



FACTS & OPINIONS

On Public Interest Issues

Quotes

“The theory is that election to Congress is tantamount to being dispatched to Washington on a looting raid for the enrichment of your state or district, and no other ethic need inhibit the feeding frenzy.”

- George F. Will
Columnist, 1941

“Government will not fail to employ education, to strengthen its hands, and perpetuate its institutions.”

- William Godwin
English philosopher
1756-1836

“A free press can of course be good or bad, but, most certainly, without freedom it will never be anything but bad....Freedom is nothing else but a chance to be better, whereas enslavement is a certainty of the worse.”

- Albert Camus
French novelist, 1913 - 1960

Government Cannot Create Prosperity

by Gary Johnson
former Governor of New Mexico
and Honorary Chairman of the Our America Initiative

Remember when the Administration in Washington warned us, in early 2009, that if Congress did not approve \$787 billion in “stimulus” government spending, unemployment could hit 9 percent by early 2010? But, they said, if Congress approved that massive spending program, that unemployment rate could be held to something closer to 8 percent.

Turns out they were wrong – obviously. Here we are, nearing the end of the \$787 billion, two-year stimulus binge, and unemployment is 9.6 percent, with little to encourage us that it will improve dramatically anytime soon.

Not surprisingly, the Administration and their allies in Congress ascribed their failed predictions to the fact that the economy was in much worse shape than we thought, and of course proclaimed that things

would be even much worse yet, absent all that government stimulus.

Some officials, while admitting their projections were off by a few million jobless Americans, boasted that, without all that spending, even more teachers and police officers would have lost their jobs. Teachers and police officers are vital, to be sure; however, it is telling that the examples of “saved” jobs were those of public employees.

It is inconceivable – to them – that they were wrong in the fundamental assumption that government spending could improve the economy. Really wrong.

To many Americans, however, what is inconceivable is that the Administration and Congress don’t seem to

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FACTS & OPINIONS

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Focus on Iowa Wesleyan College

Unique Performance

A unique free performance brought music, dance, photography, and video to the Iowa Wesleyan College, Chapel Auditorium in September.

Interdisciplinary Chronicles featured concert pianist Eugenio Zapata and dancers. Zapata performed music by Schubert, Liszt, Mozart, and Brahms with dancers from The Dance Studio in Le Mars, Iowa.

Eugenio Zapata is a native of Colombia, South America, who completed doctoral studies at Texas Tech. His multimedia performances explore themes such as gender, race, religion, culture, and war. These themes are integrated into shows that include dance, theatre, history, video, acting, photography, poetry, and animation in addition to the music performed.

Interfaith values and service featured

IWC and the Interfaith Youth Core hosted two programs on interfaith cooperation and service projects in September. "Speak Out, Mobilize,

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Iowa Wesleyan College.**

What's New at Public Interest Institute?

Let us know: When your local radio, TV, or newspaper covers an issue we've researched and written on, or that you think we should -- call us so we can respond and provide them with more information! Call or e-mail us at 319-385-3462, PublicInterestInstitute@LimitedGovernment.Org

State Policy Network Annual Meeting Rocked!

Cleveland, Ohio, home of the Rock and Roll Hall of Fame, was the site of the 2010 State Policy Network (SPN) 18th Annual Meeting, the week of September 13. Over 600 people attended the conference, from 48 states and the District of Columbia. All six members of the Public Interest Institute staff attended as part of our "capacity-building" effort.

The first day focused on education reform, K-12 public, charter, voucher, and home schooling issues. Keynote speaker Indiana Superintendent of Public Instruction Tony Bennett was an enthusiastic supporter of school choice and touted Indiana's expanded charter school program.

Participants were optimistic about the successes of school choice. There was

disappointment in the lack of support by President Obama and the NEA for choice, especially the successful District of Columbia program.

We heard from former Florida Governor Jeb Bush, now serving as Chairman of the Foundation for Excellence in Education. Former Governor of New Mexico, Gary Johnson was the featured guest at a Students for Liberty reception.

Former Oklahoma Congressman J.C. Watts and motivational speaker Herman Cain both received warm welcomes. Watts spoke on economic issues and out-of-control government spending, while Cain encouraged us to focus our efforts.

Breakout sessions discussed Obamacare, taxes, and state budgets. There was a focus on new media, public speaking, and fundraising, including effective communication of research findings. Virtually every session of the conference was attended by at least one staff member.

Dr. Don Racheter, PII President, summed up the experience, saying he was “glad to see a large group of young professionals” and expressing optimism about the future of free-market, limited government approaches to public policy, based on the energy and enthusiasm of the participants and the many new ideas. “We look forward to implementing many of these new ideas and approaches over the next year.”

Facts & Opinions **Question of the Quarter:**

How is your local public school district handling budget cuts and the economic downturn?

Send your thoughts on this issue to us at
Public.Interest.Institute@LimitedGovernment.Org.
We may publish some of your ideas in the next issue of *Facts & Opinions* in January 2011 and on our Website at:
www.LimitedGovernment.Org.

Schools Need to Get Smart About Spending by **Frederick M. Hess**

Parents across the country are seeing firsthand the effects of tight school budgets this year.

Hawaii, for example, cut back to a four-day school week for much of last spring. San Jose, California, delayed the start of bus services for hundreds of special-needs students until several weeks after school began this fall.

School districts in Texas and Alabama have told parents to buy garbage bags, Clorox wipes, and other cleaning sup-

plies, because the district will no longer provide them.

Elsewhere, schools are trimming bus routes, turning down thermostats, delaying textbook purchases, cutting school days, and imposing across-the-board layoffs.

This situation is especially noteworthy because it's just the beginning.

Tighter school budgets are not a one-shot deal. Given the heavy reliance of school districts on property tax dollars, grim budget forecasts, the end of stimulus funds, and the demands of underfunded pensions, the situation is going to get worse before it gets better.

“There are so many issues that go way beyond the current downturn,” says Scott Pattison, the executive director of the National Association of State

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Schools Need to Get Smart About Spending

Budget Officers. "This is an awful time for states fiscally, but they're even more worried about 2011, 2012, 2013, 2014."

This summer, the Center on Budget and Policy Priorities estimated that states are already looking at 2012 shortfalls in excess of \$100 billion.

Yet, rather than seizing on these fiscal realities to streamline and improve schools, far too many states and districts are proceeding as if it's business as usual, kicking the can down the road until they're forced to make clumsy, last-minute, disruptive cuts.

Take Los Angeles, where the school district just completed a \$578 million high school even as it frets about shortfalls -- and while California collects \$1.2 billion in emergency "Edujobs" aid from the federal government.

The National Center for Education Statistics reports that K-12 per-pupil expenditures nationally rose 17 percent from 2003-04 to 2006-07 -- from \$8,310 to \$9,683. For more than a half century, K-12 per-pupil spending has been higher

each year than it was the year before.

The problem is that no one makes tough choices in flush times. No for-profit or nonprofit executives are eager to squeeze salaries, shutter inefficient programs, squeeze out savings or trim employees when they can avoid it.

That's why economic downturns can have a silver lining. Tough times allow (and encourage) managers to tackle problems that otherwise get swept under the carpet. This permits organizations to regain their fighting trim.

Most districts haven't had a meaningful house cleaning in decades. Far too many school districts are careless about deploying talent, undisciplined at the negotiating table, lax about pursuing operational efficiencies, and in need of a severe belt-tightening.

But instead of using the current climate to make the tough calls needed, schools are doing everything they can to maintain the status quo.

Indeed, U.S. Secretary of Education Arne Duncan touted August's \$10 billion teacher aid bill by saying, "Today's historic vote means school officials won't need to make those tough calls." Duncan has said that while "we want people to be responsible to be efficient," the public should understand that

many districts have been cutting for years and have already cut "through, you know, fat, through flesh, and into bone."

Duncan's claims are just flat wrong. Indeed, nationally, per-pupil spending rose every year between World War II and 2007.

Even in the past two years, job losses in K-12 have been much more modest than in the private sector. It's a shame to see Duncan making excuses rather than encouraging educators to take a hard look at benefits, staffing, operations, and management.

Rather than haphazardly dialing down thermostats, delaying book purchases, and laying off young teachers, districts should use the current crunch to rethink how they do business.

Frederick M. Hess is Director of Education Policy Studies at the American Enterprise Institute. Dr. Hess's most recent book, "Stretching the School Dollar," was published in September by the Harvard Education Press.

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**Wanted:
A Few Good Books
by
Mary Boote**

The crops are almost in and I'm looking forward to winter and Christmas, to curling up in front of the fireplace with hot cider and a good book. I read for work and for pleasure. It allows me to learn and, some days, to escape. I believe a good book can do much to open our minds to new ideas and sometimes challenge our perceptions.

Getting books in the hands of incoming college freshmen has become a regimen for many universities and colleges across the country. Nearly 300 asked their freshmen to read a particular book before the fall semester began.

Just don't assume that this led to extra servings of Shakespeare, Hawthorne, or Hemingway. A new study by the National Association of Scholars (NAS) says that the books most commonly assigned display "a surprisingly low level of intellectual difficulty." To make matters worse, a distressing number of schools select books that launch one-sided attacks on the modern food industry.

This is a shame because food production is an important

subject that informed citizens should strive to understand and learn more about. Yet these assignments aren't helping. Some of them are actually hurting the public's understanding of agriculture.

One of the most suggested authors is the best-selling controversialist Michael Pollan. Students at ten campuses must digest one of his books, according to the NAS survey. They range from little Albion College in Michigan to the prestigious University of California at Berkeley. Another popular writer is Barbara Kingsolver, an advocate of the "local food" movement, who is required reading at Virginia Tech and elsewhere.

Professors often talk about the importance of diversity, but I wonder if they really mean it: By assigning books by Pollan and Kingsolver, they're exposing students to only one part of what is an important global discussion regarding the tools and technology needed to feed a growing world population in a sustainable manner.

My preference is to recommend a more pragmatic and balanced reading list. Because

the current popular culture reading lists imply little interest in alternatives to a narrow-minded and politically correct critique of food production, I thought I'd suggest three books that offer a more rounded understanding of the subject. Many would make good Christmas gifts and winter reading, as we all continue our educational journey.

- *Denialism: How Irrational Thinking Hinders Scientific Progress, Harms the Planet, and Threatens Our Lives*, by Michael Specter

The media bombards us with facts every day. They are stimulating, numbing, and confusing all at once. The difference between good facts and bad facts is crucial. Specter's approach recalls a quote from the late Senator Daniel Patrick Moynihan: "You are entitled to your own opinions, but not to your own facts."

Specter encourages us to recognize that science-based facts are often the very best kind. We need more of them, not fewer. They allow us to see through agenda-driven ideologues and special-interest groups. They also help us debunk popular myths about everything from organic food (which is no way to feed the world) to genetically modified crops (which are a part of the solution).

***Have you renewed your
membership with
Public Interest
Institute?***

Wanted: A Few Good Books

- *Food Politics: What Everyone Needs To Know*, by Robert L. Paarlberg

Two years ago, Truth About Trade and Technology named Paarlberg's *Starved for Science* as the "book of the year" because of its sensible call for the developing world to use agricultural biotechnology.

Now Paarlberg is back with a new volume that's jam-packed with the science-based facts, figures, and arguments that Specter says we must learn to value. This book informs readers about the basics of agriculture and challenges ideas about farming and food production that are regrettably popular in the faculty lounges. *Food Politics* truly nourishes the mind.

- *The Time It Never Rained*, by Elmer Kelton

The author passed away last year, but his novel of a 1950s drought in West Texas is timeless. Its gripping story provides an excellent look at the opportunities and hardships that people in agriculture constantly face. The main character, Charlie Flagg, is a lovable grump who says, "a farmer's concern is always the land."

The novel goes on to show why this is true, and why farmers and ranchers are some of

the best stewards we have. This book is a perfect example of fiction's ability to provide powerful insights into the way that the world really works.

These three books are worthwhile on their own terms as well as for their value as antidotes against the propaganda that a few college and universities are peddling. There's nothing like a good book.

Mary Boote is Executive Director of Truth About Trade & Technology, a nonprofit advocacy group led by American farmers supporting free trade and agricultural biotechnology. www.truth-abouttrade.org

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Other Good Books - Recommended reading by the PII staff:

Dr. Don Racheter:
Limiting Leviathan, edited by Dr. Don Racheter and Dr. Richard Wagner, Edward Elgar Publishing. This is a concise overview of mechanisms designed to help protect citizens from government.

Amy Frantz:
Mad As Hell: How the Tea Party Movement Is Fundamentally Remaking Our Two-Party System, by Scott W. Rasmussen and Doug Schoen. It looks like an interesting and timely book on the two-party system.

John Hendrickson:

New Deal or Raw Deal: How FDR's Economic Legacy Has Damaged America, by Burton Folsom, Jr. Folsom provides a strong overview of why the New Deal failed to resolve the Depression. Learn how to resolve today's economic crisis.

Deborah Thornton:

How Capitalism will Save Us: Why Free People and Free Markets are the Best Answer in Today's Economy, by Steve Forbes and Elizabeth Ames. In light of the recent attacks on capitalism and our way of life, we all need to know more.

Iowa Wesleyan College

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Sustain," an interfaith service workshop, was led by Jennifer Bailey, Campus Engagement Associate for the Interfaith Youth Core (IFYC). Individuals and groups exchanged ideas for service projects.

"Global Implications for Acts of Faith" discussed religious pluralism as the international civil rights issue of the 21st Century. The discussion was framed by Dr. Eboo Patel's book, *Acts of Faith*. These programs were presented as part of the "Students in Wesleyan Seminar," the first-year experience course, which is reading *Acts of Faith*, introducing connections between personal values and service learning.

Government Cannot Create Prosperity

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understand the basic reality that government cannot create economic prosperity.

Only free people with the opportunity to pursue entrepreneurial dreams can create prosperity and the jobs, savings, and quality of life that follow. And as government spends more, basic freedom is correspondingly reduced.

When freedom is reduced, prosperity is reduced. It is really not that complicated.

The costly irony in government attempts to control the economy is that, while government cannot create prosperity, it can certainly destroy it. Some of the job-killing capabilities of government are obvious: Taxes. Simple math and far too much direct experience tells us that as government takes more of our money, we have less to spend and invest. And if we spend and invest less, jobs are lost and wealth is reduced.

Almost as obvious is regulation. As more restrictions and costs are imposed on farmers, businesses, and individuals, opportunities are reduced and resources are consumed that otherwise could produce lower costs, greater growth, and more jobs.

Government's burdensome role in the economy doesn't stop there, however. In Iowa, agriculture is absolutely critical. Whether it is actual farm production or the thousands of jobs in those manufacturing and supply industries that support that production, there is nothing government could possibly do that will create more prosperity than will a robust agricultural economy.

But what can government do that will hurt agriculture? Lots of things, and we seem to be doing most of them. More than almost any other industry, agriculture depends on reliable and affordable credit markets. Whether it be loans for equipment or seasonal operating money, farmers need access to financing.

Yet, in its wrong-headed attempts to "stimulate" and manage our economy, what has government done? For one, government is borrowing 43 cents of every dollar it spends – and it is spending a lot of dollars.

No matter how you slice it, when the government is borrowing hundreds of billions of dollars each year – wherever it can find it – those hundreds of billions are not available to farms, businesses, or consumers.

Yes, interest rates are at near-historic lows, but that doesn't help much if there is no money to borrow. We have all experienced or heard the stories of traditional credit sources suddenly drying up

in the past couple of years. Whether it be suddenly gun-shy banks, stagnating land values, or ever-changing qualification criteria, the financing that has long fueled Iowa agriculture is today more difficult and more complicated to access.

From taxes to environmental regulations to failed trade policies, the list of consequences of government intervention in the economy is almost endless.

But the lesson is clear: Government is "helping" us to death, and with government spending approaching 28 percent of Gross Domestic Product, the trend is one we simply cannot sustain. I, for one, take no solace in the reminder by pro-spending types that many industrialized nations, particularly in Europe, have levels of government spending in the 30-50 percent of GDP range. Those are not goals for which we should be striving.

The United States is the greatest example in history of the simple fact that only a free, robust, and unfettered private economy can create and sustain prosperity.

Yet, in recent years, Republicans and Democrats alike

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Government Cannot Create Prosperity

have seemed determined to challenge that fundamental reality. At a time when China and other nations around the world are finally discovering that capitalism works, our ruling class is increasingly acting upon the fundamentally flawed belief that government can somehow turn an economy around, notwithstanding the mountains of evidence that government caused much of the problem in the first place.

The good news is that the size and cost of government can be reduced. Contrary to

the smoke-screen arguments of those in power, it isn't that difficult.

As Governor of New Mexico for eight years, I took the novel approach of insisting that government should not spend money it didn't have, should not do things it didn't need to do, and tried always to err on the side of economic freedom rather than intervention. Taking that approach, even with a Legislature that did not exactly share my views, we cut the size of state government, enjoyed eight years without a tax increase, and more than met our basic obligations to the taxpayers of the state. It took 750 vetoes and a willingness to say NO to a lot of special interests, but we did it – and lived to tell the story!

The debate over whether government can create or even stimulate prosperity is no longer an academic exercise. We don't need to do any more research or conduct any experiments. In fact, we cannot afford any more attempts to prove the concept.

We must acknowledge and act upon the now-proven reality that growth, prosperity, real jobs, and real opportunity only come when government gets out of the way and lets the rest of us do what we do best: innovate, create, and produce.

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