.

A Move to Ensure the Bicentennial Legacy

(Jan. 9) — Although Indiana’s bicentennial celebration is now history, there is a move in the Indiana General Assembly that has the potential to preserve its legacy for generations to come.

Sens. Eric Koch, R-Bedford, and Dennis Kruse, R-Auburn, would commit Indiana high schools to

teaching a one-semester elective course on Indiana history. It would give Hoosier teenagers an opportunity to learn about the political, economic and cultural contributions of their ancestors — an option currently offered in fewer than a dozen school corporations.

“There is something to be said for knowing our state’s history just for the sheer joy it brings. But there are also compelling practical reasons,” said James H. Madison, professor emeritus of history at Indiana University, in a letter to lawmakers endorsing the measure.

“We Hoosiers have a special history, one that more than most states shapes our present policy and our culture,” Madison observed. “Our past can be our blessing, sometimes our curse, but it is always with us. It is implicit in all decisions Hoosiers make, including those in the General Assembly.”

In preparation for the bicentennial, Madison, other historians and heritage organizations engaged in extensive new scholarship about Indiana that guarantees a wealth of resources for classrooms. Among many examples, the Indiana Historical Society published “Hoosiers — A New History of Indiana” by Professor Madison; and a Grade 8-12 textbook, “Hoosiers and the American Story.” With funding from Lilly Endowment, the textbook has been distributed free of charge to schools across Indiana. The Historical Society sponsored a dozen teacher institutes, training social studies teachers in state history and how to integrate the new curricular materials into their existing courses.

What a bicentennial legacy it would be if Hoosiers knew and could share the stories of Indiana — from the exploits of Revolutionary War hero George Rogers Clark to the native resistance movement of Tecumseh to the role played by Supreme Court Justice Sherman Minton in the *Brown v. Board of Education* case.

Currently, Indiana history is taught in Grade 4. This is worthwhile, but ask Hoosiers what they remember from elementary grades and they’ll draw a blank. Fourth Graders are not able to think

critically or to draw broad inferences from specific examples. It must be taught in later grades.

Twenty-seven states require some instruction in state history or state government at the high school level. In Alaska, Oklahoma, New Mexico, Hawaii, Mississippi and Washington state, a semester-long course is a graduation requirement. In Arkansas, schools must offer a semester of state history between grade 7 and 12. Kansas schools offer a nine-week course of study.

In other states, state history is taught in middle school when a child is developmentally ready for abstract thinking. New York, for example, offers state history in grade 4 and as a two-year progression in Grades 7-8. North Carolina, Louisiana, Texas, Georgia and Utah teach state history in Grade 7 or 8.

Hoosier lawmakers continually lament the brain drain without seeking to understand its complex causes. Many of our youth do not have brand loyalty to Indiana. They are not proud of our state because they don’t know anything about it. I recently asked a group of seniors from an Indianapolis high school what they knew about Lew Wallace, Civil War general and author of *Ben Hur*, and the answer was “nothing.” That’s shameful.

“History — saved, preserved, and most importantly taught — is the foundation for future generations,” says Larry Paarlberg, director of the General Lew Wallace Study and Museum in Crawfordsville. “Without the preservation of our collective histories, future generations will have no grounding in what it means to be an American, or a Hoosier.”

As students learn about their native state, they may find reasons to stay, seek jobs and raise their families in Indiana. Seen in that light, SB 29 is not just an investment in our children but in our economic future.

Educators in an Era of ‘Fake’ News

(Dec. 22) — The Internet Revolution has changed the way I teach my Eighth Grade history

students. In addition to learning about presidents and politics, students today need intensive instruction in avoiding plagiarism, verifying sources and spotting fake news.

Since I left journalism and became a teacher 14 years ago, I have constantly battled the “copy and paste” mentality that is so prevalent in scholarly circles — and has cost both academicians and journalists their jobs and reputations. For example, I require students to hand write information on index cards when doing research papers and urge them to paraphrase the material immediately to reduce the risk they will plagiarize later in the writing process. When designing writing prompts, I scour the Internet to make sure my exact idea has not previously been assigned. This reduces the chance students will find comparable papers online to buy or borrow.

The epidemic of false news requires yet another layer of instruction, which goes beyond the admonition to “avoid quoting Wikipedia.” I also teach students how to search for reliable databases, verify online information and confirm it with a second source. In essence, consumers of information have become journalists themselves.

This is a role all Social Studies teachers should assume, if they haven’t already. The task of researching and writing a research paper is essentially the same as that of reporting a news story. Once the topic is determined, students should identify multiple sources, both primary and secondary. They should look for different points of view and determine credibility of each.

Consider this assignment: ‘Write a five-paragraph essay on how Lincoln’s Indiana years affected his presidency.’ In introducing the task to students, I explain that the best and most reliable source is Lincoln himself, though regrettably the 16th President’s reflections on Indiana were few and far between. I insist they identify a book from the library on the topic of Lincoln in Indiana (hoping they will uncover William Bartelt’s “There I Grew Up”). I require them to visit the web sites sponsored by the Indiana Historical Society and the Lincoln Boyhood National Memorial, which

can be counted on to contain the most accurate Lincoln scholarship.

Inevitably children will get duped by Internet sites, as will most on-line consumers. I once described to my students a photo I had seen of President Benjamin Harrison wearing one of his pet opossums on his lapel, only to learn later that it was photo-shopped. On the Lincoln assignment, more than one student included in his paper this supposedly famous presidential pronouncement: “In the end, it’s not the years in your life that count. It’s the life in your years.” Although this quotation appears at the top of the list of Lincoln quotes on the website brainyquote.com, there is no historical evidence he ever said it. Furthermore, it sounds nothing like Lincoln, a conclusion that may be beyond the academic insight of the typical Eighth Grader.

These are the fundamentals of scholarship, and all Indiana high school students should be trained in them.

A study released in November by Stanford University’s History Education Group affirms the value of this kind of instruction. Researchers spent 18 months testing young people’s ability to judge online information at middle-school through college levels. Their conclusion: “At every level, we were taken aback by students’ lack of preparation: middle school students unable to tell the difference between an advertisement and a news story; high school students taking at face value a cooked-up chart from the Minnesota Gun Owners Political Action Committee; college students credulously accepting a .org top-level domain name as if it were a Good Housekeeping seal.”

The History Education Group offers a program, “Reading Like a Historian,” that immerses students in primary sources and teaches specific strategies for evaluating a source’s accuracy and biases. Closer to home, students can visit the Indiana Historical Society for instruction in historic research methods. Since last year, my school has offered a one-semester, once-a-week class on Digital Citizenship to help Eighth Graders

FROM THE SOUTH WALL

use social media and the Internet in responsible and positive ways. They learn the perils of social networking and the potential impact of their digital footprint on their reputations and careers.

Because of the fake-news phenomenon, they learn to apply their historic research skills to their online behavior. For example: Don't re-tweet information you suspect is false, especially information that appears slanderous or defamatory.

Whether or not we teach these skills, there will still be students who cheat, journalists who plagiarize and online users whose primary mission is to spread lies and rumors. We can't teach honesty, but we owe it to the next generation to give them the tools and skills for verifying the accuracy of the information they read and distribute to others.

It's good scholarship, good journalism and common sense. ◆



Christianity in a Civic Society

In a world of political correctness, we are the one group that can be freely mocked and restricted.

by ADM. DAN GARD

The author, president of Concordia University Chicago, was a Rear Admiral in the U.S. Navy (Retired) who oversaw military chaplain operations in Navy, Marine and Coast Guard Reserve units around the world. This is based on a talk he gave at the foundation's most recent seminar.



(Dec. 24) — We now live in a post-election America that has come through what many, including myself, believe to be the most traumatic election in memory. At this point I am uncertain as to what President-elect Trump and his administrative will actually do after Inauguration Day. However, I am hopeful when it comes to the issue of religious freedom. My assignment is not to analyze the full impact of this year's election. My focus is on one question: What does this mean for Christianity in a civic society?

I should preface my remarks with the caveat that I am not a political scientist. Nor am I a lawyer. I leave those disciplines to those with proper credentials to debate and bring their expertise. What I am is a theologian with particular expertise in exegetical theology, the reading of biblical texts utilizing the rules of grammar and language. But I also spent 28 years in the United States Navy concluding my service with more than three years in the Pentagon. My hope and prayer is that I can still think clearly after those final years.

When I was an Admiral in the Navy Reserve, people would ask what I thought about particular elected officials. My response was always, "I am an officer in the Navy. Those who hold office are elected by the American people. I retire on Oct. 1, 2016, and if you want to know what I personally think, ask me on that date."

It is now past that date. Over the last eight years, the free exercise of religion in the United States has been under serious attack from the federal government as well as many state and local governments and the mainstream media. This affects not only Christians but every religious faith in our great nation, and yet it is conservative Christianity that has experienced the greatest impact. In a world of political correctness, the one group that can be freely mocked and restricted are Christians. We have seen unelected bureaucrats issue directives without legislative authority that carry penalties for non-compliance even if compliance means surrendering deeply held religious beliefs. It is my opinion that Christianity has experienced the beginning of actual persecution.

What does the election of Donald Trump mean for religious freedom in America? I am not certain since he has been difficult to read on the issue. I am relieved that the last eight years are ending. If Hillary Clinton had been elected, there is no doubt in my mind that the direction of the those years would not only have continued but would perhaps

have become even more prosecutorial. I hope that President Trump has advisors who can assist him in reasserting the 1st Amendment.

As a theologian, I understand the world as, well . . . a Christian and a theologian. For that I am unapologetic even if the general culture would prefer that religious faith never be brought into the secular arena of politics. However, even though I am retired from the Navy and have new-found freedom to speak publicly, I do so only under certain circumstances. I am a pastor and a university president — that means that I must encourage all to think and act in a way consistent with faith but not be seen as a partisan whether Republican, Democrat, Libertarian or Independent of some description.

There is a theological framework in which I view the relationship between the state and the Church. While this arises from my Lutheran heritage in what we call the “Two Kingdoms,” it has been found to be helpful by other Christians as well as those of other faiths. It allows us to avoid, on one hand, withdrawal from interaction with the political realities of the world and, on the other hand, merging the two so that they become so intertwined that neither can fulfill its purpose.

What exactly is meant by the “Two Kingdoms”? Essentially, it refers to the idea of God as Ruler of all creation through two means. He rules through the government of nations (the “Kingdom of the Left”) and through the Church (the “Kingdom of the Right”).

Some see a dualism in these kingdoms — that is, the state is under the rule of Satan and the Church is under the rule of God. St. Augustine, a fifth century Church father, was one of those who described two cities: One was the kingdom of God or heavenly city to which believers belong and the other was the kingdom of Satan or the earthly city. Lutheranism, despite its historic Augustinian roots, teaches that both kingdoms express the reign of God. Thus both are to be honored and obeyed within their respective realms. Some branches of Christianity, but not all, outside of my own tradition of Lutheranism have also addressed

the matter of Church and state but in a variety of ways with different results. In some cases this has resulted in religion becoming a useful tool of the state in drawing the faithful into fulfilling the demands of the government. Some of them have willingly done so because they have already become or are willing to become reflections of the values of the government. We see this clearly in today’s America with much of liberal mainline Christianity being indistinguishable from the culture surrounding them.

For others the opposite is true. Another result of this failure is to see the Church as having nothing to do with the state and requiring its members to live in isolation by withdrawing from the affairs of the nation. More often than not, such an approach leads to what is often called a “cult” or “sect” with often disastrous consequences for its members.

We sometimes speak of the Judeo-Christian tradition as if it were a monolithic intellectual and spiritual tradition. It never was monolithic and certainly is not so today. Still, there is a strong tradition concerning the two kingdoms that goes back to the writings of Moses in the Old Testament and continues through the New Testament. This is important because it forms the basis for responsible citizenship in the state while clearly delineating the more important responsibility to the Creator.

The normative power of Holy Scripture is vital to understanding how a Christian can live in today’s civic society. How important is this? Look at the mainstream media’s reporting on matters of Church and state. They consistently misrepresent what conservative Christians believe, teach and confess. These are people who are not attempting to be biased but simply reveal and, in fact, revel in their ignorance about matters of theology and the impact of religion. Such ignorance of the influence of religious faith and its history profoundly distorts how current events are interpreted.

How does God rule the two Kingdoms? There are some basic principles that bring clarity to this. First, all human authority comes from Him and is

rooted in man's bearing of the divine image. At creation, God gave humanity rulership over all the rest of creation. The authority given (that is, governance) to man is derived from the fact that man was created in the image of God:

Then God said, "Let us make man in our image, after our likeness. And let them have dominion over the fish of the sea and over the birds of the heavens and over the livestock and over all the earth and over every creeping thing that creeps on the earth." (Gen. 1:26)

Note that human government over the created order is derived from the very character of God Himself and extends over all creation but, initially, not over other people. This then is called by God "very good" (Genesis 1:31).

Second, human authority over other human beings is given with the Fall and necessitated by the continuing rebellion of humanity against the rule of God. Genesis 3 records that dark day in human history when sin and death entered. Man's governance over the Creation was radically altered, disrupted and corrupted. No longer would nature serve man; rather, it would defy man. The gift of work, given in Genesis 1 and called "good" by the Creator, has now become toil and sweat. The gift of fellowship between God and human beings and between the man and the woman is now broken. Human government over other humans is established in what will remain the foundation of earthly life: marriage and the family. Adam will now rule over Eve (Gen. 3:16).

Third, the primary place of God's rule, including both the Kingdoms of the Right and the Left, is in the family. From this primary unit of society later human government will draw its purpose. Martin Luther clearly saw this in the 4th Commandment, "Honor your father and your mother":

We should fear and love God so that we do not despise or anger our parent and other authorities, but honor them, serve and obey them, love and cherish them.

After the Garden of Eden, the human race quickly descended into anarchy against the law implanted within their hearts. Finally, God determined to destroy that which He had made, sending the great flood upon the world. Yet in the midst of that destruction He preserved the life of one man, Noah, and his family. After the waters receded, God spoke to Noah with words reminiscent of His words to Adam¹ but unlike the pre-Fall command to Adam, this command now anticipates human government over a sinful race. If one sheds the blood of another, his blood shall be shed "by man." Why? "God made man in his own image." It is of great importance to recognize that the exercise of the sword of justice by man is only as a representative of the true Ruler of the world.

In the immediate post-deluvian world, the only unit of government was that primary unit, the family. Not long after the flood, we see the rule of God through the head of the house, Noah.

¹ 1 And God blessed Noah and his sons and said to them, "Be fruitful and multiply and fill the earth." 2 The fear of you and the dread of you shall be upon every beast of the earth and upon every bird of the heavens, upon everything that creeps on the ground and all the fish of the sea. Into your hand they are delivered. 3 Every moving thing that lives shall be food for you. And as I gave you the green plants, I give you everything. 4 But you shall not eat flesh with its life, that is, its blood. 5 And for your lifeblood I will require a reckoning: from every beast I will require it and from man. From his fellow man I will require a reckoning for the life of man. 6 "Whoever sheds the blood of man, by man shall his blood be shed, for God made man in his own image. 7 And you, be fruitful and multiply, teem on the earth and multiply in it." (Gen. 9:1-8)

Throughout the remainder of Genesis we observe a nation, Israel, being formed. The “Patriarchal” period is not one of an ungoverned people but of a Kingdom of the Left exercised through the head of the family. Always, however, the promise of becoming a great nation was held before the Patriarchs.²

Fourth, God rules His Kingdom of the Left (the nations of the world) so that they ultimately serve His purposes for the good of His people.³

Throughout the wanderings of Abraham, Isaac and Jacob, we see God’s providential hand as He controlled the kingdoms of the world for the benefit of His people.³ Israel was for a period of time a political entity as well as a spiritual nation and, as both Kingdoms combined, was directly ruled by the Word through prophets and later by divinely appointed Davidic kings.

Indeed, the God of Abraham, Isaac and Jacob was forming a nomadic tribe into a great nation. In the crucible of the Egyptian sojourn, this small and insignificant Hebrew tribe became something quite different. From the call of Moses to the plagues to the crossing of the Red Sea, God shaped and directed the affairs of nations for His own purposes with regard to His chosen people.

The life of Israel was then grounded in the Decalogue or “Ten Commandments” which function as the Constitution of Israel. For Israel, every other law — whether cultic or civil — would flow from the Decalogue. As Israel settled into the land promised to Abraham, they became a nation among nations. No longer were they sojourners in the territory of others. They were now not only a

nation governed by God through His spiritual rule but a nation also governed by God through civil government.

Fifth, both the spiritual and civil realms are instruments of God. How then do the two Kingdoms, the spiritual Kingdom of the Right and the earthly Kingdom of the Left, relate to each other for Christians?

First, both remain His Kingdoms. One is not of God and the other of Satan. Only God reigns. Jesus made this clear when He stood before the might of the Roman Empire embodied in Pontius Pilate. Jesus, on trial before Pilate, said, “You would have no authority over me. Any authority given to any human being is an authority established not by man but by God.

In other words, human government (the Kingdom of the Left) is derived from God. Therefore, submission to proper authority in the Kingdom of the Left is enjoined by the Apostles upon believers.⁴

It is noted that the ruler is “God’s servant,” the same word that is used elsewhere for a “minister” in the Church, the Kingdom of the Right. Both Kingdom’s belong to God and both demand our obedience.

Every Christian is then subject to the rule of God through his diaconoi, the governing authority. The duty of the believer towards the government is essential, but not absolute. We note also Jesus’ words in Matthew 22 when asked about paying taxes, “Render to Caesar the things that are Caesar’s and to God the things that are

² When God called Abram, He promised: 12:1 Now the LORD said to Abram, "Go from your country and your kindred and your father's house to the land that I will show you. 2 And I will make of you a great nation, and I will bless you and make your name great, so that you will be a blessing. 3 I will bless those who bless you, and him who dishonors you I will curse, and in you all the families of the earth shall be blessed." (Gen 12:1-3)

³ For example, Abimelech, king of Gerar, is visited by God in a dream and as a result neutralizes the disaster Abraham’s deception over Sarah might have brought (Gen 20). More than neutralize disaster, Abimelech gives Abraham riches and a place to dwell. So also Isaac prospers because of the good hand of God when he, like his father, attempted to deceive Abimelech (Gen 26).

⁴ 1 Let every person be subject to the governing authorities. For there is no authority except from God, and those that exist have been instituted by God. 2 Therefore whoever resists the authorities resists what God has appointed, and those who resist will incur judgment. 3 For rulers are not a terror to good conduct, but to bad. Would you have no fear of the one who is in authority? Then do what is good, and you will receive his approval, 4 for he is God’s servant for your good. But if you do wrong, be afraid, for he does not bear the sword in vain. For he is the servant of God, an avenger who carries out God’s wrath on the wrongdoer. 5 Therefore one must be in subjection, not only to avoid God’s wrath but also for the sake of conscience. (Romans 13:1-5)

God's" (MT 22:21).⁵ Taxes are to be paid to Caesar — that is his due. But to God give the things that are God's. The denarius bears the "image" of Caesar and thus it is rendered to the one whose image it bears. The human person, however, bears the "image" of God and belongs to the One whose image he or she bears.

This is the same principle as enunciated by Saint Peter in Acts 5 when the ruling council demanded that they stop preaching about Jesus, "We must obey God rather than man" (Acts 5:29).⁶ We are subject to the state but that subjection is abrogated when the state demands of us that which is contrary to God's Word. There have been and now are regimes in various nations that are totalitarian and evil, demanding from the Church a denial of the God who has created and redeemed us. Such a state is the beast described in Revelation 13, whether that state is fascist, communist or Islamic. It has no claim on that which bears the image of God, the human person.

Living as Citizens of Two Kingdoms: Six Challenges

How then does the Christian relate to the state in the context of 21st-century America? This is an important question. It is also not a question that can be answered here in every nuance of application.

The United States is a constitutional republic. We are governed by laws that arise from the consent of the governed. For the most part, at least historically, the laws and their interpretation have not been problematic for Christians. That is not always the case today, however. It must be

remembered that the United States is not a "Christian" nation, nor is it a theocracy in any sense of the word. This is embedded in the 1st Amendment to the Constitution of the United States which reads:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

Two points are held in tension: the "non-establishment clause" and the "free exercise clause."

It is within that tension that Church and state exist within the American context. It is quite impossible to mention, let alone speak to, all of the implications of this tension. However, the following six challenges, current or potential, might be identified:

1. Civil Religion: The De Facto Establishment of a state religion

There has developed what is sometimes referred to as "civil religion." What this amounts to is the form of religion which is permitted in the public arena. It is a religion that theoretically is neutral to dogmatic claims about God and thus is acceptable to everyone. Unfortunately, it is acceptable only to those who really do not believe anything in particular. Under the guise of the "non-establishment clause," a new religion has been established whose god is whatever you conceive him, her or it to be.

⁵ 15 Then the Pharisees went and plotted how to entangle him in his talk. 16 And they sent their disciples to him, along with the Herodians, saying, "Teacher, we know that you are true and teach the way of God truthfully, and you do not care about anyone's opinion, for you are not swayed by appearances. 17 Tell us, then, what you think. Is it lawful to pay taxes to Caesar, or not?" 18 But Jesus, aware of their malice, said, "Why put me to the test, you hypocrites? 19 Show me the coin for the tax." And they brought him a denarius. 20 And Jesus said to them, "Whose likeness and inscription is this?" 21 They said, "Caesar's." Then he said to them, "Therefore render to Caesar the things that are Caesar's, and to God the things that are God's." (Matthew 22:15-21)

⁶ 27 And when they had brought them, they set them before the council. And the high priest questioned them, 28 saying, "We strictly charged you not to teach in this name, yet here you have filled Jerusalem with your teaching, and you intend to bring this man's blood upon us." 29 But Peter and the apostles answered, "We must obey God rather than men. 30 The God of our fathers raised Jesus, whom you killed by hanging him on a tree. 31 God exalted him at his right hand as Leader and Savior, to give repentance to Israel and forgiveness of sins. 32 And we are witnesses to these things, and so is the Holy Spirit, whom God has given to those who obey him." (Acts 5:27-33)

In theory, this civil religion is equally accessible to people from any faith. In truth, however, it particularly excludes Christianity. The fundamental claim that “Jesus is Lord” cannot be spoken within the framework of civil religion. There is a government sanctioned theology — and it is not the theology of the Bible. You and I are free to believe that as a private matter but never as a declaration in the public arena.

As a Navy chaplain I saw its impact in profound ways. Any “Interfaith Prayer Service” will include prayers to Allah and to a pantheon of other idols, but the Christian representative will pray only in the generic name of unspecified deity. Even if he does use the Name of Jesus, the blessed and Holy Trinity is no more than one deity in a smorgasbord of options. When Scripture is read it will come from the Koran and other texts or from the Old Testament but never from the New Testament.

That phenomenon repeats itself in almost every county and municipality in our country. School boards are so intimidated by legal action that if a baccalaureate service is held at the public high school, it will be an explicitly Christ-less event. The Indiana district of my Church body at its 2006 convention debated a resolution dealing with a federal judge’s ruling that prayers in the Indiana Legislature could not invoke the name of Jesus. As summarized in the resolution:

Judge Hamilton ruled in his order that the prayers given as part of the opening invocation, the official proceedings of the Indiana House, are not to “use Christ’s name or title or any other denominational appeal” and should not “proclaim or otherwise communicate the belief that Jesus of Nazareth was the Christ, the Messiah, the Son of God, or that he was resurrected, or that he will return on Judgment Day or is otherwise ‘divine’” while prayers may be addressed to Allah because “it is merely another name for God.” (2006 Workbook Supplement, Indiana District LC-MS pp. 267-8)

There was debate on the floor focusing on whether it was appropriate for the Church to

speak to a civil matter. Ultimately, the convention overwhelmingly voted to ask its legal counsel to file an amicus brief in the appeal process and to commend the Speaker of the House for resisting this court ruling. Fortunately, Judge Hamilton’s ruling was overturned on appeal.

I cite this 10-year-old issue as an indicator of the erosion of the non-establishment clause of the 1st Amendment. I do not mean that Congress itself is establishing a religion but that the judicial and executive branches of government seem to be doing exactly that. Generally, such efforts have been turned back. But local displays of nativity scenes on public property, the 10 Commandments at courthouses, and even the singing of Christian Christmas carols in public schools are quickly becoming things of the past.

What is more concerning for Christians in a civic society is the cultural shift as part of the political correctness of modern America. An athlete who kneels and crosses himself or herself is subject to ridicule. School systems live in fear that permitting any expression of faith, especial the Christian faith, will result in a lawsuit with all of its attendant expenses.

At this writing we are in the season of Advent, a term unknown in most of America. It has been supplanted with the generic “Holiday Season.” I was in a department store in Fort Wayne and noticed that the employees all greeted customers with the phrase, “Happy Holidays.” So I responded, “A blessed Christmas to you.” One woman smiled broadly and said, “Thank you. I am not allowed to say that.” A holiday is politically correct because it is devoid of Christ’s name; Christmas is banned because it speaks of a particular God who does not fit the mold of secular civic religion.

I will leave the legal issues to those qualified to debate them. For the Church, this is an issue which must be decided by the Gospel, not by the law of man. Remember Peter in Acts 5? He was put in a similar position and his response should be ours: “We must obey God rather than men” (Acts 5:29). Here it seems to me is an

instance when the Church must render unto God what is God's and not concede to the state the right to shape our theology. If we capitulate, the Gospel itself will be reduced to an outdated notion of spirituality that has no place in the modern world.

2. Freedom of Worship rather than Free Exercise of Religion

A second challenge relates to "freedom of worship" rather than the "free exercise of religion." What I refer to is the increasingly common substitution of the former for the latter. A classic example was the speech of Hillary Clinton the day after the election. As she conceded the election to her opponent, she listed some of the freedoms that American's enjoy. I noticed particularly her reference to "freedom of worship."

Why is this significant? Clinton reflects the liberal perspective on the 1st Amendment that limits free exercise to what takes place in a house of worship. In other words, you may believe whatever you want and, within the four walls of a sanctuary, preach and pray however you want. But that is the limit. Any other exercise of faith outside of that context is now defined out of the 1st Amendment. In other words, it is now about "free belief" rather than "free exercise." That little three syllable word "ex-er-cise" must, from the Left's perspective, be rendered meaningless.

3. Silence from the Pulpit

This issue in contemporary Church-state relations is coming to a pulpit near you. Part of government's role is to ensure that the civil rights of every citizen is protected. The way they are protected, however, is in the process of rapid change.

Let's examine a contemporary issue of social morality: sexuality. This is closely tied to that fundamental unit of God's rule through the Kingdom of the Left – that is, the family. Sexuality, including heterosexuality, was to be exercised only within the bond of a marriage

between one man and one woman. Non-heterosexual activity, because it by definition is outside of marriage, was once understood to be a sin against God and nature. Eventually it was seen first as an illness and then as an alternate lifestyle. Now it is projected as something quite equal to heterosexuality. Television and movies project the homosexual lifestyle as a wonderful and beautiful thing even as an environment for the nurture of children.

A decade or so ago, some of us predicted that, as the culture would become more accepting and gay lobbyists gained a greater voice, discussion of criminalizing what is called "hate speech" was coming closer to passage in government legislatures at every level. Same-sex marriage, like all marriage laws, was then a matter for each state to decide. This, of course, changed with *Obergefell v. Hodges* in 2015 when the 13 states that had not approved it were ordered by the Supreme Court to do so.

What does that have to do with the Church? Expect this: With the Supreme Court's decision, preachers will face legal threats if they insist that homosexuality is what our culture once called "sin" and what God still calls "sin." To proclaim the Law as Scripture speaks will be deemed to be hate speech and will be prosecuted.

An example of governmental coercion attempting to limit the free exercise of religion occurred in, of all places, Iowa in 2106. There, the Iowa Civil Rights Commission, in a brochure entitled "Revised Sexual Orientation and Gender Identity Public Accommodations Brochure" instructed the following when in its Q&A section:

Does this law apply to churches? Sometimes . . . Where qualifications are not related to a bona fide religious purpose, churches are still subject to the law's provisions. (e.g., a childcare facility operated at a church or a church service open to the public).

In other words, a Church building must never open its services to non-members if it is to be

exempt from the ruling of this unelected body of bureaucrats. Under threat of a law suit the Commission backed down and revised its guidance to read,

Places of worship (e.g., churches, synagogues, mosques, etc.) are generally exempt from the Iowa law's prohibition of discrimination, unless the place of worship engages in non-religious activities which are open to the public . . . the law may apply to an independent day care or polling places located on the premises of the place of worship.⁷

Other issues near to the culture will as likely become part of governmental agendas. The rights of women in the civil realm may someday result in legal pressure on all Churches to ordain women even if their theology does not permit that action. Abortion, deemed a civil right by *Roe v. Wade*, still looms as a threat to any preacher who would proclaim the historic teaching of the Church in the face of death and provide the voice of a prophet in a culture that sees human life from conception to death as expendable and so meaningless that it can be terminated if deemed inconvenient.

4. The Freedom to Live According to Faith

For Christians, like people of many faiths, that which they confess about God has implications for how they live their lives. Two cases of the government imposing state-mandated behavior on people of faith are well known. The first is the Washington florist, Baronelle Stutzman, owner of Arlene's Flowers in Seattle, who refused to provide floral arrangement for a gay friend's wedding. The other, Masterpiece Cakeshop in Lakewood, Colorado, and its owner Jack Phillips, who refused to make a wedding cake for a same-sex couple. Both faced legal repercussions. Both are heroes in my opinion.

It is important to understand that, for traditional Christianity, sexuality is a gift of God and it has a particular context — marriage. For the entire history of Christianity until recent decades,

it was universally agreed that marriage can exist only between one man and one woman is a lifetime union of faithfulness to one another. Sexuality expressed outside of marriage is sinful whether that sexual activity is homosexual or heterosexual.

It is also important to remember that these individuals are private business owners. Like any business owner, they should have the right to determine the parameters of how they conduct their business because it is an extension of themselves. At the center of these business owners lives is what they believe about God and His will. They have courageously stood up to government persecution at great cost to themselves.

5. The Threatened Destruction of Christian Education

Another area of profound concern is the guidance of the Department of Education and the Department of Justice to institutions of education. Among faith-based colleges and universities, this has added a new pressure to forego the very doctrine and life beliefs of the religious institutions that they serve. By no means does this negatively impact all historically religious schools — many, like the liberal religious bodies that operate them, have already outpaced even the secular world in reversing thousands of years of religious thought and practice.

The U.S. Department of Education, like many federal and state executive agencies, has not remained within its proper sphere of enforcing the law. Rather, it has become a Legislative branch enacting laws and the judicial branch in interpreting the law. I wrote earlier that I am neither a political scientist nor a lawyer, but every high school civics student studies the function of the three branches of government with their checks and balances.

The United States Congress enacted and President Richard Nixon signed the United States Education Amendments of 1972, Public Law No.

⁷ <http://www.desmoinesregister.com/story/news/2016/07/08/civil-rights-commission-revises-church-exemption-language/86879100/>

92318, 86 Stat. 235 (June 23, 1972), codified at 20 U.S.C. §§ 1681–1688. That legislation provided:

No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal financial assistance.

On May 13, 2016, educational institutions across the nation received a “Dear Colleague” letter signed by Catherine E. Lhamon, Assistant Secretary for Civil Rights, U.S. Department of Education and Vanita Gupta, Principal Deputy Assistant Attorney General for Civil Rights, U.S. Department of Justice. In that letter, these unelected representatives of the Obama administration offered their own interpretation of the 1972 law under the guise of “guidance” but with a clear threat for non-compliance.

Here is the interpretation of the word “sex” in the letter:

“This prohibition encompasses discrimination based on a student’s gender identity, including discrimination based on a student’s transgender status.”

I am not an expert in the law or politics but I do study texts and their meaning. Certain rules apply whenever one reads a text and without those rules the text means nothing. One principle is the *usus loquendi* and refers to the meaning of a word by an author or the general usage of the word at the time of writing. A word cannot mean whatever a later reader wants it to mean.

I see no evidence whatsoever that the Congress in 1972 understood the word “sex” to mean anything other than male and female. In 2016, federal agencies decided that it means much more — it encompasses so called “gender identity.” They write:

As a condition of receiving Federal funds, a school agrees that it will not exclude, separate, deny benefits to, or otherwise treat differently on the basis of sex any person in its educational programs or activities unless expressly

authorized to do so under Title IX or its implementing regulations. The Departments treat a student’s gender identity as the student’s sex for purposes of Title IX and its implementing regulations. This means that a school must not treat a transgender student differently from the way it treats other students of the same gender identity. The Departments’ interpretation is consistent with courts’ and other agencies’ interpretations of Federal laws prohibiting sex discrimination.

The message is clear: conform to the “Dear Colleague” guidance or your students will lose the ability to receive any federally guaranteed loans. The “guidance” provides demands encompassing:

- Using “pronouns and names consistent with a transgender student’s gender identity”
- Restrooms
- Locker rooms
- Housing and Overnight Accommodations

The Department of Education does allow for a religious exemption to Title IX but the institution must apply for it. Doing so puts the institution on what is known as the “Shame List” and can result in other penalties.

Individual States can penalize educational institutions who apply for and receive exemptions from the federal Department of Education. In California, SB 1146 authored by Sen. Ricardo Lara, D-Bell Gardens, and Assembly Bill 1888 authored by Assemblyman Evan Low, D-Campbell, attempted to penalize institutions that received federal exemptions by denying their students Cal Grants — a critical financial aid component. The only exception would be those institutions that solely prepare ministers and do not offer any other programs of study. Faith-based institutions in California were successful in getting the legislation stopped for now. However, the legislators have already said that this is nothing more than a tactical retreat and that it will come back this next year.

What does this mean for the free exercise of religion? It means that unless an institution changes it beliefs to accommodate the

government's demands, their students will be punished and the institution itself will be open to lawsuits and prosecution. While this is in California, what happens there can happen anywhere.

For faith-based institutions like my own, we must decide whether to comply with these demands or stand in non-compliance. For me, the answer is that we will obey God rather than man. And to do so means, in this current climate of sexual controversies, to insist that every human being is a creation of God and one for whom Christ brought redemption. One standard alone has been, is and will be established by God for the exercise of sexuality — the life long, monogamous union of one man and one woman.

6. Resisting Liberal Acrimony and Hate

The final challenge focuses on the cultural use of language as perpetuated by government agencies and the powerful private media. This is closely intertwining “political correctness” with the ancient propaganda technique of “name calling.” Here is how it is done today: Simply use derogatory labels for those you disagree with and repeat it over and over until it becomes part of the language.

Christians who are pro-life are called “anti-woman” when they, in fact, are not. When we insist on traditional marriage, we are called “homophobic” or “sexist” or guilty of the new liberal charge of being “heteronormative.” If we acknowledge that there are some in Islam who resort to terrorism, we are called “Islamophobic.” Christians who believe that men and women are both created to be such by God and blessed with complementary but not identical functions and roles are called “misogynist.” In other words, as one now failed presidential candidate famously put it, they are a “basket of deplorables.”

I suspect two things in all this. One is that there is in fact “Christianophobia” and it consumes not only powerful people in the

government but also the mainstream press. The last group that can be mocked and hated are conservatives in general and Christian conservatives most of all. After all, as president Obama once said, we “hide behind our guns and religion.” The second is that the Left made the presidency of Donald Trump possible by constantly insulting, in the worst possible distortions of vocabulary, those who do not share their worldview and values. Many people, including former Obama voters, simply said, “Enough is enough.”

Let me cite two recent examples. First, there is a reality show on HGTV called “Fixer Upper” which stars a married couple, Chip and Joanna Gaines. The show is popular and the stars make no apologies for a strong marriage and family life complete with children. But they also are Evangelical Christians, and deeply devout ones at that. The notorious left-wing blog, BuzzFeed, published an article on Nov. 29 entitled, “Chip and Joanna Gaines’ Church is Firmly Against Same-Sex Marriage.”⁸ What is the point of this? Simply to shame and perhaps shut down a show because of the stars’ religion and their fidelity to it. Interestingly, it seems as if this is not an issue for the media if the public figure supports the Left but happens to belong to a Church whose teachings they ignore. As an example, the Roman Catholic Church has strong positions against homosexuality, abortion and contraception and yet liberal Roman Catholic politicians who act contrary to their Church’s beliefs are never subject to articles like “Joe Biden’s Church is Firmly Against Same-Sex Marriage.” It is all about locking up the faith of individuals into a matter that cannot influence what they think or do outside of the Church. Chip and Joanna may well be harassed into either renouncing their Church or facing the threat of cancellation on HGTV. So much for diversity in our culture. The Christianophobes are on the warpath.

A second example occurred in Oregon but has happened in many other places. The Hillsboro

⁸ https://www.buzzfeed.com/katearthur/chip-and-joanna-gaines-church-same-sex-marriage?utm_term=.vg6D8Rwb96#.chVr9ApJNX

School District has required that schools avoid “holiday” decorations like Santa Claus.⁹ Really, Santa Claus? It is “Christian themed” and its usage is insensitive to others, so they say.

First, as a Christian, I do not consider “Santa Claus” to be religious at all. He has become a totally secular figure used to raise gift sales every December in department stores around the world. The roots of Santa may be in the Christian saint, Nicholas, but he hardly represents that religious tradition anymore. The truth is that there is another goal in mind. It is to divorce our culture totally from its religious history much as the school textbooks describe the pilgrims as political dissidents rather than people seeking to freely practice their religious faith. Again, Christianophobia is a real thing.

Conclusion

I realize that my commentary on the tensions between the Church and the state may be negative in tone. Before I close, please allow to me to offer the positive side of it all.

I was a Navy Reserve chaplain. I wore the uniform of this country and have served her in war and peace as my late father, a career Air Force chaplain, did before me. I took an oath to defend the Constitution against all enemies, foreign and domestic. That oath has no expiration point. I love this nation and believe that she is the greatest beacon of hope and freedom that the world has ever known. The religious freedom guaranteed by our Constitution has been a great blessing by God for the Church. It, too, is worth defending from all enemies, foreign and domestic.

Despite all of the current and potential threats to religious freedom and thus to the Gospel, this is a nation that deserves honor and respect. Our government is a gift of God to be cherished by

participation in its processes. We are enjoined to pray for our rulers and to obey them in all things that do not conflict with our citizenship in the heavenly realm. In fact, if we take Luther’s Small Catechism seriously, we do so every time we pray “give us this day our daily bread” because it includes “pious and faithful rulers, good government.” Only when that primary citizenship is threatened by the earthly realm do we have the obligation to peacefully resist.

Again, I have little idea what the immediate, post-election environment is going to be for conservative Christianity in America. I am more hopeful than I was a month ago. If the other candidate had won, I would be advocating that we prepare for serious attacks on the free exercise of religion that prior generations took for granted. I am encouraged by some of the appointments announced by the new President-elect. I am also hopeful that some of the advisors around President-elect Trump can provide expertise on the religious freedom, an expertise that I am not certain he personally possesses.

Throughout this paper I have spoken as a conservative Christian. But the religious freedom of all Americans is at stake. Jews must be able to live their lives as Jews, Muslims as Muslims, liberal Christians as liberal Christians, atheists as atheists — in other words, all Americans must be free. When the religious freedom of one group is curtailed and threatened, the liberty of all is at risk.

We are at a critical juncture in this country that we love. As a Christian, I am enjoined to pray for those who govern. I have done so for every President and Congress, Governor and Legislature under which I have lived. The Church will pray for President Trump and all who hold authority. May the Lord grant them wisdom to serve the nation. ◆

⁹ <http://www.usatoday.com/story/news/nation-now/2016/12/01/oregon-schools-santa-stance-causes-controversy/94721496/>

The Political Christian

Instead of the focusing on the game-playing and name-calling within politics, we should remember that politics will probably not accomplish much — and often, cannot accomplish much.

by ERIC SCHANSBERG, Ph.D.

The author, an adjunct scholar of the foundation, is professor of economics at Indiana University Southeast. This is based on a talk he gave at the foundation's most recent seminar.



(Dec. 24) — We've just had one of the most interesting and memorable campaigns in American history. Let me share three thoughts each on four topics: miscellaneous observations about the campaign; revelations or reminders about voters from the campaign; what Trump might do; and finally, what we should do.

First, it's both obvious and important to note that Trump won the presidency and Clinton lost it. (I'll discuss both below.) But it's also interesting that the Democrats and Republicans each chose the only candidate who could be beaten by the other — in terms of the character, temperament, and style of their candidates. It may be a bit of an exaggeration, but among possible candidates, it seems that only Hillary could have lost to Donald — and only Donald could have lost to Hillary.

Trump is either a historical accident or a Providence of a seemingly unusual sort. He emerged from an amazingly crowded GOP primary. He was able to harness momentum and media attention in a crowded field — in a way that would have been difficult or impossible if there had only been four or five “normal” candidates.

It's amazing that Clinton was pushed so hard by Sanders in the Democrat primaries, when he should have had no chance to win. This was an

early indication of her general weakness as a candidate and pointed to many of the realities that would ultimately help Trump win.

Second, I don't think Trump imagined that he had any chance to win the GOP nomination. More provocatively, I don't think he wanted to win — initially. I think Trump got into the race to enhance his “brand name” as a businessman and perhaps to have a forum to say a few things. Given this belief, I have two predictions along the same lines: He will not especially enjoy being President compared with his “private” life. And so, he will decide not to run for a second term, turning over the lead to Vice-President Pence (at least, if Pence “behaves himself”).

In all of this, I'm reminded of “Being There,” the excellent 1970s Jerry Kozinski novel made into a movie with Peter Sellers in his next-to-last role. Sellers plays Chauncey Gardener — a good, simple man who is in the right place at the right time, repeatedly, and ends up as President. As Chauncey moves up the political ladder, people map their hopes and desires onto Chauncey and his simple sayings. Trump's accidental ascent is similar, but of course, he is not at all a simple man of the Chauncey sort. A scene from the movie:

President “Bobby” — Mr. Gardner, do you agree with Ben, or do you think that we can stimulate growth through temporary incentives?

[Long pause]

Chauncey the Gardener — As long as the roots are not severed, all is well. And all will be well in the garden.

President “Bobby” — In the garden.

Chauncey — Yes. In the garden, growth has it seasons. First comes spring and summer, but then we have fall and winter. And then we get spring and summer again.

President “Bobby” — Spring and summer.

Chauncey — Yes.

President “Bobby” — Then fall and winter.

Chauncey — Yes.

Benjamin Rand — I think what our insightful young friend is saying is that we welcome the inevitable seasons of nature, but we're upset by the seasons of our economy.

Third, this campaign underscored the limits and problems with identity politics. Identity politics had been a reasonably attractive political strategy to coalesce an assortment of interest groups under a broad political tent. It also masked the reality that mainstream Democrats have few policy ideas. (Not that the mainstream GOP are much better — if at all.)

Although Barack Obama suffered from voter racism — in the Democratic primary and then in the general election. He also clearly benefited from all sorts of people thinking it would be cool to elect the first African-American president. Clinton was poised to follow in the same steps — as the first woman to win the presidency. Everybody gets at least a small kick from such things: the first X to accomplish Z is a compelling story.

In low-information contexts like voting, such factors can easily carry the day. All things equal, Clinton's gender could have been enough to win. But all things weren't equal. For years, Democrats have argued that opposition to Obama was often driven by racism. But this does not square with the reality that Obama comfortably won two elections. Similarly, opposition to Clinton was often blamed on sexism — while Clinton and others argued that she should be supported because she was a woman. Again, all of this emphasis on racial and gender identity was effective but risky — what turned out to be overplaying a culturally effective hand.

This takes us to what I see as the key moment of the campaign — when Hillary referred to half of Trump voters as a “basket of deplorables” — racists, sexists, and the like. Did Trump have a

relative handful of “deplorable” followers? Sure. But was it anything close to one half of his voters? No. More to the point: Such voters found it deeply insulting to be labeled as a deplorable, and lumped in with the truly deplorable. This line turned a plus (“Hey, wouldn't it be cool to elect a woman?”) to a minus (“She thinks I'm a sexist or worse”).

The funny thing is that if Clinton had won, everybody would be talking about the GOP as a dumpster fire. A few hundred thousand votes in a few key industrial states and now, everyone gets to see the flaws in the Democrat Party. The good news for Democrats: unlike the GOP which won and will be reluctant to improve themselves (or see themselves as needing to improve), the Democrats have an opportunity to go to the Wilderness to get stronger and smarter — at gaining power and hopefully, finding good policy ideas. While blame-evasion is always tempting, it can be hoped that Democrats will take the opportunity given to them.

“I see the key moment of the campaign being when Hillary referred to half of Trump voters as a ‘basket of deplorables’ — racists, sexists, and the like.”

What The Presidential Campaign Tells Us About Voters

First, Sanders and Trump were both Tea-Partyish candidates. The Tea Party is a dog's breakfast in terms of policy preferences. But Tea Partiers are uniform in their concern about the status quo, about out-of-touch politicians and about powerful elites. Sanders and Trump both offered a candidacy that spoke against the status quo in economics and politics. In terms of style, both were regular, plain speakers — in contrast to the elites and politicians against whom they railed.

I saw this in my own campaigns — among the same type of voters. I ran for U.S. Congress twice and expected that I would do better in my home counties, given my connections there and the

relatively high levels of education among local voters. I thought they would appreciate an educated economist.

In fact, it was the opposite: My home counties were my worst (and not because they think I'm a jerk!) and the rural counties were, by far, my best. In part, this is because rural voters are less prone to fantasize that their vote will be decisive — and thus, less likely to sacrifice (supposed) principles for an imagined pragmatism. But in large part, my style and substance pointed away from the powers-that-be, an attractive feature of my candidacy.

Beyond style, Sanders and Trump spoke to particular issues of concern. In particular, Trump was able to tap into the politically-powerful issues of (legal and illegal) immigration, international trade, and jobs. Although the popularity of these issues stems from a cynical view of politics (at least to some extent), these issues have always been popular with some folks. Think back to the clout of labor unions, Reagan's ability to appeal to Democrats (remember his two landslide victories?) and the surprising popularity of Pat Buchanan and Ross Perot. In recent years, trade and immigration have been near the height of their popularity.

In "Listen, Liberal," Thomas Frank argues persuasively that the working class was strategically abandoned by Democrats, starting in the 1970s. (Although I've never seen anyone connect the dots, this coincides with the timing of the far-more-famous realignment on the pro-life / pro-abortion issue.) In part, Democrats could take working class voters for granted. (See also: African-Americans — as well as evangelicals and 2nd Amendment voters for the GOP.) But Democratic leaders were convinced that the future, politically, was with the "New Economy" and its white-collar professionals. In that tribe, the Democrats would find more voters with more money and fewer difficult political positions.

With the historically tepid recovery of the last eight years — and with the Democrats insisting that (most) everything was alright — Trump was

able to harness concern about immigration and especially job losses to international trade as effective campaign issues. The biggest surprise for me was before the election — why it didn't seem as if Trump was doing a lot better in Pennsylvania, Ohio, Michigan, and Wisconsin. As we found out on November 8th, he was doing quite well in those states!

Second, aside from the candidates, the campaign illustrated that voters are all over the place. In particular, I've grown fond of saying that we suffer from a lack of real conservatives and liberals. If we had a lot more conservatives, we'd have more homes with intact families and politicians that support limited government. Instead, we have a lot of people who are conservative about other people and Republican politicians who like big government. If we had a lot more liberals, we'd have (true) tolerance instead of fundamentalism and political correctness; more compassion for the needy and marginalized instead of elitism and using other peoples' money to help others; avid opposition to crony capitalism and concern for the working poor and middle class; and an emphasis on civil liberties and a modest foreign policy.

Those on "the Right" have complained about Republicans for a long time — in recent years, criticizing RINO's (Republicans in Name Only) and investing in The Tea Party. On "the Left", Thomas Frank's Listen, Liberal is written by a liberal who is utterly frustrated by hypocrisy and fecklessness within the Democrat party. The surprising success of Bernie Sanders' campaign points to some interest in a truly liberal approach to politics and policy. But many of the same people were quite willing to invest in Trump or Hillary, so it's difficult to take most of them all that seriously.

What are the causes of this penchant for mediocrity and the near-absence of easily defined principles in our political arena? First, it's common to rely on a two-dimensional spectrum to describe political views, which is grossly insufficient. People are seen as conservative or

liberal — when one might be, for example, conservative on economic issues and liberal on social issues.

Second, it's not clear what conservative and liberal look like on foreign policy. Liberals have a greater passion for "peace", but a strong emphasis on intervening to protect others. Conservatives have a bent toward nationalism and a strong military, but typically have less faith in government and can bend toward non-interventionism in foreign affairs. As a result, we end up with Republicans who applaud Bush for nation-building in Iraq and Democrats who are satisfied with Obama's drone strikes and his administration's approach to Libya.

Third and most important, Public Choice economics reminds us that it is entirely rational for the average member of the general public to be ignorant and apathetic about politics and public policy.

There is little incentive to invest in a coherent political philosophy or to come up with a consistent set of public policies. Thankfully, we live in a country where we don't need to pay much attention to politics. But the flip side is that we don't put much effort into figuring out a consistent approach to a complicated topic.

All of this — but the third point in particular — calls us to empathy and patience when we're dealing with people on politics. Well, at least if their views are lightly-held — if people are open to new information and their views are not laced with dogmatism and self-righteousness. Along those lines, I was much more anti-Trump (given his policy positions and character problems) than

I was anti-Trumpers (given their reasonable frustrations with politics and their limited knowledge about policy). And I was much more anti-anti-Trumpers, because most of their opposition was based on a failure to empathize

with people who have been left behind by both major political parties.

Third, the election revealed a good bit of idolatry toward politics. We saw a lot of it from pro-Trumpers during the campaign — people imagining that he would fix far more than is likely. We saw a lot from Clinton voters in the campaign too — as they repeatedly complained about many features of Trump that were also, ironically, a part of Clinton's candidacy.

With Trump's victory, latent idolatry among Democrats was revealed. The post-election

hysteria and prevalence of conspiracy theories have aptly illustrated an obsession with politics that is disproportionate to its true weight or importance. In particular, consider the case of young, idealistic, naïve "liberal" voters — who saw a Democrat lose the presidency for the first time

since 2004 and had imagined that Democrats would win for the foreseeable future. The irony in all of this: many people pay little attention to politics, but then put far too much weight on politics.

WWTD: What will Trump do?

First, who knows? He didn't display much political philosophy or policy knowledge during the campaign. It will depend on how he exerts himself. Another important factor: who he chooses to help him govern and the latitude they will have to act.

Second, Trump must work with Congress. Even if he aims to do X, Y, or Z from his promises on the campaign trail, he will be moderated by a dog's breakfast of folks in Congress — the feckless, the political, and the principled. Only a weather forecaster or macroeconomist could boldly predict where this combination will take us could be.

Third, although the circumstances of Trump's victory and this campaign have been noteworthy,

“Many people pay little attention to politics, but then put far too much weight on politics.”

why would one expect him to be all that different than most presidents — i.e., largely mediocre (at best)? Hopefully, he'll choose good judges and not cause trouble in economics or foreign policy.

WWWD: What will we do?

First, we should keep plugging politically and keep our expectations reasonable in the political realm. Obama promised “hope” and kept expectations high. This made it more difficult to meet expectations and to be perceived as successful. (This is completely aside from his lack of accomplishments. When your top two accomplishments in the public's eyes — the ACA and the historically slow and tepid macroeconomic recovery — were actually failures by any objective measure, History cannot judge you well.) Since Trump's election, opponents have been busy trashing him — thus, lowering our expectations of him, and ironically, making it easier for him to hit the bar.

Instead of the focusing on the game-playing and name-calling within politics, we should remember that politics will probably not accomplish much — and often, cannot accomplish much. The nature of politics — at least, in a low-information environment where politicians and interest groups have much to gain, and where voters are not going to hold politicians accountable — is that politics will rarely accomplish much of value.

Beyond that, many of our problems are extra-political — where politics cannot do much. For example, if people are determined to live unhealthy lives, no health care system — market, government, or hybrid — will be able to deliver great health at a reasonable cost. If most people are fond of using government to enrich themselves, then government will expand and be corrupt. If people enter every economic arrangement, looking to mess with others, no market discipline or government regulation will be effective enough to make life pleasant.

Second, we should continue to work passionately in our spheres of influence. We can't

impact politics much, but we can make a big difference in our day-to-day lives. We can strive for glorious marriages; we can invest wisely in our children. We can make a difference with civic engagement; we can be good citizens, hard workers, and good neighbors. Only a handful of us can move the needle politically; all of us can move the needle personally.

Third, Christians should emphasize a robust version of the Great Commission in Matthew 28:19-20. If we “make disciples” who can make disciples, a lot of this takes care of itself. Within the Church, if we have disciples of Jesus — and disciple-makers for Jesus — we'll have an increasing number of strong marriages, wise and courageous parents, effective mentors; people who tithe, serve others, and make a difference in daily life.

Within society, there will be fewer calls for government intervention — people living healthier lives, a greater number of intact families, fewer of the social pathologies that often accompany problems with family structure and stability, less unemployment, better schools, and so on. Who wouldn't want to live in a society where everyone obeyed the Ten Commandments? Who wouldn't want to live in a place where everyone was as gracious with others — as God has been gracious to them? The ultimate problem is that our society has far too few disciples of Jesus.

Instead of the blessings that follow from a challenging, lengthy process of discipleship, churches often settle for a bowl of pottage — aiming for bodies, baptisms, bucks, and buildings. There are many ways to develop disciple-makers and lay-leaders, such as my co-authored effort, *Thoroughly Equipped*. In any case, church leaders should respond to their calling in Ephesians 4:11-16 — to train up laypeople for maturity and effectiveness as Kingdom workers. At the end of the day, the political economy of earthly rulers can only accomplish so much. Our top priority should be to train up effective citizens and servers in God's political economy. ◆

The Unraveling

At the moment we are facing a looming fiscal cliff, not to mention an increasingly tense international scene, America is confused over its own soul.

by DAVID LANTZ

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(Dec 30) — The Oxford Dictionary has declared as its 2016 Word of the Year: "Post-Truth," defined as: "Relating to or denoting circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief."¹

I suggest that the focus on the economic, social, political and racial realms of stratification are symptoms of one effect: Stratification in the ideological realm. I agree with Charles Murray when he states in "Coming Apart" that using race and ethnicity as reference points, while useful, "has distracted us from the way that the reference point itself is changing."² Therefore, I will argue that if we are to understand how the post-truth, multi-stratified world in which we live is causing the "American Project" to unravel, we must address the following:

Relating to or denoting circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief.

Why is this ideological stratification happening, replacing the traditional melting-pot metaphor with a salad-bowl metaphor, such that the goal of diversity is not a strengthened alloy of one people, but a disparate stratification of many people groups all clamoring for, but never finding,

equality? If we answer this question, answers to the other three will follow as a matter of course.

The Original Reference Point

I believe that the moral character of Americans is shaped through what we believe, read and experience. These three things mold who we are and what we hold most dear. Therefore, that which we feed the minds of our citizens when they are young will be reflected in their behavior when they are old.

In his First Inaugural Address, President George Washington stated: "I behold . . . that the foundations of our national policy will be laid *in the pure and immutable principles of private morality*" (emphasis added).

The principle of private morality is the original reference point on which we must focus. I would like to dwell for just a moment on how a concerted effort led by liberal-progressive academics and their political allies among the elite ruling class of the 1920s and 1930s worked to unravel what Murray calls "the Founding Virtues of industriousness, honesty, marriage, and religion," which he introduces in Chapter 6 of "Coming Apart."

How would the young country promote Washington's concept of private morality? In 1836, William McGuffey published the "McGuffey Eclectic Reader." It was the nation's first common textbook, and sold over 120 million copies. John Westerhoff III, in his book "McGuffey and His Readers," wrote:³

When we investigate the content of "McGuffey's Readers," three dominant images of God emerge: God is creator, preserver and governor.

For over a century, the public schools of the United States used the "McGuffey Reader" to instill the "private morality" Washington had called for during his first inaugural address. But beginning in the 1920s, a movement arose to remove free-market economics and Christianity from what was taught to our young people. In 1934, Willard E. Givens issued this statement in a

report titled “Education for the New America” during the proceedings of the 72nd Annual Meeting of the National Education Association:⁴

A dying *laissez-faire* must be completely destroyed, and all of us, including the owners, must be subjected to a large amount of social control. A large section of our discussion group, accepting the conclusions of distinguished students, maintain that in our fragile, interdependent society, the credit agencies, the basic industries and utilities cannot be centrally planned and operated under private ownership. . . . Hence, they will join in creating a swift nationwide campaign of adult education which will support President Roosevelt in taking these over and operating them at full capacity as a unified national system in the interests of all of the people.

Another participant in this movement was Norman Woelfel, a doctoral candidate who studied under Dr. George Counts (part of a national commission to redesign the teaching of social studies in the U.S.) and Dr. John Dewey. In his 1934 book, “Molders of the American Mind, Woelfel” concluded:⁵

The things of highest value for individual experience and for ethical standards in modern America will not, however, be found out so long as intellectual leaders maintain sensitivity *over the supernatural significance of Christian mythology or a sentimental personal attachment to the character of Jesus* (emphasis added).

Today, the progressive educationalists have largely succeeded in their effort to remove Christianity’s influence from public education.

How our Character Changed

In 1954, Dr. George Docherty preached a sermon to commemorate the 150th birthday of Abraham Lincoln. Drawing from Lincoln’s Gettysburg Address, Docherty declared that to omit the words “Under God” from the Pledge of

Allegiance was to omit “the characteristic and definitive factor in the American Way of Life.” Reflecting back on that time in his autobiography, “I’ve Seen the Day,” Docherty went on to say:⁶

I still consider my reasoning to be valid, but the times should have overruled my philosophical arguments as irrelevant in light of the greater issues at hand. . . . As such, the new Pledge unfortunately served as one more prop supporting the

civil religion that characterized the institutional Christianity of the fifties.

In other words, something had changed such that the words “Under God” no longer served as the definitive characteristic of the American Way of Life as it had in Lincoln’s day. What had happened? Writing for the Hoover Institution’s Policy Review’s August–September 2001 issue, Lawrence M. Stratton and Paul Craig Roberts wrote:⁷

The great depression’s most serious and long-lasting consequence was not the collapse of prices and employment, but the displacement of the traditional reliance on individual responsibility with government guarantees of security. Beginning with Social Security, these guarantees have grown into the all-encompassing welfare state. *This has changed the character of the American people, and it has changed the character of their government* (emphasis added).

“Something had changed such that the words ‘Under God’ no longer served as the definitive characteristic of the American Way of Life as it had in Lincoln’s day.”

Amity Shlaes expanded on this topic in her seminal work *“The Forgotten Man: A New History of the Great Depression.”* She focuses on the year 1936 as when we created the “modern entitlement challenge” as Roosevelt figuratively rewrote the definition of the word “liberal,” changing its application from individual liberty and individual rights to that of group identity and rights.⁸

Shlaes explains that the title of her book comes from an essay by the same name written in 1883 by Yale professor William Graham Sumner. Sumner posited four men. Two of them, A and B, observe a third man, X, who is in need. They decide to use the machinery of government bureaucracy to transfer wealth to this third man, X. But the man who pays for this wealth transfer is neither A nor B, but a fourth man, C, whom we today might say is among the middle or lower middle class. In Sumner’s original construct, C was the forgotten man.⁹

Shlaes noted that the Roosevelt Administration took this concept and made the welfare recipient, X, the “forgotten man,” rather than C, the man Sumner first wrote about. Shlaes continued: “To justify giving to one forgotten man, the administration found it had to make a scapegoat of another. Businessmen and businesses were the targets.”¹⁰

The work to change the character of the American people found its completion in President Johnson’s Great Society programs. The expansion of what Shlaes called “the modern entitlement challenge” began in earnest during that administration. In 1984, Charles Murray’s book, *“Losing Ground,”* documented the transformation of the American character caused by these programs.

A century after the original “Forgotten Man” essay was written, Murray explained how modern

social policy had expanded the concept beyond income transfers. In his chapter titled “Rethinking Social Policy,” there is a section on education policy, “Robbing Peter to Pay Paul: Transfers from Poor to Poor.” Murray introduces the section by stating: “But in a surprising number of instances the transfers are mandated by the better-off, while the price must be paid by donors who are just as poor as the recipient.”¹¹

In this chapter, Murray provides a thought experiment wherein two poor inner city students are alternatively benefited and harmed by the federal government’s education policies. He posits

a teacher in an inner city school with students facing identical ethno-socio-economic circumstances, where one behaves in a “mischievous” way, and another does not. Out of a desire to protect the “mischievous” student’s civil rights, the education system prevents the teacher from disciplining him. As a result, Murray writes:¹²

I find that the quality of education obtained by the good student deteriorated badly, both because the teacher had less time and energy for teaching, and because the classroom environment was no longer suitable for studying. One poor and disadvantaged student has been compelled (he had no choice in the matter) to give up part of his education so that the other student could stay in the classroom.

This combination of two trends — a removal of Christianity and an extension of FDR’s repackaged “forgotten man” to what we might call the “forgotten student” — can be posited as the cause of plummeting test scores and diminished critical thinking skills. Efforts to substitute alternative methods of character education, using such works as Joseph Fletcher’s 1966 book, *“Situational Ethics,”* clouded rather than clarified moral thinking. Fletcher developed a theory of

“The work to change the character of the American people found its completion in President Johnson’s Great Society programs.”

deciding what was right or wrong in a given situation based on four key principles: Pragmatism, Relativism, Positivism and Personalism.¹³

The culmination of these two trends was captured by Allan Bloom in his 1987 book titled: “The Closing of the American Mind.” Bloom is at his best when he analyzes Alexis de Tocqueville’s writings and applies them to the state of American education. Bloom writes that “the great danger, according to Tocqueville, is enslavement to public opinion. The claim of democracy is that every man decides for himself.”¹⁴ Because every man can decide for himself, Bloom argued that the new model of “value relativism” that Fletcher helped create allowed students to excuse themselves of that which their parents and grandparents once called sin.¹⁵

Applying this understanding of the impact of value relativism on the educational system, Bloom explained “The Closing of the American Mind” as follows:¹⁶

The upshot of all this for the education of young Americans is that they know much less about American history and those who were held to be its heroes. . . . relativism has extinguished the real motive of education, the search for a good life. Young Americans have less and less knowledge of and interest in foreign places. [This] openness results in American conformism — out there in the rest of the world is a drab diversity that teaches only that values are relative, whereas *here we can create all the lifestyles we want*. Our openness means we do not need others. *Thus what is advertised as a great opening is a great closing* (emphasis added).

Why is this ideological stratification happening, replacing the melting pot with a salad-bowl metaphor, leading to a disparate

stratification of many people groups all clamoring for, but never finding, equality? Because those who wish to change the character of the American people are better at using the tools of education and communication than those who wish to preserve it.

Replacing the Community Newspaper with the Social Network

The printing press led to the rise of pamphleteers such as John Locke and Thomas Paine, and eventually to the birth of the modern newspaper.¹⁷ Interestingly — perhaps due to the fact that the McGuffey readers played such a prominent role in American education — those

very same newspapers made heavy use of the Bible, and did so through much of America’s history. This observation is supported by the research of Dr. Lincoln Mullen, Assistant Professor in the Department of History and Art History at George Mason University. He has compiled a database cataloguing references from the Bible in American newspapers from 1837 to 1922.¹⁸

Bible verses were once everywhere in newspapers.

Nineteenth-century periodicals printed Sunday school lessons, ran Bible clubs for readers and circulated sermons. Editorials alluded to well-known scriptural references, and verses even turned up again and again as the punch lines of jokes.

This practice extended into adulthood the moral and ethical teachings children learned at school and in their growing-up years. Thus, even though socio-economic stratification increased, ideological core beliefs, though stretched by “info wars” launched through the period of the muckrakers and yellow-dog journalism, were not

“Bible verses were once everywhere in newspapers. Nineteenth-century periodicals printed Sunday school lessons, ran Bible clubs for readers and circulated sermons.”

snapped. These ideological core beliefs reinforced personal responsibility for one’s actions. It was a natural outgrowth of the educational process that had followed on the heels of the founders’ desire to nurture a society guided in private morality.

However, once these ideological core beliefs were removed and it became “morally permissible to be on welfare,” social norms made it increasingly difficult to hold individuals responsible for their circumstances.¹⁹ A and B’s income transfer policies under FDR’s and LBJ’s revised Forgotten Man synthesis had the unintended effect of expanding the number of people in the “X” recipient class. So, to get away from the Xs, the As and Bs moved to communities where they were surrounded by other A and B class individuals. The X and C class citizens were abandoned to live together, away from the gated communities of As and Bs. In “Coming Apart,” the As and Bs are people who “are *really* affluent and *really* well-educated.”²⁰ (emphasis in the original)

One last problem remained: How could the As and Bs in this Forgotten Man metaphor explain away the failure of their well-intentioned but misguided policies? Advocates of an anti-Christian, anti-free market philosophy emerged using the tools of the Internet to expand the efforts first begun by the Progressives, and redirect the blame.

The Liberal Left’s Move to Use the Tools of Social Media

Experts in social media understand that the best way to advertise on the Internet is via “viral

Millions of Unique Monthly Visitors for Top News, Political, and Viral Sites As Of 11/1/2016

Rk	Top News Sites	Monthly Visitors (Mill)	Rk	Top Political Sites	Monthly Visitors (Mill)	Rk	Top Viral Sites	Monthly Visitors (Mill)
1	Yahoo News	175	1	Huffington Post	110	1	Buzzfeed	150
2	Google News	150	2	The Blaze	25	2	Upworthy	45
3	Huffington Post	110	3	Drudge Report	21	3	ViralNova	29
4	CNN	95	4	NewsMax	16	4	Zergnet	26
5	New York Times	70	5	Politico	15	5	Little Things	25.5
6	Fox News	65	6	Salon	14	6	Distractify	25
7	NBC News	63	7	Info Wars	13	7	Thought Catalog	12.5
8	Mail Online	53	8	Breitbart	12.5	8	Ranker	12
9	Washington Post	47	9	Daily Caller	10	9	PlayBuzz	11.5
10	The Guardian	42	10	Washington Times	9.75	10	Uproxx	11
11	WSJ	40	11	CS Monitor	9.5	11	PolicyMic	10.5
12	ABC News	36	12	WND	9	12	KnowYourMeme	10
13	BBC News	35	13	DailyKos	6.5	13	DailyDot	6
14	USA Today	34	14	Think Progress	6	14	Twisted Sifter	4
15	LA Times	32.5	15	Townhall	5.5	15	Twenty Two Words	3.5

Source: *eBizMBA Rank* <http://www.ebizmba.com/articles/news-websites>, <http://www.ebizmba.com/articles/political-websites> and <http://www.ebizmba.com/articles/viral-sites> . Accessed 11/23/2016

marketing.” The goal is to create a buzz akin to the concept of person to person “word of mouth” advertising, where one pushes a positive discussion of what one is promoting into the stream of conversation. Thus, viral marketing may defined this way:²¹

Any marketing technique that induces Web sites or users to pass on a marketing message to other sites or users, creating a potentially exponential growth in the message's visibility and effect.

Given this definition, it is instructive to document the number of unique monthly visitors of the top 15 websites listed in the categories of “news,” “political,” and “viral.” The table at right uses rankings provided by *www.eBizMBA.com*. Note that the Huffington Post is the third highest ranking site for news generally, and is number one

for political news sites. The Huffington's Post business model includes inviting as many as possible to blog for them, thus growing their link traffic. According to Alexa.com, there are 233,644 different sites linking to their site. The number two political news website, The Blaze, run by radio talk show host Glenn Beck, has only 13,295 websites linking in.²²

I would submit that the liberal left's use of articles designed to win the hearts and minds of Americans delivered via social networking sites is a key aspect of their viral marketing strategy. Dan Gainer of the Media Research Center has written extensively on the relationship between George Soros' Open Society Foundation and over 30 media organizations. One of the organizations he wrote about that receives funding from George Soros is the Center for Public Integrity, on whose board sits the Huffington Post's founder, Arianna Huffington, as well as other media elites.²³

Similarly, one can trace the connections of many of the viral sites to reveal ties to various liberal organizations. For example, according to an April 17, 2014, article titled "The Next Buzzfeeds? Five Hot New Websites," one learns that the founders of Uplink, Eli Pariser and Peter Koechley, formerly worked for Moveon.Org. Similarly, the founder and CEO of PolicyMic, Chris Altchek, had previously worked for Barack Obama's National Economic Council, and had done political organizing work for the Service Employees International Union.²⁴

Recommendations

In Chapter 3 of "Coming Apart," Murray argues that "a new kind of segregation" has

occurred in America. In this chapter, he argues the case that "the cultural divide between the new upper class and the rest of America is being reinforced by residential segregation that enables large portions of the new upper class to live their lives isolated from everyone else."²⁵ While the Baby Boom flower children of the 1960s did not have the means to control the larger society with

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their ideals, an elder Boomer class of aging hippies is capable of funding a tech savvy millennial generation to do so via the tools of social media.

William Strauss and Neil Howe coined the term "Baby Boom" generation in their 1991 groundbreaking book, "Generations: The History of America's Future, 1584 to 2069." They defined the Boom generation as those born between 1943 and 1960, predicting that the next "secular crisis" Americans will face will

occur by 2025. One issue that Strauss and Howe clearly saw coming is what we now refer to as the "fiscal cliff." They also predicted that the Boomers would be moralistic in attitude — and that they would experience conflict within their generation over leadership philosophy "circa 2020."²⁶

Thus, at the moment we are facing a looming fiscal cliff, not to mention an increasingly tense international scene, America is confused over its own soul, asking who we are as a people, and what it is we believe. We do not trust our institutions, and therefore argue over what is or is not fake news. Unable to wisely discern, as a united people, the course we must chart in our moment of peril, we may fail to resolve Strauss and Howe's secular crisis of 2025.

Conservative academics are inclined to observe, analyze and commentate. Instead, like our progressive counterparts of the 1920s and

1930s, we must act. In 1934, liberal education leaders with ties to the Communist Party, like George Counts, worked to redefine how the social studies were taught in the United States. A Professor of Education at the Teachers College at Columbia University, Counts served as the Director of Research for what came to be called the Report of the Commission on the Social Studies and its report, *Conclusions and Recommendations of the Commission*. The longterm goal of the writers of the report was to develop a system of teacher education and realignment of social studies instruction that would support:²⁷

A larger measure of compulsory, as well as voluntary co-operation of citizens in the conduct of the complex national economy, a corresponding enlargement of the functions of government, and an increasing state intervention in fundamental branches of economy previously left to individual discretion and initiative — a state intervention that in some instances may be direct and mandatory and in others indirect and facilitative.

I propose that those groups and organizations that support conservative education in the areas of faith and economic self-responsibility, come together to explore how we might come together to develop suggested courses, lesson plans, reading lists and assignments geared toward equipping a new generation to articulate conservative, Judeo-Christian principles that reflect the founders' intentions under Constitutional rule of law. This effort should not be limited academics in higher education, but include those working with home school, Christian school and charter school organizations across the country. The mission of such a group should be to educate and equip the next generation of leaders, providing a better vision for Christian engagement in politics, the marketplace, and the broader public square

Lastly, we cannot simply look to the past to define our future. In his blog post "How the Word 'Post-Truth' Became the 'Word of the Year' and

What it Means for Evangelism," Greg Stier references Acts 17:28 in which Paul quoted a well-known Greek poem about Zeus. He writes:²⁸

Paul quoted a pagan poet to make a spiritual point. We ought to do the same. For us, this can be using things like music lyrics to popular songs or movie scenes to help make a spiritual point.

In a Post-Truth world, many voices will clamor to declare their version of America's story "*the truth*." That is why having a conversation with the culture about how we define the character of the American people is more important now than ever.

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Politics and the Third Commandment

We do not have a Christian party in America, and most Americans would not want one.

by DONNA VOLMERDING

The author, a member of the foundation, is editor of the Fort Wayne Lutheran magazine.



(Nov. 3) — Particularly in an election year, Christians were having discussions about the candidate whom they thought was the better one, and the philosophy and ideology that they believe was best for America and shows God’s love the best.

In C.S. Lewis’ “Meditation on the Third Commandment,” he discussed the “growing desire for a Christian ‘party,’ a Christian ‘front’ or a Christian ‘platform’ in politics.” He expounds by saying:

Nearly all parties agree in professing ends which we admit to be desirable — security, a living wage, and the best adjustment between the claims of order and freedom. What distinguishes one party from another is the championship of means. We do not dispute whether the citizens are to be made happy, but whether an egalitarian or a hierarchical State, whether capitalism or socialism, whether despotism or democracy is most likely to make them so.

We do not have a Christian party in America, and most Americans would not want one. (I haven’t found anyone who would.) First, our kingdom is not of this world. While we certainly are commanded to make this world as good as we can for ourselves, our families and our neighbors, it is not the final resting place for Christians. It is a stepping-off point.

Second, there is so much disagreement among Christians about what ideology or system of

government truly serves God’s ends the best. As Lewis stated, some Christians believe that no one can be trusted with more than minimum power over others, some that an authoritarian state better promotes the Christian life, and some demand a Left revolution and redistribution of wealth.

Third, our Constitution was wisely based on a government with deep Christian influence and thought but one that allows freedom of religion. The First Amendment states that “Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof.”

Political science professors at the University of Houston collected 15,000 writings from the founding era, isolating 3,154 direct quotes made by the Founding Fathers.

This is the breakdown of the source of those quotes: Baron Charles de Montesquieu, 8.3 percent; Sir William Blackstone, 7.9 percent; and John Locke, 2.9 percent. Most interestingly, the researchers discovered that the Founding Fathers quoted directly from the Bible 34 percent of the time. Blackstone, a brilliant 18th-century English judge, author, professor and lecturer of law at Oxford University, used the Bible to arrive at his conclusions.

Quotes from our Founding Fathers:

- *Benjamin Franklin* — “The longer I live, the more convincing proofs I see of this truth: ‘that God governs in the affairs of men.’ And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?” (June 28, 1787, at the Constitutional Convention when the delegates were deadlocked) “Freedom is not a gift bestowed upon us by other men, but a right that belongs to us by the laws of God and nature.”
- *George Washington* — “Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. . . . Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious

principle. . . . It is impossible to govern rightly without God and the Bible.”

- *John Adams* — “Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.”

- *James Madison* — “We have staked the future of all of our political institutions . . . upon the capacity of each and all of us to govern ourselves, to control ourselves, to sustain ourselves according to the Ten Commandments of God.”

In 1800, Congress approved the use of the Capitol as a church building for Christian worship services. As president, Thomas Jefferson attended these services and employed the military band to play for them at taxpayer expense.

John Quincy Adams said, “The highest glory of the American Revolution was this: that it connected in one indissoluble bond the principles of Christianity with the principles of civil government.”

The influence of Scripture is evident in the Supreme Court building, the Washington Monument, the Lincoln Memorial, the Jefferson Memorial, the Capitol Building and the Library of Congress.

Author Jerry Newcombe says that “Without exception, the constitutions of all 50 states refer to ‘the Almighty God of the universe, the Author and Sustainer of our liberty.’”

Almost every Ivy League school was established primarily to train ministers of the

gospel. Harvard College’s first presidents insisted that there could be no true knowledge or wisdom without Jesus Christ.

In 1892, the Supreme Court stated that “Our lives and our institutions must necessarily be based upon and embody the teachings of the Redeemer of mankind.

It is impossible that it should be otherwise . . . our civilization and our institutions are emphatically Christian . . . This is a religious people . . . this is a Christian nation.” (Holy Trinity Church vs. U.S.)

Because of their understanding of the Bible and laws based on Judeo-Christian principles, our Founding Fathers gave us several invaluable gifts — a comprehension of the importance of limited government because of man’s fallibility, laws based on a wise understanding of Who gives us our freedoms, and the right of conscience with freedom of religion.

Can there be any doubt, even among those who profess a strong central government as the ideal, that our Constitution gave us the greatest, richest, most free, most powerful nation that ever existed? It is certainly one that has been exceedingly blessed by God.

It would be a travesty to deny the wisdom and discernment of the Founding Fathers and trample the documents they produced.

As C.S. Lewis explained, “By the natural light He has shown us what means are lawful: to find out which one is efficacious He has given us brains. The rest He has left to us.” ◆

A Covenant for Young Men in Trouble

“Spare me the grim litany of the realist; give me the unrealistic aspirations of the optimist any day.” (Colin Powell)

by **JUDGE DAN HEATH**

The author, a judge with the Allen County Superior Court, is responsible for oversight of the Juvenile Center, a secure detention facility for juveniles in Fort Wayne. Donations to fund a limited printing of his book, “Building a Great Family: Young Men and Fatherhood,” excerpted here, can be made to The Friends of the Allen County Juvenile Center, Inc. through its website at www.friendsofacjc.org.



(Dec. 9) — Building a great family begins with a covenant with yourself to do those things necessary to build a great family. A covenant is a promise — a formal agreement, like a contract. Your covenant with yourself should include at least these two things:

1. A commitment to get an education and more training beyond high school to make yourself more valuable in the job market.
2. A commitment to find a good job so that you can raise a family, a job that’s legal and can help your whole family succeed in life.

What follows is some advice on how to begin building a foundation for you and, eventually, for your family.

Have a Positive Attitude

Making this covenant with yourself requires a positive attitude about life. I have emphasized the word “positive,” because a positive attitude is critical to your future. When someone says to you “attitude is everything,” they really mean it. A

positive attitude, especially in the face of challenge, is what sets you apart and helps you reach the next level. Make a long-term, lifelong commitment to be positive. If you remain positive, you will overcome great obstacles.

If you’ve had a negative attitude toward education and authority you will get nowhere in life. Now is the time to stop blaming other people for your predicament and to begin to take charge of your future. Even if some things that have happened to you have been out of your control, perhaps at the hand of others who have intentionally hurt you, decide that you will move on. Focus your energy on a positive future and not negative things from your past. Empower yourself by taking a positive attitude and pursuing further education.

Are there authority figures who you feel haven’t been nice to you? If so, think about the attitude you have displayed toward them. Your attitude affects the way people respond to you, including people in authority — teachers, employers, judges, probation and police officers.

As a judge, I have been in a position of authority for decades, and I have been around others in authority most of my adult life. The vast majority of people in positions of authority whom I have known really do wish you well. They want you to succeed. Judges and police don’t want to put you in jail; they want you to get your diploma and a good job and to have a great life.

Set Inspired Goals

Colin Powell, the great U.S. military leader and African-American, said this: “Spare me the grim litany of the realist; give me the unrealistic aspirations of the optimist any day.”

When you think about your future, set inspired goals for yourself. What do I mean by “inspired” goals? There are minor goals like losing weight or getting better at shooting foul shots. But inspired goals are major life goals like building a great family or building financial security. Now is the time to begin a lifetime of reading motivational books or watching inspiring video programs that

give you tips on how to succeed in life. I recommend the book “What Do You Really Want? How to Set a Goal and Go for It” by Beverly K. Bachel. Her book shows you how to set goals, think about what you want out of life and to form a “dream team” to help you achieve your goals. She also shows you how to put your plan together and to celebrate success as a beginning to lifelong achievement. There are a number of goal-setting books for teenagers at this website:

<http://universityofmotivation.com/top100goalbooks.pdf>

Take the challenge of reading such books from time to time throughout your life.

Develop Friendships

Pursuing an education and getting a good job may require you to distance yourself from some friends you have made. Friends who have no desire to improve themselves and couldn't care less about the future will not help you pursue your goals for a better future. Distancing yourself from them will be difficult, especially if you have grown up with these so-called friends. There are times when even your parents or best friends will try to get you to stop your plan to improve yourself. Don't let anyone do this, even if it's your own parents. You most likely have to stay, and likely should stay, in a relationship with your parents. But if they truly care about you, they'll understand your desire to improve yourself. As for friends who repeatedly put you down for trying, it's time for a new set of friends.

And the friends you have today will likely not be your friends in the future anyway. Romantic relationships may cause your friends to move to other cities. People move away for a job or education. Others may get into trouble and end up in jail.

So, don't stake your future on short-term friendships. Think about those friends you have today who are positive influences and make a decision to move on from those friends who are a negative influence.

Consider Your Spirituality

Another part of your covenant with yourself is finding a guiding spirituality that promotes within you a spirit of brotherly cooperation with and support for other people. While you're working on setting goals, developing good friendships, and improving your attitude. Also take time to consider your spiritual life. A study discussed in the July 2015 issue of the American Journal of Epidemiology found that the secret to sustained happiness lies in participation in religion.

Whether it's Christianity or another form of spiritual belief and practice, take a moment to consider your spiritual path. Read material on spiritual life or seek the guidance or counsel of others whom you admire who have

taken up a meaningful spiritual practice, such as prayer, meditation or attending religious services on a regular basis.

Build Literacy Skills

Make a commitment to get yourself right as a student. I'm not talking about only as a high school student, but also as a lifelong student. Education doesn't end with high school. Learning is a lifelong process; If you really want to take advantage of what life has to offer, your pursuit of learning should never end.

Developing your literacy skills is key to lifelong learning. The word literacy refers to reading and writing. To raise your reading level as high as you can, read often and read what is considered “classical literature.” These are books and stories that have stood the test of time; their storytelling

“As for friends who repeatedly put you down for trying, it's time for a new set of friends.”

has captured the interest and imagination of readers of many generations. Classical literature will help you think about life's challenges through the characters developed in each book. Through it you will explore new places and ideas you might not otherwise encounter.

In the process, you will find that your vocabulary will expand as well. You will be a better, more well-rounded and thoughtful person as a result of reading the great classics. When you reach a point that your reading and literacy skills have advanced, you can read the more difficult classics and find even more fulfillment.

You'll find classical literature grouped in its own section at any library or bookstore. Many libraries will have a list of the greatest books ever written. Check with your local library to see if they have a list they can give you.

For example, I have two great books that I can recommend you read. The first book is "The Prince and the Pauper" by Mark Twain. The story is set in 16th-century England. Two identical but unrelated boys, one a pauper and the other a prince, trade clothes and places for a time. The pauper learns of the great life a prince leads, while, more important, the prince learns the hard life of people who are poor and the harm the monarchy has done to them throughout England. The book remains relevant, as leaders of government should always consider the impact of their policies on the poor.

A second great work of literature that I recommend reading is "Silas Marner" by George Eliot. This is the story of a young man wrongly accused of stealing church funds. He loses his girlfriend to his wrongful accuser and is cast out of the church. He relocates to a rural village and becomes a successful but reclusive weaver. He hoards the money he makes from weaving, but his money is eventually stolen. He takes a young,

abandoned child into his home after the child's mother dies of an opium overdose. Eppie, the young child, changes the man's life for the better, despite all his challenges.

When you begin to read these books, you might find that they are hard, but don't be discouraged. Here are some tips for getting started:

Begin reading books by authors who do not use difficult words. Ernest Hemingway is an author, for example, who used simple words to tell great stories. He wrote "For Whom the Bell Tolls," "The Sun Also Rises," "A Farewell to Arms" and many others. Perhaps you could read Hemingway's books and then ask your local librarian to recommend slightly more difficult classics to read.

I liked Hemingway's "A Farewell to Arms" because of the challenges faced by the main character, Frederic Henry. Though he was an American, Henry was an ambulance driver for the Italian army during World War I. Henry

meets and falls in love with Catherine Barkley, and they struggle to stay together amidst the furor of war.

A librarian can check the reading level of books for you, to find out how difficult a given book is. Then the librarian can advise you accordingly.

Use online dictionaries to look up the meaning of words you don't yet understand. After you have looked up the meaning of those difficult words, start to use those words in your conversations with people.

If you have trouble reading even less difficult books, don't be embarrassed. There's help from people who care. Ask a librarian to assist you in finding ways to build your reading and comprehension skills. If you have access to a computer, you can also do a web search for such help. Or you can contact the Fort Wayne Literacy

“Classical literature will help you think about life’s challenges through the characters developed in each book.”

A COVENANT FOR YOUNG MEN

Alliance at www.fwliteracyalliance.org. Good literacy also includes the development of good writing skills. Keep a journal or write letters to friends. You can even write your own stories about your plans or your relationships. Check your spelling and grammar either online, with a teacher or in grammar books.

You might already know that people judge you by your use of proper English when you speak and by the use of proper sentence structure and spelling when you write. So, make your words count, and take pride in your grammar and spelling.

Grammar refers to the way words are put together to form phrases and sentences. People won't say anything to you, but when they see misspelled words or poor grammar, you won't get the job, or people will think that you didn't pay attention when you were in school. They won't be willing to hire you or utilize other talents you have, because they believe you are not conscientious. Paying attention to detail shows another person that you are *careful* and *diligent*. Those are two words that are important in the business world.

But you may say to yourself, "I can speak and write any way that I please, and I don't care what others think." Remember this, however: Proper word choice, sentence structure, punctuation, spelling and so forth signifies that you have exercised an amount of diligence that indicates to others that you are disciplined and you care about yourself. You won't achieve your true potential unless you take the time and exercise the discipline that shows you care about yourself and your own future.

It's true that others may not say anything to you about your poor writing skills, but the people that matter if you wish to advance in life will take notice. So, care enough about yourself to become truly literate; it will surely benefit you in the long run.

All of this together forms the basis of a covenant with yourself to become a better person and to build a better life for yourself and your family for generations to come. Instill these commitments in your children. Lead them by your example.

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Whose Lives Matter?

The data on violence does not lead easily into reconciliation and harmonious race relations.

by **RICHARD McGOWAN, Ph.D.**

The author, an adjunct scholar of the foundation, teaches ethics at Butler University's Lacy School of Business.



(Jan. 12) — During the holidays, Minnesota's largest newspaper, the Star Tribune, had an article with the headline "'All Lives Matter' Ornament at Minnesota Store Sparks Online Backlash." The Star Tribune reported that a shopper took a picture of the ornament, available at Gertens Garden Center, and posted it on Facebook.

As a consequence, many negative reviews appeared on the Gertens Facebook page. For example, one person remarked that carrying the ornament is "insulting and offensive." The Star Tribune reported that a former president of the Minneapolis NAACP suggested that the local company took "a swipe at the Black Lives Matter movement during the Christmas season." She went on to say that "This time of year is very painful and challenging for family members and loved ones mourning those who have died as a result of police violence. Beyond that, it is clear that all lives will not matter until black lives matter in this country."

She could have added that this time of year is also painful to the family of Dylan Noble, a white man. The Fresno police chief who saw the video of the shooting of Dylan Noble called it "extremely disturbing."

The death of an unarmed white man, though disturbing, is not front-page news. The current narrative in the media, from governors and even from former President Barack Obama, was that police officers kill people of color and few others. The reality is quite different: the November 2011

"Arrest- Related Deaths, 2003- 2009-- Statistical Tables," (NCJ 235385) from the Bureau of Justice Statistics, shows that 42.1 percent of arrest-related deaths are white, 31.8 percent are black, and around 20 percent are Hispanic.

Perhaps all lives should matter. Certainly the traditional religions would suggest as much. Matthew 10.29 asks, "are not two sparrows sold for a copper coin? And not one of them falls to the ground apart from your Father's will . . . Do not fear therefore; you are of more value than many sparrows."

People are not sparrows. According to the Judeo-Christian tradition, each human being has a spiritual nature. The Old Testament says that each human being is an *imago Dei*, an image of God.

Dylan Noble was no less an image of God than Trayvon Martin. As Galatians might put the matter:

"There is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female; for you are all one in Christ Jesus."

And there is neither black nor white. All lives matter. Other religions state that we are spiritual creatures. The idea is found in Islam:

"I shall not lose sight of the labor of any of you who labors in My way, be it man or woman; you proceed one from another . . ." (Quran 3:195)

Hinduism asserts that

"The atman is the brahman and the brahman is the atman." (The self is the divine and the divine is the self.)

'Different' People

The most appropriate response, therefore, to people who are "different" may be a loving acceptance of another creature of God. The temporal differences are less important than the eternal and shared spiritual identity of being human. The recommendation that follows from such a thought is that all lives matter. Furthermore, a person need not invoke religion to recommend that each individual has value. That is

likely what Kofi Annan, then Secretary General of the U.N., had in mind when he referred to “the dignity and sanctity of every individual” 11 years ago.

The preceding reasoning is my preferred argument that all lives matter. However, the popular narrative, despite the data above, that arrest-related deaths falls mostly on blacks prevails. Hence, it might be worth looking at empirical evidence more thoroughly. For instance, anyone with a lick of sense can see that since the population is approximately 75 percent white and 13 percent black, of course a higher percentage of arrest-related deaths will be white. In other words, blacks are disproportionately represented in the data on arrest-related deaths.

The disproportionate representation of blacks, however, invites an examination of data on violence. Blacks, who comprise 13 percent of the population, commit 46 percent of the homicides; with regard to interracial violence, Table 42, Personal Crimes of Violence in the Bureau of Justice Statistics [<https://www.bjs.gov/content/pub/pdf/cvus/previous/cvus42.pdf>] has data from 1996 to 2007. In 2007, 3,262,660 violent offenses against whites were reported, of which 13.3 percent were committed by black, or 433,933 violent offenses; 562,470 violent offenses against blacks were reported, of which 9.9 percent were committed by whites, or 55,684 violent offenses.

By raw numbers alone, blacks commit 7.8 times as many violent offenses against whites. Were demographic profiles also used, with blacks being approximately 15 percent of the population and whites around 70 percent, the figures are worse by about a factor of 5.

More recent data from a 2013 FBI uniform crime report suggests that the pattern has not changed significantly. Of the 2,491 black homicide victims, 189 were killed by a white offender, or 7.7 percent. Over 90 percent of black victims were slain by a black offender. Of the 3,005 white homicide victims, 409 were killed by a black offender, or 13.6 percent. As is apparent, most

homicide victims are killed by people of their own race.

Of the 5,723 homicides, 2,654 were committed by a black offender. Therefore, if blacks represent 13 percent of the population, then that 13 percent disproportionately committed 46 percent of the homicides.

It’s worth noting that 3,976 homicides victims were male. As the 2005 report also stated, men were the more violent sex: 5,058 of the 5,723 homicides were committed by men, or 88.4 percent. [<https://ucr.fbi.gov/crime-in-the-u.s/2013/crime-in-the-u.s.-2013/offenses-known-to-law-enforcement/expanded-homicide/expanded-homicide-data-table-6-murder-race-and-sex-of-victim-by-race-and-sex-of-offender-2013.xls>]

MLK Had it Right

The data on violence does not lead easily into reconciliation and harmonious race relations. Nonetheless, empirical evidence suggests that society might find more peace were we to think and act as though all lives matter, “for there is neither slave nor free, there is neither male nor female,” there is neither white nor black, when it comes to victims of violence, by police or others.

And there is no male nor female, black nor white, when it comes to concern for justice. Pulitzer Prize-winning journalist David Broder remarked on the 40th anniversary of Martin Luther King, Jr.’s “I have a dream” speech that he was surprised at how many whites were present. Maybe he was surprised that whites have a concern for justice, but MLK, Jr. was not.

He warned against “the marvelous new militancy in the Negro community,” that it “must not lead us to distrust all white people, for many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny.”

I humbly suggest that Martin Luther King, Jr. was correct. All lives matter. We are not alone. We are in this world together. ◆

Framing the News, Dividing the Nation

The media's portrayal of police action cases differs for black and for white communities, and with disastrous results.

by **NYREE MODISETTE**

The author is a sophomore at Butler University. Her essay is based on a paper submitted to Dr. Richard McGowan, an adjunct scholar of the foundation.



(Jan. 5) — A new and troublesome style of journalism has turned its attention to various incidents of individuals being mistreated by police. These incidents have not only taken the lives of young men and women but the way they were reported has eroded the trust Americans have in police officers. The focus, both good and bad, has been on those cases involving African Americans.

Forty-two percent of reported arrest-related deaths are of white people, who make 80 percent of the total population. Thirty-two percent are of black people (McCarthy 1), who make up only 13 percent of the population.

These ratios, however, do not fully explain why the media concentrates on police harming black Americans. Rather, it is the result of the media manipulating news events in order to advocate for or against traditional patterns of society, a practice that will be discussed in more detail later. The result is a skewed perception of ethnicities and a false discussion of a most serious national problem.

According to Heather Mac Donald in “The War on Cops: How the New Attack on Law and Order Makes Everyone Less Safe,” the crime rate increased 17 percent in 2015, which is the largest one-year increase since 1993. Mac Donald breaks down her numbers:

“The 36 unarmed black male victims of police shootings in 2015 measured against the total black male population (nearly 19 million in mid-2014, Per the Census Bureau) amounts to a per capita rate of 0.0000018 unarmed fatalities by police. In comparison, 52 law enforcement officers were feloniously killed while engaged in such duties as traffic stops and warrant service in 2015, according to the National Law Enforcement Officers Memorial Fund. The FBI counted close to 628,000 full-time law enforcement officers in 2014. Assuming that the number of officers did not markedly increase in 2015, the per capita rate of officers being feloniously killed is 0.000081. The Memorial Fund does not have data on the race of cop-killers in 2015, but applying the historical percentages would yield 21 cops killed by blacks in 2015. An officer’s chance of getting killed by a black assailant is 0.000033.”

Mac Donald makes the argument that a higher number of blacks killed by police is a statistical probability in certain zip codes where police-citizen interaction is high. Perhaps, but it is nonetheless intolerable. Moreover, blacks have more reason, both historical and sociological, to expect harm from the police, even a police supposedly constrained by the rule of law rather than rule of men, whatever the race.

But again, whites in total numbers are arrested more often than blacks and they experience arrest-related deaths more frequently than African Americans. Kara McCarthy, an official in the Department of Justice, reports that 42.1 percent arrest-related deaths were of white people and 31.8 percent arrest-related deaths were of black people in the government source, “Arrest-Related Deaths, 2003-2009 — Statistical Tables.”

So why the impression that police harm the black community more often than the white community?

Laquan McDonald

Looking at contrasting anecdotal evidence might help us understand. One example of the authorities harming African Americans is the case

of Laquan McDonald. He was a 17-year-old black adolescent in Chicago, Illinois. On Oct. 20, 2014, witnesses said they saw McDonald breaking into cars, and the police were called. As soon as McDonald saw the white police officers, he began walking away from them unarmed. Officer Jason Van Dyke walked towards McDonald and shot him sixteen times in the back.

In order to compare how the media reported McDonald's situation, three different newspapers were surveyed: *the Washington Times*, a website source, *NBC Chicago* and *the New York Times*.

The Washington Times printed the shortest article on McDonald, one that did not reveal the color of Officer Van Dyke. The newspaper stated that the video showed, "a policeman kills a black suspect." It labeled McDonald a "suspect," tilting reader perception away from the possibility that he had been a victim.

NBC Chicago provided a detailed synopsis of the night McDonald was shot to death. The article used words such as "graphic," "chilling" and "fatally" to appeal to the audience emotion. The impression was that the police were evil. Not surprisingly, *NBC Chicago's* Internet report had 42 reader comments. The comments related McDonald's death as an example of racism or a hate crime. One asked why McDonald was shot since he walked away from the policemen ("Dash"). The comments reflected how using specific word choice could lead people to alter their perceptions of a group or an institution, namely the Chicago police.

The New York Times took a neutral approach. It provided more details about the case, about Officer Van Dyke's history of complaints and about McDonald as a student and as a person. The article referred to the colors of Officer Van Dyke and McDonald but not in a way to persuade the people to view the case as an incident of racism. The aim was clearly to educate the people on the issue instead of on who was to blame. For example, the article reported the events that occurred on the day after the protest such as "first-degree murder charges against the

officer . . . and, the release of a graphic video from a police dashboard camera of 2014 shooting . . ." (Davey). Also, the article included comments from the McDonald's family.

Gilbert Collar

A separate incident, one that illustrates how the police have harmed the white community as well, is that of Gilbert Collar, a white student who took a drug that made his body overheat. Reportedly, Collar took all of his clothes off and ran around the campus naked in Mobile, Alabama. As he ran towards a black officer, Trevis Austin, he was shot and killed on Oct. 6, 2012.

The Washington Times provided a detailed account of what happened to Collar. It argued that the situation did not receive as much exposure as did the issue in Ferguson, Mo. Instead of having a picture of Collar, *the Washington Times* had a picture of the black officer on the front page. The article received eight hundred twenty-one comments, which proves that people were talking about the case. The comments asked how the black community felt about one of its own killing a white man. The people stated that "(Officer Austin) should be killed for killing a white innocent man" (Richardson). According to the comments, Collar's death sparked a fiery response from the people, which made individuals curious as to why his situation was not broadcast as much as the others.

Even though *NBC Chicago* did not have an article about Collar's situation, *the Chicago Tribune* gave a short account about what happened to Collar. The newspaper did not refer to Collar or Austin as white or black but focused on the actions of the officers. In addition, *the New York Times* did not have an article about Collar, but *the NY Daily News* did. It provided details on the situation between Collar and Austin. The front page had a picture of Collar and did not refer to the colors of Collar or of Austin. The article concentrated on Collar's parents. It is important to analyze the news sources from different regions across the United States because it reveals the

changes in the media and in people's perceptions. For instance, *the Washington Times* did not say much about the McDonald case but had a lot to say about the Collar case. On the other hand, the *NBC Chicago* had more to say about McDonald than it did about Collar, while *the New York Times* and *the NY Daily News* provided an equal amount of information on McDonald's and Collar's cases. These differences demonstrate inconsistencies in the media regarding the delivery of information. Highlighting disparities can make people skeptical of the media, specifically news articles.

Perhaps, the reason for the media focus is obvious — because African Americans have dealt with racial discrimination more than Caucasian Americans. Bernard D. Headley, author of the article, "Black Political Empowerment and Urban Crime," explains the history of blacks being tormented by the white police force. He states that "An Atlanta police commissioner, in 1881, was reported urging his men to kill every damned n**** [they had] a row with." Moreover, Headley maintains that during the summer of 1967, 43 African Americans were killed by the police in Detroit, Michigan, 34 in Los Angeles, California, and 23 in Newark, New Jersey. The killings of black Americans continued into 1971, where 412 citizens were killed by the police, according to Headley. That number decreased to 300 in 1972 and increased again in 1974 to 375 (Headley). No articles or scholarly journals were found that had numerical data on the number of whites being killed by police officers in the past.

A historical explanation helps analyze how the media portray the police violence cases. Vanessa Hazell, writer of the article, "Race and Gender in the Media: A Content Analysis of Advertisements in Two Mainstream Black Magazines," examines how select magazines display black or white men and women in history. She realizes that the media influence "how people perceive and understand various issues."

In summary, since the media display more cases about African Americans, people believe

that police mistreatment is more frequent with that race than others. Hazell argues that the media reinforce the traditional race patterns, which is shown in the McDonald's case. Thus, *NBC Chicago's* article about McDonald suits the stereotype of whites mistreating blacks, which explains why it received so much exposure. However, *the Washington Times's* article about Collar did not receive the same attention, perhaps because it deviated from the media narrative of African Americans being abused by Caucasians.

Framing

This narrative, as well as traditional race patterns of society, are continued through the use of framing. Jules Boykoff, the author of the article, "We're Going to Defend Ourselves: The Portland Chapter of the Black Panther Party and the Local Media Response," argues that the media use framing techniques in order to manipulate the news. Robert Entmant, in Boykoff's article, defines framing as a method "to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a moral education, and or treatment recommendation." Framing, whether leading to an accurate conclusion or not, allows the media to label certain ideas as acceptable or unacceptable.

As illustrated in the *NBC Chicago's* article, what happened to McDonald was labeled unacceptable and provided impetus to the Black Lives Matter movement. Even though the movement has positive features, the motive behind the movement has been misconstrued by the media. But when Collar was killed in 2012, no movement began to combat police violence. Again, the media treatment and factual confusion surrounding cases such as Trayvon Martin, who was an African American killed by George Zimmerman in 2013 and Michael Brown, an African American killed in Ferguson, Mo., by a white police officer on August of 2014, resulted in the Black Lives Matter movement. The process of framing is associated with the rise of so-called

advocacy journalism in the 1970s. It has roots in the “yellow press” or the “oppression school” of journalism of Joseph Pulitzer and Horace Greeley.

It appears in three different forms: diagnostic, prognostic and motivational, according to Chris M. Messer in “Mass Media and Governmental Framing of Riots: The Case of Tulsa, 1921.”

Messer defines diagnostic framing as “the establishment of blame and causality.” This kind of framing exists in *NBC Chicago’s* report on McDonald. By using emotional language and by focusing on what the police officer did wrong, people begin to blame Officer Van Dyke for McDonald’s death.

A concern with diagnostic framing is that immediately placing the blame on someone oversimplifies the issues. This kind of framing neither helps the situation nor the community and individuals involved.

Not only does framing have an impact on the issues that divide people but also on their views of policy responses to a problem. Martin A. Berger, the author of the article, “Race, Visuality, and History” studies how the media influence northern whites’ perception of the southerner whites during the race riots in 1963. Berger included an image of an African American male being harassed by police dogs. The picture allowed “northern whites to imagine their own politics as progressive, or at least humane, never challenging them to examine their systems of belief.”

Likewise, framing affects people’s perceptions of law enforcement. They lose their faith in the police force. Stereotypes come to occupy a central role in public reaction, and that is reflected in the media. The stereotype of whites, for instance, is that they have had more privileges. When they arrived in North America, they were able to form their own country and their own central government — a relatively easy life, or so it is argued. That stereotype also includes a sense of superiority over black people tolerated at the nation’s beginning and beyond, an acceptance or at least rationalizing of the institution of cartel

slavery that built the rum, sugar and cotton trades — the hardest of lives imaginable.

So, sharing brutality cases involving white people does not spark the same emotional response as it does with the cases involving black people.

Conclusion

Modern media promotes identity politics, which are “political arguments that separate groups based on gender, ethnicity or sexuality and present the groups as distinct” (Messer). This kind of politics is toxic for the American society because by paying more attention to the African American cases than the Caucasian cases, the media appear to be making African Americans more important than white Americans. Such a false distinction causes separation and leads to the communities isolating themselves from one another. The danger in this division is that we begin to think that the other person neither understands our situation nor can relate to the pain police violence inflicts upon our community.

Yet, as argued here, the white and black communities can relate to one another when it comes to police mistreatment. Neither African Americans nor Caucasians can afford to isolate themselves. Rather, they need each other in order to address the problem with police violence specifically and government usurpation generally. They are joined in a conviction that America is an exceptional place. It offers — or should offer — equal protection and opportunity for each individual. We all are blessed alike to be protected by constitutional law and not ruled by kings or governments, even democratic ones.

A good start would be for blacks and whites to approach the media together and demand an end to the framing, especially when it involves the most horrific and tragic events at the edge of social conflict. Nobody wins when journalists pick and choose the facts for the purpose of advocating a favored position or interpretation. Similarly, history cannot be explained entirely in terms of racial conflict or oppression.

What is needed is the complete story as much as is possible, the example here being *the New York Times* coverage of the McDonald shooting, that is, providing pertinent and humanizing details about both the person who was shot and the officer who did the shooting. The point must be to educate the reader on the issue in its entirety, not to narrowly affix blame, demonize or manufacture division.

Especially in the matter of an arrest-related deaths and their attendant tragedies, it is essential for citizens of all races to reject misconceptions of other people so as to isolate themselves and discredit the views of others *prima facie*. For when people begin to listen to one another they can unify by sharing their stories, sorting the facts from the framing and begin healing the resulting social damage. ◆

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An Education in Polarization

by **PETER BERKOWITZ, Ph.D.**

The author is a senior fellow at the Hoover Institution, Stanford University. This essay adapts a recent talk at a Stanford Law School conference on civil liberties.



(May 6, 2016) — The debasement of liberal education is a little-discussed but long-standing cause of the much-discussed polarization of our politics.

The historically high unfavorable ratings of the 2016 Republican and Democratic presidential nominees underscore this polarization. Staggering numbers of voters (approximately 65 percent) disapproved of the GOP front-runner Donald Trump. The unfavorable ratings of the Democratic Party’s nominee, Hillary Clinton, lagged not too far behind.

Several factors fueled voters’ dyspeptic mood. For decades, our two-party system has been undergoing an ideological sorting whereby conservatives in the Democratic Party have migrated to the Republican Party and liberals in the GOP have found their way to the Democrats. As their direct experience with differing viewpoints declines, party members grow more intolerant of those who bring to politics competing perspectives.

Meanwhile, many working-class whites, who have been suffering from stagnant wages and high unemployment, have grown convinced that the Washington political establishment — Republican as well as Democratic — ignores their voices and disregards their interests. And a considerable percentage of the millennial generation believes that the Wall Street establishment deprives them of their fair share of American prosperity.

As traditionally conceived, liberal education would temper the all-too-common tendency to demonize those fellow citizens with whom we disagree. In no small measure, the value of a

liberal education — to the individual and to the public — stems from the ability it cultivates to explore moral and political questions from a variety of viewpoints. This virtue entails putting oneself in another’s shoes. It promotes toleration, civility, and mutual respect. In “On Liberty,” John Stuart Mill called this the virtue of “many-sidedness.”

However, as currently practiced at our leading colleges and universities — through which a disproportionate percentage of our elites pass — liberal education cultivates single-sidedness and reinforces the polarization of our politics. The campus assault on free speech, the abandonment of the fundamental requirements of due process in university disciplinary procedures regarding accusations of sexual misconduct and the hollowing and politicizing of the curriculum have become distressingly entrenched features of academic life. Their toxic effects are harming the country.

The assault on freedom of speech comes in many guises. To regulate expression and enforce orthodoxy, colleges and universities divide campuses — which ought to be havens for robust exchange of opinion — into expansive “safe spaces” and cramped “free speech zones.” They institute “trigger warnings” so students can avoid disturbing facts and ideas. They police “micro-aggressions” — that is, giving offense however unintentional, slight, and subjective. They exalt diversity of race, ethnicity and gender as a supreme value, while invoking the gentle notion of “inclusion” to exclude ideas and individuals who dissent from progressive orthodoxy. They strong-arm students and faculty who fail to fall in line. This zealous administrative oversight of thought and discussion teaches students to be both hypersensitive and hypercritical. In disciplinary proceedings, many universities — prodded by official directives from the Obama administration’s Department of Education that threaten federal investigation and the loss of federal funding for failure to comply — abandoned due process protections in favor of a presumption

of guilt. Government officials, like the university faculty and administrators who molded their minds, have internalized the doctrines of Catharine MacKinnon who, more than 25 years ago, argued in “Toward a Feminist Theory of the State” that all sex is presumptively sexual assault because in a “male supremacist” society it is doubtful that women are capable of giving meaningful consent.

The theory that women are pervasively subjugated justifies the abandonment of due process: emergency circumstances justify emergency measures. It impels universities to impose on men the responsibility to obtain affirmative consent — yes means yes — at every stage of sexual relations. And it explains why affirmative consent is never enough.

Affirmative consent as applied by our universities is a snare and a delusion, because a yes can always be reinterpreted as coerced, and the authorities at our universities are only too ready to reinterpret apparent affirmations of consent as expressions of women’s vulnerability and dependence.

By jettisoning the distilled traditional wisdom about the elements of fundamental fairness in a free society, higher education prepares students—female and male — to submit to authority rather than hold it accountable.

Meanwhile, the elimination of a mandatory core curriculum leaves students ignorant of their own civilization as well as of other civilizations and without a common fund of knowledge with which to articulate their agreements and disagreements. Take, for example, the Constitution — knowledge of which is essential to serious political debate. Many of our finest colleges and universities do not require study of the principles of American self-government and they offer few elective courses in which students can obtain such knowledge.

The hollowed curriculum is also politicized, as much by the conservatism it excludes as by the progressivism it promulgates. Rare is the course that features one of the figures that shaped

modern American conservatism let alone explores the unfolding of the conservative tradition in the writings of, say, Friedrich Hayek, Russell Kirk, William F. Buckley, Frank Meyer and Irving Kristol.

Worse still, colleges and universities devote little attention to teaching the truly liberal principles that explain why the study of conservative ideas is vital even, or especially, for non-conservatives. The classic of the genre, John Stuart Mill’s “On Liberty,” has fallen into desuetude. So has respect for his key contention: “He who knows only his own side of the case knows little of that.”

The exclusion of conservative ideas from the college curriculum is illiberal in effect and often in intent. This carries dire political consequences. It teaches students who lean left to despise conservative voices as unworthy of serious discussion. It generates anger and bitterness among conservative students, who see their opinions scornfully dismissed. And all around it fosters intolerance, incivility and mutual contempt.

Small wonder that our public discourse is corrupted and our politics are polarized.

To provide a properly liberal education, colleges and universities must reform the curriculum by introducing all students to the principles of moral, political and economic freedom; the controversies and continuities that constitute American history and the history of Western civilization; and the diverse beliefs and practices of other civilizations. Colleges and universities must also govern campus life on the premise that students are free and equal individuals, not victims and oppressors.

Truly liberal education serves students’ interests and advances the public interest. It would form a citizenry more likely to attract, and be attracted to, worthy candidates for elective office. ◆

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Book Review

Listen, Liberal: Or, Whatever Happened to the Party of the People?

by ERIC SCHANSBERG, Ph.D.

(Dec. 9) — I've grown fond of saying that the world would be a much better place if we had many more *real* conservatives and liberals.

For example, imagine how much public life would improve if we had many more people who were as tolerant and compassionate as a lot of "liberals" claim to be.

Many people embrace another ideology (e.g., libertarian) or have a de facto lack of ideology (e.g., some forms of "moderate"). But why aren't there all that many "real" conservatives and liberals? I can think of four interrelated answers.

1. We don't have coherent, general, working definitions of conservative or liberal, so many people are embracing something that is convenient but unclear. For example, what is a conservative? While we're at it: What is a progressive — and how does that differ from a Democrat or liberal?
2. Many people avidly embrace one of these labels, when they are only interested in a subset of issues with respect to that label — e.g., social conservatives or liberals who value certain civil liberties. As I have written elsewhere, this results in different types of liberals, conservatives, and libertarians.
3. From Public Choice economics, we know that most people (reasonably) spend little time thinking about political economy — resulting in a non-existent political philosophy, incoherent policy prescriptions, little policy imagination, and here, little connection between self-chosen labels and reality.
4. Some people are *far* more interested in political parties and political power than public policy. Such partisans are not concerned with a coherent ideology or effective policy all that

much — and become enablers to political malfeasance, especially by those they support.

We're not in Kansas anymore?

The presidential campaign of 2016 illustrates all of this confusion nicely. Neither major-party candidate for president in 2016 could have emerged from a process dominated by real liberals or conservatives. Avid supporters of Clinton were forced to turn in their liberal badges, given her character flaws and policy preferences. Avid supporters of Trump also had to ignore profound character flaws—and could, at most, claim certain narrow definitions of conservatism for their candidate. And yet, each was popular enough to win a major political party nomination.

With "Listen, Liberal," Thomas Frank steps into this "labeling" fray with passionate complaints about Democrats — from the perspective of an ideologically consistent liberal. Frank has written about politics and policy for a long time, especially as they relate to economics. His most famous book goes after "conservative" politicians and voters through the example of Kansas, arguing (among other things) that GOP voters often vote against their economic interests.

There are two key problems with his thesis in "What's the Matter with Kansas." First, the same voter critique can be leveled against Democrats when one looks at Democrats' governance of various cities. (As he makes clear in "Listen, Liberal," the Democrats at the national level can't be considered much better. So it looks like Kansan voters were, ironically, a decade ahead of him.) And his thesis is fatally flawed since its policy scope is so limited; there's (much) more to life than economics and finance. (Similarly, "Listen, Liberal" has little on social or military policy.)

As Barack Obama's administration wrapped up its first year, Frank became increasingly upset with the President's missed opportunity, hypocrisy, cowardice, reliance on rhetoric and flowery talk, etc. For example, two of his essays in *Harpers* are indicative (of his reasonable anger) and provocative (for those with ears to hear).

With "Listen, Liberal," Frank wades into these waters to chastise those on the Left who claim to be liberal, but support illiberal politicians and their policies. The difficulty of reading this book is that his policy recommendations are a mess — and often, illiberal by any reasonable definition. Frank also focuses on economic policy, with little to say about social or military policy, so it's blinkered in this way too. But still, the book is worth an otherwise-quick-and-easy read to get a sense of what a real liberal might think about the Democrat Party.

If you want a sense of Frank's approach in the context of a recent political campaign, think Bernie Sanders. After losing the Democrats' nomination to Hillary Clinton in a semi-rigged outcome — and before selling out by endorsing the anti-thesis of his campaign — Sanders focused on big banks, cronyism and elites, a "rigged system", income inequality, etc.

Frank describes his motivation for the book in the first paragraph: "excessive hope" about Obama led to disillusionment, anger, and his book (1). Throughout, he pounds Democrats in general — and singles out particular Democrats — on his way to saying that Democrats have sold hope as a false bill of goods. He says it's time for them — and their supporters — to own up, take responsibility and repent.

Apologists and Blame-Evaders

Frank shuts down the most common excuse for the Democrats' failure — that Obama and the Democrats did the best they could. As Frank notes, the Democrats had control of the political machinery (and something of an electoral mandate) for the administration's first two years. "This is a book about the failure of the Democrat Party — about how they failed when the conditions for success were perfect." (6) "Having put so much faith in his transformative potential, his followers need to come to terms with how nontransformative he has been." (154)

Defending Obama is a good idea if your goal is "to rescue the reputation of a hero who turned out

to have clay feet." (154) But if we're concerned with policy and outcomes, it "would behoove us to admit the obvious forthrightly: that Obama could have done many things differently, that the Republicans aren't superhuman, and that the presidency is in fact a powerful office." (155) Unfortunately, blame-shifting is often easier than looking in the mirror.

If that's not enough to shake some sense into partisans, Frank pursues another angle in chapter 9 — listing a handful of the cities and states that have failed under dominating blue governance: Rhode Island, Chicago, New York state, Delaware and especially Boston. One might be able to casually and carelessly imagine that national Democrats should escape blame. But his local-state roster of failure — again, from any reasonable set of liberal or conservative standards — is beyond debate.

As Frank notes, all of this is particularly galling because the Democrats claim to be the champions of the working poor and the middle class (8). But by any set of possible standards for being a "champion" — as widely disparate as mine and Frank's — this is obviously a lark.

Cause and Effect

So, what's the deal? Frank points to the Democrats appealing to "professionals" and relying on political elites for policy. Neither of these is surprising, given the arc of the party over the last 40 years (e.g., away from labor unions) — and going further back, to the various principles and paradoxes of Progressivism. Frank singles out desegregation by busing and the Vietnam War as two key and illustrative examples (22). Really, Frank is making a standard critique out of Austrian economics — that the "knowledge problem" will bedevil even the "smartest" efforts to do public policy well.

In chapter 8, Frank summarizes the problem as elites and professionals who are enamored with needlessly complex solutions (that don't work well). But he also mixes in a good bit of Public Choice economics with references to the mixed

motives of agents in political markets. He cites "forgotten left-wing historians" (most notably, Gabriel Kolko) who observed "that the regulatory state began not with public-minded statesmen cracking the whip and taming big biz, but just the opposite — with business leaders deliberately inviting federal regulation as a way to build barriers to entry and give their cartels the protection of the law." (161-162)

Frank argues that national Democrat leadership dramatically reduced its interest in working people over the last 40 years (30). It's common for political parties to take various interest groups for granted. One thinks of African-Americans and social conservatives as today's most prominent examples. But even in those cases, Democrats will throw a race-based policy bone to African-Americans and it's understood that the GOP can't do much with social issues.

In the case of the working poor and middle class, the gap is greater — and unnecessary. There are many feasible reforms that mostly lack political courage and policy imagination. But "many Democratic leaders see voters as people who have nowhere else to go." (121) Apparently, the thought is: Why bother with the messy work of producing better policy? Of course, the recent presidential election — even with a rough GOP candidate — illustrated that these voters are quite capable of voting with their feet.

Frank traces this evolution to events in the 1970s and then sees it culminating with the election of Bill Clinton in 1992 (120). Chapter 2 describes the Democrats' move away from "the party of FDR's New Deal coalition with its heavy reliance upon organized labor." With Labor fading — and already largely in the bag anyway — "Democrats had to become . . . the party of well-educated professionals." (45)

Frank provides historical details I had not heard previously: the 1971 "Powell memo" (48), a 1971 "manifesto" by a prominent Democrat strategist (48) and Lanny Davis' 1974 book (125). Frank also argues that 1960s labor unions "seemed like white-dominated organizations that

were far closer to the comfortable and the powerful than they were to the discontented." (50) Crony capitalism among politically powerful, upper-middle class workers in labor market cartels is hardly a recipe for caring about the average or the marginal in society.

Outcomes in politics and elections bear out this shift in emphasis. Democrats now do quite well in terms of big money and especially with white-collar professionals. Speaking of the West Coast and the evolving post-1960s culture, Frank writes, "Wherever you once found alternative and even adversarial culture, today you find people of merit and money and status. And, of course, you also find Democrats." (127)

Two other observations here: First, all of this was occurring at the same time as the political realignment on abortion. In the 1970s, both parties were well-represented in both camps. But by the 1980s, we had the largely GOP pro-lifers versus pro-choice libertarians and pro-abortion Democrats. (Most Democrats shouldn't be called "pro-choice", since abortion seems to be the only prominent issue where they champion choice.)

Second, Frank cites a 2004 book by John Sperling, "The Great Divide: Retro Versus Metro America," which now seems amazingly prophetic on the state of the two major parties and the outcome of the recent presidential election (132). I had never heard of it, but I have ordered it and will read it soon.

Frank argues that the prosperity of the Clinton years — and thus, his supposed success — acted to cement the deal for Democrats: "Prosperity meant that Clinton would not be judged on these grounds [helping working families]. Prosperity was the ultimate political trump card." Ironically, the lack of prosperity over the last decade led to a different Trump card raising its head in 2016.

Ripping Obama and the Clintons

One of the most impressive things about Frank's book is his no-holds-barred description of key Democrat leaders. As in the rest of the book, one is left choosing between Liberal and

Democrat — or trying to argue (futilely?) with Frank. He is as frustrated as I am, but from a different angle: Why are there so few liberals? Frank hopes to increase that number, even though it would lead to pain for the Democrat Party and its sycophantic partisans.

Frank spends two full chapters poking at Barack Obama (chapters 1 and 7). Aside from what I summarized earlier, Frank talks a bit about Obama's eloquence (153), but this was a particular frustration in Frank's *Harpers* essays.

Frank has much more venom for the Clintons. In chapters 3 and 4, he rips Bill, pointing to his crime and welfare reforms (92), deregulation (100) and bailouts (101). As Art Laffer has noted, Clinton was a relatively good president from a free-market perspective — better than Bush I, and especially, Nixon and Bush II. Clinton benefited from Reagan's Cold War victory and the reduced military spending that followed. (A funny thing I'll revisit below: Old Keynesians can't square this with the strong economy of the 1990s.) And Reagan-Volcker had already dealt with the pain of fighting high inflation in 1981-1982.

Frank rips Hillary too (chapter 11). He describes her political success as "meritocracy" and "resume as achievement" (224). Interestingly, he spends most of his energy here on non-economic issues. He rips her foreign policy (229) and her "Internet Freedom" ideas (229-230). He argues that she stepped down from Secretary of State before mass surveillance policy problems could be laid at her doorstep (231-232). And then he blows her up on women's rights (233-236), without even mentioning her enabling Bill's sexual predation. Frank even criticizes "microfinance," before using it to crush her one more time: It "is a perfect expression of Clintonism, bringing together wealthy financial interests with rhetoric that sounds outrageously idealistic." (236)

In Closing . . .

Frank wraps up the book with a scathing mini-chapter-conclusion on Martha's Vineyard — both

as a utopian, vacation reality and as a metaphor for the corruption and self-serving nature of the Democrat Party. Martha's Vineyard is privileged, private, secure and rich. Frank asks his readers whether they're for Martha's Vineyard, the "meritocrats", and the "plutocrats" — or for the working folks? Ouch. Frank is not at all optimistic that the Democrat Party can be reformed. He closes by saying that he hopes that, at least, its self-righteousness veneer can be stripped away (256).

I need to close by noting that many of his takes on economics and policy should induce winces, groans or laughter. First, Frank lays out some of the popular silliness on wage stagnation (2) and income inequality. Second, he often opposes voluntary, mutually-beneficial trade — domestic (see: Walmart (3) and Uber (209-214)) and especially international. Third, he complains about elites and notes that FDR started the trend, but then imagines that the New Deal was a good deal (38-39). Unfortunately, the data do not support that claim. Fourth, he gives us some screwball Old-Keynesianism. He notes Clinton's reduced deficit spending, but "for unrelated reasons, the economy proceeded to boom" (99). (Right, "unrelated reasons" such as, your argument is "unrelated" to reality.) The failure of the New Deal is laid at the feet of not enough deficit spending (145, 169). And he wanted Obama to pursue deficits in excess of \$1 trillion (145). I guess Obama doubling the debt to \$20 trillion was not good enough for Frank.

So, don't say that I didn't warn you: Frank's book is glorious and helpful in some ways but difficult to stomach in other ways. But as Haidt points out in "A Righteous Mind," it's important that we work on empathy in political matters. And while the Left often pretends to be tolerant, all of us should work on practicing it. This requires greater understanding, broad reading, open dialogue, and practice at extending grace.

As such, I do want to offer Frank's book as a way to get a look inside the mind of a real liberal. Oh, if there were only a lot more of them. ◆

Backgrounders

by MARTINA WEBSTER

The author, a Realtor for 18 years, represents District 1 on the Sellersburg Town Council. She wrote this at the request of the foundation.



How They Calculate Your Local Taxes

(Jan. 3) — Hoosiers, we just paid our fall property tax installments back in November. Do you know how they were calculated? Where your government came up with that number?

The first thing you may not know is your home is assessed based on the market value of your home. Locally, we had an assessor pull up the value on a lot of undervalued properties. Needless to say people did a bit of freaking out. There's a couple of things to remember when you get a higher assessment.

First, if it was more than a 5-percent increase you can challenge the assessor to prove the value. Before you do that, be sure that you're not cutting off your nose to spite your face. If you'd put your house on the market for \$200,000 and bragged

about that value on Zillow, for example, don't be surprised for the assessor to call you out on that. If you and your Realtor say it's worth \$200,000 when you are putting it on the market, don't fight the assessor who raised your value from \$100,000 to \$150,000. You're still undervalued.

Second, don't freak out. Remember that by our state constitution, you are capped at 1 percent of the value no matter what. So a jump from \$100,000 in value to \$150,000 in value is a total maximum increase of \$500 for the entire year: \$1,000 to \$1,500. When you factor in exemptions, it's probably even less than a \$500 increase.

Your property taxes are based on the total of all net assessed values of a taxing unit. This means that increasing a lot of people's assessed values, could actually be a good thing. Put a pin on this thought and we'll come back to that thought later.

The second thing I'd like to explain is that the property taxes you pay go to many different units of government. All these different units actually compete for that same maximum cap of 1 percent of your home's value. These taxing units are governed by individual (elected) boards and do not often coordinate, cooperate or even talk to each other. You may believe that you are paying all of your property taxes to the county but it is

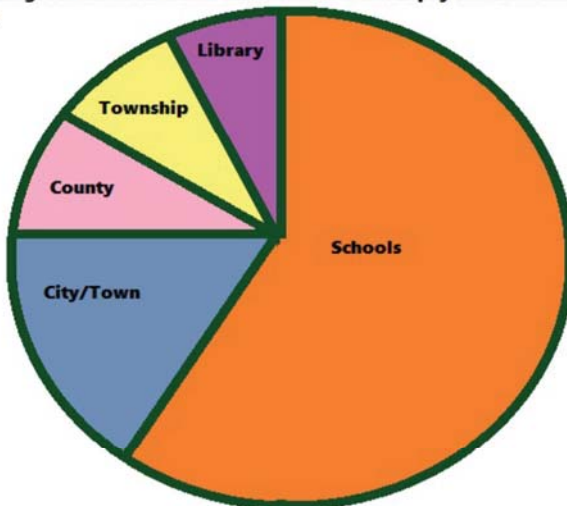
only disbursed from there. The county is responsible for collected and disbursing.

In 1973, the Indiana Legislature passed significant tax reform (the Bowen Tax Reform) and capped a taxing unit's spending. The amount of money required to fund a local government unit from your property taxes is called the levy. Each year the Department of Local Government Finance (DLGF) calculates the growth quotient that is applied to the previous year's maximum levy and the unit is then required to stay under that total amount.

On its face, this sounds like a wonderful limited-government idea. Force local governments to live within their means. In reality, they just pushed the burden

Imagine THIS pie as being the parcel of land your property is located. These are the various taxing units that require property tax dollars from you.

Remember, a homestead (residential) is capped at paying a **MAXIMUM** of 1% of your total gross assessed value. Landlords and farms pay 2% and businesses pay 3%.



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from property taxes (which are far more locally controlled) to sales and income taxes, which are controlled at the state level. The state gets to disburse them as they determine.

Think about it that for a moment because most of those state Senators and Representatives in Indianapolis do *not* come from your area. They do not know your area’s needs like the locals do.

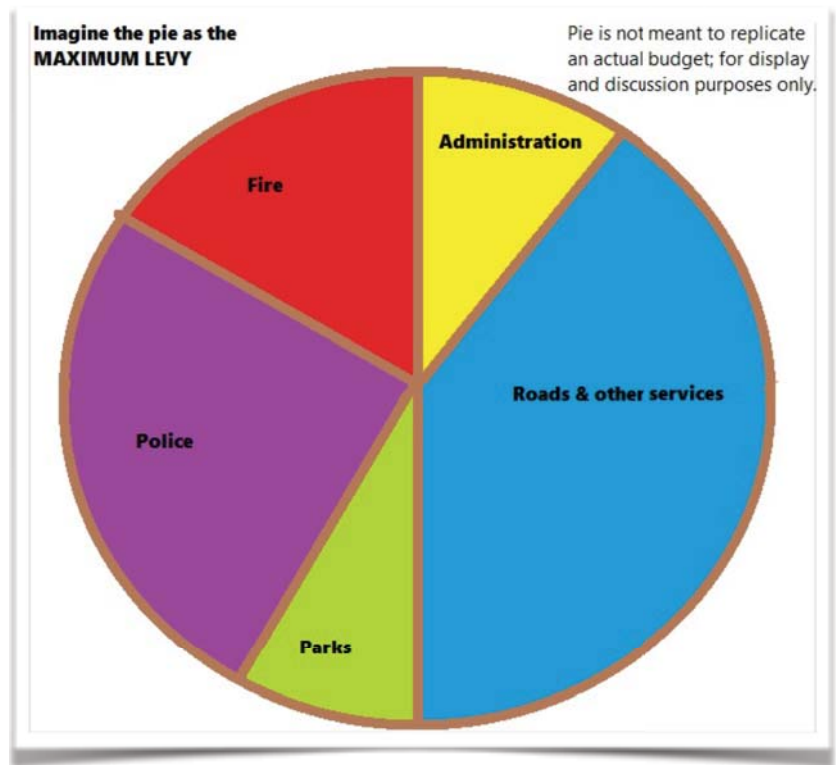
No sooner than the ink had dried on that property-tax relief bill, the ever-big spenders lobbied for a new idea they liked from the West Coast (California): Tax Increment Financing (TIF).

In 1975, the Indiana legislature passed legislation allowing TIFs to be created here. The idea then was a simple one: Unless we carve out this section of town or city and develop it with TIF, the area would be stagnant or downtrodden. TIF was supposed to be a way to allow government to spend money to encourage growth in a blighted area but not impact their maximum levy limit.

The interesting thing about these TIF districts is that the taxing units didn’t catch on right away that the taxes that come into these redevelopment commissions are *outside* the maximum levy — but, boy, once they did . . . (thank you government lobbying unions).

Again, the DLGF calculates the growth quotient each year. That growth quotient is then applied to the taxing unit’s last year’s approved budget, and that’s how you get your unit’s maximum levy. You may have a lot of growth going on in your area but the growth quotient is calculated at the state level and applied to all units across the state equally.

So this maximum levy must then be budgeted among the various functions that local



government unit controls. The pie chart above might look like a typical town or city’s budget. Remember from the previous picture that the schools are a completely separate taxing unit, and their budget would look a lot different.

Now, let’s go back to that assessed-value concept we pinned earlier. The tax rate formula below is simple, yet difficult to grasp. (Since it’s government, I’m not sure if that’s intentional or not.)

$$\text{Tax Rate} = \frac{\text{Total Levy}}{(\text{NAV}/100)}$$

NAV equals Net Assessed Values. This is calculated from the total market value of *all* parcels in a taxing unit’s geography (the Gross Assessed Values) minus exemptions (such as your homestead), credits, abatements, tax exempt

properties (government and religious owned), and finally . . . drum roll . . . TIF.

What I hope this lesson explains is that the levy pretty much stays the same, relatively. For the last decade or so the highest increase in the

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growth quotient was for the 2016-2017 budget at 3.8 percent, but it has often been less than 1 percent and has even been negative.

When your taxing unit's net assessed values go up then that helps *lower* the tax rate. If multiple properties within a taxing unit's area all increase, you may not even see a higher tax bill because the tax rate would go down. When the numerator stays the same or grows, but the denominator doesn't grow, *the tax rate is going to rise.*

Now, let's get back to that TIF idea. Again, TIF dollars are *outside* the maximum levy calculations. A redevelopment commission basically gets to be a taxing unit that controls its own money, without bothering with a pesky maximum limit. This might have been an OK idea when they were used in limited capacities (to fight blight). Now, though, local governments have seen them for the honey pots they are, i.e., more money outside the maximum levy.

For *years*, politicians have convinced taxpayers that TIF money is not taxpayers' money; it's said to be separate and doesn't affect them. I'm hoping to help you connect the dots to see that it *does* affect you.

If an increase in net assessed values of a taxing unit helps lower the tax rate, what does it mean if those big shiny new buildings being built inside a TIF district don't get added to that tax rate equation? Well, the answer is twofold:

First, just for example, new commercial areas will increase the demand for more police. So a

town or city's police force will need to grow.

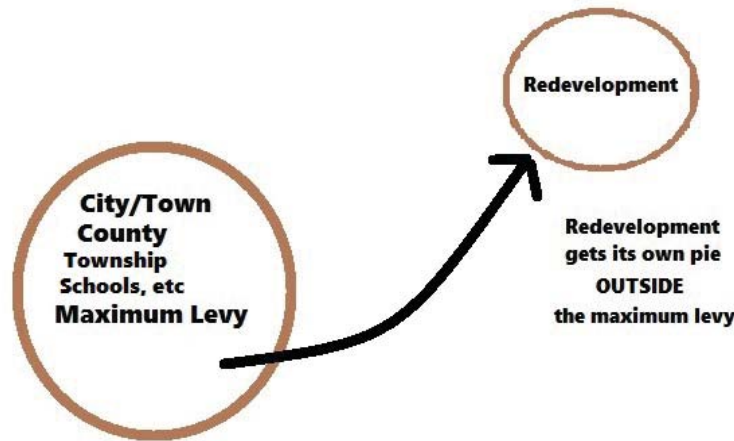
Unfortunately, the maximum levy won't also grow along with it. Thus there is a higher burden on an already tight pie. The town will have to figure out how to fund the police but can't use TIF dollars to do so. This means other essential services will have to be reviewed or cut. Another example

would be the schools. Increase growth in a TIF area that brings in jobs, will bring in new families, new students. But property taxes will not increase to help build a larger school. Second, those new commercial-industrial buildings are also often the highest assessed values in a taxing

unit so you're taking out some of the largest AV that could help homeowners reduce their tax rates. These businesses are at a 3-percent property tax cap, so this is a *big* hit.

It's time for citizens to demand another common-sense tax reform. I know that no one likes to pay property taxes. But they are determined locally (county assessor), they are collected and disbursed locally (treasurer) and they are controlled locally (by the various elected boards of the taxing units).

You have more control over property taxes than you do sales and income taxes. If citizens would like to see their local governments "do more" they will need to drop their animosity to the one tax that can make it happen. They also will need to start attending government meetings, but that's a discussion for another day.



by CMD. JOHN PICKERILL

The author, former chairman of the Montgomery County Republican Party, wrote this for the Indiana Policy Review Foundation. He is a graduate of Purdue University and the Navy Nuclear Propulsion Program.



Puppet Master of the General Assembly

“No one will really understand politics until they understand that politicians are not trying to solve our problems. They are trying to solve their own problems – of which getting elected and re-elected are No. 1 and No. 2. Whatever is No. 3 is far behind.” — Thomas Sowell.

(Jan. 29) — The Indiana General Assembly opened its session in January. It is now the fifth straight year Republicans have had a Democrat-proof supermajority in both House and Senate. You would think by now they would have enacted new bulwarks protecting every one of the core beliefs in the GOP Platform (limited government, federalism, freedom from government interference, sanctity of life, second amendment, fiscal responsibility and so forth).

Plenty of bills were introduced supporting these beliefs but few saw the light of day. Instead, we have spending increases and new government programs. And this year, House Speaker Brian Bosma is proposing a tax increase. What happened?

For the answer you need to know how a bill really becomes a law. I don't mean the School House Rock “I'm Just a Bill” version, I'm talking about the follow-the-money version. At its center is the House Republican Campaign Committee (HRCC), a group unaccountable to and outside of the democratic process.

This committee nonetheless is the most powerful political organization in Indiana. Most House GOP legislators have surrendered control of their election campaign — fundraising, planning, spending — to the HRCC with the promise that the HRCC (and political consultant “Mark It Red”) will protect incumbent

Republicans if they face a challenger in the next election.

And that's how they keep getting re-elected. Today, when a legislator gets campaign donations you can bet they turn over the lion's share to the HRCC, often \$10,000 or more at a time. The HRCC brought in over \$2.3 million in 2016 alone. And this gives its chairman, Brian Bosma, incredible leverage.

Bosma already has huge influence as Speaker. He alone decides which bill is assigned to which committee. He alone appoints every member of those committees including chairmen. In turn, a committee chairman has absolute power to decide if a bill gets a hearing or dies in committee. It's probably no coincidence that most chairmen make huge donations to Bosma's HRCC.

In the end, a bill is passed because Mr. Bosma wants it to, because it was just easier for the other Republicans to go-along-to-get-along and not risk their HRCC protection money — that and loyalty could mean a chairmanship one day. Bucking the system could mean losing campaign funding and (gasp) losing the next election. Principle quickly takes a back seat to staying in office.

What influences Bosma and his legislative agenda each year? If campaign finance reports are any indication, it's the political action committees (PACs) and those who fund him. In the last four years his personal campaign accepted \$2.2 million, his biggest contributors being Indiana Merit Construction PAC, Indiana Multi Family Housing PAC, Zink Properties LLC, Build Indiana PAC, and billionaire Dean White also plopped down \$500,000.

But because committee chairmen are bringing in so much money to the HRCC, Bosma is influenced by their donors as well. And it should come as no surprise that Build Indiana PAC (lobbying for road construction companies) made big donations to most of his committee chairmen, most notably Ed Soliday (Roads and Transportation) and Tim Brown (Ways and Means) who each got \$12,000. People looking to buy influence know who has influence. Bosma,

Brown and Soliday received more campaign contributions than anyone in the House in 2016 (January-October).

So how does a bill become law? The PACs give Bosma his marching orders, Bosma (with his HRCC carrot) gives legislators theirs, and the HRCC kills deliberation.

Public or Private but not Both

(Jan. 20) — There was news last week about my county's economic "development" corporation that may have statewide implication. The mayor and his board of works withdrew all city funding for the corporation. He proposed instead to give elected officials direct control over economic development.

Since the county government was already planning to withdraw its funding within the next year, that will soon leave the corporation as a 100-percent privately funded organization. So now the question is, will this be good or bad for our local economy?

It's good in that local taxpayers won't be forced to fund the group, it now having to prove its worth to earn future financing. It's bad in that it creates a new government economic-development authority under complete control of politicians. Economic-development policy will likely be used even more for political gain rather than real economic prosperity.

In a free society, individual consumers decide the direction of the economy. Businesses are most successful when they best serve their customers. Good business owners live by the motto, "the customer is always right." The only time government steps in is when someone refuses to honor their contract, commits fraud or does something harmful. Otherwise, government stays out of the way so that individuals can work together through their own social cooperation to make the best economic decisions.

But in a society where government oversteps these bounds, politicians and bureaucrats arrogantly think they can make better decisions for individuals than individuals can for

themselves. That is when government force is used against taxpayers to fund their schemes. Tax abatements and taxpayer-funded infrastructure improvements are given to one company but not another. Politicians decide who wins and who loses. It's a big, ugly step toward socialism.

Actually, I take that back. It opens up the whole process to corporations funding politicians re-election campaigns, who in turn hand out government favors to those same corporations. It's a big, ugly step toward crony corporatism.

This is why this move is a positive step for an economic-development corporation. Now that it gets no government handout, its survival depends on admitting "the customer is always right," and by doing so they will become a much more effective organization for our community. Our corporation will likely seek funding from local factories to remain solvent.

That's good because when local factories scream that they need a pool of good workers from which to hire, the economic-development corporation will have to deliver on its promise of workforce "development" if it hopes to keep them as investors. The corporation will also likely need funding from our community's numerous small businesses. So when the corporation considers inviting an outside business to come to our county, it will tend to concentrate on those companies that best complement existing businesses.

On the other hand, the proposed Economic Development Authority, being government funded and controlled, will tend to make decisions based on getting politicians re-elected. Stanford economist Thomas Sowell put it best: "No one will really understand politics until they understand that politicians are not trying to solve our problems. They are trying to solve their own problems — of which getting elected and re-elected are No. 1 and No. 2. Whatever is No. 3 is far behind."

An economic development corporation, as a privately-funded organization, is a step in the right direction. Creating a government Economic

Development Authority is a step in the wrong direction.

Who Does the GOP Represent?

(Jan. 5) — As the Indiana General Assembly begins its 2017 session this week, one would assume the Republican-dominated state government would be pushing legislation for a more limited and fiscally responsible government — and one that protects individual liberty, freedom of religion, the right to keep and bear arms, and the sanctity of life. After all, that’s what their 2016 state convention said they stood for.

That would be a bad assumption; the GOP leadership actually intends to increase taxes.

The heart of their legislative agenda is a gasoline tax hike on Hoosiers from 18 cents per gallon to 26 cents per gallon. Why? So they can spend an additional \$900 million to \$1.2 billion a year to maintain state and local roads and fund new highway projects. They’re also talking about new tolls on state and federal highways and imposing new fees at the Bureau of Motor Vehicles.

So much for the Republican Party’s promise, “We believe that budgets should be balanced and should reduce spending, rather than increasing taxation.” To add insult to injury, House Speaker Brian Bosma’s agenda is to triple the spending on the new government-funded pre-school pilot program at the same time he says we don’t have enough money to maintain our existing roads and bridges. His counterpart, Senate President Pro Tem David Long, wants to double this pre-K spending. If these Indiana Republican leaders were really the fiscal conservatives they claimed to be on the campaign trail, they would fix the road problem by reducing spending elsewhere to pay for their road funding plan instead of raising taxes.

If Republicans merely held true to the principles they say they stand for, this \$900 million in cuts would be easy. The talking points:

First, all of the sales tax on gasoline should go

to road maintenance — not just one-seventh of it but all of it. That’s \$400 million that should be dedicated to road funding but instead gets squandered elsewhere in the general fund.

Second, if they really believed in economic freedom, Bosma and Long would eliminate the \$95 million the state spends on so-called “economic development,” which turns into politicians handing out government favors to those who contribute to certain political campaign committees.

Third, they can reduce regulations, and an easy place to start is eliminating the \$50 million on the Gaming Commission and Horse Racing Commission, which makes it more difficult every year for not only casinos and race tracks but for philanthropic clubs like the American Legion, VFW, Eagles, Moose Lodge, etc., to operate.

Fourth, show the kind of fiscal discipline in the state-funded university system as what the private sector has to deal with in tough times. Get rid of top-heavy bureaucracies, and start by eliminating the \$368-million Commission for Higher Learning and transfer its functions to the universities themselves.

Next put new construction at universities on hold (\$46 million) while we focus on roads. During this same period, have state universities run leaner by reducing their budgets by 15 percent, freeing up \$285 million for roads.

Lastly, since government-funded student loans are feeding the college student debt bubble it would be prudent to reduce this as well. A 25 percent reduction in these subsidies would free up \$90 million. All totaled, these cuts would give Bosma and Long at least \$800 million for roads without a single tax increase.

Budgets should be balanced by reducing spending, not by raising taxes. The 2017 legislative session will reveal whether Bosma and Long are the fiscal conservatives they claim to be, or are mere lackeys of the Indiana Chamber of Commerce and their other special-interest campaign contributors.

Capitalism or Cronyism?

(Dec. 20) — As I'm writing this, the stock market is breaking above 19,900. That's a 1,000-point increase since Donald Trump was elected. So this must be proof that people believe Trump will generate a healthy economy, right? After all, if people are willing to buy stock in American companies it must mean they're confident those companies will see improving profits in the next four years.

Not so fast, says economist Steven Horowitz. Although it's true higher stock prices signal a growing belief that U.S. companies are more profitable, it's not true that profitable companies always mean a better economy, as he explains in a recent article entitled, "A Rising Stock Market Does Not Signal Economic Health." Saying things like "a healthy economy" doesn't mean a whole lot. Things are not good or bad for the economy; they are good or bad for individuals who are part of the market, especially when those individuals are consumers.

"All the economy amounts to is people engaging in trade, exchanging their labor and goods in order to better satisfy their wants. What we should care about is whether or not people are able to better satisfy those wants," says Horowitz. And by "better satisfy" he means more and better goods and services available at cheap prices.

In a true free market, when companies are profitable it's a good bet they're better able to satisfy the wants of consumers. But in a manipulated market, the companies that are profitable aren't always creating value. Companies who profit through privileges, protections and subsidies from governments are merely showing they know how to make politicians happy, not that they can deliver value to working-class consumers.

"In a world of this sort of crony capitalism, profits are de-linked from a connection with consumers," explains Horowitz, "In a world of cronyism, many firms will do very well, especially to the extent that they have connections with those in power . . . that would be reflected in rising

stock prices." We shouldn't confuse this profitability with improved economic well-being. Policies such as a proposed 35-percent tariff on imports might enrich a lot of companies but they would impoverish the average American.

Republican and Democrat politicians, then, are confusing cronyism with the free market. While defending the \$7-million deal with Carrier, Mike Pence stated, "The free market has been sorting it out and America's been losing," revealing that he has little concept of the term "free market." Although there is a legitimate argument that the Carrier deal might keep 1,000 jobs in the U.S. instead of moving them to Mexico, Pence blaming the free market for American jobs being lost is far-fetched.

Brittany Hunter, a writer for the Mises Institute, warns that perpetuating the lie that free-market capitalism and cronyism are one in the same is not only misleading, it's dangerous. For many Americans, whose economic opinions were shaped during the housing crisis and subsequent bailouts, crony capitalism is all they know. Tragically, this has pushed many of them, especially young Americans, to subscribe to socialism or even communism in reaction to a corporatism that they mistakenly believe is capitalism.

Horowitz reminds us that we are not better off when companies have to meet the conditions set by a president before he will "allow" them to operate in the U.S. That ends up distorting the economy away from pleasing customers toward pleasing the authority. Profits will be sought as the reward for knowing the right people. Profits will no longer be sought for creating real value through innovation and efficiency.

In a truly free market, rising stock prices and profits reflect real value creation and satisfaction of people's wants. But in a system of economic cronyism, they reflect the satisfaction of politicians' desires for political power. Corporations and politicians might win more power and influence but average Americans could be the losers.

by ERIC SCHANSBERG, Ph.D.

The author, an adjunct scholar of the foundation, is professor of economics at Indiana University Southeast.



Understanding Trade Policy

(Jan. 24) — Our new president often expresses hostility toward international trade. On this topic, he will find many allies in Congress for there are winners and losers with trade — and trade restrictions. How can we make sense of the relevant economics and politics?

It's easy to underestimate the value of international trade. Its benefits are relatively subtle while its costs are relatively obvious. Consumers benefit from greater choice, higher quality and lower prices. But it's easy to take this for granted. Producers are well aware of their competition — domestic and foreign. Workers, though, worry about losing their jobs.

The flip side of the good news for consumers is tough news for producers and workers— somewhere between keeping them on their toes and driving them out of business.

In contrast, trade restrictions are often politically attractive. Its benefits are relatively obvious while its costs are relatively subtle. When we limit foreign competition, all of the above is reversed. Again, consumers are less likely to see the cause and effect. But producers are keenly aware that business is easier and jobs are more secure with fewer competitors.

Econ teachers use various principles to explain these ideas. For example, you don't need a doctorate in economics to understand the value of competition and the trouble with monopoly power — for both consumers and markets.

The most important of these principles is the practical and philosophical value of voluntary, mutually beneficial trade. When we engage in trade, both parties perceive that they benefit, enhancing their well-being and increasing social wealth. Extending this principle across national

boundaries may be interesting, politically, but it does not change the underlying economics.

Teachers also use three analogies to make these points. First, blockades are an attempt to prevent a country from importing goods during a war. Likewise, trade sanctions are used to hurt countries by limiting trade with them. When should we impose blockades or trade sanctions on ourselves?

Second, boycotts are a refusal to engage in what would otherwise be a mutually beneficial trade. We want to impose a cost on a producer — for something they've done that is unrelated to what they sell. To do this, we're willing to impose a cost on ourselves, moving from our top choice to a lesser choice. Trade restrictions are like a self-imposed boycott. When should we force American consumers to boycott international goods?

Third, discrimination is a refusal to engage in otherwise beneficial trade, because I have a problem with someone — for example, their race or religion. Discrimination harms the discriminator in material terms, but those who engage in it enjoy messing with the other party. Why would we want to mandate discrimination against those in other countries and do harm to ourselves and to them?

Sometimes, thought experiments can be helpful to make the subtle more obvious. For example, if we imagine that a trade restriction is good for our economy, then it should be good for a state as well. And if it's good for a state, it should be good for a county. And if it's good for a county, it should be good for towns and neighborhoods. Once we extend the policy far enough, its costs become quite obvious.

My friend David Norton takes this a step further with this parable: A virtuous man would only eat food within 10 feet of living room recliner — cockroaches and the occasional mouse. He could sew the mouse pelts into clothing and use the guts for thread. So why stop at "Brexit"—the exit of Britain from Europe? Perhaps we should strive for "LRexit" — where we each remove our Living Rooms from the global economy.

Conveniently, our Living Rooms already have walls to keep out the Mexicans, Canadians, Chinese and other neighbors who want to take our rodent-catching, pelt-sewing and mouse-cooking jobs. And surely, if we allowed trade, outsiders would undercut our living room “markets” for mouse — with chicken, fish, and vegetables.

One more parable, this one from Dr. Steven Landsburg: Imagine that an entrepreneur figures out how to turn grain into inexpensive, high-quality cars. Grain goes into the factory. Through a mysterious and efficient process, the entrepreneur is able to pay good wages and produce a great product. Consumers cheer and the country applauds the technological advance. But then, a journalist discovers that the “technological advance” is international trade. The entrepreneur has been selling the grain overseas, receiving cars in return. When people hear this news, they are furious and ask legislators to pass all sorts of restrictions on the entrepreneur. The extension of mutually beneficial trade — whether domestic or international — is equivalent to the winners and losers that occur with technological advance.

The new president seems to misunderstand this basic point. Will Congress go along with him, protecting certain jobs and helping interest groups through bi-partisan crony capitalism — while harming consumers, markets, and the economy as a whole? Or will freedom and wealth-creating international trade be allowed to grow?

by **TOM CHARLES HUSTON**

The author, an adjunct scholar of the foundation and an Indianapolis developer, is a former associate counsel to the president of the United States.



Statehouse Mandarins Propose a Gas Tax

(Jan. 10) — The members of the General Assembly have barely warmed their seats and the fury is already reaching pitched levels on social

media. It is over the proposal by the new Republican governor (washed into office by the Trump landslide) and the Republican legislative leadership (known affectionately as the Mandarins) to hike gasoline taxes and impose a number of new fees designed to raise an additional \$1.2 billion a year for highway and bridge construction and maintenance. A similar proposal in the last session of the legislature was sidelined after Gov. Mike Pence refused to go along with the tax-hiking plan.

Indiana is not alone in this quest for new sources of revenue to fund transportation needs. Reid Wilson at The Hill reports that a number of traditional red states, including Tennessee, Arizona and Missouri, are also considering raising gas taxes.

Insofar as I can tell, few Hoosiers doubt that additional spending on roads and bridges is necessary, and except for hardcore libertarians they don't dispute it is the responsibility of the legislature to provide the means to meet the need. The issue is how to pay for it.

The Mandarins, who make the decisions on what level of pain ought to be inflicted on Hoosier taxpayers, have already decided to raise taxes, and not even Zeus launching a thunder bolt at the Statehouse from his home base on Mount Olympus would dissuade them.

Their critics, on the other hand, believe that instead of resorting at first blush to a tax increase, the legislature should make some effort to prioritize the expenditure of current revenues and among other policy shifts get the state out of the business of paying off special interests and picking winners in the guise of economic development. This, of course, is regarded by the Mandarins not only as heresy and reactionary nonsense but as the most egregious form of presumptuousness since these hayseeds obviously don't understand the finer points of the budgeting process.

I am struck at the number of people commenting on the Facebook sites of Republican legislators who fail to understand that the budget adopted by the legislature in April will be framed

by the Select among the Mandarins, and that most legislators won't have the slightest idea what they are voting on when the budget comes up on the last day of the session. The one thing you can count on, however, is that whatever the final budget numbers are and however the revenue stream is adjusted to place it in balance, the special interests will get what they want. You don't win "Legislator of the Year" awards by whacking away at revenue streams that fuel the pet projects of the Chamber of Commerce, the Farm Bureau and the Indiana Bankers Association. Pissing off the Indianapolis Star is not what Mandarins do.

I don't like the mix of taxes the legislature has fashioned which in my view impose a disproportionate burden on lower-income Hoosiers, and I have opposed the continuing shift of the tax burden from businesses to individuals. On the other hand, with property tax relief I think the overall tax burden on Hoosiers is not excessive and in some instances is less than what is reasonably required for state and local governments to do the things that need to be done. This is certainly a minority view among those who generally share my political dispositions, but government exists to perform certain vital functions and doing so requires revenue and, thus, taxes.

Everyone has a view of what the budget priorities ought to be and whether some programs are beyond the scope of what our state government is required to do and accordingly should be eliminated. People of good will are going to differ on these matters, and my inclination has always been to cut my fellow conservative some slack on the details. The one thing, however, that has always stuck in my throat is the devotion of the Mandarins to Crony Capitalism. They are incorrigible, and even such common-sense fiscal conservatives (Mike Pence) once in office fall victim to the lure of picking winners and paying off special interests. It is one thing to pay your fair share of taxes; it something else entirely to have those taxes transferred into the pockets of Mel Simon, Jim Irsay and every

corporate supplicant that hires a wired lobbyist.

As it is, I favor a long-term (e.g., 20-year) solution to our transportation needs, and I accept that some increase in taxes is necessary to achieve that objective. At the same time, I am hopeful that the Indiana Policy Review Foundation and other advocates of frugal government will keep the heat on the Mandarins. Making their lives uncomfortable is one of the best returns on our "investment" as taxpayers.

Dan Coats Won't Be Draining any Swamps

(Jan. 6) — I am disappointed in Donald Trump's choice of former Sen. Dan Coats to serve as Director of National Intelligence. Senator Coats certainly has the competency to preside over the massive intelligence bureaucracy if the objective of his tenure is simply to maintain an even-keeled equanimity among the tribes which constitute the intelligence community (IC).

On the other hand, he offers no hope to skeptics of the IC who believe it is bloated, incompetent and institutionally biased against the Trump agenda. During his years in the Senate, Coats was one of the most robust cheerleaders for the IC. His record is one of embracing the spook agenda with little concern for civil liberties or effective spycraft.

Dan Coats is a reasonable man, even-tempered and well regarded, which would be terrific selling points if he were being nominated for a judgeship on the Court of Claims. Unfortunately, he is also a man who shares none of Trump's sentiments, instincts or passions. The very personal attributes that sustain his reputation as a calming influence render him less likely to stir the bureaucratic waters or carry the fight from the White House to Langley, Fort Mead and the other territorial fiefdoms of the intelligence establishment.

There is also reason to question his management skills: He has no experience managing large organizations, and it was reported in 2001 that President George W. Bush declined to offer Coats the defense portfolio in his cabinet because of his doubt that Coats possessed the

necessary management skill set.

The best operational choice as well as the most politically sensitive one would have been Carly Fiorina, who served for many years on the President's Intelligence Advisory Board and understands not only the intelligence business but also the management (and restructuring) of bureaucracies.

The political benefits of selecting a woman and a former competitor for the nomination seem obvious. The only conclusion I can draw is that Trump was not personally comfortable with her (or perhaps she with him), and so he elected to take the road most traveled in Washington — the easy one.

Sadly, what we have here is a big miss with respect to that part of the swamp most in need of draining.

The Electoral College

(Dec. 6) — The original concept of the Electoral College was that each state by popular election or through its state legislature would select its best men who would consult among themselves and cast ballots for the two men in the country they deemed most fit to hold the presidency and vice presidency of the United States. That philosophy lasted through one election cycle: the first in 1788. Four years later, party influences were obvious in the balloting for vice president, and by 1796 a few faithless (or distracted) electors failed to vote for John Adam's running mate, and Thomas Jefferson was elected vice president.

Over the years as our political system evolved with the extension of the voting franchise to most all age-eligible citizens, the notion of independent electors gave way to party electors. While there have been several occasions on which a few electors cast their ballots for candidates who did not win a popular majority in their respective states, it has always been regarded as a renegade maneuver inconsistent with our revised understanding of the role of the college. With the emergence of the party system and the selection of electors designated by the respective state party

organizations, the Electoral College has become the vehicle by which a majority of voters in each of the 50 states and the District of Columbia determine the party candidate who will receive from among the electoral votes allocated to each of the 51 voting jurisdictions the majority necessary for election. A faithless elector sabotages this process by depriving voters of all the votes to which their state is entitled under the Constitution. In the current system, electors should be deemed mere instruments of the electoral majority in their state.

Under our republican system (which is structurally federal in form) there is not a single national popular majority for any federal political purpose. Four hundred thirty-five popular majorities elect the House of Representatives. Fifty popular majorities elect the Senate. And 51 popular majorities elect 538 members of the Electoral College who in turn elect the president and vice president.

Presidents since Andrew Jackson have claimed to be the sole spokesman for "all" the people because they are elected by "all" the people. That is silly. The membership of Congress is also elected by "all" the people. Indeed, on the same day that a majority of the people in states possessing at least 270 electoral votes may be electing a Republican president, a different majority of those same voters may be electing enough Democrats to the Senate and House of Representatives to give that party a Congressional majority. These are the "Two Majorities" — presidential and Congressional — that the eminent political scientist Willmoore Kendall identified 60 years ago in a path-breaking essay in the *American Journal of Political Science*.

Kendall argued that neither of these majorities has priority over the other and there are sound reasons why a republican people living in a vast continental country might prefer to count votes in various spatial configurations. Among the most obvious of those is a desire to keep the peace, but there is also the practical recognition of the embedded legacy of residual state sovereignty

arising from the accident of colonial settlement. Our entire system of governance – its civil and constitutional law, its modes and accommodations of commerce, and its forms of sub-national governmental administration – has as its foundation the federal principle, a principle reflected most markedly in the composition of the Senate of the United States.

The times are ill-suited for revisiting the constitutional logic of the civic infrastructure that supports democratic self-governance in our country, but it would be a useful venture.

The Blaine Campaign

(Dec. 1) — History may not repeat, but it forewarns.

James G. Blaine was the preeminent Republican of his time. Speaker of the House of Representatives, United States Senator, Secretary of State during the brief presidency of James Garfield and unsuccessful candidate for the White House in 1884, Blaine was known by his friends as “the Plumed Knight” and by his enemies as the “Continental Liar from the State of Maine.”

Blaine was an early favorite for a second presidential nomination in 1888 but in the spring of that year he sailed for Europe, casting doubt on his intentions. In a series of public comments often cryptic and hesitant he disclaimed interest in a second run while not ruling out the possibility of a positive response to a draft. As the convening of the Chicago convention approached, he expressed support for the nomination of former Indiana Senator Benjamin Harrison, who was subsequently nominated and elected.

Harrison resolved early on to offer Blaine the position of Secretary of State, although for tactical reasons he kept his intention to himself while he pondered filling the other places in the Cabinet. On Jan. 17, 1889, he tendered the nomination to Blaine in a brief formal note accompanied by a “private and confidential” letter in which the president-elect set forth his foreign policy priorities, his expectations for the State Department and his desire to maintain harmony

in the Republican Party and thereby safeguard its electoral prospects. He held the firm view that “continuance of Republican control for a series of presidential terms is essential to the right settlement of some very grave questions.” In pursuit of this harmony, he assured Blaine that the president would do his part: “Each member of my official family will have my full confidence and I shall expect his in return.”

By the winter of 1892 the party bosses in New York and Pennsylvania (Tom Platt and Matt Quay) in collusion with the chairman of the Republican National Committee and with the not-so-covert support of the wife of the Secretary of State were plotting to deny Harrison a second nomination. Their preferred replacement was Secretary Blaine, who was recovering from a serious illness and who seemed congenitally unable to say no to his wife or his friends. For his part, the president was inclined to retire at the end of his term, in no small measure as a consequence of the serious (and ultimately fatal) illness of his wife.

In February, Blaine issued a statement that he was not a candidate for the presidency but which conspicuously failed to endorse the president for a second term. Harrison was offended but said nothing and refused to permit his friends to organize support for his renomination. By early June, with the national convention looming, the Blaine people were hard at work rounding up delegates, Ohio party boss Mark Hanna was plotting to exploit a divided convention to nominate William McKinley, and President Harrison was doing nothing to advance his political interests.

Three days prior to the opening of the national convention in Minneapolis Blaine submitted his resignation as Secretary of State and announced his availability for the nomination. Harrison responded by advising his friends that while he might voluntarily withdraw from the field, no Harrison had ever been driven from it. With his approval, the president’s friends went to work not merely in Minneapolis but across the country

where Republican loyalists by the thousands wired their delegates at the convention to support the president against the challenge of the faithless Blaine and the duplicitous McKinley.

The president was renominated on the first ballot stunning the party bosses and vindicating his administration. Blaine was humiliated, as he deserved to be.

by JASON ARP

The author, a financial consultant, represents the 4th District on the Fort Wayne City Council. He wrote this at the request of the foundation.



Let's Elect Mayors Who Understand Property Rights

(Dec. 26) — In politics, the clock until the next election never stops ticking. While most folks are still licking their wounds or quietly celebrating the recent election results, the political class has already begun the next campaign.

Of particular interest is the scramble to name the frontrunner in my city's mayoral race. And since we're in the season of making wish lists, and before the selection has been made, I'd like to submit some criteria.

A mayor should display certain characteristics — leadership, courage and unselfishness come immediately to mind. But perhaps the most important are a demonstrated respect for property rights and a reverence for the rule of law.

Property rights are the foundation of a free and prosperous society. History is replete with examples of the poverty and tyranny that accompany the lack of respect for private property rights. The inability of governments to secure these rights is the universal determinant in the failure of nations.

In 44 B.C., Marcus Tullius Cicero, the Roman senator and inspiration to Thomas Jefferson and James Madison, remarked that "the chief purpose in the establishment of constitutional states and municipal governments was that individual

property rights might be secured." When public money is routinely used to fund private ventures, there is no security of private property. For example: Why would a business pay taxes to fund the construction of its competitor? When eminent domain is executed for "economic development," is there security of private property? Why would an investor buy property when it can be taken for a price less than he is willing to accept?

Finally, when one enterprise is granted super-abatement while others pay the full tax there is no rule of law. A government that can provide different levels of protection of the law can do just about anything — and not in a good way.

My city spent \$13 million on economic development and opportunity, \$20 million for culture and recreation and \$18 million for urban redevelopment and housing. That's \$51 million for activities that are not securing rights, and in many cases are doing just the opposite.

To paraphrase the 17th-century philosopher John Locke, the proper role of government is to provide for the security of life, liberty and property. A mayor has the responsibility of seeing that justice is done no matter what part of town a citizen lives in or what color his or her skin. When businesses are afraid to open locations in a certain quadrant, it's fair to say there is a failure to secure property rights there.

Rather than continuing the public-sector invasion of downtowns, where taxpayers have already spent hundreds of millions of dollars, maybe we could turn our attention to making all of our cities livable.

For many residents deal with real-life problems of crime, failing infrastructure and diminishing employment prospects. There are ZIP codes in my city where more than half of the inhabitants older than 16 are not working. There is a 20 percentage-point gap in that statistic from one end of town to the other.

If the next mayor turns his attention to protecting property rights, this gap may be filled with gainfully employed residents building futures for their families.

Regional Development and Higher Taxes

(Dec. 7) — In the committee chambers of my council recently we heard something that could significantly affect the future of my city and the surrounding 11-county area. A veteran councilman announced there would be a discussion in January of a new tax to be collected by way of an increase in the Community Economic Development Income Tax.

To the untrained ear, this is gobbledygook, another tax, blah, blah, blah. However, this will have so much more impact than an ordinary tax increase. This tax will be for the specific purpose of funding and perpetuating a Regional Development Authority (RDA). Here is what you should know about this authority:

- Its board is appointed by the Indiana Economic Development Corporation (IEDC).
- It was created by the Regional Cities legislation of 2014 at the behest of the IEDC.
- There are four regional development authorities in the state.
- Each funds public/private economic development projects.
- Each has eminent-domain authority.
- The RDA board reviews government-proposed economic development projects and funds those deemed to meet their requirements, which are given the highest priority.

All of this was kicked off with fanfare last year when Greater Fort Wayne and the Northeast Indiana Regional Partnership began promoting the “Road to One Million.” The campaign included a 200-page application to the IEDC to win \$42 million of economic-development matching grants for projects in our region.

Our region and two others “won” a grant, the state pledging \$126 million recouped from an amnesty program conducted to retrieve back taxes. Much of this money should have been returned to county auditors to be distributed to local governmental entities. Also, a portion of these funds were from back county income taxes collected by the state.

But the competition lured county governments with the promise of “free” money. To be eligible, each passed an ordinance that put them in an RDA. Now, even though the \$42 million is spent or spoken for, state statute allows the RDAs to perpetuate themselves with a new income tax.

It works like this: Each county’s County Option Income Tax Council (COIT) has the authority to raise income taxes and designate them to fund its RDA. In my particular county, as we discussed in a council debate earlier this year over a new business personal property tax exemption, the COIT council is dominated by the city council.

That means if the new RDA tax is to be a reality, the council members would be the ones to enact it. By the way, a dedicated income tax revenue stream will enable an RDA to bond for large capital projects such as an arena or a theme park.

All of which begs three questions that city council members and Indiana residents should be asking:

1. Why do we need a Regional Development Authority to direct our local projects?
2. Should we be taxing people to fund an organization whose sole purpose is to arbitrarily pick winners and losers and distribute grants to the winners while taxing the losers?
3. Do we really want to empower with taxing authority an unaccountable board appointed by Indianapolis bureaucrats?

by **CRAIG LADWIG**

The author is editor of this journal.



“No one in this world, so far as I know — and I have researched the records for years, and employed agents to help me — has ever lost money by underestimating the intelligence of the great masses of the plain people. Nor has anyone ever lost public office thereby.” — H.L. Mencken

(Dec. 21) — Don't get me wrong, I love railroads. I have the best memories of the grand and bustling lobbies of the metropolitan stations. But please, there is a difference between nostalgia and anachronism. Don't burden my community with one of your subsidized dreams of a return to passenger rail transportation. It is a boondoggle. It doesn't work, or at least not in the ways claimed.

The only substantial aspect of such projects is the full-color architectural image that they roll out for the initial press conference. The one in my morning paper depicted a couple of serious-looking businessmen debarking from a bright and shiny new red train right out of Christmas Morning. Here is the accompanying pitch:

"Ultimately, the service could link 100 Midwest cities (including Fort Wayne and Lima, Ohio) with comfortable, dependable train service through a network of rail lines now being envisioned at the federal level — something that proponents touted as boosting regional economic development and opening the region's residents to more accessible opportunities for international air travel."

But Randal O'Toole, an adjunct scholar of the Indiana Policy Review Foundation and an expert on transportation, has crunched the numbers. Even the New York City subway, he notes in "The Worst of Both: The Rise of High-Cost, Low-Capacity Rail Transit," does not collect enough fares to cover half the costs of operations and maintenance, much less its renovation or initial construction.

"Building new rail transit lines, at least in the Americas, is almost always a mistake," O'Toole concludes. "Putting the same amount of money to use in relieving congestion for everyone by undertaking such projects as coordinating traffic signals and building high-occupancy toll lanes adjacent to crowded highways would produce far greater benefits. Alternatively, providing the same transit capacity with buses instead of trains would cost far less."

But that's no fun — not when you can offer local mayors and councilmen the chance to play

railroad tycoon, letting out big contracts, building train stations and meeting with the high-toned architects, lawyers and accountants necessary to construct a framework of political rationale.

And such boosters were in full voice as the outgoing Obama administration, after two decades of navel-gazing by transportation bureaucrats, gave approval this week for something called an "Alternatives Analysis and Public Involvement Process." The process is supposed to evaluate the efficacy of the rail system. O'Toole, however, sees that as a ruse:

Congress requires transit agencies to evaluate cost-effectiveness as a part of the process of seeking federal funding for new rail transit projects. However, the Obama administration has rewritten the already-weak cost-effectiveness rules to allow agencies to avoid considering buses as an alternative to rails when they evaluate cost-effectiveness — meaning they won't evaluate it at all.

No matter, it will serve that ever-so-subjective god of crony capitalism, economic development. One of the more expansive mayors along the proposed route sees the new rail service making his city a "destination" and a tourist attraction. And the executive director of one of the promotional groups asks us to imagine that we are an executive from Frankfurt, Germany, and can fly to Chicago and get on a train to Fort Wayne and, we are left to assume, spread wealth and jobs throughout the city like some sort of eco-devo Santa Claus.

Funding? We don't need to worry our pretty little heads about that. A Fort Wayne city councilman thinks the new line will serve as many as 2 million people annually and be self-sustaining in three to five years. In fact, he promises it will be free, generating \$1.70 for every dollar in investment. Let us hope that Mr. Mencken's axiom is wrong in this case.

Civil Rights and Softheadedness — a Distinction

(Oct. 1) — At this week's council meeting in my city, during open comments at the end of the

session right before they take out the flag, a question was asked: Did the administration have any information to share on the Mideast immigrants whom the mayor had invited to resettle here?

The sound you heard was a pin dropping. For to merely ask the question was to admit to a politically tortured definition of racism. Accordingly, there was no response, the colors were retired and the meeting promptly adjourned.

The reason the question is anathema is that it falls within “the Selma Syndrome,” the lazy fantasy that we are all living in Selma, Alabama, circa 1965. No, I did not march for civil rights in Selma. I was a college student at the time, though, and followed the news there carefully. And as most of my classmates, I was in the strongest sympathy with Dr. Martin Luther King and his cause.

But you don’t need actual historical memory to see the difference. Look at the pictures of the famous marchers. They were carrying American flags, some Bibles. Their demands were indistinguishable from those of this nation’s founders — to be treated as full and equal citizens of a free society. The Selma marchers did their part, we needed to do ours.

To confuse this heroic stance with that of Syrian refugees today, only seeking convenience, fleeing personal danger of wildly varying degrees including that of their own making, from a distant and hostile culture, their core values and beliefs at odds with our own, values and beliefs which none seem willing to renounce, requires a stretch. Indeed, it requires a dangerous softheadedness.

My mayor blithely signed a letter with two other Indiana mayors asking Barack Obama to resettle Syrian refugees in their cities (an estimated 140 are in Indiana so far, says the Indianapolis Star). These are refugees, please know, that the State Department says cannot be vetted for even the most extreme political or religious beliefs. But you get what you get and you don’t throw a fit, the mayor tells his critics. So the question about whether these guests of the mayor

have in fact arrived in town, who exactly they might be and what efforts have been made to ensure both their well-being and ours and at what cost, sits moribund on the council table.

We are left to wonder what will become of a community that political correctness prevents from discussing its very safety, let alone identity. Oh, do I need to mention that the mayor would prefer we not own guns and be especially kind to men dressed like women or vice versa?

by TYLER WATTS, Ph.D.

The author, an adjunct scholar of the foundation and formerly with the Economics Department of Ball State University, is director of the Institute for Economic Education at East Texas Baptist University.



The Folly of Food Hoarding

(Dec. 19) — Advertising on talk radio and cable news is full of alarmist inducements to stockpile gold and food, rife with implications and predictions that the next economic crisis will feature food riots and a complete societal breakdown.

As both a Christian and an economist I am bothered by this kind of alarmism. I wonder how many paranoid, credulous listeners are buying in to the doom-and-gloom and foolishly over-preparing for extremely unlikely catastrophes and meanwhile mismanaging those resources with which they’ve been entrusted.

My critique of food storage, gold hoarding and the entire “prepper” phenomenon is grounded in both economics and scripture. On the economic side, history indicates that markets don’t just disappear during or after catastrophes — even severe ones — but rather they persevere and adapt toward providing those things that are most in demand, such as food. On the scriptural side, we have God’s sure and certain promises to provide our “daily bread” for the needs of body and His provision of the “bread of God, i.e., Jesus Christ, who comes down from heaven and gives life to the

world” (John 6:33). Therefore, with eyes fixed upon actual historical experience and hearts inclined to trust in God’s promises to sustain what He created until the actual end (Genesis 8:21-22), let’s see if the rationales for stocking up on food or gold hold up to realistic expectations of what a natural, economic or political catastrophe might bring.

Recent tragic experiences in the U.S., whether Katrina, Sandy or this year’s Louisiana floods, have revealed clearly that there are two major negative outcomes possible if a natural disaster strikes: 1) You are caught in the wrong place at the wrong time and become a casualty; or 2) you leave or are rescued and, after a perhaps extended period of turmoil resume your life, possibly having relocated. In neither case is long-term food storage or a gold stockpile going to be of much, if any, assistance. Food stockpiles are likely to become either inaccessible or damaged beyond usefulness in a tornado or flood, and relief efforts will have plenty of emergency supplies available for struggling survivors. Bulk food storage, moreover, will do little good for those who need to evacuate and relocate due to the disaster. While gold is more portable, a significant stockpile, responsibly stored in a heavy safe, will merely add to the burden of escaping or relocating, and will prove far less convenient than cash — whether in the form of currency or bank accounts — which will not be subject to a sudden loss of purchasing power. In a worst-case scenario that necessitates long-term evacuation or destruction of your home, gold hoards may be lost and food stockpiles, if not ruined by flooding or pests, will merely sit in an abandoned or destroyed home and feed no one.

Historical experience indicates that economic downturns typically bring falling food prices. In the Great Depression, the value of the dollar rose and food prices crashed. In the U.S., the price index for “food at home” fell from a pre-Depression peak of 48.3 in 1929 to a Depression-era low of 30.6 in 1933 — a 36 percent drop. Even though mild price inflation resumed in 1934 with

FDR’s abandonment of the (domestic) gold standard, food prices remained depressed below their 1920’s level for the entire Depression decade. Those holding cash were therefore well-positioned to continue feeding their families even if they faced unemployment, as 25 percent of American workers did by 1933. While overall production — especially durable goods and capital goods — did drop markedly during these years, the economy did by no means grind to a halt. Enough grocers, butchers and restaurants survived to ensure ongoing, orderly food markets. A simple cash hoard thus would have sufficed for sustaining a family through episodes of hardship, with the added advantage of portability and negligible risk of sudden or massive losses in value due to inflation.

It is true that basic foods and supplies can be hard to come by in the world’s most repressive, dictatorial regimes. Take Venezuela as a case in point, where the Chavez-Maduro version of socialism has literally resulted in bare shelves and riots. Basic food and supplies can still be had in Venezuela, however, albeit in underground markets at steeply inflated prices. Preppers might argue that forward-thinking Venezuelans would have been quite wise to have stockpiled food and gold in preparation for the present crisis. Perhaps so, but again I will argue that a cash hoard — especially in the form of a stable currency such as the U.S. dollar — would not only have sufficed to meet the emergency, but would have outperformed food storage and even gold in terms of convenience, portability, and financial returns. A Venezuelan could have acquired \$1,000 U.S. at a cost of about 4,300 Bolivars in 2011. That \$1,000 would now, in late 2016, acquire over one million Bolivars in the unofficial foreign exchange market. That’s a 25,000 percent nominal return in terms of Bolivars — plenty sufficient to compensate for the harrowing 300 percent (and rising) food inflation rate Venezuela has recently experienced.

The upshot of these reflections is that the prospect of a disaster large enough to imperil food

supplies is so remote as to not be worthy of your worry, not to mention your time and effort in contingency planning. If you think a disaster, or perhaps a combination of catastrophes, will eliminate one's ability to buy food in some form of market system, you might as well prepare for a cataclysmic meteor strike or the implosion of the sun.

If you insist on worrying and must plan for the worst of all possible worlds, you're better off holding a diversified portfolio of cash: dollars, Euros, Swiss Francs, even some gold. But note well the cost of such hoarding, which is the opportunity to invest one's wealth in assets like stocks, bonds or real estate that yield actual incomes and grow in value to provide a better future standard of living for the saver-investor.

Jesus Christ articulated this principle clearly in the well-known parable of the talents (Matt. 25:14-30). A wealthy man had left significant sums of money to three servants to invest on his behalf while he was away. The first and second servants were praised for achieving 100 percent net returns and were entrusted with larger roles in the man's business. The third servant, however, merely hoarded (buried) the money, fearing potential failure and the loss of principal. The wealthy man rebukes this "wicked and slothful" servant for refusing to invest the money, and this "worthless" servant is condemned to "outer darkness," where there is "weeping and gnashing of teeth."

A healthy and balanced economic worldview should be able to recognize the hazard of saving too much — by literally setting aside wealth as did the slothful servant — just as much as it recognizes the threat of saving too little by living extravagantly. Solomon warned of "a grievous evil that I have seen under the sun: riches were kept by their owner to his hurt, and those riches were lost in a bad venture . . . As he came from his mother's womb he shall go again, naked as he came, and shall take nothing for his toil that he may carry away in his hand." (Eccl. 5:13-16). Indeed, you can't take it with you, but there is a

wise and a foolish way to save and prepare for the future. You don't want to be the grasshopper of Aesop's fable, but neither do you want to be Scrooge McDuck, who fetishized his cash and stored it in a huge silo.

At times we all may be like that slothful 3rd servant, afraid to take risks and try to grow, through investment and enterprise, whatever wealth God has entrusted to us. But, thanks be to God, Jesus Christ did not come to be a financial guru, but our savior — to die and rise again and so forgive our sins of mismanagement and failure to trust in God's provision, along with all other sins. So, forgiven and relieved of our guilt and fear of failure, we can apply God's gift of reason through economic and financial learning to seek wise management and growth of those resources He has given us.

by T. NORMAN VAN COTT, Ph.D.

The author, an adjunct scholar for the foundation, is a professor of economics at Ball State University.



The Keynesian Multiplier

(Dec. 15) — The notion that additional government expenditures magically increase national output is ingrained in the national psyche. Keynesian economics professors can certainly take credit for this mindset; it is they who have schooled multiple generations of college students in Keynesian multiplier analysis. The professors' counter-intuitive tease in this effort has always been what is called the "balanced budget multiplier" (BBM). That is, even with equal increases in government spending and taxes increase output, output should supposedly rise by the same amount that spending and taxes rise.

The BBM is what Keynesians call a hybrid multiplier, meaning it combines the putative positive effects of increased government spending and the putative negative effects of higher taxes. Multiplier champions and skeptics spar with statistical evidence supporting their respective

positions. While the BBM traces to the early 1940's, it is not a long-discarded Keynesian relic. Indeed, it still appears in the current textbook literature.

The BBM is so at odds with simple economic logic that it should be an embarrassment for the economics profession. Strong words? Yes. But how else to describe economic nonsense? (I should note that I made this point in an abbreviated Wall Street Journal letter-to-the-editor some years ago. The letter was in response to an op-ed by Allan Meltzer outlining the failings of Keynesian policy making).

Let's begin by taking claims of the balanced budget multiplier at face value. That is, suppose a balanced budget increase in government spending really does increase national income by the same amount. To my knowledge, no one has ever noted the lack of incentive to produce the additional output. Think about it for a moment: If output and taxes rise by the same amount, as asserted by BBM expositors, this means producers' after-tax income is unaltered by the fiscal action. That should lead to an obvious question: Why will additional output be produced when its producers receive no additional income for doing so? However obvious, the question has never been asked let alone answered in the macroeconomics literature. Decades of balanced budget multiplier expositors, Nobel-laden and otherwise, would have us believe the impossible — output is produced even though its alleged producers receive no net-of-tax claim on output for doing so.

What explains such inattention to economic basics? I don't know. Maybe it's the diagrammatics and mathematics. The procedure lends a scientific aura — although I would argue fog — to the discussion. Notwithstanding this flaw, Paul Samuelson, the first American to win a Nobel Prize in economics, once labeled the balanced budget multiplier as “classical.”

The closest anyone has come to recognizing this flaw is a New York Times op-ed, by Yale University's Robert Shiller, who noted that following a balanced budget increase in

government expenditures, “. . . people have the same disposable income before and after. So there is no reason for people as a whole, taken as a group, to change their economic behavior. But the national income has increased by the amount of government expenditures, and job opportunities have increased in proportion” (emphasis added). In other words, Shiller would have us believe that additional output gets produced even though incentives are lacking.

All government expenditures are financed by taxes, so it follows that all multiplier theorizing should be suspect.

The fact that such nonsense follows upon hybridizing the expenditure and tax multipliers should give multiplier expositors pause about the hybrid's components, especially since all government expenditures in the final analysis are financed by taxes, assuming we think like economists instead of accountants. That is, if new money finances the additional government expenditures, the tax is a tax on money, called “seigniorage.” Borrowing to finance the additional expenditures hinges on the government's ability to repay via future taxation. Borrowing is delayed taxation.

It follows that all multiplier theorizing should be suspect. If one wants to speak about the effect of government's fiscal expansions on national output, one must explain that the particular fiscal expansion (say, refining the definition of property rights) is superior to the necessary contraction in the private sector due to the additional taxes. Sorry, but additional government expenditures to enforce a higher minimum wage won't do it.

A version of this essay was published by the Foundation for Economic Education.

Cuba Can't Blame U.S. Embargo

(Dec. 6) — A recent letter to my hometown newspaper included an erroneous assumption regarding the now decades-old debate about the U.S. embargo on Cuba. Debaters, both pro and con, take it as given that Cubans would be inundated with things American should the

embargo be lifted. Nothing could be further from the truth. For left-liberal opponents of the embargo, the error probably traces to wishful thinking — it seems they always want to prop up communist regimes. For conservative supporters of the embargo, the position probably reflects knee-jerk anxieties about the United States' being played for a fool.

Wishful thinking and anxieties aside, no people in a country can buy things from other countries unless they can sell things to them. Those with little to sell necessarily buy little. Economic deprivation never put Tom, Dick or Harry at the head of the line to buy things, and so it is with countries. Countries earn their spot in line by being productive.

With or without the U.S. embargo, Cuba has little to sell others. Its economy is a textbook example of what happens when the lifeblood of economic progress — private property and voluntary exchange — are trashed. For over 40 years, Cuban natural resources and human talent have wallowed in a communist quicksand of perverse incentives. The U.S. embargo didn't put Cuba at the back of the line, thank you. No, Marx, Lenin and Stalin taught Castro all he needed to know to get there. The embargo issue is a red herring when it comes to Cuba's ability to buy from other countries.

It's true that economists teach that international trade makes countries more productive. Does this mean that the embargo cuts Cuba out of these gains? Not at all. Gains from international trade are themselves the result of private property and voluntary exchange. They occur as owners of resources respond to price and profit signals implicit in world prices, thereby channeling the resources into areas of maximum national advantage. Cuba's institutions prevent this.

What about U.S. capitalists' funding a myriad of investment projects in Cuba if the embargo were abolished? Fat chance. Again, Cuba has a proven track record of hostility toward private property in general and foreign (especially U.S.)

investment in particular. Capitalists have their own wealth on the line when funding new ventures. Only those bent on self-destruction would venture into a daunting situation like that of Cuba.

This is not to deny that numerous investment possibilities exist in Cuba. Why shouldn't there be? The country has endured over 40 years of economic gobbledygook. But there is a deep chasm between potential investment projects and economically viable investment projects, a chasm made impassable in this case by Cuba's intransigence when it comes to private property and voluntary exchange.

Ironically, the big losers from the embargo's passing into history would be the communist cronies of the late Fidel Castro. For over four decades they have been able to ascribe the failure of the Cuban economy to the U.S. embargo. Blaming foreigners for homegrown economic ills is not unique to Cuba. The practice has a long history. What makes the Cuban embargo different is that the foreigners — that is, the United States — handed Castro his red herring on a silver platter.

So the United States ended up being played for a fool after all, but not for reasons the conservative proponents of the embargo have long argued. Rather, it's the very success these proponents have enjoyed in sustaining the embargo that has led to this unfortunate result.

Fidel and Roberto, a Comparison

(Nov. 29) — The October 1997 death of Roberto Goizueta, the former CEO of Coca-Cola who fled Cuba in 1961, and the recent death of Fidel Castro, Cuba's president for life, offers an opportunity to make a telling comment on the Cuban economy. To wit, the corporate regime of a single Cuban emigrant generated sufficient wealth to more than double the average living standard of Cuba.

The market value of the Coca-Cola Company increased by \$141 billion (\$4 billion to \$145 billion) between 1981 and 1997, the period when

Goizueta led Coca-Cola. Suppose you invested \$141 billion in the stock market. What yearly return, on average, could you expect from your investment? The usual approach to such a question is to look at previous returns in the stock market over a long period of time.

It turns out that the Standard & Poor's 500 Index grew at an average annual rate of 10.7 percent for the 70 years between 1927 and 1996. Investing \$141 billion at this rate of return yields an average yearly income of \$15 billion. CIA statistics say that Cuba's national income is \$14.7 billion. In other words, the increase in Coca-Cola wealth under Goizueta could have expected to generate more income than 11 million Cubans under the late Fidel Castro.

Admittedly, Goizueta wasn't solely responsible for the more than 36-fold increase in Coca-Cola shareholder value. He had help from Coca-Cola's 32,000 employees, the opening of world markets, and a booming U.S. stock market. Nevertheless, Goizueta was at the helm when the wealth-increasing decisions were made. The buck stopped at his desk.

Regardless of how one partitions the \$141 billion between Goizueta's efforts and other factors, he garnered but a small fraction of the increase. Most of the increase went to other shareholders; at his death, Goizueta is reported to have held \$1 billion of Coca-Cola stock. This is less than one percent of the rise in the value of Coke stock. Moreover, the increase in the value of Coca-Cola stock actually understates the wealth created under the Goizueta regime. Additional value, not captured in the stock price, accrued to Coca-Cola employees, suppliers, distributors, and consumers.

Creating wealth entails expanding the network of voluntary exchanges in the marketplace. Roberto Goizueta never forced anyone to drink a Coke, never expropriated anyone's assets, and never forcibly drafted anyone into Coca-Cola's service. Rather, he was a talented wealth creator who shared his wealth among many. Fidel Castro was another Cuban of Goizueta's generation who

talked a lot about sharing wealth. Fidel Castro's methods, however, differed radically from those of Roberto Goizueta. Confiscation of wealth, forced labor and jail sentences for opponents were the hallmark of his regime. Is it any wonder that Roberto Goizueta and 32,000 Coca-Cola employees could outdo Fidel Castro and his 11 million "slaves"?

Some might interpret all this as a justification for Fidel Castro and others like him prohibiting emigration from their countries. That way, goes the argument, Goizueta would have produced wealth for Cuba instead of Coca-Cola. This misses the point completely. Even if Fidel Castro had been prescient enough to recognize Goizueta's managerial/entrepreneurial potential in 1961, and then prevented his departure, it is safe to say that Goizueta's talents would have languished in a communist quicksand of perverse incentives. Cuba's current living standards would be little changed.

In the end, societies that stifle voluntary exchange waste the talents and resources of their people. That's why Fidel could never match Roberto when it came to sharing wealth. You can't share what you don't have.

Written with Cecil Bohanon, Ph.D., an adjunct scholar of the foundation and a professor of economics at Ball State University. A version of this essay was published by the Foundation for Economic Education.

Hurricanes, Property and Haiti

(Nov. 22) — Some years ago, I saw television advertisements by the lumber and wood products firm Weyerhaeuser Corporation. The ads began by showing Weyerhaeuser employees having just finished clear-cutting a mountainside in the Pacific Northwest. The next portion of the ad showed other Weyerhaeuser employees tromping up and down the clear-cut mountainside planting tree seedlings. The final portion showed Weyerhaeuser aircraft flying over the mountainside fertilizing the seedlings. Before you start extolling Weyerhaeuser's commitment to

socially responsible forestry, let me remind you that Weyerhaeuser stockholders currently own 13,000,000 acres of U.S. forest lands. That means Weyerhaeuser employees, responsible to these stockholders, determine when to harvest a forest based on such things as the current and expected future prices of lumber and wood products, the costs of harvesting, expected rate of tree growth, and the interest rate. Likewise, stockholders have an incentive to replant the clearcut mountainsides because owning the land assures them, and no one else, of being able to harvest the trees. Ditto for the fertilizing decision. The stockholders get to enjoy the return on the fertilizer.

Against this backdrop, consider what happened in Haiti following Hurricane Matthew. It didn't take long for the world's emotional members to begin lamenting how Haiti gets the raw end of natural disasters. There were the reports of cholera bacteria being washed down mountains devoid of forests. Water supplies were being infected by cholera. Many lives were threatened. Did the lamenters ask why the Haitian mountains were devoid of trees and undergrowth? Did anyone ask why the land had not been replanted and tended? No. Rather, calls for compassionate aid to Haitians went out, and discussion stopped there.

The same story applies to the hurricane's destruction of shoddily built housing. While the damage and loss of life here were not as extensive as what occurred in Haiti's 2010 earthquake, calls for compassion by governmental and non-governmental organizations arose. Again, discussion stopped there.

While some raised misgivings about aid being dispensed by the wrong organizations; others took exception about the immediate recipients of the aid, and still others questioned whether Haiti had received so much aid since the earthquake that a welfare ethos was being built into Haitians. However, no one has been willing to think seriously about Haiti's travail beyond its supposed victimhood status. In particular, why are the Haitian mountains devoid of trees and foliage

enabling cholera bacteria to wash down into water supplies? Likewise, why is so much housing shoddily constructed?

The Heritage Foundation in Washington, D.C. publishes an "Index of Economic Freedom" each year for countries around the world. Haiti's current ranking is 150 out of 178 countries. The Heritage Foundation notes that the security of property rights in Haiti is a matter of concern. When the 2010 earthquake occurred, Haiti was ranked 141 out of 179 countries. So Haiti actually regressed relative to other countries.

Is it any surprise Haitians practiced a "cut and get out" policy with respect to their forests? Economist Hernando de Soto's celebrated book, *The Mystery of Capital*, gives some specifics about the pathetic state of private property rights in Haiti. For Haitians to settle legally on government land, they must first lease it from the government for five years. Finalizing a lease requires 65 bureaucratic steps, taking two years on average. Then things get worse. Subsequent purchase requires another 111 bureaucratic steps, taking 12 more years – 19 years of red tape in a country where, to compound the problem, illiteracy is pervasive. He estimates that 68 percent of Haitian city dwellers and 97 percent of their rural counterparts live in housing for which no one has a clear legal title.

Is it any surprise Haitians practiced a "cut and get out" policy with respect to formerly forested Haitian hills and mountains? Not at all. Likewise, if you were building a house for which you had no legal title, how interested would you be in building a more durable structure? Not very, I submit. Indeed, you're unsure about whether someone can come along and take away "your" house, and you're unsure about your ability to sell the house in the future. The resulting deforested hills and mountains and shabby construction don't cause hurricanes, but they'll make hurricane-related damage more extensive – even fatal.

The reporting on Hurricane Matthew's destruction in Haiti was similar to the reporting on the 2010 earthquake there and the decade after

decade of failed harvests caused by “bad weather” in the former Soviet Union— to wit, never, never, ever, ever mention the role that private property rights play.

Absent this lesson, however, Haitians are doomed to repeat its most recent disaster.

A version of this essay originally was published by the Foundation for Economic Education.

by MAJ. RYAN CUMMINS

The author, an adjunct scholar of the foundation and the owner of a family business, served two terms on the Terre Haute Council, including a year as chairman of its appropriations committee.



The Problem Is Spending, not Tax Caps

(Oct. 30) — It’s municipal budget season and is anyone else tired of listening to sky-is-falling rhetoric from officeholders unwilling to make hard decisions about spending in a tight economy? Last week, yet another Indiana mayor weighed in on the fiscal “disaster” wrought by property-tax caps.

David Kitchell of Logansport, in the always sympathetic Fort Wayne Journal Gazette, didn’t waste any time launching into his version of the Washington Monument Syndrome in which losing the most visible or appreciated service is the reflexive action when faced with a budget cut: “It means there may be fewer police on the streets and deputies on the road . . . It means there may be fewer firefighters and teachers . . .”

When the tax-dollar gravy train is in danger of derailing, you see, try to paint a picture of anarchy in the streets. Surely that will get them to cough up more money for all the vital services supplied by government. So the mayor goes on, arriving at the solution of those without the principles or courage to actually solve the problems of government: “. . . other local taxes will probably have to be raised to compensate for the loss in

property-tax funding” If you are a taxpayer in Logansport, then, grab hold of your wallet. If you are a business person currently considering Logansport, let Mayor Kitchell’s declaration sink in before you make your investment decision. For if the mayor there has a beef with property-tax caps and their negative effects on his city, you should know that the negative effects are only on his ability to spend other people’s money without constraint.

Kitchell of course is not the only Indiana mayor making this case. But standing in opposition have been researchers who for 10 years have countered his policies of convenience. They have made clear in cited article after cited article that caps on property taxes are not a mere policy glitch that must be smoothed out but the signal that there has to be a significant change in the fundamental way local government operates.

Local government spending was causing crushing tax burdens that seriously affected homes and businesses. Caps were the answer implemented by the state legislature to spending that could not or would not be reined in by mayors, commissioners or councils.

Agree with that rationale or not, once a tax cap was passed it should have been obviously necessary for cities and counties to make those fundamental changes in the way they operated — that or prepare to face financial ruin, bankruptcy, etc. It could have been no secret or surprise to anyone who was paying attention that revenues would decline.

The obviously necessary was ignored. Virtually no Indiana local government changed. Instead, they implemented new fees, charges and direct taxes so they didn’t have to make those tough decisions on spending or how cities operate. The motivating factors? Lack of principles, lack of political courage and fear of public employee unions, not legislatively imposed tax caps.

Now mayors and councils are complaining about the tax-cap “wolf” at the door. Their beleaguered constituencies should know, though, that there isn’t a revenue problem, there is a

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spending problem. And if they don't correct it, the State Board of Accounts will be telling more cities what they recently told mine, that there is "substantial doubts about its ability to continue to operate as a city."

Allowing tax levels to creep back up may make life easier for local government it will make it more difficult for taxpayers — even worse than before caps, in my opinion.

So what is a modern electorate to do? Independent groups such as the Indiana Policy Review have documented in detail the challenges that come with property-tax caps. They have listed the specific steps necessary to meet them and remain financially solvent. They are summarized here:

- Limit local government to only the truly essential functions, e.g., the protection of life, liberty, and property. If it's not essential, stop funding it.
- Put essential functions to the market test.
- Base compensation on objective, measurable standards; require public employees to compete both with each other and potential market providers of the same or similar services.

Mayors, commissioners, council members have a duty to the citizen taxpayer, not to public employees, bureaucrats, politically favored businesses or groups. At least as far as public employees and associated bureaucrats are concerned, they exist to serve citizens, not to be served.

Indeed, those mayors, commissioners and council members who free their cities, who seek and achieve substantially lower tax and regulatory burdens, will have a competitive advantage. For property tax caps literally mean that money stays in the pockets of those who earn it rather than going to government. That is always a good thing. For everything that local government does — or at any level, for that matter — is not vital in the full sense of the word.

Again, there was a reason tax caps were implemented. It was to protect property owners and other taxpayers from short-sighted,

disastrous, out-of-control spending policies pushed by mayors such as the one in Logansport.

Resources

<http://www.journalgazette.net/opinion/columns/Circuit-broken-15878907>

http://www.tribstar.com/news/local_news/state-audit-finds-doubt-about-city-s-financial-future/article_528db627-7816-5ff2-9b33-602743f56d53.html

<http://www.pageturnpro.com/Indiana-Policy-Review-Foundation/9498-Winter-2010/index.html#1>

<http://inpolicy.org/wp-content/themes/IPR10/journals/winter2011.pdf>

by CECIL BOHANON, Ph.D.

The author, an adjunct scholar of the foundation, is a professor of economics at Ball State University.

In Defense of Ideas, Discussion, at BSU



(Oct. 11) — Recently, a scholar from Liberty Fund, an Indianapolis-based educational foundation, visited Ball State University and gave a lecture entitled "Karl Marx 101" to the student-led Economics Club. Twenty or so students attended. About half of them had read the assigned excerpts from Marx and Engels' "Communist Manifesto." Dr. Peter Mentzel provided some biographical details about Karl Marx and outlined three major themes of Marx's analysis.

First, like Adam Smith and David Ricardo, Marx believed in a labor theory of value. Unlike his intellectual forbears, however, he developed a corollary theory of worker exploitation that informed much of his thinking. Second, Marx argued that the division of labor pigeonholed workers into mind-numbing repetitive task; work loses its "charm" (Marx's word) and becomes a dehumanizing and soul-drenching part of life

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under a capitalist mode of production. He called this alienation. Third, Marx believed in scientific socialism. In this view, economies develop in predetermined ways that inevitably lead to socialism that will ultimately end history and class struggle. Many other points were made and developed, but that gives an overview.

After the lecture, there was a lively question-and-answer period. This was followed by a dinner at a local Chinese restaurant — served family style — where we continued the conversation about Marx and other matters. What was clear to all is that Dr. Mentzel was neither trying to promote Marx nor to denigrate him; rather, the point was to understand him.

Did some of the students raise critical question about Marx's insights? Did some students note that Marx was prescient in certain ways? You bet they did. The discussion was, again, lively. It was not tense. All showed mutual respect for differences of opinion. On the way back to campus one student in my car commented that he really liked Econ Club: "You always learn something."

In my humble opinion this is what a university education is supposed to be about: students engaging with professors and scholars about ideas in a convivial setting. Indeed, there should be nothing remarkable about any of this, but there is something that some may find surprising: The lecture and discussion are part of a programmatic and collaborative effort between the Department of Economics and the John Schnatter Institute, which has recently been funded by Mr. Schnatter of Papa John's pizza fame and the Charles Koch Foundation.

There is an organized effort on the part of some both within and outside the Ball State community to reject resources from the Koch Foundation. The claim is that Koch educational support is simply a subterfuge for promoting Koch's special interest. There is also the suggestion that because the full title of the Ball State Center is The John H. Schnatter Institute for Entrepreneurship and Free Enterprise, its activities will be shallow propaganda in support of

free enterprise. As a matter of disclosure, I have received a number of grants from the Koch Foundation over the last few years to support student activities. The lecture event described above is a much better representation of our work than what our critics' fear.

To see other examples of the Koch dollars on campus please view the student-produced educational films here and judge for yourself.

This is the vision of the free enterprise educational component of the Schnatter Center. Neither political nor polemic, the Center will examine ideas, look at evidence and encourage thoughtful discussion and reflection.

by MITCH HARPER

The author, a veteran legislator and councilman, most recently was the Republican candidate for mayor in Fort Wayne. An attorney, he edits the blog *Fort Wayne Observed*.



History Is Against the Business Personal Property Tax

(Sept. 28) — A few years ago, my city council considered a personal property tax abatement for a specific business. There was a lengthy discussion of the particulars of that request — quite lengthy.

After the other council members had spoken, I raised my hand to speak. I noted we had used up a lot of time talking about a specific business personal property tax abatement of a single business.

I said that the view from 18,000 feet might be instructive. Rather than discuss the minutia of a particular abatement on an investment in productive equipment, Indiana would do better to eliminate the business personal property tax altogether.

It is a tax on productivity. It is a tax on growth. It is a remaining disincentive to Indiana's attractiveness as a place to locate new manufacturing industry or invest in new information technology. It has outlived its history.

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And it is a relic among almost all other states. If it were not, the council would not be debating the offering of business personal property abatement. If it were not, there would not be a carve out in enterprise zones.

After my remarks, an economic development director in another part of the state took issue with my argument. I met him for lunch; he is someone I respect. But here is what he told me: If you take away the imposition of the tax it is one less economic-development tool to offer.

That is, you have to have certain taxes to be able to take them off the table. I asked him whether that made any sense when other states didn't have the tax in the first place. He conceded my point.

The merits of taxes are, in part, measured in terms of "frictional costs." That is, how much are the compliance and preparation costs relative to the tax collected. The business personal property tax, with its continued record keeping, preparation and filing, is a tax with a high frictional cost. That is particularly true for firms with mobile assets. It is even more true for those who have applied for abatement and need to file compliance documents.

I quipped in an editorial interview five years ago that tax abatement is "God's way of telling you taxes are too high" — too high for certain activity or it wouldn't be offered. Business personal property taxation discourages jobs. It discourages investment in new equipment. It taxes capital equipment that adds value to manufactured goods. We want value-added jobs, manufacturing jobs, those that help the Hoosier State compete with neighboring states and the rest of the world.

There has been much talk of "lost revenue." But this is not on existing revenue. And much of the talk, most of the talk, has come from people who have been interested in maximizing revenue

from taxes. The money is not lost. It is just that it remains in the hands of businesses and people who will decide for themselves how to spend it, or save it, or invest it. Decisions that result in spending creating greater economic activity.

The tax has been on a historical path to elimination for 60 years now — actually, longer than that. Change in personal property taxation was desired for decades before public officials, finally, enacted each step that shrank the reach of taxation of personal property.

At one time, it applied to personal property — a homeowner's furniture, appliances, even bicycles. The assessor could come onto your property and inside your home to count the Frigidaire, the Roper or even the Schwinn.

But the Legislature eliminated that. Then it converted the personal property tax on automobiles (an extension of taxing buggies earlier) and substituted the auto excise tax.

It took several decades for the next steps to be enacted. It was one that resulted in the elimination of the business inventory tax, a tax which had hindered this state, "the Crossroads of America," as a shipping and distribution hub and had negated the geographic advantages of being within a days drive of half the U.S. population.

So, Indiana's history on this general issue is this: 1) personal property taxation of individuals ended; 2) personal property taxation of automobiles ended; and 3) business personal property taxation on inventory ended.

The trend is as clear as it is welcome. The Indiana Legislature now has taken an interim step exempting another such tax business property, one that allows a geographic area to give itself a competitive advantage for business investment in growth — real growth.

It will be interesting to see which areas take advantage of it. ◆



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