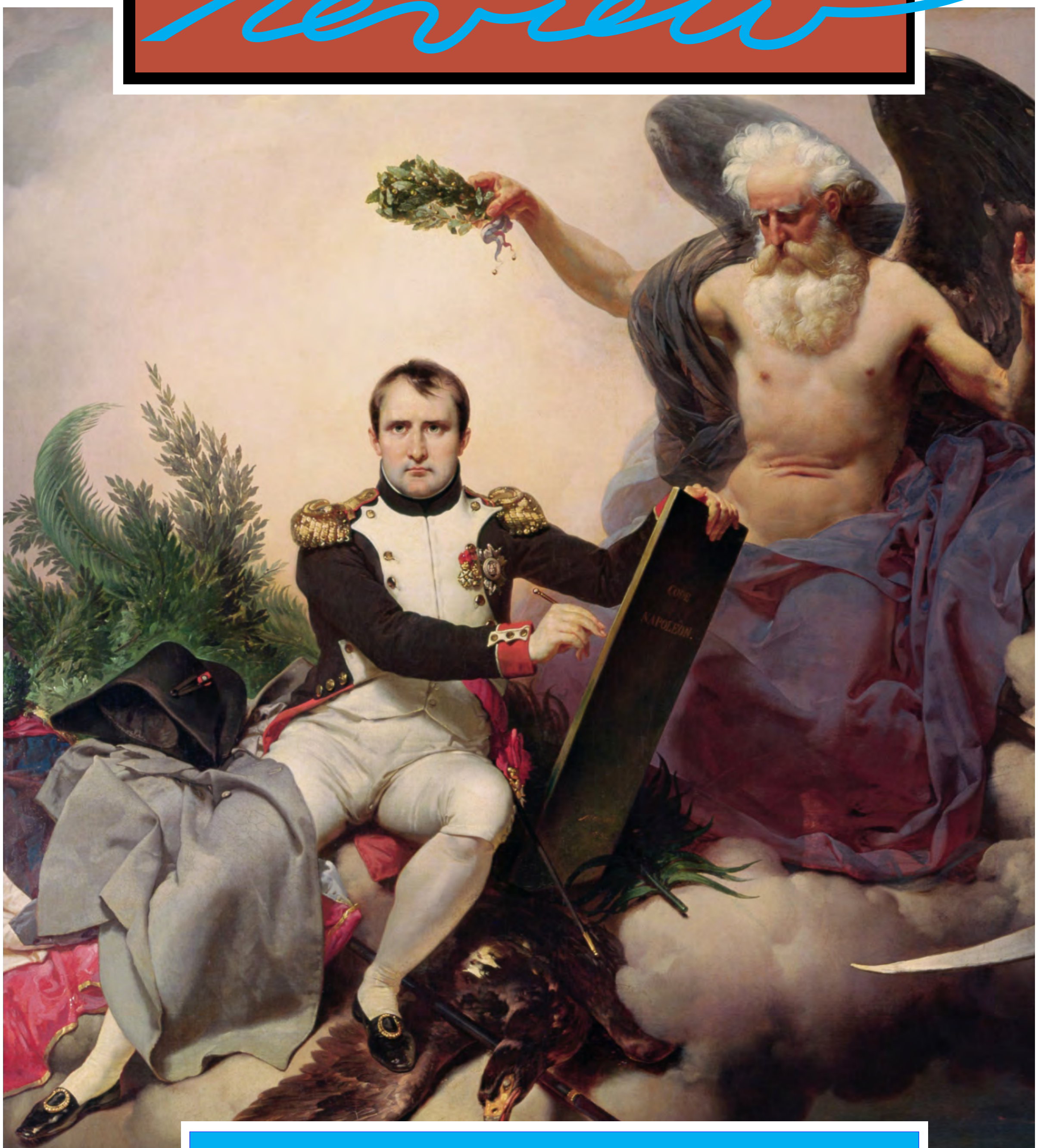
INDIANA POLICY review



Time Zones, Healthcare, Education, Religion

THE ARROGANCE OF GOVERNMENT

"A future that works"

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

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

INDIANA POLICY review

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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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Joyce A. Preest, copy editor; Robert and Lisa Barnum, graphic design. The cover: "Napoleon Crowned by Time," before 1833 (oil on canvas).

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THE TUESDAY LUNCH

Indiana Time: A Casualty of Hubris

Napoleon Crowned by Time, before 1833 (oil on canvas)

When the tide defied Canute, the great Viking king, he lept back from the advancing water to proclaim: "Let all men know how empty and worthless is the power of kings, for there is none worthy of the name, but He whom heaven, earth, and sea obey by eternal laws."

Whereupon he hung his golden crown on a crucifix, never to wear it again.

So Canute exemplified not hubris but humility. If you want a honest-to-goodness, unrepentant example of official hubris, turn to Indiana's suspension of the fourth dimension of the physical universe.

Yes, it's back, the time-change debate. A Notre Dame professor says officialdom didn't fix the problem five years ago, it made it worse.

In the first in a group of essays that explores the arrogance of government, Dr. John Gaski addresses each of the arguments that led the governor, the Legislature, leaders in both political parties and even the state Chamber of Commerce to endorse what he calls the "worst of the worst" — that is, Eastern Time with daylight-saving time (DST), or what those in western Indiana disparage as "Fast-Fast Time."

His findings:

• On Eastern time, even centrally located Indianapolis averages 47 minutes ahead of astronomical solar time. And during the DST portion of the year, the city is 1:44 out of phase, for an annual average of 1:24 ahead of true solar time.

• Yes, there is a scientific argument that such changes in the timing of daily routine violate the quotidian sun cycle and cause physiological and psychological harm, *i.e.,* the collapse of the Colts offense.

• No, the safety of Indiana school children has not significantly improved as promised by the U.S. Department of Transportation.

• Yes, school delays and cancellations have increased.

• Yes, there is a 16-point decrement in SAT scores associated with Eastern time at our longitude.

• And yes, Indiana television stations can make more money on Eastern time at the expense of viewer convenience and flexibility of schedule.

Most troubling is the doubt that Dr. Gaski casts on a promise by the Indiana Chamber of Commerce and others that the time change would serve the "convenience of commerce":

> What we find is that commerce-adjusted time differences still favor the Central time zone for Indiana. The leaders of the Indiana Chamber of Commerce seemed not to understand, to put it benignly, that their own data verified Central time as better for Indiana economically.

Dr. Gaski proposes what he calls "the grand compromise," a petition on either Eastern time or daylight-saving time but not both.

"If you want more daylight, get up earlier."

(John Gregg, former Speaker of the Indiana House of Representatives)

If the decision is Eastern time, then Indiana goes back to the old regimen and repeals DST (with counties near Cincinnati and Louisville, as before, allowed to observe unofficial DST). If we want DST, though, we will have to live on Central time.

The solution tracks with an early poll predicting that 56 percent of Hoosiers would be unhappy with the current arrangement. And indeed, according to a recent national Rasmussen survey, 57 percent doubt that even DST is "worth the hassle."

Finally, the solution borrows nicely from the Canute example. Politicians hang up their titles of imagined power and let a higher power decide — in this case, a workday electorate that each morning must deal with an apolitical alarm clock. — *tcl*

TIME CHANGE: THE DETRIMENTAL EFFECTS

How so many people got something so important so wrong.

by JOHN GASKI

The most contentious and enduring public-policy issue in Indiana history may be the seemingly straightforward matter of "what time is it?" This analysis and commentary targets some unresolved aspects of the state of Indiana's recent change to daylight-saving time in conjunction with near-statewide Eastern time. Highlighted is the erroneous economic and commercial basis for the new regimen, along with educational and humane implications. Finally, a comprehensive position is taken and a proposal for resolution is outlined.

Although the concentration here is the Indiana situation, lessons can be generalized to other states, counties and regions facing similar time-policy considerations. Ultimately, a critical appraisal of one of the most incendiary and possibly fateful policy decisions by the U.S. federal government in recent years, even though provincially-focused, is offered as suitable grist for the journal audience.

Even those who are based nowhere near Indiana may be aware of the state's convulsive time legislation experience, especially the most-recent such spasm of 2005-06. After nearly six decades of resistance, the Indiana Legislature approved daylight-saving time in the spring of 2005. The principal motivation for proponents, prominently including the state Chamber of Commerce and Governor Mitch Daniels, was work-day consistency and seasonal alignment with most of the rest of the country, which was expected to facilitate business convenience. That is, no more confusion by out-of-state, daylight-saving observant business contacts over the exact hour in Indiana.

This action only set in motion a derivative controversy about whether to be assigned to the Eastern or Central time zone. Although most of Indiana had nominally been in the Eastern zone for 40 years, because of non-observance of daylight-saving time (DST, equivalent to "Summer Time" in the U.K.), the state was effectively on Central time for six or seven months per year during that 40-year period. True to form, different Indiana counties opted for different time zones via their 2005 petitions to the federal government, but the majority of the state, 76 of 92 counties, remains on Eastern time ever since DST has been imposed there. Yet because of some undesirable consequences of this temporal discontinuity, opposition to DST, Eastern time, or especially both, continues within broad areas of Indiana. Before considering the implications, a more detailed review of the underlying background would be helpful.

Daylight-Saving Time History

The history of DST should first acknowledge the history of standard time, which was adopted in the United States and internationally as an outcome of the Prime Meridian Conference of 1884. Before then, individual jurisdictions, even municipalities, established their own local times, producing a patchwork quilt of time zones. The obvious havoc this regime created for railroad schedules was the principal impetus for standard time.

Benjamin Franklin may actually have been the father of daylight-saving time via a 1784 essay (Goodman 1931), the idea culminating in British Summer Time, enacted by Parliament in 1916. Franklin's original rationale, remarkably enduring over the following two centuries, was energy savings — primarily from evening lamplight economies in his day. The desire to conserve national energy resources during the two world wars contributed additional American momentum, as DST was decreed in 1918-19 and 1942-45. U.S. states and localities had discretion over DST observance between 1945 and the late 1960s, when the Uniform Time Act (1966) created homogeneous national DST from April to October, subject to state or locality opt-out by ordinance. In 1986, the Reagan administration and Congress lengthened U.S. DST to approximately seven months per year from six, and now, as of March 2007, it extends for eight months, March to November (Energy Policy Act of 2005). Many foreign countries observe DST, but by no means all. Notable exceptions are China and India.

The Legislative Record

Overlaid upon this macro-history is the Hoosier state's idiosyncratic and tortuous relationship with one of the four dimensions of the physical universe, *i.e.,* time. Highlights, such as they are, are hereby recounted.

In 1949, literally under the cover of night, the Indiana Senate passed a bill to outlaw DST and mandate Central time. In the state House, however, urban and rural legislators, representing DST/Eastern versus standard/

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Central time interests respectively, could not come to agreement. Only after filibuster and literal breaking of the official chamber clock, ironically, to prolong the session, did the pro-Central, anti-DST bill pass. The law ultimately was ignored by communities favoring so-called "fast time."

In 1956, a non-binding state referendum found that a narrow majority of state voters preferred Central time without DST. A strong majority was opposed to the Eastern time zone along with DST. The next year the Indiana Legislature made Central time the official state time, but this law was repealed in 1961.

Based on a compromise plan initiated by the newly-formed U.S. Department of Transportation (DOT) in 1969, the Indiana Legislature approved Eastern Standard Time as the year-round technical norm for the state, with the understanding that the state would be exempted from mandatory DST by the United States Congress — producing the practicality of half-year Central time, in effect. The counties around Gary (near Chicago) and Evansville in the extreme southwest corner of Indiana would be allowed to abide by normal Central time with DST. This solution finally prevailed in 1972 after legislative override of Governor Edgar Whitcomb's veto and Congressional concurrence via amendment of the Uniform Time Act. The pact survived for 33 years until April 2005 when, after numerous failed attempts spanning decades, the Indiana Legislature passed a DST bill (Act to Amend the Indiana Code . . . 2005), thereby implementing it effective upon the next national clock change. Later that year came the time zone petitions and federal hearings.[1]

Children's Safety

During the 2005-06 time-zone debate in Indiana, one of the most compelling arguments against Eastern time, ostensibly, was that the contrived hour advancement caused extended morning darkness. This condition, in turn, was held to be an intolerable danger to schoolchildren because it required them to wait in darkness for the morning school bus, at least for major segments of the school year. Why is this such a problem for Indiana but not other parts of the country? The difference is that Indiana, if in the Eastern zone, is at the extreme western boundary of an artificially expanded time zone which grotesquely exaggerates consequences and problems such as the abnormal morning darkness (to be explicated presently). Most U.S. geography at Indiana's longitude is in the Central time zone.[2]

To what extent are children, and others, really being endangered by the time switch? Anecdotal accident reports from around the state are ominous (Evans and Tuohy 2006; Lopp 2007), although total traffic fatalities in the first partial DST year, 2006, may have been slightly reduced throughout Indiana (WANE.com 2007) — but short-term evidence is insufficient to establish a trend, and causality is inevitably more complex than this associative suggestion. (In fact, the improved safety record merely continues a four-year pattern.) More recent evidence suggests a spate of traffic accidents and abductions in Indiana's neo-a.m. cloak of darkness (Central Time Coalition 2009).

The best evidence on the subject comes from a classic National Bureau of Standards (NBS) study showing that the excessive morning darkness resulting from, for example, a position on the extreme western edge of the wrong time zone, does indeed increase motor vehicle fatalities to schoolchildren (U.S. National Bureau of Standards 1976). However, the U.S. Department of Transportation, which had the task of ruling on the petitions of 18 Indiana counties that applied to move to the Central time zone in 2005, did not buy this argument and disallowed most of the cases. As expressed in its Final Rule of January 18, 2006, "(A)s for the

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1. The neighboring state of Michigan has had an erratic time zone experience itself, along with DST variations, straddling the Central and Eastern zones in a variety of ways in different periods. In 1968 the Michigan state government, against the popular will in the western half of the state, decided to unify its territory (except for part of the Upper Peninsula) on Detroit's Eastern time, including DST. Many have believed the Detroit riots to be a precipitant, i.e., motivating later nightfall.

2. While on Eastern time, Indianapolis, in the middle of the state, averages 47 minutes ahead of astronomical solar time. The city is 1:44 out of phase, on average, during the daylight-saving portion of the year, for an annual average of 1:24 ahead of true solar time.

Because of daylight-saving combined with Eastern time, after-7:30 o'clock sunrises in Indianapolis will increase from 103 per year to 169, with the after-8 o'clock total rising from 52 to 72. By comparison, Chicago has none, New York has one, and Los Angeles has none. If on Central time, Indianapolis' total would be zero as well.

1976 National Bureau of Standards study . . . while there were reports of increased fatalities among school-age children in the mornings during the test period, it was impossible to determine whether this was due to daylight-saving time which would have resulted in a later sunrise" (U.S. Department of Transportation 2006). The DOT cited a 1975 report to Congress on the morning darkness danger issue: "(I)t has been discovered that, in the morning, school-age children fatal accidents were not significantly different from fatal accidents in the total population" (U.S. Department of Transportation 1975).

Unfortunately, the U.S. Department of Transportation misinterpreted this evidence in its Indiana time-zone decisions of 2005-06, thereby jeopardizing children in those counties whose Central zone petitions were rejected by the DOT. The department's use of the 1975 Congressional report to attempt to rebut the 1976 NBS study was no less than a *non sequitur*. Essentially, even if true that "school-age children fatal accidents were not significantly different," the relevant comparison is between (a) danger at a dark a.m. time and (b) danger at the same time with an hour's more daylight. In other words, even if schoolchildren and the total population share the same danger at a given early morning darkness time, the children (actually both groups) would be safer with an additional hour's worth of light. (This abstracts from possibly offsetting hazard to the general population from evening drive-time darkness — which would not apply to the schoolchildren segment, and is addressed subsequently.) So an Eastern zone decision adds to a.m. risk for schoolchildren by attaching the same degree of greater danger that the rest of the population also suffers — accepting the validity of the cited report. This, as should be obvious, is not valid evidence in rebuttal to the morning darkness danger argument.

In sum, the schoolchildren versus general population comparison is not on point. A schoolchildren-in-the-dark versus schoolchildren-in-the-light comparison is the proper one. Moreover, the NBS research post-dated the 1975 DOT Congressional report, and incorporated, reviewed and corrected it. Also noteworthy is that the DOT has accepted the NBS results in previous cases.

Whether it was a lapse of logic or misreading of the reported 1975 findings that led the DOT to conclude wrongly about this critical component of the issue in the Indiana instance, the damage has been done and some probability of dire future outcomes has been programmed. Because children's safety was acknowledged by DOT as a major element of its 2006 final ruling for Eastern time — hereby exposed as a fatuous nostrum — that decision should now be rendered and adjudged invalid and rightfully rescinded, especially in view of the potentially catastrophic consequences. Without attributing motives, an alternative interpretation of the DOT's inexplicably shallow dismissal of the child-safety concern is casuistry, for whatever reason. Contemporaneous reports from DOT personnel were that the Indiana state government had been applying unremitting pressure for an early and pro-Eastern time zone decision from the department, so an ethical question arises.

Quoting anonymously one of the state's leading Central time advocates (yes, there are opposing time-ideological factions), to capture and lend texture to the vehemence of that camp's position:

> Now do you see what we meant when we said Eastern time, along with daylight-saving time, would be wrong for most of Indiana? Now are you satisfied — when you see the small children waiting in pitch darkness for the morning school bus? Actually, most of those who supported DST with Eastern time couldn't care less about it because the little ones waiting on the street corner in the dark are not their children. Theirs are being chauffeured to school in the family SUV.

There most certainly is a class warfare subtext to this time issue. And the preceding quotation approximates the spirit of the Indiana state PTA and many school districts in contesting DST and Eastern time, the combination Indiana locals refer to as the odious "double fast time."

In fact, this ultimately may not even be an empirical question, but rather an analytical one. It seems physically inescapable that darkness during a.m. drive time will be more dangerous to children than the same during the evening, especially in the winter. There are problems of fog and black ice following the colder night-time temperatures that do not translate in the evening, following the warmer daytime, in addition to early morning driver and pedestrian drowsiness. Because of daylight-saving combined with Eastern time, after-7:30 sunrises in Indianapolis will increase from 103 per year to 169, with the after-8:00 total rising from 52 to 72. By comparison, Chicago has none, New York has one and Los Angeles has none. If on Central time, Indianapolis' total would be zero as well. Is the reader beginning to appreciate how this issue really does affect child safety?

One can suspect or accuse the Eastern/DST proponents of malfeasance only as a polemical last resort, despite appearances. Unfortunately and objectively, misfeasance is a realistic charge, compounded every time an Indiana child is injured or worse from an early-morning auto accident that would not have happened if the state were either (a) in the Central time zone or (b) not plagued with daylight-saving time, now to be extended into November and March. Then there is the increased risk of darkness-facilitated child abductions. Alarmist? It would be melodramatic to impugn the Eastern time backers, typified by business interests and their political clients, as having the proverbial blood on their hands (imagery befitting the high stakes, worst-case concern of the time zone "resistance movement"), but let us try telling that to the grieving families when the inevitable tragedy happens to the morning darkness-afflicted and endangered children. Cited evidence and logic say the Eastern time/DST detractors have a point (also see Coren 1998). And, no, there is no corresponding afternoon darkness danger if and when Indiana is on Central time. In that case, the earliest Indianapolis (or South Bend) sunset during the school year would be 4:20 p.m., with the earliest dusk at 4:50 p.m., long after the school buses have run. (This can be verified with Naval Observatory numbers at the website of the renowned Bloomington statistician, Mr. Jeff Sagarin, whose sports rankings appear in most U.S. daily newspapers: www.sagarin.com [Sagarin 2006].)

Furthermore, extant evidence purporting to show public-safety enhancement from extended evening daylight (qua DST or misplaced Eastern time; Aldrich 2005, p. 4) does not necessarily apply to an area on the far-flung fringe of the wrong, unnatural time zone, such as Indiana (or Michigan). In fact, other recent empirical evidence confirms the opposite, literally an increase in traffic accident rates of seven percent attributable to DST (Coren 1996). The 1973 federal law that required the nation to observe daylight time year-round was actually repealed less than a year later because of an increase in highway traffic deaths (Emergency Daylight-Saving Time Energy Conservation Act, 1974). The people of Indiana now suffer the equivalent of year-round daylight time, and then some, via irrational time-zone assignment.[3]

Subsidiary Issues: The Academics

Eastern-*cum*-daylight-saving time's transgression against Indiana children is not limited to school safety, regrettably. Forcing schoolchildren to awaken and try to function an hour (or two) earlier than their biological clocks command, an hour earlier than natural time, is detrimental to scholastic performance. This is the circadian rhythm problem, sometimes manifestly aggregated into "Seasonal Affective Disorder," which may appear to be gobbledygook until one discovers that it is true. For the individual's daily routine to grossly violate the quotidian sun cycle does indeed cause physiological and psychological harm. Persuasive scientific evidence in the medical literature affirms the phenomenon and connection. (See IARC 2007; Moore 2006; White *et al.* ["Incidence of Winter Depression Varies within Time Zones," Society for Light Treatment and Biological Rhythms] 2005-2006; National Sleep Foundation 2000.) The basic mechanism is the astronomical

Forcing schoolchildren to awaken and try to function an hour (or two) earlier than their biological clocks command, an hour earlier than natural time, is detrimental to scholastic performance.

3. If any alleged empirical benefits of Eastern time or DST would not materialize for Indiana because of dissimilar geographic characteristics between Indiana and the research locales (i.e., relative time zone position), then the detriments, e.g., traffic accidents, might not either, by the same reasoning. However, the extreme case of year-round DST, as repudiated nationally in 1974, does equate to Indiana's new condition, as would its ill effects.

When on Eastern time, the cumulative hourly difference between Indiana businesses and other U.S. contiguous time zones is: 3 (Pacific), 2 (Mountain), 1 (Central) and 0 (Eastern), for a total of six hours. If on Central time, the respective numbers are 2 + 1 + 0 + 1 = 4. In other words, Indiana is aligned with commerce in the rest of the country better if in the Central time zone.

light-darkness cycle that regulates human bio-rhythms, along with the derived lethargy from extended morning darkness, especially during winter — in contravention of the natural harmony — which undermines intellectual function and even emotion.

The dramatic results of White *et al.* (2006, p. 744) vivify well:

> (L)ater clock time of sunrise in winter . . . is . . . depressogenic. . . . (I)ncidence of winter major depression, . . . fatigability, hypersomnia, and weight gain were all significantly higher in the western tier of the Eastern time zone than in the . . . eastern tier of the Central time zone . . . The delayed clock time of sunrise in the western tier of a time zone exaggerates the incidence (of) winter depression, raises the proportion of people with clinically significant seasonality, and promotes atypical neurovegetative symptoms.

Frankly, the Seasonal Affective Disorder aspect should be a monumental issue in its own right, apart from its relation to scholastic achievement. "Leave it to downstate Indiana hicks to suddenly become conscious of the state's brain-drain problem and yet be blind to the root cause of other statewide brain damage that they, themselves, are causing" — as an observer from outside the state of Indiana concluded from all this (anonymously, again).

Forthcoming evidence actually finds about a 16-point decrement in SAT scores associated with Eastern daylight time at Indiana longitude, even controlling for socioeconomic status. (The study is based on longitudinal and cross-sectional data within Indiana's multiple combined time zone and DST regimen as a quasi-natural laboratory). The commercial and economic side-effects of such statewide "dumbing-down" should also be self-evident. Geographically similar Michigan has maintained Eastern time with daylight-saving for decades and now has the highest unemployment rate in the nation, though other causal variables such as "Big Three" auto manufacturer problems surely contribute.[4]

Still another academic dysfunction induced by "fast" Eastern time in Indiana is the greater frequency of weather-related school delays and cancellations. As testified to at various in-state hearings (U.S. Department of Transportation 2006, pp. 25-26) by school corporation officers and other public officials, that extra hour can make all the difference with a morning fog or snow delay, or a school district's decision to cancel a class day (a judgment which must be finalized within the first two hours of the daily schedule).

"It's for the children" has become the caricature and tedious mantra of the craven political charlatan. We can lament that tendency because it cheapens the impact when the quoted sentiment really is true. This, the Indiana time controversy, appears to be such a case.

Subsidiary Issues: Economics

But do not the economic arguments for Eastern time in Indiana outweigh the other concerns? The DOT is guided by "convenience of commerce" as its supreme criterion in deciding time-zone boundaries, after all. In reply, (1) the DOT acknowledges that "safety is the number one priority of the Department and we are committed to improving safety of school children" (U.S. Department of Transportation 2006, p. 27). (2) The most fundamental and important commerce of all is that between families and schools. The upshot of this realization is that the DOT erred in concluding that federal Executive Order No. 13045, "Protection of Children from Safety Risks," does not apply to the Indiana time-zone matter on the grounds of no economic significance (U.S. DOT 2006, p. 59). This negligence amounts to a crucial abdication by the DOT, and is further grounds for vacating the 2006 Indiana Final Rule. (3) To the U.S. DOT and Indiana Eastern-ophiles: If you do place financial gain ahead of education and children's safety, you probably should not admit it to anyone. (4) This may surprise readers who are more, rather than less, familiar with the history of this issue, but the economic case actually supports Central time for Indiana.

4. Indiana actually is nearly comparable to Michigan in automobile industry dependence, with an industry employment index of 5.0, second nationally only to Michigan's 7.0 as of 2005 (U.S. Bureau of Labor Statistics 2007). In terms of Gross State Product, nine percent of Indiana's is auto manufacturing-related (Indiana Business Magazine 2002). The auto industry factor would therefore be roughly constant across the two states.

The simplest way to explain it is this: When on Eastern time, the cumulative hourly difference between Indiana businesses and other U.S. contiguous time zones is 3 (Pacific), 2 (Mountain), 1 (Central) and 0 (Eastern), for a total of six hours. If on Central time, the respective numbers are 2 + 1 + 0 + 1 = 4. In other words, Indiana is aligned with commerce in the rest of the country better if in the Central time zone.

The state Chamber of Commerce has touted the fact that 39 percent of Indiana exports are to the Eastern time zone, more than go to any of the other three. So adjust the preceding set of numbers by zonal export volume, as shown here:

Table 1. Trade-weighted cumulative deviations from other time zones

SUM OF INDIANA TIME-ZONE DEVIATIONS (D), WEIGHTED BY EXPORT VOLUME

Zone - trade percent	d (if Eastern Zone)	d (if Central Zone)
Eastern - 39	0	39
CENTRAL - 25	25	0
Mountain - 11	22	11
Pacific - 25	75	50
	122	100

(Source: Indiana Chamber of Commerce)

What we find is that commerce-adjusted time differences still favor the Central time zone for Indiana. By flacking for Eastern time in the recent time-zone debate, the leaders of the Indiana Chamber of Commerce revealed that they fail to understand, to put it benignly, that their own data verify Central time as better for Indiana economically. We can make it even easier for them: If 39 percent of export trade is with Eastern, that means 61 percent goes to Central and points west. (Imports are about a 50-50 wash between Eastern and other zones, so the focus is on exports, which are the drivers of commerce anyway.) Let us also note that the economic center of gravity in the United States keeps shifting westward, according to every U.S. census over the past 200 years. Remarkably, some Indiana "Hoosiers" have concluded that it makes sense to buck that trend.

To elaborate this issue and refine the Table 1 approach, the "business-choice maximizing" model developed by faculty at Indiana University represents common (daily) business hours shared with other time zones, adjusted for zone population — *i.e.,* overlap with working hours in other time zones, population-weighted (Sagarin 2009). Table 2 data show that the Central time zone outperforms all other U.S. time zones on this score. The highest total number indicates the closest common economic alignment, that is.

Table 2. Business Choice Maximizing model results

POPULATION-WEIGHTED TEMPORAL COMMONALITY WITH OTHER TIME ZONES

Eastern	88.39 percent
CENTRAL	89.18 percent
Mountain	82.23 percent
Pacific	73.72 percent
Alaska	61.39 percent
Hawaiian-Aleutian	36.61 percent

Note: Totals represent percent of U.S. population working hours covered, even including non-contiguous time zones. (Source: www.kiva.net/~sagarin.)

The Eastern time proponents have also stressed the presumed advantage of temporal consistency with the financial markets of the U.S. East Coast. That argument is weakened not only by the preceding but by the instantaneous information transfer of modern e-technology. Frankly, it should have been diminished by the telephone and telegraph, as well.

Humane Issues and Political Ramifications

One other feature of this temporal mess that may come as news to Indianapolis and Fort Wayne area denizens is TV time. This may also seem bizarre to readers from out-of-region, but even during the months when most of Indiana was always on Chicago time, local television stations in the Fort Wayne and Indianapolis markets had actually delayed-broadcast all evening prime-time network programs by one hour, to install a perpetual eight-to-eleven p.m. prime-time schedule, instead of allowing the pleasure and convenience of seven-to-ten prime time, like Chicago and most of the Midwest have, for part of the year.

Note that the economic center of gravity in the United States keeps shifting westward, according to every U.S. census over the past 200 years. Remarkably, some "Hoosiers" have concluded that it makes sense to buck that trend.

By ordaining the Eastern with DST parlay, the result is that one side gets everything and the other side, in this case a statewide plurality at least, gets nothing. That is not fair. That is not ethical per either utilitarian or deontological norms. That is a prescription for endless political conflict, strife and disequilibrium over the time issue, an inherently unstable condition

Not surprisingly, they did this for their own convenience and money. That is, the hour-delayed prime time allows stations to sell local advertising for the coveted 7-to-8 p.m. period. (Oligopoly power in local broadcasting enables such consumer betrayal.)

Of course, different people have different preferences and some will simply find the later prime time more to their liking. Among those who have experienced both, though, the author would wager, based on exploratory empiricism, that most would prefer 7-to-10 because it allows more flexibility for the large audience numbers who watch the late news. (In this one case, only analytical hypothesizing is offered because of an absence of hard empirical evidence on the subject.)

The television-schedule issue may seem trivial, and compared to other dimensions covered here it may be, but it does indicate one other class-conflict aspect. For most working-class people, a few hours of evening TV constitute one of the meager entertainment options available, and eleven o'clock or so is just too late to stay up — hence, the social equitability of Central time. (Buy TiVo or a DVR? That suggestion would be the modern-day equivalent of "let them eat cake.") Again, the Republicans in the Indiana Legislature (who are responsible, along with the Governor, the Chamber types and U.S. DOT, for enacting Eastern daylight-saving time) have demonstrated that they have little sympathy for those people. Those Republicans also seem too myopic about this issue to grasp that such abject cynicism eventually tends to get politicians fired in a state like Indiana, so someone should remind them. They are hereby reminded by this registered Republican (which also confirms the non-partisanship of this whole exercise).

The above review of practical concerns may have the corollary effect of assisting non-Indianans in comprehending the intensity of DST- and time zone-charged emotional reactions on the part of Indiana residents. This perspective, in turn, will help illuminate the next iteration of our "time-wars" saga for outside onlookers, whatever and whenever it will be. Readers may be gathering that the Indiana time contest, as spectator sport, is truly something to behold. Outsiders can also be grateful that they do not have to live it.

The Politics

The political bedfellows on the Indiana time-zone issue are rather curious. Conservative Republicans line up with the liberal, "effete" East, preferring New York time, while nominally liberal Democrat legislators around the state align with Midwest values and Chicago time. Curious, indeed.

In this regard, the most critical long-term political implication of the time-zone/DST controversy apparently has never been understood by the state politicians who jammed Eastern DST down much of Indiana's collective throat despite widespread public opposition. The problem is this: Those who wanted daylight-saving time also generally supported Eastern time (just like six decades earlier). The Central time advocates also tended to be opposed to DST — because they were afraid their state would get stuck with both Eastern and daylight-saving. By ordaining the Eastern with DST parlay, the result is that one side gets everything and the other side, in this case a statewide plurality at least, gets nothing. That is not fair. That is not ethical per either utilitarian or deontological norms.[5] That is a prescription for endless political conflict, strife and disequilibrium over the time issue, an inherently unstable condition — but it also points the way to resolution: neo-compromise.

An enlightened and even Solomonic solution to the decades-long Indiana time dilemma is what may be called "the grand compromise." To wit, put the ball in the court of the Eastern DST side. Let them decide. Tell them they can have one or the other, Eastern time or DST, but not both. Let them choose one, and then the state government will enact. If Eastern time, then we go back to the old regimen and repeal DST. (There is something to be said for never having to adjust your

5. The nouveau status quo of DST/Eastern time fails the utilitarian (consequentialist or teleological) test by virtue of, at minimum, the preceding commercial trade statistics. Deontological deficiency is revealed by the invidious punishment directed at one particular, and very large, segment of the population, i.e., improper means.

clocks, as many Indianans may now be realizing. Arizona and Hawaii residents will experience heightened understanding also if they ever succumb to the temptation of daylight-saving time. And this is not to suggest that there are no benefits at all resulting from DST; it is a question of balance.) If DST, they — the Eastern and DST disciples — must then accede to Central time.

But the state cannot dictate time zone, can it? Sure it can, sort of. If the Indiana government would support a time zone petition for all or most of the state's counties, or whatever number would request zone reassignment, the U.S. DOT would be hard-pressed to deny it. Historically, the DOT defers to such a jurisdiction's consensus preference.[6] And, obviously, those pockets of counties in the Northwest, Southwest and Southeast corners of Indiana are special cases that should be allowed to continue to go their own ways.

(As mentioned, the counties around Evansville and near Chicago have operated on Central time all along. Those near Cincinnati and Louisville, Kentucky, were traditionally permitted to observe DST unofficially to remain synchronous with their metropolitan area practice. See Figure 1 map.)

To those who would oppose this accommodation rectifying the state's time conundrum on the grounds that Indiana time is now a "settled" issue, that sophistic, obstructionist position can be readily disqualified as self-contradiction and hypocrisy as well with one rhetorical question: Why not accept the status quo ante of five years ago as a "settled issue"? It had been settled for decades, after all.

Figure 1

Conclusion

Throughout this treatment, both sides of the debate have been given exposure. It is just that the pro-Eastern DST position — when applied to incompatible geography — is sometimes thin and vaporous to the point of canard, thus readily eclipsed. How, then, could the U.S. DOT come to rule against Central time for most Indiana-petitioning counties? Eastern time was accorded default status in the proceedings even though Central time was de facto the prevailing reality by a factor of seven-to-five; *i.e.,* Indiana had been on the equivalent of Central daylight time (literal Eastern standard), conjoined with Chicago, seven months per year for two decades. Therefore, the Central time side suffered an undue burden-of-proof impost. Also, the Indiana governor, after pledging official support for Central time before being elected, actively campaigned and lobbied against many counties' petitions (Sulok 2005).

Now, finally, a regional time zone plan for resolution and reconciliation is proffered that is equitable, sensible and addresses the error of what has been inflicted on the citizens of Indiana. The state's politicians may prudently wish to get on with it. If not, they may pay a heavy electoral price soon. And there is no need to stall with the kind of referendum that has been publicly proposed, either, because the 2005 opinion polls were that referendum, and few voted for the worst-of-worlds combination they have now. (Final results of a statewide poll conducted by SurveyUSA in 2005 were 56 percent for Central time and 32 percent favoring Eastern.)

The "time" has come, as the people of Indiana may now be timing their public servants. Fortunately, this article has supplied the ideal political cover: This time, it really *is* for the children.

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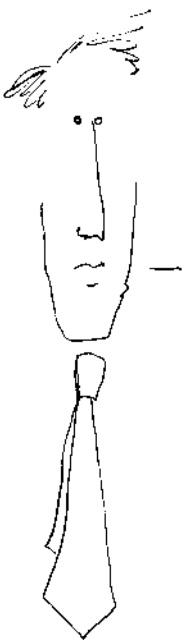
To those who would oppose an accommodation rectifying the state's time conundrum on the grounds that Indiana time is now a "settled" issue, a rhetorical question: Why not accept the status quo ante of five years ago as a "settled issue"? It had been settled for decades, after all.

6. The 2005 Indiana DST law required the state government to support any county petition for Central time. When it came time for that support to be given, the state redefined "what the meaning of the word 'support' is."



> *Time — the corrector when our judgments err.*
>
> *(Lord Byron)*

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FULL COLLECTIVE-BARGAINING REFORM IS STILL IN INDIANA'S FUTURE

It is the key to improving teacher quality, improving student outcomes and instituting school choice through student-centered funding.

by LISA SNELL

In Governor Mitch Daniels' December 2010 legislative agenda for education reform, he called for autonomy for school leaders to make the improvements necessary to bolster student achievement and be held responsible for the performance of their schools. He argued that collective-bargaining reform was essential to improve autonomy and accountability for principals. In *The Indiana Policy Review* (see "The Weighted Student Formula: Is There a Better Way to Fund Indiana Education?" 2007), I argued that principals need autonomy through school empowerment and more school choice for parents through a weighted-student formula. Collective-bargaining reform is essential to improve teacher quality and hold schools more accountable and is critical to moving toward a student-centered school-funding system that gives parents more education choice and gives school leaders the autonomy to make decisions at the school level.

On April 13, the Indiana House voted to prohibit any unionized school employee from bargaining over anything other than wages and benefits. The House voted 54-43 to amend S.B. 575, which limits teacher collective bargaining to wages and benefits, to include identical limits on all union school employees represented by a union other than the Indiana State Teachers Association. "What we're attempting to do is make it so everyone who is negotiating with a school would only be negotiating for wages and benefits," said state Rep. Robert Behning, R-Indianapolis, the sponsor.

S.B. 575 limits bargaining to only wage and benefit issues, prohibits contracts longer than the two-year state budget term, and outlaws any contract provision that would force a school corporation to incur a budget deficit. Supporters, led by Governor Daniels and state school superintendent Tony Bennett, argue the bill would free administrators to focus on education instead of having to negotiate over trivial matters, such as the color of the walls in teachers' lounges.

In the March 2011 *Northwest Indiana Times,* State Superintendent Tony Bennet argued that collective-bargaining reform is necessary to improve the quality of Indiana schools. "We have far too many places where the collective-bargaining process has stood in the way of providing the kind of flexibility, nimbleness and responsiveness we need in our schools."

Mr. Bennett pointed to some recent contracts to show how far away from actual education goals he thinks collective bargaining has strayed:

• From the East Chicago contract: "Teachers' lounges will be attractive, comfortable and spacious."

• From Hammond's contract: "Faculty meetings are limited to one per month."

• From Shelby Eastern Schools: "Teachers must be disciplined five separate times in response to five separate acts of misconduct before the contract can be canceled."

While these work rules may seem ridiculous, there is a much more significant issue about which to be concerned than just "trivial matters." Collective bargaining has a negative impact on teacher quality and the ability of school principals in Indiana to manage their teachers for the most-effective outcomes for students.

In Indiana collective-bargaining reform is essential to allow local schools more autonomy and freedom to use resources more efficiently, improve teacher quality and ultimately improve student outcomes. Collective-bargaining reform is moving to treat teachers

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Seniority rules, which in Indiana are found in teachers' contracts rather than state law, require that teachers be laid off according to seniority, without attention to classroom effectiveness. In other words, newer teachers are let go first, even if they're more effective than the veterans.

as professionals rather than just union members who have the option to fulfill minimal contract requirements. In Indiana the goal is to confine teacher contracts to wages and benefits and not have collective bargaining over issues such as class size, teacher workload or rules that restrict the principal's ability to make personnel decisions in the best interest of students.

While some public schools have experienced modest improvement in recent years, thousands of Hoosier children continue to languish in low-performing public schools despite continual reforms that have included funding increases, smaller class sizes, changes in teacher training and staff reconstitution. Significantly, in *Education Week's* 2011 Quality Counts Index which gives states an annual letter grade for student performance based on multiple factors like test scores and graduation rates, Indiana received a *D* in K-12 student performance ranking 26th overall. For example, Indiana ranked 29th on the National Assessment for Education Progress (the nation's benchmark for reading achievement) score for eighth-grade reading with less than 32 percent of eighth-graders being proficient in reading; Indiana ranked 37th on the number of students who pass the advanced placement (AP) high-school exams with a score of three or higher per 100 students with a score of 11 compared to the national average of 20; and Indiana ranked 26th for the state high-school graduation rate at 72 percent.

Collective-Bargaining Reform Can Improve Teacher Quality

Indiana's restrictions on collective bargaining are needed to improve teacher quality and student achievement. Numerous studies have shown that teacher quality is one of the most important school-controlled factors in student achievement. Education research shows that the effect of teaching on student learning is greater than student ethnicity, family income or class size.

Therefore, to the extent that work rules in teacher contracts hinder principals and other school leaders from making personnel decisions that ensure that students have the highest-quality teachers and that teachers have the most flexibility to do their jobs — then collective bargaining also interferes with student outcomes.

Indianapolis is the case in point. A 2009 study by The New Teacher Project (TNTP) found that Indianapolis Public Schools' (IPS) current layoff, transfer and evaluation policies fail to ensure that IPS schools are able to recruit and retain effective teachers. The TNTP study surveyed nearly 1,700 current teachers and principals in Indianapolis and reviewed both district and contractual policies, and analyzed teacher performance evaluation data. Seventy-five percent of current Indianapolis classroom teachers and 85 percent of IPS principals responded to the survey. The study found several key areas where collective bargaining negatively affects teacher quality in Indianapolis.

Seniority practices negatively affect teacher quality. In Indiana school districts use seniority as the central criteria for deciding which teachers will be laid off during budget shortfalls. These rules, which in Indiana are found in teachers' contracts rather than state law, require that teachers be laid off according to seniority, without attention to classroom effectiveness. In other words, newer teachers are let go first, even if they're more effective than the veterans. In Indianapolis, layoff policies are based exclusively on seniority, despite teacher and principal preferences for other factors to be considered. The agreement between Indianapolis and the union requires that layoffs be determined strictly by length of teaching service in the district. In the TNTP study 90 percent of Indianapolis principals report losing a teacher they wanted to keep due to the current layoff policy, and 74 percent of teachers and 98 percent of principals believe that factors in addition to seniority should be considered when layoffs are necessary. In the TNTP survey additional factors preferred by teachers included: classroom management, teacher attendance and instructional performance based upon an evaluation rating.

In addition, K-12 school districts that lay off personnel according to seniority cause disproportionate damage to their programs and students than if layoffs were determined on a seniority-neutral basis. Marguerite Roza, a senior scholar at the Center on Reinventing Public Education, calculates that if a district is required to use layoffs to cut its budget by 10 percent and cuts the most-junior employees, it will need to remove 14.3 percent of its workforce to meet the 10 percent budget reduction. On the other hand, if that district followed a seniority-neutral layoff policy — say by a standard of employee effectiveness — only 10 percent of the workforce would lose their jobs. The bottom line is that when seniority is used as the criteria to lay off teachers, a larger number of teachers will be let go and at least some of a district's highest-quality teachers will be removed.

This point is particularly critical for the Indianapolis Public Schools in 2011, because they are projecting to lay off 271 teachers. Of the positions cut, 200 are elementary school teachers, 50 are middle- and high-school teachers, and another 21 are special-education teachers. Notably, most of these teachers are educators with two years' experience or less; the others had mostly three- to five-years' experience. As Ann Wilkins, president of the Indianapolis Education Association said, "It's heart-breaking because it affects our children. It means that achievement won't be as high as expected by the state." This is especially true because teacher effectiveness and teacher quality have played no role as to which teachers will be let go.

Indiana is also negatively affected by forced transfer and bumping rights conferred by seniority in union contracts. The New Teacher Project survey found that in Indianapolis forced-placement hampers the creation of effective instructional teams and destabilizes schools. Ninety-one percent of all IPS teachers who have changed schools or attempted to change schools in the past five years say it is important that the administrator wanted them to come to his school. However, more than one-third of all placements in the district are still made without any opportunity for a teacher to interview with a school, and 85 percent of IPS principals say they have been forced to accept a teacher they did not interview in the past three years.

Indiana is also negatively affected by provisions in teachers' contracts that limit who can conduct evaluations and how often, and they even specify how much notice a teacher must be given prior to being observed. By contrast, in most professional workplaces, evaluation is ongoing and both formal and informal. It's the same way in many high-performing schools where evaluation is a regular and continuous part of the improving process. In Indianapolis in the 2009 TNTP study, only 10 percent of principals reported they had enough time to conduct evaluations and three out of four teachers reported they were observed two times or less throughout the year for their teacher evaluations. The TNTP study noted that in the highest- performing schools classroom "visits are not just more numerous but dramatically so" says Tim Daly, president of the New Teacher Project. In those schools, instead of "zero, one or two (visits), it's 30 to 40 per year."

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A Prerequisite for School-Level Autonomy and Student-Centered Funding

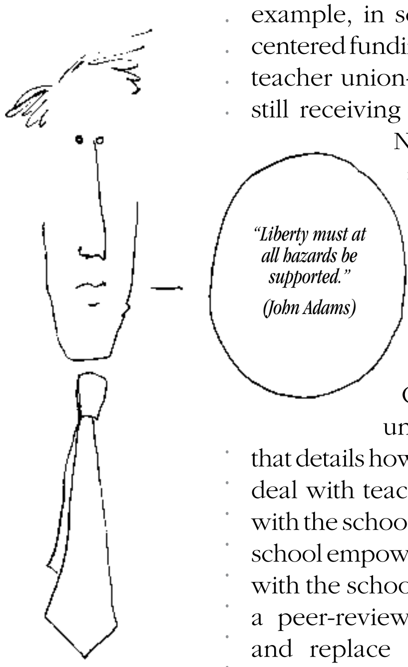
Previously I have argued that Indiana's children need meaningful public-school reform where school financing is attached to the backs of children and public-school enrollment is based on choice, not residential assignment (see "The Weighted-Student Formula: Is There a Better Way to Fund Indiana Education?" 2007). School funding needs to be put into the backpacks of children and follow them into the schools of their choice. Public-school principals need to control resources at the local level in order to make informed decisions about how best to spend resources on the unique needs of their own students.

Today, in most school districts, individual schools are held accountable for results, but principals have negligible autonomy since decisions about budgeting, expenditures, curriculum and hiring are largely made by district, state and other officials outside individual schools. Since student-centered funding drives more money to the local level, local schools are held accountable for their academic results. Authority over the use of funds then rests largely with the principals of local

The school-finance mechanism that attaches dollars to the backs of children in the Indiana public schools could help create more school choice, more equitable school financing and better-performing schools.

schools to attain the results for which they are accountable. Integral to meaningful accountability, then, is (1) empowering principals to act as leaders of their schools over these matters and (2) empowering parents to pick the public schools they believe best meet their children's unique, individual needs. Collective-bargaining reform is an essential prerequisite to making a move to a student-centered funding system.

In districts that have attached school funding to the backs of children, collective-bargaining restrictions have been essential to the success of their programs. Several districts demonstrate that it is possible to negotiate with unions for a range of concessions that give principals more autonomy over school-level decisions that were previously constrained by collective-bargaining rules. In Boston, for example, in schools that utilize student-centered funding teachers are exempt from teacher union-contract work rules, while still receiving union salary and benefits. New York and Denver have an "open -market" teacher hiring process where principals can interview multiple candidates and make decisions about which teachers will best fit with their schools. Clark County School District's union contract has a provision that details how empowerment schools can deal with teachers who are incompatible with the school. The contract states that the school empowerment team, in conjunction with the school principal, may implement a peer-review model and may remove and replace a teacher deemed to be incompatible with the model established at the school. The principal ultimately has the authority to make staffing decisions.



To date, most school districts that have implemented student-centered funding have had to negotiate changes in work rules and personnel practices one rule at a time. The advantage of limiting collective-bargaining reform in Indiana to wages and benefits means that student-centered funding and the autonomy given to principals could be quickly implemented in Indiana without the need to negotiate each contract rule in order to give principals autonomy over school decisions.

This would be a huge benefit to Indiana since school districts that have implemented student-centered school-finance reform have experienced rapid improvements in student outcomes. For example, the Baltimore City school system which has implemented a comprehensive student-centered funding system and negotiated an aggressive concessions from union contracts to give principals more autonomy, has seen the African-American dropout rate fall by nearly two-thirds from 2007 to 2010 from more than 1,500 dropouts to close to 500. This would be especially beneficial to a district like Indianapolis where the African-American graduation rate is at 50 percent.

Offering parents and students "buying power" will help inspire excellence in all public schools, especially if they have to compete for students in order to receive funding. The school-finance mechanism that attaches dollars to the backs of children in the public schools could help create more school choice, more equitable school financing and better-performing schools in the state of Indiana.

Student-centered funding systems have demonstrated results in equalizing funding for all students, closing the achievement gap and improving high-school outcomes in school districts across the United States. This school-finance mechanism seems especially suited for Indiana where the majority of school funding is already allocated at the state level.

Indiana needs collective-bargaining reform to improve teacher quality and student outcomes within all school districts in the state and to set the stage to move to offer parents higher-quality school choices through a more comprehensive student-centered funding system that gives principals and local schools complete autonomy over resources and decision-making at the school level. In the end, the Indiana legislature's 2011 effort to restrict collective-bargaining reform in Indiana has the potential to create much more aggressive school choice and school autonomy reforms that will improve outcomes for thousands of Hoosier children.

THE MOST PRECIOUS FREEDOM

It is a relatively new notion that your right to hold a religious conviction is granted by God and not by man.

by ERIC SCHANSBERG

Every January we celebrate "Religious Freedom Day" in the United States. It commemorates the day in 1786 when Virginia passed its "Statute of Religious Freedom."

Written by Thomas Jefferson, the statute protected what would later be enshrined in the First Amendment of the U.S. Constitution: Government should neither "establish" a religion nor prohibit its "free exercise."

Today, most Americans value religion, but they differ considerably in their understanding of it. You can be a Baptist or a Mennonite; a Catholic or a Protestant; a Christian or a Hindu; a theist, a deist or an atheist — and it's OK. It's wonderful that we can mostly get along.

A recent book, American Grace, by Robert Putnam and David Campbell, sheds light on this topic by focusing on the last 60 years of American cultural history. But I want to commend another book to your reading: From Tyndale to Madison by Michael Farris.

Farris makes clear that religious freedom should not be taken for granted; it is rare within the scope of world history. We properly look down on Muslim countries where religion is enforced through social and legal pressures and violence. We rightly criticize China for persecuting those in "house churches." But the historical norm — even in Europe and the American colonies — was the use of government power to grant monopoly power to a religious sect in each country. Farris covers the amazing history of religious intolerance and the tenacious battle for religious freedom in Europe (especially England) and America. He opens with William Tyndale's martyrdom in his quest to publish his translation of the Bible in the 1520s — and concludes with the rhetoric and legislative work of James Madison through the 1780s.

Staggering Persecution

Farris details brutal repression over religious differences — even in America, but especially in England. Farris describes the saga of Henry VIII and his wives at length — and its impact on Catholicism in England. The changing tides after Henry, between Catholics and Protestants, included the reign of "Bloody Mary." Her regime put John Rogers to death (the first of 283 Protestants), leaving behind a wife and 10 children. Perotine Gosset gave birth while being burned alive. The baby boy was snatched from the flames by bystanders, but then thrown back into the fire by the sheriff.

In England, pastors were required to divorce their wives and leave their children — when the country moved back to Catholicism. In America, authorities resorted to "cropping" ears and branding cheeks. Ferris also describes two females who were strip-searched in Boston for being Quakers. As William Henry Foote described the early governance in Virginia: "The company knew not how to control the members composing the colony but by religion and law. They exercised a despotism in both."

Authorities would burn Bibles and "heretical" books. They would punish people for preaching, owning a Bible or meeting in a home church. It was illegal to translate the Bible into English or to own an English Bible. Possessing the Latin

We properly look down on Muslim countries where religion is enforced through social and legal pressures and violence. We rightly criticize China for persecuting those in "house churches." But the historical norm — even in Europe and the American colonies — was the use of government power to grant monopoly power to a religious sect in each country.

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Even into the Revolutionary War, one needed a license from the government to preach as a Baptist in Virginia.

Bible was legal. Much like Islam and the Koran today, you could be punished for not having the Scriptures in the (only) authorized language. Again, these crimes were, at times, punishable by death.

To generalize, early in the time period, those who had alternative beliefs and practices could be put to death. Later, governments "moderated" and used regulation to limit competition for the "established" church — with fines and prison to discourage dissent. Even into the Revolutionary War, one needed a license from the government to preach as a Baptist in Virginia.

Trying to Preserve the Monopoly

After Bloody Mary, Queen Elizabeth pursued moderation — with interesting and unintended consequences. Farris (98-99): "Rejecting both Catholicism and revenge, Elizabeth pursued a policy demanding outward conformity with the rituals of the reinstituted Protestant church. Her policy purported not to coerce the conscience. It was not a violation of the law simply to believe the wrong doctrine . . . This insistence on religious unity was primarily grounded in political reasoning . . . By demanding religious acts for a secular purpose, Elizabeth unwittingly sowed seeds of destruction to the concept of a [politically] Christian nation that had prevailed unbroken since the days of Augustine."

Farris also details the broader stepping stones to religious competition. Some of these steps were "economic." Practically, getting the Bible to laypeople required an increase in literacy, the invention of the printing press, and the work of translators. Literacy increased steadily over this period; Johannes Gutenberg's press changed the world; and Tyndale led the charge to translate the Bible into English.

From there, the concerns are largely political. Why would one prohibit other sects of Christianity? Motives ranged from doctrinal (a desire to limit and punish "heresy") to political (a unified religion would promote a unified State) and economic (the established church did not want competition). Another factor, in the days of Tyndale and Thomas Cranmer, might have been the amazing and embarrassing Biblical illiteracy of the priests.

These tensions have their most famous origins in the debate between Tyndale and Sir Thomas More. Farris notes that More was initially an advocate of learning, but later became an advocate of ignorance. He had a heavily paternalistic concern about laypeople reading the Bible on their own. He "repeatedly suggests it would be better if the Bible had never been written" (27) — since it was being used to critique the (Catholic) Church. More is famous for the vision of toleration in his 1516 book, Utopia. But that was theoretical; the turmoil undermining his favored church was actual. With Tyndale and the Bible undermining the Church's monopoly, More connected "heresy" with sedition. (His concerns extended to particular aspects of Tyndale's translation. For example, he preferred the term "charity" to "grace", since it implied giving money to the Church.

More's rhetoric in death was poignant but hypocritical. Farris (35-36): "Taken in isolation, More's action makes a compelling case for the freedom of conscience. The echoes of More's vindictive words against Tyndale's claim of freedom of conscience, however, shatter his saintly image . . . He argued for a right for himself that he had previously denied to others."

A few years later, a similar debate on freedom of conscience in religion occurred between John Calvin and Sebastian Castellio on the heresy of Michael Servetus. Farris devotes a chapter to Calvin coming out on the (More) wrong side of the debate.

Moving Toward Religious 'Competition'

In the face of religious, economic and political incentives to pursue monopoly power in religion, how would people gain and maintain the right to hold religious beliefs and engage in religious practices — for example, to obtain a Bible, to talk about it with others and to gather in groups of like-minded believers? These are the basic and vital freedoms enumerated in the First Amendment: freedom of the press, of speech and of assembly.

The politics were driven — over a long period of time and through much effort, courage and sacrifice — by Scripture, the ideas of the Enlightenment, and a growing belief in the efficacy of limited government.

Although most of the credit is typically given to the (secular) Enlightenment, Farris makes the case for the idea that one "ought to surrender as little as possible to the civil government" and the primary role of Scripture, especially in the American context. The bulk of the credit should go to faithful people who were willing to tolerate massive persecution.

Farris points to many heroes of religious freedom. Some, like William Penn and especially Roger Williams, are relatively well-known. Others were historically obscure. My favorite story was a Baptist preacher, Elijah Craig, who was imprisoned in Virginia a few years before the Revolutionary War. He preached within the prison and the jailers responded by building a wall around the jail to make it more difficult for people to hear him.

Preachers and laypeople made the argument for "freedom of conscience" from passages such as Romans 14:5's "each one should be fully convinced in his own mind"; Romans 14:23's "the man who has doubts is condemned if he" engages in the activity; and I Corinthians 10:15's "judge for yourselves." And they made almost-constant reference to the Bereans of Acts 17:11 — who "were of more noble character . . . for they received the message with great eagerness and examined the Scriptures every day to see if what Paul said was true." What a remarkable example in any age — but especially in a time when such "nobility" was being threatened with imprisonment and death.

Logic played its part too. Why did government have the right to grant (and thus, take away) such rights? Why would a Christian insist on uniformity instead of the Biblical concept of "unity." Why should "proper Christianity" be defined by national boundaries? If country *A* says *X* is correct and country *B* says *Y* is correct, then how do we know which country is infallible? And if government should define proper religion, should one depend on the legislative, judicial or executive parts of government?

Some observed that the true Church never persecutes, but is instead persecuted. As James Madison put it: "That diabolical, hell-conceived principle of persecution ages among some and to their eternal infamy, the clergy can furnish their quota of imps for such business."

How to Institutionalize Religious Freedom?

As religious "tolerance" became more prevalent, some argued that this enlightened attitude was sufficient, even with a government-established religion.

The Federalists opposed the Bill of Rights as unnecessary and ineffective — what they saw as merely a "parchment barrier." They couldn't imagine that a legislature would be an impediment to freedom of conscience, when all previous advances on this in England had come through legislatures (in opposition to royalty). Moreover, the idea of written constitutions in a republican form of government was new. (And as we see today, they can be easily abused.) Finally, they thought it would be unnecessary since the federal government only possessed enumerated powers and would lack authority to restrict rights

But others including James Madison prevailed, in what became the First Amendment, arguing that laws based on tolerance could be revoked. These rights were not to be given — and thus perhaps taken in a less-tolerant time — by government. Freedom of conscience in religious matters was seen as endowed to us by God, rather than granted to us by a government.

As Patrick Henry put it: "You are not to inquire how your trade may be increased, nor how you are to become a great and powerful people, but how your liberties can be secured; for liberty ought to be the direct end of your government." And these liberties extend to religion.

We owe a lot to those who were persecuted and even martyred — that we can believe and practice religion (or not) according to our convictions. With impending death at the stake, Hugh Latimer said to Nicholas Ridley: "Be of good comfort . . . we shall this day light such a candle by God's grace in England as I trust never shall be put out." God graciously answered that request.

Whether you are a Methodist in Maine, a Catholic in California or an Atheist in Arkansas, say a little prayer today, expressing thanks for those who made the effort — "from Tyndale to Madison" — so that we could have religious freedom.

"You are not to inquire how your trade may be increased, nor how you are to become a great and powerful people, but how your liberties can be secured; for liberty ought to be the direct end of your government."

— *Patrick Henry*

INDIANA AND OBAMACARE

'Every $1 Indiana spends on the "Healthy Indiana Plan" triggers at least $2 of spending by the federal government.'

by MICHAEL CANNON

Mitt Romney isn't the only Republican presidential hopeful with an Obamacare problem: Indiana Gov. Mitch Daniels, were he to become the GOP's nominee, could also undermine the repeal campaign that has united the party's base and independent voters.

To be sure, Mr. Daniels' Obamacare problem is less obvious than Mr. Romney's; the law that Mr. Romney signed as governor of Massachusetts in 2006 is essentially identical to Obamacare. It sent insurance premiums higher and left Massachusetts struggling with runaway Medicaid spending. Mr. Romney's stubborn "no-apology" stance on his own law could sink the repeal effort by making it appear unprincipled and political. President Barack Obama is already laying the groundwork, most recently by reminding the National Governors Association that Mr. Romney remains "proud" of Romneycare.

But Mitch Daniels's record also bears similarities to Mr. Obama's, and his approach to Obamacare as governor has been an anchor on the repeal movement. Like Mr. Obama, Mr. Daniels increased cigarette taxes to expand government-run healthcare. Whereas Obamacare requires states to open their Medicaid programs to families of four earning $31,000 (138 percent of the federal poverty level), Mr. Daniels expanded Indiana's Medicaid program to families of four earning $44,000 (200 percent of poverty). From 2008 to 2010, Indiana's Medicaid enrollment spiked: Adult enrollments grew 21 percent, a rate nearly double the national average. By 2010, Mr. Daniels had enrolled another 62,000 Hoosiers in government-run healthcare.

Governor Daniels and his supporters make much of the fact that this "Healthy Indiana Plan" (HIP) offers high-deductible coverage combined with a taxpayer-funded health-savings account (HSA), whereas Obamacare simply expands traditional Medicaid with its notoriously lousy access to care. But that's just another way of saying Mr. Daniels made Medicaid more attractive; under his plan, the government hands out coverage plus something a lot like cash.

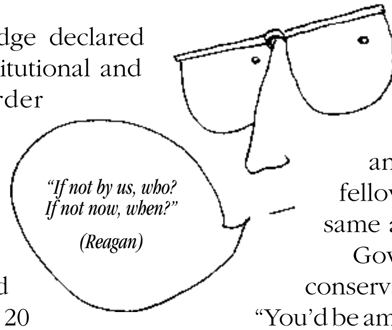
Conservatives should not consider it a selling point, then, that 94 percent of HIP enrollees are satisfied with the program, or that HIP enjoys a much higher retention rate than the regular Medicaid program, or that HIP's waiting list is now 50,000 Hoosiers long. Health-savings accounts are supposed to reduce dependence on government. Mr. Daniels is using HSAs to expand dependence on government.

Also like Obamacare, HIP is fiscally unsound and pushes states' Medicaid costs onto federal taxpayers. Every $1 Indiana spends on HIP triggers at least $2 of spending by the federal government; no matter what state you call home, you're paying for Mitch Daniels' government-run healthcare plan. Even so, an independent review found that Mr. Daniels' cigarette-tax hike hasn't kept pace with Indiana's share of the spending, and further cost overruns may be on the horizon. If Obamacare remains on the books, Mr. Daniels wants to put all new Medicaid enrollees into HIP, with the feds paying 100 percent of the cost.

Meanwhile, Governor Daniels is stunting both the momentum for repeal of Obamacare and his credibility as a standard-bearer for it. Indiana was party to a lawsuit

Michael F. Cannon, M.A., J.M., is director of health policy studies at the Cato Institute and co-author of Healthy Competition: What's Holding Back Health Care and How to Free It. Copyright© 2011, the Cato Institute, all rights reserved. Published with permission. (Segments of this discussion were posted on National Observer Online http://www.nationalreview.com.)

in which a federal judge declared the entire law unconstitutional and void. That court order relieved Mr. Daniels of any obligations Obamacare creates. Shortly after that ruling, however, Mr. Daniels orchestrated a letter co-signed by 20 other governors suggesting "improvements" that they would like to see before implementing their own Obamacare bureaucracies. While those changes would effectively gut much of the law, they would leave Obamacare's entitlement spending intact, and would even allow governors to offload the cost of their Medicaid programs onto taxpayers in other states.



The letter's biggest flaw may be strategic. "Why is Governor Daniels extending the hand of peace . . . when Obamacare has been mortally wounded in the courts and the U.S. House of Representatives?" asks Pacific Research Institute healthcare expert John R. Graham.

Mr. Daniels' decision to accept Obamacare funds and move forward with implementation is further undermining the repeal effort. Yesterday, federal judge Roger Vinson reversed his initial order forbidding the Obama administration to implement the law. He did so in part because plaintiff states such as Indiana are implementing it, which he said "undercut" their own argument that he should block it.

A recent Rasmussen poll shows that 81 percent of Republicans and 53 percent of independents want Obamacare repealed. Those voters will cringe when President Obama turns to Governor Daniels in a presidential debate and says:

> Mitch, all your talk about repeal is just cynical politics. Your healthcare plan is not that different from mine. You expanded Medicaid to people with higher incomes than my plan requires. You are implementing my plan in your state right now. I'm even willing to make some of the changes you want so it will work better for Indiana. If you really think my healthcare plan is unconstitutional, then aren't you violating the oath you took to uphold the Constitution by implementing it?

Mr. Daniels can spare himself and the repeal movement such setbacks by following the lead of Florida governor Rick Scott and Alaska governor Sean Parnell and flatly refusing to implement any aspect of Obamacare. Mr. Daniels could even organize another letter in which his fellow governors all make the same announcement.

Governor Daniels recently told conservative activists in Washington, "You'd be amazed how much government you'll never miss."

Indeed, you can't miss what you don't create. *(March 4, 2011)*

Governor Daniels' office writes:

Michael Cannon's op-ed titled "Mitch Daniels' Obamacare Problem" is, in a word, absurd. Indiana's Healthy Indiana Plan (HIP) is as close to the antithesis of Obamacare as one could conceive.

Unlike Obamacare, there is no mandate for an individual to purchase HIP.

Unlike Obamacare, HIP requires and demands personal responsibility from participants and revolutionizes Medicaid.

Unlike Obamacare, HIP has strict eligibility standards, and supports private market coverage by: 1) not allowing anyone who has access to an employer plan to participate, 2) requiring that an individual must be uninsured for six months before he or she is eligible to join the program.

Unlike Obamacare, HIP is not an entitlement. We built the system to be actuarially sound, and will only enroll as many people as the dedicated revenues permit. Taxpayers are protected — a complete contrast to Obamacare.

Unlike Obamacare, HIP participants make a required contribution every month and if they don't, they are terminated for a year. They receive monthly statements that show how much money is in their account, and know how much they have spent on healthcare. Unlike Obamacare, HIP engages Medicaid participants to be consumers — a concept that is unheard of in Obamacare. This has resulted in lower ER usage, higher use of preventative care for participants, and higher generic drug use — all of which help lower costs for the whole system. HIP is an example of how Medicaid should be run.

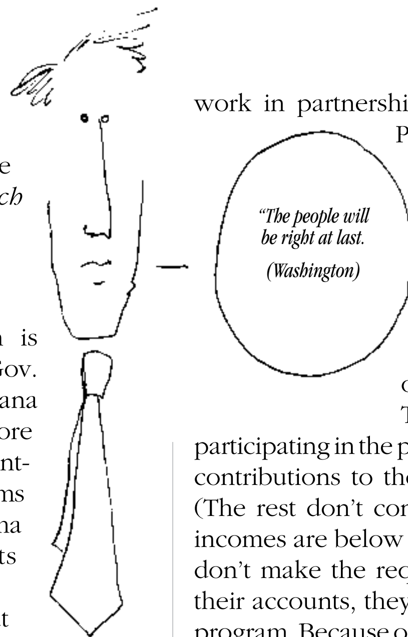
"In contrast to Mr. Daniels, the governors of Florida and Alaska flatly refuse to implement any aspect of Obamacare."

— Cannon

"Rather than criticizing Governor Daniels, we should be thanking him."

— Governor Daniels' Office

This column is so transparently inaccurate, we'll choose not to waste more time responding. *(March 4, 2011)*



Grace-Marie Turner writes:

Cato's Michael Cannon is misguided in his criticism of Gov. Mitch Daniels' Healthy Indiana Plan. HIP could not be more different than the government-controlled entitlement programs created by President Obama and former Massachusetts governor Mitt Romney.

It is especially odd that Mr. Cannon would criticize HIP, since it is built on the foundation of health savings accounts, which Cato has championed for more than two decades.

Governor Daniels devised a unique plan to expand health coverage to the uninsured through a Medicaid waiver and a new cigarette tax. But rather than creating a path to dependency, as Mr. Cannon charges, HIP creates incentives for people to spend and utilize health services wisely.

Traditional Medicaid promises virtually unlimited medical services, if people can find a doctor or hospital to provide them, with few if any financial obligations.

By contrast, HIP helps people transition from an entitlement program to a plan that operates much more like private insurance. It requires members to make monthly contributions (*i.e.,* premiums) to a Personal Wellness and Responsibility (POWER) account. The state and the member both contribute on a sliding income scale, for a total of $1,100 a year.

Anything the member spends on healthcare comes out of the account first. If the account is exhausted, then "catastrophic" coverage is provided through Medicaid. State spending is capped at the revenues that are available, so enrollment is limited.

Mr. Cannon calls this a "taxpayer-funded health-savings account" and makes it sound like the state is handing out cash. It's not. He needs to get his facts straight. The state and the participants work in partnership to jointly fund the POWER account. Those closest to the income limit — 200 percent of poverty, about $22,000 for an individual — fund the account almost entirely on their own.

Three-quarters of those participating in the program make monthly contributions to their POWER accounts. (The rest don't contribute because their incomes are below thresholds.) If people don't make the required contribution to their accounts, they are tossed out of the program. Because of that, 97 percent make the payment, according to a Mathematica Policy Research study.

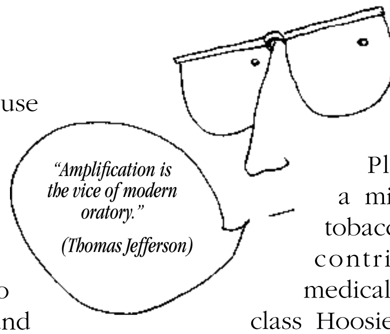
It sounds to me like Governor Daniels got the incentives right.

And HIP also rewards people if they get preventive care. If they get screening tests, vaccinations, etc., all the funds remaining in their POWER account at the end of the year can roll over to the next to reduce the member's monthly contributions.

This is exactly what we want our healthcare system to do: provide incentives for individual responsibility in using the system and spending healthcare dollars wisely and rewarding people who follow sensible rules. And there is cost transparency: Members receive a monthly statement showing their POWER balances.

Seventy percent of those in the program have incomes at or below the federal poverty level and would be unlikely to have coverage otherwise, yet a high proportion have serious chronic conditions that likely would have landed them in hospital emergency rooms for care rather than doctor's offices.

Mr. Cannon is right to criticize Medicaid — arguably the worst health program in the country. But if he were to think about how we would want to transition to a more functional Medicaid program, HIP provides a successful model. It is actually a bridge to private insurance, not an entitlement trap, as Mr. Cannon charges. Mr. Cannon also criticizes Mr. Daniels for deciding to set up minimal infrastructure for the health exchanges that Obamacare



requires of the states. Because his term expires in 2012, Governor Daniels will not be governor when the deadline comes to have the exchange in place, and he says he doesn't want to put his successor in a bind and leave Hoosiers unprotected. If no state exchange is in place and the law is not repealed or overturned, then the feds will come in and surely institute an aggressive government-controlled program.

While there are differences about this in the free-market policy community, I am advising governors to set up a minimal exchange based upon the Utah model as firewall protection. The Health and Human Services (HHS) secretary, Kathleen Sebelius, already has said the Utah model will qualify. These purchasing exchanges can be a vehicle to allow a defined contribution for health insurance, portability and more choices for individuals and small groups.

So Mike Cannon is misguided. Governor Daniels is doing us a favor by showing how Medicaid could be transformed into a program that would encourage individual responsibility and a wiser expenditure of taxpayer dollars without expanding massive open-ended entitlement spending as Obamacare does. Rather than criticizing Governor Daniels, we should be thanking him.

A final note of caution: If Obamacare isn't repealed, HIP will likely have a tombstone saying "R.I.P.," since it provides far too much consumer choice and individual authority to satisfy Washington regulators. *(March 7, 2011)*

Robert Goldberg writes:

Consider it the conservative movement's Charlie Sheen moment. Some conservative think-tank types have quietly complained that Indiana Gov. Mitch Daniels and President Obama are on the same road to government-run healthcare, albeit at different speeds. This whisper has erupted into a Tiger Blood rant by the Cato Institute's Michael Cannon entitled: "Mitch Daniels' Obamacare Problem: His state's healthcare plan promotes dependence on government."

Mr. Cannon asserts the Healthy Indiana Plan (HIP), which uses a mix of Medicaid funding, tobacco taxes and individual contributions to provide medical insurance to working class Hoosiers, is no different than Obamacare:

> Like Mr. Obama, Mr. Daniels increased cigarette taxes to expand government-run healthcare. Whereas Obamacare requires states to open their Medicaid programs to families of four earning $31,000 (138 percent of the federal poverty level), Mr. Daniels expanded Indiana's Medicaid program to families of four earning $44,000 (200 percent of poverty). From 2008 to 2010, Indiana's Medicaid enrollment spiked: Adult enrollments grew 21 percent, a rate nearly double the national average.

In his effort to paint HIP as a source of government dependence, Mr. Cannon misstates much. First, Indiana does not have a Medicaid program for families up to 200 percent of poverty. HIP provides families up to 200 percent of poverty to obtain private health insurance if their employer doesn't offer coverage or if they have been uninsured for six months or more. Participants must pay premiums of up to about $100 a month and contribute up to $1100 into a "Personal Wellness and Responsibility" (POWER) Account. POWER accounts are used to pay for deductibles.

Second, Indiana's Medicaid enrollment did not spike 21 percent. It increased 17 percent from 2008-2010, slightly higher than the national average of 14. 6 percent. In 2009-2010 the rate of increase in Indiana's adult Medicaid enrollment declined (as it did in only 16 other states) and did so more dramatically than most.

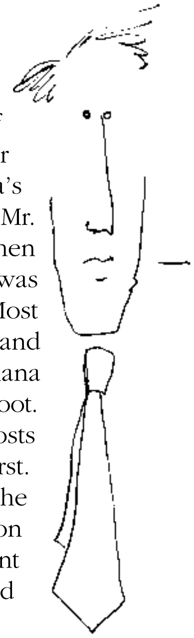
To establish HIP, Mr. Daniels shifted authority to state government and made personal responsibility central. Mr. Cannon claims Governor Daniels "made Medicaid more attractive: Under his plan, the government hands out coverage plus something a lot like cash." By this logic, the 1996 welfare reform bill and Mr. Daniels' recent proposal to extend Indiana's school-voucher program to every family promote big government because they both "hand out coverage."

"Some conservative think-tank types have quietly complained that Indiana Governor Mitch Daniels and President Obama are on the same road to government-run healthcare, albeit at different speeds."

— Goldberg

"Gov. Mitch Daniels' office, Grace-Marie Turner of the Galen Institute and Bob Goldberg of the Center for Medicine in the Public Interest believe that Mr. Daniels' expansion of government-run health care is a conservative triumph. I can't believe we're even having this conversation."

— Cannon



Similarly, Mr. Cannon has to denigrate the design and impact of HIP to portray Governor Daniels as Mr. Obama's healthcare doppelganger. Mr. Cannon is half right when claiming HIP spending was higher than expected. Most HIP participants are older and sicker than the rest of Indiana and have had less care to boot. Short-term per patient costs of care were higher, at first. But after three months the average amount spent on participants and the amount of services consumed steadily declines.

There's a reason for that: Unlike Medicaid, HIP is not an entitlement but a way to get well; it pays for preventive care. It pays doctors more for treating the most vulnerable.

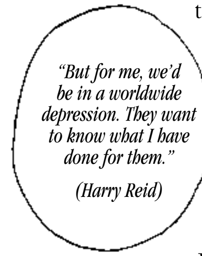
And it rewards staying healthy. If participants use preventive services they can keep HIP contributions to their POWER accounts. Participants are getting healthier, using fewer services. and saving more in their POWER accounts.

HIP has 24,906 adults with dependent children and 20,514 other adults enrolled. It also has a waiting list of more than 40,000 childless adults. That's not increasing dependence, it's unmet need. The federal government bars Indiana from enrolling more people in HIP. Governor Daniels asked for more control over Medicaid dollars to expand the program. Mr. Obama said no.

Mr. Cannon might applaud the president's action since it stops Mr. Daniels' socialist web from spreading. But Mr. Obama's decision — to force people to wait until 2014 to be forced into Medicaid to get coverage — is causing real people real suffering.

That includes Alice Moeloa of Logansport, Indiana. Ms. Moeloa lives on disability payments and has not had insurance for years. She could get Medicaid only if she gave up her disability support.

According to Indy.com, Ms. Moeloa recently applied for HIP:



Her diabetes has caused seeping wounds in her legs, making it difficult for her to walk. Moeloa desperately wants insurance to visit a local wound clinic. Because Moeloa, 57, is on disability, she can apply for Medicare in about a year and a half. But she does not want to wait.

"Every little itty-bitty scratch I get on my leg, I get infected," she said. Moeloa is living with the threat of having her legs amputated. Governor Daniels wants more control over health spending to help her and others.

President Obama stands at the doctor's front door, turning them away. Mr. Cannon's effort to mobilize conservative opposition to HIP leads to the same result. Apparently, that's a small price to pay for "reducing" dependence on government. *(March 10, 2011)*

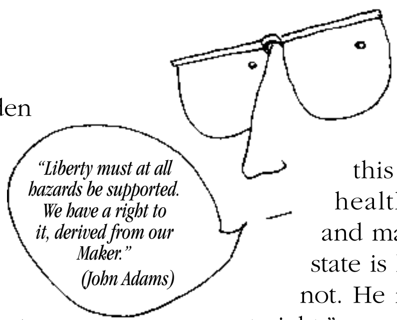
Mr. Cannon Responds:

When conservatives start defending expansion of government, we're in serious danger.

Governor Daniels's office, Grace-Marie Turner of the Galen Institute and Bob Goldberg of the Center for Medicine in the Public Interest take exception to my *National Review Online* article, "Mitch Daniels' Obamacare Problem." In brief, the trio believe that Mr. Daniels' expansion of government-run healthcare is a conservative triumph. I can't believe we're even having this conversation.

To recap, the Healthy Indiana Plan, which Mr. Daniels signed into law in 2007, bears the following similarities to Obamacare:

- Both expanded Medicaid, which crowds out private insurance — Mr. Obama to 138 percent of the federal poverty level, Mr. Daniels to 200 percent.
- Like Obamacare, the Daniels plan raised taxes to pay for part of its expansion of government-run healthcare. (Mr. Daniels' 126 percent hike in Indiana's cigarette tax mirrors Mr. Obama's 159 percent hike in the federal cigarette tax.)
- Like Obamacare, the Daniels plan pushes part of its cost onto other states. Taxpayers in other states bear two-



thirds of the spending burden (through the portion of Medicaid funding that comes through Washington, D.C.), and Governor Daniels has proposed making other states pay even more.

• Just as Obamacare will cost more than projected, an independent review found that Mr. Daniels' cigarette-tax hike hasn't kept pace with Indiana's share of the spending, and further spending overruns may be on the horizon.

• Both Obamacare and the Daniels plan contain a "slacker mandate." Obamacare mandates that insurers cover "children" on their parents' policies up to age 26. Mr. Daniels mandated that insurers do so up to age 24. (A similarity I overlooked in my original article.)

Ms. Turner says the Daniels plan "could not be more different" from Obamacare. I've just listed five ways that it could. And it gets worse:

• Mr. Daniels has accepted Obamacare grants and is implementing an Obamacare "exchange" in Indiana — something he is under no obligation to do, contrary to what Ms. Turner claims.

That's enough to cause problems for the repeal effort were Mr. Daniels to be the GOP's presidential nominee.

The governor's office, Ms. Turner and Mr. Goldberg defend the Daniels plan with an argument that boils down to this: Governor Daniels expanded Medicaid with health savings accounts (HSAs), and that makes it OK.

In fact, it may seem counterintuitive, but if anything, the fact that Mr. Daniels used HSAs makes his Medicaid expansion worse.

I support HSAs because they allow workers to reclaim control over a portion of their healthcare dollars, and I support expanding them so workers can control *all* their healthcare dollars. Within the context of Medicaid, however, the advantages of HSAs are actually a problem. Medicaid is welfare. By offering Medicaid enrollees the freedom and opportunity for wealth accumulation that HSAs create, the Daniels plan makes Medicaid more attractive, and thereby lures more people out of private insurance and into dependence on government.

Ms. Turner writes, "Mr. Cannon calls this a 'taxpayer-funded health savings account' and makes it sound like the state is handing out cash. It's not. He needs to get his facts straight."

Actually, I wrote, "the government hands out coverage plus *something a lot like cash.*" Which is true: Enrollees can spend their HSA funds on any provider they choose, and whatever they don't spend rolls over. That makes Indiana's Medicaid HSAs a lot more attractive than either traditional Medicaid (which few doctors accept) or Medicaid managed-care plans (which limit coverage to a provider network). The only way these taxpayer-funded HSAs are unlike cash is that enrollees can spend them only on medical care and must forfeit them if they leave the program. The incentive to remain enrolled in Mr. Daniels' Medicaid expansion is therefore greater than in the rest of Medicaid. And if you do leave, there's a use-it-or-lose-it incentive to spend the taxpayers' money before you go, which runs completely counter to the whole idea of HSAs. "It sounds to me," Ms. Turner writes, "like Governor Daniels got the incentives right." Really?

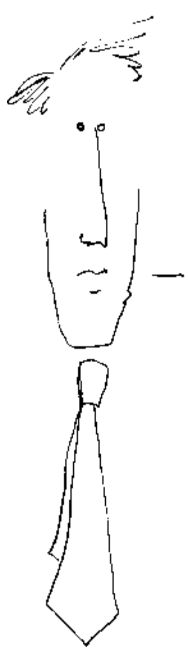
All three critiques are rife with errors and omissions. Ms. Turner writes that the Daniels plan "operates much more like private insurance" than regular Medicaid does. No, it doesn't: About 70 percent of Medicaid enrollees receive some or all of their care through private managed-care plans. Ms. Turner calls the Daniels plan "a bridge to private insurance," but she never addresses the incentives it creates to remain dependent on government. The governor's office claims the Daniels plan prevents crowd-out of private coverage by "requiring that an individual must be uninsured for six months before he or she is eligible." Yet health economist Jonathan Gruber, who advised the Clinton administration to implement such waiting periods, later found that "if anything these provisions cause crowd-out to rise, not fall." Mr. Goldberg incorrectly claims, "Indiana does *not* have a Medicaid program for families up to 200 percent of poverty," because he (like Ms. Turner)

"The incentive to remain enrolled in Mr. Daniels' Medicaid expansion is greater than in the rest of Medicaid. And if you do leave, there's a use-it-or-lose-it incentive to spend the taxpayers' money before you go, which runs completely counter to the whole idea of HSAs."

— Cannon

"I'm pretty sure I'm not the only one who sees a problem with conservatives praising the expansion of government healthcare programs and advising governors to erect Obamacare's new healthcare bureaucracies."

— Cannon



confuses *the program* with the *type of coverage* it offers. Mr. Goldberg says I overstate enrollment growth in Indiana's Medicaid program; I link to my source, he does not. He illogically analogizes the Daniels plan (which expanded Medicaid enrollment) to the 1996 welfare reforms (which reduced welfare rolls) and to education vouchers (which do not expand eligibility for government subsidies).

If Governor Daniels wanted to demonstrate that HSAs are superior to Medicaid as we know it, he should have put existing enrollees into HSAs, rather than expand Medicaid to make his point. It's no excuse to say the feds wouldn't have let him; if that's true, Mr. Daniels should have pushed for more flexibility or eliminated regulations that make health insurance and medical care unaffordable for low-income Hoosiers. Instead, he expanded government.

Conservatives need to adopt a more discerning attitude than "If it says HSA, it must be good." I hope no one would support a government takeover, such as Obamacare, just because the coverage it mandated was an HSA plan. Nor should anyone support a Medicaid expansion — a step toward a government takeover — because it creates government-subsidized HSAs.

"Every violation of truth is not only a suicide in the liar, but a stab at the health of human society."

(Emerson)

Ms. Turner thinks my criticisms are "odd" given that the Cato Institute has long been a champion of HSAs. Allow me to turn that around: When the Cato guy tells you someone is corrupting the idea of HSAs, pay attention.

Neither Ms. Turner nor the governor's office nor Mr. Goldberg disputes my claim that Mr. Daniels is undermining the effort to repeal Obamacare. Instead, Ms. Turner defends Mr. Daniels' decision to implement the law because "if no state exchange is in place and the law is not repealed or overturned, then the feds will come in and surely institute an aggressive government-controlled program."

The first false premise here is that the feds will set up an exchange if Governor Daniels doesn't. "The future is uncertain about a federal exchange," argues Twila Brase, president of the Citizens' Council for Health Freedom, who is fighting the creation of an exchange in Minnesota. "Why should we do the feds' work when they might never achieve the exchange without our help?" The Obama administration is counting on the states to help them entrench the law; Mr. Daniels is collaborating.

The second false premise is that state-run exchanges would (or could) prevent Obamacare from becoming "an aggressively government-controlled program." All the rules would be written in Washington; who administers those rules is irrelevant. (In the current issue of *National Review,* I explain in greater detail why there is no reason whatsoever for states to be creating an Obamacare exchange, and why governors doing so are cementing the law in place.) Mr. Daniels orchestrated a letter to HHS Secretary Kathleen Sebelius, in which he and 20 other governors threatened not to create exchanges unless their demands were met. Ms. Sebelius told them to drop dead. Has Mr. Daniels gone wobbly?

But my jaw dropped when I read this in Ms. Turner's post:

> While there are differences about this in the free-market policy community, I am advising governors to set up a minimal exchange . . .

Differences, indeed. I'm pretty sure I'm not the only one who sees a problem with conservatives praising the expansion of government healthcare programs and advising governors to erect Obamacare's new healthcare bureaucracies.

Mr. Daniels has an Obamacare problem that could hurt the repeal movement if he doesn't deal with it. Ms. Turner is creating more Obamacare problems. This isn't the first time conservatives have danced with the devil on healthcare questions (see Massachusetts), but with healthcare freedom now at its moment of maximum peril, that needs to stop.

It will probably, however, take more than just the usual voices of protest to stop it. Tea Party and traditional conservative groups should perhaps spend less time attacking congressional Republicans over relatively minor tactical disagreements, and more time educating the governors, state legislators, and (yes) policy wonks who are actively implementing Obamacare in their own backyards.

SOUTH BEND LEARNS A CALIFORNIA LESSON

As cool as it may sound, government does not create wealth.

by **BARRY KEATING**

It's the second time around for Gov. Jerry Brown in California. From 1975 to 1983, Mr. Brown was the liberal governor of California. You probably remember the photographs of him with heartthrob Linda Ronstadt and the musical group the Eagles. At the time, both Ms. Ronstadt and the Eagles recorded a popular song titled "Desperado." Conservatives of the day could easily have painted the free-spending Governor Brown as the ultimate desperado.

Well, he's back. Jerry Brown (after a stint as mayor of the City of Oakland) is once again governor of California.

But this is a different Jerry Brown; now he's attempting to cut $1.7 billion from the state budget to correct a deficit that threatens to crush his state. How does one "trim" more than a billion dollars from a budget that was supposedly crafted by the more conservative Arnold Schwarzenegger? Will Governor Brown try to cut back on police and fire protection? Will he reduce teachers' salaries or pension benefits? Will he try to stem the inflow of illegal (and expensive) immigrants?

He may eventually attempt to implement all of those policies in a budget-cutting effort, but he has instead begun his budget-trimming efforts in a different arena. And it's an arena that Hoosiers and Governor Mitch Daniels should examine carefully for Indiana's well-being. For Indiana was not so unlike California in the policies and budgets we implemented in past decades. We acted like desperadoes too.

The focus of Jerry Brown's budget cutting has been the 749 redevelopment agencies in California. These agencies were formed to fight urban blight. They were allowed to use the force of government in the form of rights of eminent domain to clear properties by floating bonds to pay for their activities. Increases in taxes, called "tax-incremental financing" or TIF, were allowed to be implemented by the redevelopment authorities with the idea that future increases in the value of the tax base would pay for any improvements of the redevelopment authorities.

The redevelopment authorities, however, did not always (and perhaps rarely) make reasonable choices in what to develop and what to fund. Often, the tax base did not increase in value and taxpayers were simply left with larger and larger tax bills and areas of urban blight that were little better off than before the large sums were spent. The real issue is whether there ought to be a publicly funded redevelopment commission, or whether these issues should be handled by the private sector.

South Bend's Redevelopment Commission (one of many such government commissions in the state of Indiana) describes its mission this way: "The Redevelopment Commission was established to address conditions associated with blight and the under-

"South Bend now has an expensive but vacant building on its hands. Taxpayers have been impoverished by building it, and alternative uses for these funds have gone unmet. In short, the city is worse off than if it had done nothing at all."

— B. Keating

Barry Keating, Ph.D., an adjunct scholar of the Indiana Policy Review Foundation, is the Jesse H. Jones Professor of Finance at the University of Notre Dame. He has written or co-authored 15 books, including a best-selling textbook used in colleges and universities (McGraw-Hill), and a microeconomics book for public managers (Blackwell).

"Blight is a vague concept at best and is easily abused by quasi-government officials and redevelopment agencies."

— B. Keating

utilization of land and barriers to development."

Has South Bend's commission done a cost-effective job of removing blight? Consider the College Football Hall of Fame that was financed by the commission two decades ago. The minutes of the South Bend Redevelopment Commission throughout the 1990s extended the spending on the Hall of Fame that local residents became responsible to pay for through tax increases. More than $19 million of spending was agreed to alone at the June 28 meeting in 1994. Tax-incremental funding in Indiana enables local redevelopment authorities to collect the property-tax revenue attributable to increased assessed value resulting from new investments in the TIF district.

So was the TIF project undertaken by the South Bend Redevelopment Commission so successful that South Bend residents were able to pay for the project through projected increases in the value of the property-tax base?

Far from it. While the commission obligated residents to higher property taxes to pay for the Hall of Fame, the hall itself never broke even.

It was a disappointment in terms of its attendance by the paying visitors, once forecast by the commission to be both plentiful and loyal.

In late 2009, the College Football Foundation judged the South Bend enterprise a failure and decided to move its facility to Atlanta. South Bend residents were left with a single-purpose building without a tenant. Instead of the previously (according to the commission) blighted area in downtown South Bend, the city now has an expensive but vacant building on its hands. Taxpayers have been impoverished by building it, and alternative uses for these funds have gone unmet. In short, the city is worse off than if it had done nothing at all.

Indeed, the "do-something, do-anything" syndrome of the redevelopment commissions has been costly. If a private firm had made the same mistake, there would be no taxpayer involvement and the private firm itself would have borne the costs. That, however, is not what happens when a public redevelopment commission is involved. Private firms have a vested interest in using property in its best use because they will be the ones who will either benefit from those decisions or bear their true costs. Redevelopment commissions, on the other hand, bear no such costs; they have the property taxpayer to bear the costs of their mistakes and foibles.

Blight is a vague concept at best and is easily abused by quasi-government officials and redevelopment agencies. Agencies such as the South Bend Redevelopment Commission are able to essentially raise property taxes without a vote and spend the proceeds on anything they deem as "blighted." Again, Governor Brown in California has recognized that "the more aggressive cities have become in using this tool, the more they divert tax dollars from traditional public services like schools, fire-fighting and police services."

In Indiana we would do well to learn a lesson from Governor Brown and the situation in California. Government cannot do everything; it must concentrate on those things that are the necessary and traditional public services. Financing halls of fame, golf courses and convention centers with public property-tax payments through TIFs is doing an end-run on the taxpayer. It

> Hercules, Calif., a city of 25,000 people northeast of San Francisco, sold some $260 million in redevelopment bonds, mainly to acquire private land it sought to improve to attract new businesses. But the recession wrecked those plans as plunging property values dried up hoped-for revenue gains. The old industrial city, once famous for dynamite manufacturing, faces some $15 million in annual interest payments on redevelopment bonds and related costs, exceeding the $10.5 million in higher yearly property-tax collections generated by the redevelopment district. Hercules has been forced to cut police salaries and trim its parks budget, and has tapped already stretched reserve funds, to make bond payments. Such transfers were a legally hazy practice, said Hercules City Manager Fred Deltorichio, who was recently appointed to address the city's financial woes and has hired an outside auditor. 'We dug ourselves into a ditch — a very deep ditch,' he said.
>
> — *"Blight Cures Drain City Coffers," the Wall Street Journal, April 9, 2010*

may be time to reign in TIFs and begin the dismantling process. (*April 13)*

For Those Who Would Be King

by RYAN CUMMINS

The candidate announcements have begun. Every mayoral office and council seat in every city and town in Indiana will be on this next ballot. And the buzz has started for the 2012 gubernatorial race.

So soon? Indiana just completed an arduous election cycle. And the results sent a clear message to those in state and federal government. What was that message? That it is time, long past time, government be limited in its scope and expense, reducing the burden on taxpayers and beginning the restoration of the economic, social and individual liberties that are our rights as citizens.

If you are a voter in an Indiana city, listen carefully to the candidates' announcements, especially the part where they articulate why they want to run. If it is not clearly described, or if the guiding principles are fuzzy, you should be wary. And alarm bells should sound in your head if you hear buzzword or cliché, *e.g.,* "economic development," "creating jobs," "upholding Hoosier values," "revitalizing downtown," "progress" and "renewal."

Or if candidates start discussing their "vision" for your city, be aware that what is envisioned might only be a nifty idea that augments their power and influence — implemented by force, of course, and funded with money from you and your neighbors, whether you like it or not.

As for the candidate who sincerely wants to serve, he should recognize that good intentions alone are meaningless. If a plan, however high-minded, is not thought through it will have unintended consequences likely to overwhelm any positive outcome. Well-meaning people with the power to tax have done more damage to the prospects of our cities than any natural disaster. In my time on the Terre Haute city council there was an ongoing debate with a colleague over a seemingly endless string of subsidies for downtown projects.

"But Ryan, we can't just sit here and do nothing," the colleague once said in exasperation,

But the people of Terre Haute were not "doing nothing." They were actively and continuously deciding to invest their property (their money) in ways of which my council colleague disapproved.

It is the height of arrogance to think that folks in my town, or any town in Indiana, sit around pining for officials to tell them what to do or how to invest their money. Please know that my fellow council member was not willing to invest his own money in his scheme but was more than willing to use the force of government to require everyone else to cough up money.

Such an approach speaks volumes about those who would use government for what is little more than a civic idea du jour. As a candidate, you should firmly rebuff such an approach. And as a citizen, you should reject those who speak in these terms.

If you need to know where such a policy takes you, follow the headlines in California where Gov. Jerry Brown is trying to save $1.7 billion by closing the state's 600 redevelopment agencies.

Since 1945, most cities are allowed to sell bonds to pay for economic-development projects or schemes, depending on how things turn out.

Steven Greenhut, writing in *the Wall Street Journal,* explains how the noble intent of civic improvement can go amiss:

> To pay off the bonds, the (economic development agencies) gobble up any subsequent increase in tax revenue — what California calls the 'tax increment.' In addition, a portion of the sales taxes generated by the new retail and commercial centers go into city, not state, coffers. That's the main reason redevelopment agencies are popular among politicians, Republican and Democrat alike. Plus, they allow pols to reward favored corporations and developers.

"The people of Terre Haute were not 'doing nothing.' They were actively and continuously deciding to invest their property (their money) in ways of which my council colleague disapproved."

— Cummins

Ryan Cummins, an adjunct scholar, operates a family business in Terre Haute. As the chairman of his city council's finance committee he became an expert on the limits of government-driven economic development programs. His articles are distributed by the Indiana Writers Group and appear in the major outstate daily newspapers.

"The thousands of dollars paid initially and over the last 21 years (to manage inheritance taxes) could have, and certainly would have, been invested into the business instead. We needed to make investments in equipment, procedures, training and more that would have made us more productive and more competitive."

— Cummins

You don't need a bonding attorney to get your city moving in the right direction. The reason someone would invest in your city is not a matter of complex public-policy machination.

Indeed, it is easy to determine: People in general, whether a single entrepreneur or an established national company, invest where property rights are secure. They invest where the costs imposed by local government through taxation and regulation are low, competitive, stable and knowable into the future.

Persons commit and invest in a city where they know that the rights to their life, liberty and property are the priority for government. Put most plainly and succinctly, candidates should be explicit that they will get government off the backs, out of the wallets and out of the way of the citizens of their city. And citizens, for their part, should actively support those who make this crystal clear.

Conversely, it is a citizen's duty to withhold support from those candidates, regardless of political party, who shroud their economic-development ideas in worn-out terms that can mean anything — or nothing.

One Family's Inheritance Travail

Switching to the issue of taxes, I am the owner of a small business in Terre Haute, The Apple House, Inc. We are a home-and-garden center selling horticultural products to the general public. In business since 1939, my business is in the third generation. I am in business with my brother. Our business employs 18 to 25 persons both full and part time. We normally expand to 50 or more employees in the spring, when our business volume is highest.

I believe the moral argument for elimination of an inheritance tax, based as it is on envy and jealousy, is the most-powerful one for taking such action. My comments today, however, will focus on the real and pragmatic issues my family and my business are confronted with when dealing with this onerous burden.

Twenty-one years ago, my father turned 65 and we all realized it was time to make plans for the next generation, if this business was to remain viable. While buying the business and taking care of these details needed to be addressed, dealing with the inheritance tax was the main driver of the plans we had to pursue. Due to the potential burden and complexity of the tax regulations, it was necessary to engage attorneys, accountants, appraisers and insurance professionals to craft a plan that would allow for succession and continuation of our business without incurring tax liabilities that would threaten the existence of our family business built over the last half-century.

At the time, we spent close to $10,000 in accomplishing our initial planning. The plan required purchase of significant amounts of life insurance to fund a potential tax liability, amounting to $7,000 per year in premiums, before the policy dividends covered the premiums. In addition, due to certain provisions in the inheritance tax laws and our family structure, we were best served by creating present-interest trusts for each of my and my brother's children. These trusts generate accounting and filing costs that have amounted to over $12,000 in the past two decades.

While these dollar costs are substantial, there is another area in which we have been required, because of the inheritance tax, to spend even more. The time required to meet with lawyers, accountants, insurance agents, financial advisors and amongst ourselves to make decisions involved hundreds of hours in total.

The real costs of all this money, time and effort have been borne by my family and our business. In economics, the concept of opportunity cost (the cost of the next-best opportunity foregone) makes clear what we have lost to the inheritance tax before a single dime of it was even paid.

The thousands of dollars paid initially and over the last 21 years could have, and certainly would have, been invested into the business instead. We needed to make investments in equipment, procedures, training and more that would have made us more productive and more competitive. A substantial sum of this money could have paid for a new heavy truck. As it is, our heavy truck is 20 years old with 700,000 miles on it. I could have paid for a new forklift. As it is, our 15-year-old spare forklift just put a rod through the engine block. It remains to be seen how these particular equipment problems will affect our business and our employees, but it is likely to add to the challenges both face.

The hundreds of hours spent by my father, my brother and me would have been used providing even better service to our customers, the lifeblood of our or any business. It would have been used finding more and better suppliers of our plants and garden products. It would have been used searching for additional qualified staff to help our business prosper.

The chance to use this money and time as we would have chosen was foregone due to the existence of the inheritance tax. The money and time that would have added to the potential prosperity of our business and those who work with us was instead intercepted and, in my opinion, squandered in the name of envy and jealousy.

I am in my mid-50s and it is time for me to begin this same process all over again. It frustrates me to know how much money and time I will be forced to spend in order for the next generation to at least have a chance in this family business. Without the existence of an inheritance tax, it would be unnecessary to expend nearly as much to achieve this goal.

My business is just one little place in one city in Indiana. It is worth noting that within a mile of my business is a foundry, an independent grocery store, a machine shop, a car dealership and more than a dozen others that are all small family businesses. I know almost all these business owners and I know that each one of them dealt with this issue in a similar fashion. If it is true in one small area of my city, just think how many times this story is repeated all over our state. Now think of all the money and time that would have gone into reinvesting in all those businesses across the state and the jobs and opportunity created.

In every political campaign, every candidate will talk about the desire, the necessity of creating jobs. Here is a way to do it. It is a shame that we continue forcing these actions and expenditures on family businesses and I urge you to take action now to get off the backs, get out of the wallets, and get out of the way of these Hoosier business owners.

Revenue Neutrality

I had the opportunity to testify on the inheritance tax at the Indiana Senate Committee on Tax Policy. The response of the committee, and particularly one of the senior members from the majority, was profoundly disappointing.

During the testimony regarding ending the inheritance tax, a question was posed by Sen. Luke Kenley, a Republican from Noblesville. The five-term senator took a position that I would have expected from one of the liberal statists on the committee, not from a conservative supposedly familiar with limited government and property rights.

He asked — stated, actually — that the "elimination of Indiana's inheritance tax will reduce the revenue to the state by $135 million. How are we going to pay for that?"

It was unfortunate there was not an opportunity to immediately challenge this fundamentally collectivist notion. The very question, when asked in the context of tax cuts rather than government spending, is premised on the idea that the state has first claim on the fruits of a citizen's labor.

It is a repugnant idea — doubly so when dealing with the death tax because it is a final claim by the state on wealth already taxed as it was created. The fact that an ostensibly conservative senator takes that position illustrates that the thinking in both parties should, must, change.

Tax cuts don't need to be "paid for." It is spending by unrestrained government that is the problem. The solution that escaped both Democrats and Republicans on this committee was limited government. *(Feb. 8)*

Education Vouchers

"The law of unintended consequences, often cited but rarely defined, is that actions of people and especially of government always have effects that are unanticipated or unintended." — the Concise Encyclopedia of Economics.

by ANDREA NEAL

Andrea Neal is an adjunct scholar with the Indiana Policy Review Foundation.

"Proponents (of education vouchers) should worry about excessive involvement of the state in private and religious schools.

— Neal

"Although the strings attached to participating schools appear beneficial to students, or at worst innocuous, they would actually stifle the free-market intent."

— Neal

Before lawmakers put finishing touches on any private-school voucher bill, they should consider the law of unintended consequences.

Opponents of vouchers worry that they'll lead to excessive entanglement of church with state. Proponents should worry about excessive involvement of the state in private and religious schools.

Andrew Coulson, director of the Cato Institute Center for Educational Freedom, documented that problem during his recent look at voucher- and tax-credit programs in 15 states and the District of Columbia.

His paper, "Do vouchers and tax credits increase private-school regulation?" was the first empirical study of the topic. He reached an unequivocal answer:

"Voucher programs are associated with large and highly statistically significant increases in the regulatory burden imposed on private schools (compared to schools not participating in choice programs). And this relationship is, more likely than not, causal. Tax credits do not appear to have a similar association."

Vouchers are state-funded certificates – like food stamps – that parents use to pay for private schools. With tax credits, the parent pays the tuition himself and then subtracts some or all the amount from his tax liability. Because the state has no direct involvement in the latter, policymakers appear less inclined to set conditions.

In their current forms, Indiana's legislative measures offer vouchers or "choice scholarships" that could be applied toward non-public school tuition, beginning with 7,500 of them in 2011-12. They also would increase a tax credit available to Hoosiers who donate to organizations that provide private-school scholarships to low-income children.

Here's where the law of unintended consequences kicks in. In order to accept voucher students, a private school would have to be accredited by the state or by an accreditation agency recognized by the state, administer the ISTEP test, comply with teacher-evaluation and data-collection requirements and meet certain school performance and improvement targets that apply to public schools.

The point of vouchers is to insert free-market forces into the educational system, thus increasing competition and causing all schools to improve. Although the strings attached to participating schools appear beneficial to students, or at worst innocuous, they would actually stifle the free-market intent.

Requiring ISTEP is a case in point. As it is now, many private schools administer tests such as the ERB, NWEA or Iowa Test of Basic Skills because they are more connected to their curricula or provide more useful data. As Coulson points out, state-mandated testing "exerts a homogenizing pressure on what is taught" and this limits consumer choice.

"Reporting poor results on an official test – even one that does not well reflect a school's mission – would put it at a competitive disadvantage. So an art-centric school that posts poor science scores is under pressure to increase the time and intensity of its science classes in order to avoid a black eye on official tests, which thereby takes away from its core mission."

Here's another example of how requiring ISTEP would reduce choice: "Though language learning occurs most easily in younger children, a school that opted to focus on foreign languages and history in the early grades and then turn to mathematics in the later grades would be at a grave disadvantage on official mathematics tests in the early grades, creating pressure for it to abandon its pedagogical mission."

That's the law of unintended consequences.

Advocates of vouchers will no doubt argue that their proposal, even with limits on scholarships and restrictions on schools, is better than nothing.

Coulson's study suggests that a dollar-per-dollar tax credit is preferable. When the only private schools that can accept vouchers face the same curricula and testing mandates of public schools, it's really not a free market. *(April 13)*

The Innocents of this Recession

by MARYANN O. KEATING

It will take years for scholars to fully understand the extent and severity of the 2007-09 recession. For certain, though, children being raised by parents unable to find work earning income sufficient for a family's needs will carry long-term psychological effects.

Until now, such household catastrophes were believed preventable when two adult parents were willing and able to self-insure against job and income loss.

Regarding this concern*, the Wall Street Journal* recently published a report of a troubling decline in wage-based income between 1970 and 2010.[1]

In 1970, wages, salaries and employee benefits accounted for about three-quarters of total U.S. personal income. Dividends, interest and rental income contributed about 14 percent. Government benefits (disability, unemployment, welfare) were less than eight percent.

By 2005, however, the share of wage income dropped to 67 percent and by 2010 to 64 percent. Government benefits now account for a relatively large 18 percent of total household income. These figures underscore why consumer spending is now more vulnerable to changes in higher-income households, less dependent on wage income.

The 2007-09 downturn was remarkable in many aspects and differed significantly from the tech-bubble burst in 2001. A report in *the Journal of Economic Perspectives* indicates that U.S. households in 2008 suffered the worse one-year decline in net worth relative to income in a century of record keeping.[2]

In 2001, a rising tide of real-estate values compensated somewhat for the stock-market crunch. In the recent recession, in contrast, both stocks and real estate fell by about 30 percent. Furthermore, the financial and banking sectors amplified the negative economic shocks emanating from the housing bubble.

Meanwhile, wage income accounts for less and less total spending.

Bill Burbage, writing to *the Wall Street Journal,* notes the combined payroll taxes for Social Security and Medicare alone are 15.3 percent.[3] This payment is a deal-breaker leading to employer-employee dropouts and underground economic activity. People need jobs, and in such times it should be less expensive rather than more expensive for employers to hire workers.

A persuasive article in the fall issue of *Economic Perspectives* suggests that virtually the entire 2007-09 U.S. recession can be accounted for by changes in labor markets. If this indeed is the case, it raises a serious question: How did the American Recovery and Reinvestment Act, the "Cash for Clunkers" program, the Treasury mortgage modification programs, the health insurance regulations and other new policies address the issue of a family's inability to thrive due to low returns from wage income?

Each of these measures in fact distorts labor-market incentives. Each of these measures increases employment uncertainty. The demand for labor declines due to perceived increases in the cost of hiring.

In addition, the labor supply, to a smaller extent, declines as eligibility for transfers implicitly raises income-tax rates on some households. Thus, employment contracted in the 2007-2009 recession by 6.7 percent compared with 3.8 percent for average postwar U.S. recessions.

The behavior of low-wealth households dependent on traditional wage income did not cause the recession; these are the households, however, that have experienced great distress from the high rates of unemployment.

And for these families, children included, the 2007-2009 recession is not over. *(April 15)*

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1. Evans, Kelly. "Gains in Income Aren't Lifting All Boats." *The Wall Street Journal,* March 28, 2011, C1.

2. Reinhart, Vincent. "A Year of Living Dangerously: The Management of the Financial Crisis in 2008." *The Journal of Economic Perspectives,* Winter, 2011, 71-90.

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The behavior of low-wealth households dependent on traditional wage income did not cause the recession; these are the households, however, that have experienced great distress from the high rates of unemployment.

M. Keating

Maryann O. Keating, Ph.D., a South Bend resident and an adjunct scholar of the Indiana Policy Review Foundation, is co-author of Microeconomics for Public Managers, Wiley/Blackwell, 2009.

WE SHOULD HAVE BROKEN THE ISTA

The union is allowed to use its statutory privilege to maintain a political machine.

"Mandatory collective bargaining for any employees of government involves multiple distortions of sound policy and practice. It confers on an unaccountable financially interested private entity — the certified union — a portion of the lawmaking authority of the state. In the process, the interests of the public employees are subordinate to the interests of a privileged union. This is compounded when the bargaining unit is the public school and the 'products' of the enterprise are not nuts and bolts but vulnerable school children."

— Charles E. Rice, Professor Emeritus Notre Dame Law School

by **JIM BANKS**

Indiana legislators have received thousands of letters and email messages from concerned teachers, principals and superintendents. Many are politically generated by special-interest groups. Most, though, are from dedicated educators whose passion for the classroom is made clear in every word.

Yet, I disagree with almost all of their conclusions.

As a new member of the legislature, it surprises me so many of these writers, some personal friends, believe I would leave them vulnerable to an unfair evaluation system developed and managed by state bureaucrats.

I am working every day to keep that from happening.

Many express a fear that I would "break" the teachers union and end mandatory public-sector collective bargaining.

Yes, that's exactly what I would do, what we should have done. There's no good reason for public-sector unions to exist — for teachers or for students.

"There never was a 'labor problem' in government for unions to solve," wrote the editor of this journal almost two decades ago. "Government has always been a model — read generous — employer, lavishing good pay, the eight-hour day, fringe benefits and civil-service protections on its own."

In Indiana we are blessed with exceptional public-school faculties. Teachers unions, though, support a dynamic that eventually will drive our best teachers out of the classroom while attracting the mediocre and the misplaced. They push up costs by increasing staffing levels. They oppose the use of budget-saving volunteers. They create a bureaucratic and inefficient workplace, discouraging bold innovation.

Again, the letters on my desk, heartfelt and sincere, offer no good reason for teachers unions to exist.

"Unionism seems to coincide with poor state-government management," argues Chris Edwards of the Cato Institute. "States with higher public-sector union shares tend to have higher levels of government debt. And the states with higher union shares do more poorly on grading by the Pew Center regarding the quality of public-sector management."

The laws of economics cannot be suspended by decree. What some of my letter-writers think of as their "rights" inevitably translate into fewer opportunities, lower pay, less job security and certainly less freedom for all teachers, especially the accomplished.

For taxpayers, collective bargaining adds an estimated eight percent to the cost of state government. And there are other apposite bits of information missing from the public discussion.

First, the National Labor Relations Act of 1935 establishing a "right" to collective bargaining does not apply to teachers or

Sen. Jim Banks, director of business development for a Fort Wayne construction management company, represents District 17 (Columbia City). He wrote this at the request of the journal.

any other workers in the public sector. There are so many legal, political and economic differences between public-sector unions and the private-sector model they shouldn't be called "unions" at all.

And please know that Indiana's Collective Bargaining Act was a political compromise, not an assertion of constitutional right. It was passed into law only a generation ago with the blessing of a Republican governor in exchange for property-tax reforms. Former Lt. Gov. John Mutz, then a state senator, played a key role in that decision. He now says it was one of the worst mistakes of his career.

The property-tax reforms were subsequently undermined but collective bargaining lived on. Its unintended consequences mount. Its disincentives are reaffirmed each session by Democrats and Republicans alike. We created a professional class of politician dependent on the teachers union, actively or passively, for their Statehouse employment.

Which brings me to my core objection. No, it is not because Indiana government is under financial stress. Indeed, I agree with the protesters that teachers should not be singled out in balancing a state budget.

Nor could I name a state superintendent who could command teachers to do a better job or do it more efficiently. Nor would I withhold full reward from those who now do it so successfully.

I object because public-sector unions corrupt our state government and the democratic process.

The Indiana State Teachers Union is allowed to use its statutory privilege to maintain a political machine. It controls the full range of policy debate in Indianapolis. We would abide such power in no other privately controlled organization.

Dr. Charles Rice, professor emeritus of Notre Dame Law School, explains why:

> Mandatory collective bargaining for any employees of government involves multiple distortions of sound policy and practice. It confers on an unaccountable financially interested private entity — the certified union — a portion of the lawmaking authority of the state. In the process, the interests of the public employees are subordinate to the interests of a privileged union. This is compounded when the bargaining unit is the public school and the 'products' of the enterprise are not nuts and bolts but vulnerable school children.

The writers of the letters on my desk should know that none of this necessarily means lowering education standards or even providing less money for public education — not a single dime less.

Rather, it means recognizing that no coherent rationale for public-sector bargaining has ever been offered.

It means allowing workers to freely choose whether they want a union to be their sole bargaining agent.

It means moving the decision-making process away from the Statehouse or even the superintendent's office and toward principals and teachers deciding what is best in their particular school buildings.

During this last session, a legislative study group heard Lisa Snell of Reason Foundation explain how all that is happening in Louisiana under Gov. Bobby Jindal.

There, school funding can be attached to the student and not the administrative district. Individual teachers and principals are thereby freed to design curricula to fit the needs of students. Such true systemic reform is happening throughout the nation.

I must tell you, though, it is not happening enough in Indiana — even under measures proposed this session by my own political party. We have only begun to summon the courage to dip so much as a toe in the waters of reform.

This is true even as a Feb. 27 Rasmussen report found that although Americans generally believe public education is a good investment, 61 percent say public schools have become worse over the past decade. Another 17 percent say they are unsure whether it has gotten worse or better.

Think about that. Despite spending levels that threaten the financial solvency of so many states, and despite government's full power to license, regulate, consolidate and monopolize, less than a quarter of Americans can say public schools have improved.

My disagreement with the letters on my desk carries with it the responsibility to change that — at least for Indiana.

The unions had their chance. They failed.

We have only begun to summon the courage to dip so much as a toe in the waters of reform.

A READING LIST

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THE SHERIFF: STILL A GUARDIAN OF OUR LIBERTY?

Our first law-enforcement office was meant to be a check on tyrants and the concentration of power.

Are we moving toward the day when sheriffs are indistinguishable from mere heads of interchangable units of government law enforcement?

by **JOE SQUADRITO**

It is no secret in the courthouses of Indiana that the office of sheriff is being diminished. No, not necessarily as a result of criminals, illegal immigrants or even terrorists. Rather, it is pressures of everyday politics motivated by a wide range of overlapping bureaucratic ambitions and jurisdictional interests.

Each year it seems we move toward a day when sheriffs are indistinguishable from mere heads of what are in effect interchangable units of government law enforcement.

That is a pity, for the office is more than that. Indeed, it is unique in the history of Western Civilization, intertwined with the liberties and civil rights we hold most dear. There needs to be a serious discussion of what we are losing.

Like most boys growing up in the 1950s I spent my Saturday mornings sitting in front of a round-screen, black-and-white television watching old western movies. These old movies had some pretty fierce shoot-outs and some wild pursuits with lawmen chasing desperadoes on horseback, six-shooters blazing. And like most grade-school students I thought sheriffs lived in the old Wild West, not in my home state of Massachusetts.

It was much later in life when I found out that Massachusetts was in fact one of the first states (colonies) to have sheriffs, and that the title was not a term of the Wild West but was Anglo-Saxon.

Yes, I'd seen old movies of Robin Hood and the Sheriff of Nottingham Shire, but I never made the historic connection. I was in police-recruit training some 15 years later when a federal judge explained the origins of the United States Constitution. Being a history buff, I found this fascinating. I read everything I could get my hands on concerning the history of law enforcement, our Constitution and their respective origins.

Some 1,300 years ago the nation we now call Great Britain was inhabited by small groups of people known as Anglo-Saxons. These people lived in rural settlements known as "tuns," from which our word "towns" is derived. Sometime before the year 700, and after years of warfare, they organized in a more systematic fashion for defense purposes. This was the first recorded form of local self-government.

Based on groups of 10 inhabitants, each *tun* was further divided into groups of 10 families, a unit termed a "tithing." Each *tithing* elected a leader called a "tithingman." Each *tithing* was also divided into groups of 10, and each group of 10 *tithings* (100 families) elected its own chief.

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The Anglo-Saxon word for chief was "gerefa," and as time passed this term was shortened to "reeve." Over the next two centuries, changes took place within this system of government. First, as populations grew and *tithings* banded together, a new unit of government was formed, the population-based "shire." In modern England shires are now geographically based. (In America we refer to these geographical areas as counties, except in Louisiana where they are termed parishes because of the French-Catholic influence.) A leader of the shire and of the *tithingmen* was called the "*reeve* of the shire." He was the keeper and chief of the shire.

King Alfred the Great assumed the throne in 871. Under his rule the *reeve* of the shire became the shire-*reeve* (sheriff) and was responsible for maintaining law and order in his shire. King Alfred also decreed that it was the duty of every citizen to assist the sheriff in keeping the peace. In the event of escape from custody, tumult or other lawlessness the *reeve* of the shire was to sound the alarm for assistance. This alarm was called the "hue and the cry." Every citizen who heard this hue and cry was legally responsible to assist in the apprehension of the offender and to bring him or her before the court. This law exists today both in England and America. It is called the *posse commitatus*.

(In the late 20th century, a group of militant Americans united under this banner, which resulted in a wave of protests and legal actions by sheriffs.)

In the year 1066, government in England centralized and a single ruler emerged, the king. The king appointed the *reeve* of each shire who, most generally, was a nobleman. In some instances however, a nobleman who owned a large portion of a shire could appoint a sheriff.

In that same year, at the battle of Hastings, the Normans (France) invaded Saxony (England). King Harold was defeated.

The victorious Normans did not believe in local government. They held that all power was vested in the king and his court. The sheriff became part of the king's court with the additional duty of tax collection. The Norman kings ruled the Anglo-Saxons in a harsh and intolerable manner. In 1215 at the second battle of Hastings, a contingent of Saxons defeated the Norman army of King John, forcing him to sign what was then a "Bill of Rights," which the Anglos named the *magna carter*.

In this document the sheriff is specifically designated with nine enumerated roles within the government. In actuality, there were 17 *magna carters,* all defining various rights and freedoms of the Anglo-Saxons. Some of these documents were destroyed during the rule of King James because they were signed or witnessed by Catholic clergymen. Others were destroyed in the Great London Fire.

As the British settled America, the king appointed sheriffs to his colonies. Massachusetts, New Hampshire, New York, Pennsylvania and most counties of the eastern seaboard had sheriffs.

Some cities were deemed large enough either by land mass or population to have a city sheriff. Some large cities on the East Coast still have sheriffs. City sheriffs have the same duties and mandates as the respective county sheriff but their jurisdiction is reduced to the city limits.

In some jurisdictions city sheriffs were subordinate to the county sheriff. In the Commonwealth of Virginia, which was established in 1634, a sheriff was sent by the king as his representative and "conservator of the peace." In 1651, however, the Commonwealth elected its first sheriff, which of course displeased the king.

Soon after, other colonial jurisdictions did likewise and after the American Revolution all of the counties elected a sheriff — in recognition, no doubt, of the office's importance to local control and limited government. The British title of Lord High Sheriff was abandoned. The official title became office of the sheriff.

As America expanded westward so did the office of sheriff. All in all, there are over 3,000 counties in America and all except Alaska have sheriffs. Two states have appointed sheriffs, Rhode Island and Hawaii. In Rhode Island the governor appoints the sheriffs and in Hawaii a sheriff is appointed by the state's chief justice. (Hawaii is shifting this appointment to the governor).

In Indiana, like almost all other states, the duties and office are prescribed by state

King Alfred the Great assumed the throne in 871. Under his rule the reeve of the shire became the shire-reeve (sheriff) and was responsible for maintaining law and order in his shire.

It's interesting to note that in serving the courts the sheriff must ensure that the document to be acted upon is "valid upon its face." This, too, has its origins in early England, where property was seized, individuals confine, and taxes levied by noblemen acting in an unlawful or corrupt manner — thus the adventures of Robin Hood and his band of merry men.

constitution. In order to change theses duties and responsibilities a constitutional referendum must be approved by the legislature and by the electorate. The sheriff also is the only law-enforcement officer named in the Constitution of the United States. Local police, state police and federal officers were created by acts of the legislature or the Congress of the United States, respectively.

Not much has changed between the *reeve* of the shire some 1,000 years ago and an Indiana sheriff today. In fact, the nine basic mandates of the Magna Charta are virtually the same for a Hoosier sheriff: He doesn't serve a king but serves the governor in law-enforcement matters; and he doesn't collect taxes for the king but does collect delinquent state taxes.

In Indiana, the governor issues the sheriff's credentials and a writ of authority. This, too, is part of the history of the office and the history of our country. In Indiana we have 92 counties and 93 sheriffs. The Indiana Supreme Court has a sheriff who essentially serves the court.

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And at least until now the duties of the sheriff haven't changed much in Indiana since the Magna Charta. From time to time, our Legislature adds additional duties but it cannot detract from the prescribed duties without a constitutional referendum.

Here I've outlined some of the basic responsibilities (if you enjoy reading Latin you'll find their origins in the Magna Charta):

1. The sheriff is responsible for the peace and dignity of his *bailiwick.*
2. All persons taken into custody shall be remanded to the custody of the sheriff for safekeeping.
3. The sheriff shall ensure that all persons remanded to his custody shall be brought before the court having competent jurisdiction in the adjudication of such matters.
4. The sheriff shall collect all delinquent state taxes and assessments directed to him by the proper state authority.
5. The sheriff shall serve all civil process directed to him by the court.
6. The sheriff shall be responsible for the arrest warrants directed to him by the courts. (Currently any police officer may serve an arrest warrant. However, the sheriff is the custodian of all arrest warrants and extraditions.)
7. Death warrants are directed to the sheriff who in turn presents the execution order to the warden of the state penitentiary.
8. The sheriff shall conduct such sales of tangible property as may be directed by the courts.
9. The sheriff may be removed from office if he allows a person remanded to his custody to be taken from a place of safekeeping and lynched.

The late Charles B. Meeks, former sheriff of Allen County and later executive director of the National Sheriff's Association, participated in the 1,000th anniversary of the Office of Sheriff in Nottngham Shire, England, presided over by Queen Elizabeth II. It was noted earlier that the sheriff is the first law-enforcement officer in recorded history. I served as sheriff of Allen County during this anniversary and like so many sheriffs before me I was proud to have served and was honored to carry on such a historic title with its tradition of service to the public and their liberty.

To Protect and Serve . . . but not to Study

The Dayton Police Department is lowering its testing standards for recruits. It's a move required by the U.S. Department of Justice (DOJ) after it says not enough African-Americans passed the exam. Dayton is in desperate need of officers to replace dozens of retirees. The hiring process was postponed for months because the DOJ. rejected the original scores provided by the Dayton Civil Service Board, which administers the test. Under the previous requirements, candidates had to get a 66 percent on part one of the exam and a 72 percent on part two. The DOJ-approved new scoring policy only requires potential police officers to get a 58 percent and a 63 percent. That's the equivalent of an 'F' and a 'D'. "It becomes a safety issue for the people of our community," said Dayton Fraternal Order of Police President, Randy Beane. "It becomes a safety issue to have an incompetent officer next to you in a life-and-death situation." — *March 11, 2011 <http://abc.daytonsnewssource.com>*

A COMMENTARY AGAINST COMMENTARY

by **CRAIG LADWIG**


T. Craig Ladwig is editor of the journal.

After a weekend of watching talk shows and talk shows about talk shows, this must be said: Our commentators are falling alarmingly behind in alarming us about our need to be alarmed. We are at a crisis point in the discussion of crises points.

You can see it on Fox News even, not to mention the networks. The staffs are struggling to synchronize with a world spinning wildly out of control — "Khadafi Wins United Nations Plaudits"; "Snow Storms Signal Global Warming"; "Biden Explains Budget"; "Sheen Highest-Paid TV Actor."

One longs for a detailed weather report.

You also can think of it as an application of Grisham's Law. On television at least, the number of alarming events has created such a demand for explication that bad commentary is driving out good. There is a cacophony of commentary.

How apt is that phrase?

What else explains that seventh-eighths of the world's experts on any given subject are comely young women exhibiting cleavage? Have they come that far or are they themselves the message, another display of marketing most cynical?

Whatever, we need a break.

A pastor suggests we give up our public opinions each Lent. The purpose of Lent, after all, is the preparation of the believer through prayer and penitence — a perfect formula for an improved point of view.

Martin Luther, the inventor of journalism, installed an editorial policy rigidly free of opinion. His pamphlets focused on the factual reporting of floods, fires, earthquakes and assorted acts of God.

And there are secular arguments for curbing one's opinions.

The Romans made it a practice to pull from the field even their most experienced and successful generals for a period of reflection. It was understood that a general might know immediately why he lost a battle. He would need time, though, to figure out why he had won, his ego being woven into the battle plan.

While we are on military history, there is an example that nails down the point. It comes from notes of an interview with the chief of the military-science section of the Library of Congress.

Q. The genius of the German Blitzkrieg against the Maginot Line?

A. Genius, perhaps, but the armored cavalry had little to do with actual victory. The French fell victim to their own conflicting and uninformed opinions as to what exactly had happened.

Q. The fog of war?

A. Some in the French high command thought the isolated columns of the Blitzkrieg were a broad assault on the line. Others thought if was a feign to set up a flanking action. Both misinterpretations recommended an immediate (and ultimately disastrous) retreat. It was impossible to see in those first hours that the French army, by simply turning to attack the flanks of a vulnerable and strung-out German column racing to Paris, could have won the war — by itself — then and there.

Q. Do you mean that if the French had just sat still for half a day — doing absolutely nothing — the winning battle plan would have become obvious?

A. The Blitzkrieg would have been just a column of tanks and light infantry speeding toward a French prisoner-of-war camp.

There is one more example to share. At age 32, R. Buckmeister Fuller, the great architect, was broken and on the verge of suicide. The thought struck him, though, that if he had not been right about anything up to that point why should he be right about his own end.

He vowed to spend a year in silence contemplating an experiment "to find what a single individual could contribute to changing the world and benefiting all humanity."

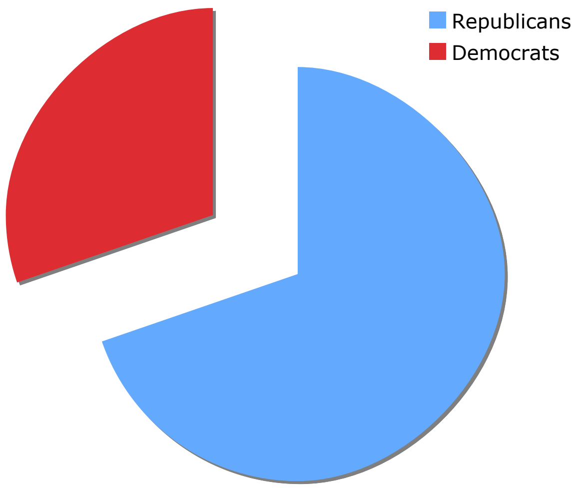
The geodesic dome and 28 patents would follow. Ronald Reagan would award him the Presidential Medal of Freedom.

Let the silence begin, for we may or may not overcome but we ought to shut up.

> A bizarre spate of television presenters dissolving into on-air gibberish has sparked claims that the U.S. military could be to blame. In four high-profile cases, the latest involving fast-talking Judge Judy, the presenters have started off speaking properly but have then descended into undecipherable nonsense — looking confused and unstable. The frequency of the 'attacks' — and the fact that recorded examples of the mental meltdowns have been popular on websites — has led to conspiracy theorists pointing the finger at shadowy government experiments. Are government microwave mind-control tests causing TV presenters' brains to melt down?
>
> — *Tom Leonard in the Toronto Daily Mail*

The Reality Check

Q. Which party came out best In the five-week Statehouse walkout?



The Walkout

(March 30) — As you might expect from an irascible group, members of the foundation could say little nice about the Democratic walkout other than without a quorum neither party could do much damage.

There was the decided feeling that the Republicans were the winners at least in the public-relations war. The GOP leadership, however, did not poll well on its decisions to table a right-to-work bill or pull its punches *vis-à-vis* the teachers union.

The results:

- *In your opinion, which party came out best in the five-week Statehouse walkout?* — The Republicans (70 percent), the Democrats (30 percent).
- *Did it turn out to be a good idea or a bad idea to keep the right-to-work bill?* — Bad Idea (68 percent), Good Idea (32 percent).
- *Was the GOP majority right or wrong not to further restrict the teachers union?* — Wrong (68 percent), Right (32 percent).
- *In your opinion, have Mitch Daniels' national political ambitions interfered with his judgment as Indiana governor?* — Yes (56 percent), No (44 percent).

Comments

- *It's too early to tell who came out ahead on the walkout. It will be incumbent upon the GOP to take its case to the voters next year and make the Dems pay for running away.*
- *We don't negotiate with terrorists.*
- *The Republicans missed a great opportunity to make their case to the public. They should have brought Mitch's RV out of retirement and gone to every courthouse square during the five weeks the Dems were goofing off in Illinois. The issues were difficult to understand and tough to debate. Now, unfortunately, we are back to having the facts and information filtered through Democratic media channels.*
- *The Dems were going to walk regardless, they just used right-to-work as the excuse. All of the key labor bills were either taken off the table or watered down greatly, so the Dems once again won at political poker.*
- *Republicans are always looking for some excuse to back away from their campaign promises. But this one was silly. What's next, new taxes if the Democrats threaten to hold their breath?*
- *The Democrats were successful in making a strong emotional appeal. The Republicans did a poor job of creating sound bites to support their position.*
- *Why should Indiana taxpayers support government unions for teachers, firefighters and police officers? These are public, tax-supported entities, not private ones. The teachers union cares only about its membership and its left-leaning politics — not the children.*
- *Elections have consequences. When the Democrats won Washington, Republicans were ignored. We had Obamacare shoved down our throats (as well as many other atrocities). If the tables had been turned in Indiana, the Democrats would have behaved abominably. Why do the Republicans cave when they win?*
- *I'm not exactly sure which party came out the best, but I know the taxpayers of Indiana came out the worst. The Republicans over the years have not played hardball, and it has hurt the people of the state. We need change in Indiana and the Republicans do not seem to have the political will to do what needs to be done.*
- *The Democrats made certain demands and won most of them. This establishes a precedent that you can walk off the floor and act like bratty children.*

The survey was conducted by SurveyGizmo March 29-30, 2011. Forty-three of the 102 members opening the survey completed it for a response rate of 42 percent.

People who know about opinion surveys don't think much of ours. The sample is inherently biased and so small as to be little more than a focus group. The questions, sometimes confusing, are casually worded and transparently drive at one point or another. That said, we have learned to trust our members and eagerly await their opinions on this or that.

THE DESTINIES OF THOSE WHO SIGNED

Emanuel Gottlieb Leutze, oil on canvas, 1851

Thomas Hoepker, photograph, Sept. 11, 2001

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

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

Please Join Us

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

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

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

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INDIANA POLICY review

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Observing its 22nd Year