



FACTS & OPINIONS

On Public Interest Issues

Quotes

“Education is not the means of showing people how to get what they want. Education is an exercise by means of which enough men, it is hoped, will learn to want what is worth having.”

— Ronald W. Reagan
(1911 - 2004)
President of the United States

“Very few things happen at the right time, and the rest do not happen at all. The conscientious historian will correct these defects.”

— Mark Twain (1835-1910)
American Author and Humorist

“If a republican government fails to secure public prosperity and happiness, it must be because the citizens neglect the divine commands, and elect bad men to make and administer the laws.”

— Noah Webster (1758-1843)
Father of American Scholarship
and Education

Liberalism’s Legacy, Part II

By John Goodman, President
National Center for Policy Analysis

What is liberalism? By that term I mean the intellectual effort to apologize for and defend economic programs primarily associated with Franklin Roosevelt and Lyndon Johnson. There are four main ones:

- The substitution of regulation for markets,
- The substitution of social insurance for private provision,
- The nationalization of welfare, and
- The manipulation of the economy by the government.

It is difficult to exaggerate how completely this intellectual movement dominated thinking in the post-World War II period. During the 1950s and 1960s there was virtually no book, no journal, and no college campus where you could find a serious competing point of view.

When I was an undergraduate at the University of Texas in the 1960s, there were only two people on

the entire liberal arts faculty who you could describe as right of center — a moderate Republican in the English department and a libertarian in the Political Science department. And this was a campus with 27,000 students!

Then in 1962 Milton Friedman wrote *Capitalism and Freedom*. Friedman called himself a “classical liberal” and his book was a wholesale assault on modern liberalism and all its major programs. In place of Social Security, Friedman proposed private savings accounts. In place of the income tax system, a flat tax. In place of a monopoly public school system, educational vouchers. In place of the welfare state, a negative income tax. And so forth.

Whether you agree or disagree with Friedman, the book represented a coherent

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President

Dr. Don Racheter
Editor

Deborah D. Thornton

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Focus on Iowa Wesleyan College

New President — Dr. Titus

New IWC President Dr. Steven Titus said, "Our goal is to facilitate the development of adaptive life skills so that Iowa Wesleyan College students are prepared to enjoy rich, fulfilling careers, but most importantly become productive, responsible, and caring citizens."

Student Athletes Help at Old Threshers Reunion

From August 24 - September 2, IWC athletes volunteered over 1,584 hours helping with Mt. Pleasant's Old Threshers Reunion.

The Tigers worked ticket gates, directed traffic, set up, tore down, and staffed food booths, set up performance stages, worked the lights, and picked up litter.

"We were very pleased with the role the student-athletes played in helping this event run smoothly," said Old Threshers CEO Lennis Moore. "It was very nice to see the purple and white on our grounds working alongside other volunteers."

Homecoming, October 11-13

This year's homecoming

football game was played against Crown College, St. Bonifacius, Minnesota. Homecoming was dedicated to retired Dean Carol Nemitz in recognition of her 50 years of service and support of IWC. It started on Friday with an Athletic Hall of Fame luncheon and alumni golf outing, included academic presentations, continued through the football game, and ended on Sunday with church services.

Fall Visit and Open House Days

Friday and Saturday, November 16-17 will be fall visit and open house days for prospective students. Students may sign up at admit@iwc.edu. Activities include campus tours, admissions and financial aid presentations, plus meeting staff and current students.

Scholarship Days

Saturday, December 7, 2013, and January 11, 2014, will be Scholarship Days. As part of awarding merit scholarships, students complete applications and participate in on-campus interviews. Awards include the President, Pioneer, Honor, and Dean's Scholarships, as well as art and music scholarships.

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statement of a political philosophy. From cover to cover, you could see how it all fit together. Starting from a few simple values, you could see how the entire set of recommended policies cohered.

So here is the obvious question: Where can one find the counter to Friedman? Where is there a book that makes the case for modern liberalism as persuasively and as coherently as Friedman's critique?

This may surprise you: there isn't any.

Crazy.

How could so many people hold a viewpoint that has never been written down, explained, and defended? Hold that thought for a moment.

Since I can't cover everything in an article, let's stick with regulation. There are three things you need to know:

- Virtually every federal regulatory agency created in the 20th century came into existence at the request of the regulated industry.
- In virtually every case the regulatory body viewed maintaining industry profitability as its most important goal.
- In almost every case the bulk of the agency's time was spent not protecting consumers from price gouging, but protecting the industry from

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“ruinous competition.”

However, to get economic favors from government, the industries were expected to make a devil's bargain. Since the Republicans mainly believed in hands-off government, the producers had to give political support to Roosevelt and other Democrats who were granting the favors.

This approach started with the progressives, who were the forerunners of modern liberalism. They were not the first to pass special interest legislation. But they were the first to give an intellectual justification for the rejection of free markets while they were doing it, a justification that often belied their real intent.

For example, the Interstate Commerce Commission (ICC) — our first federal regulatory agency — was ostensibly established to protect the general public from greedy robber barons. But, as the leftist historian Gabriel Kolko has documented, the ICC was primarily dominated by, and served the interest of, the railroads themselves.

The Meat Inspection Act of 1906 was passed ostensibly in order to protect the public from bad meat. However, the regulatory apparatus the Act created served the interests of large meat packers instead.

Safety standards were already being met — or were easily accommodated — by the large companies. But the regulations forced many small meat packers out of business and made it difficult for new ones to enter the industry.

This same pattern — of regulatory agencies serving the interests of the regulated — was repeated with the establishment of almost all subsequent regulatory agencies. For this reason, Kolko called the entire Progressive Era the “triumph of conservatism.”

In the Franklin Roosevelt era, the ICC became a cartel agent for the trucking industry as well as the railroads. The Civil Aeronautics Board became a cartel agent for the airlines. The Federal Communications Commission (FCC) became a cartel agent for the broadcasters.

Even the pretense of consumer protection was blatantly tossed aside with the passage of the National Industrial Recovery Act (NIRA). The goal of the NIRA was to allow each industry to set its own prices, set its own wages, and control its own output. Had Roosevelt gotten his way, we would have had predatory monopolies in every market.

What was happening at the national level during the 20th century was replicated in spades at the local level. Virtually every professional licensing requirement in the country was requested not by consumers, but by people in the trade. Today, one in every three jobs requires a license or a membership in a union.

Where can you find an intellectual defense of all this? You can't.

What I'm describing

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A Dearth of Investment in Young Workers

By Tyler Cowen

George Mason University, Professor of Economics

One of the most troubling features of the slow economic recovery is that it has largely bypassed young people. This doesn't bode well for the future of the American economy.

For Americans aged 16 to 24 who aren't enrolled in school, the employment picture is grim. Only 36 percent are working full time, down 10 percentage points from 2007. Longer term, the overall labor-force participation rate for that age group has dropped 20 percentage points for men and 14 points for women since 1989.

This lack of jobs will damage the long-term careers of a big chunk of the next working generation. Not working after you finish school very often means missing out on developing the skills and habits that will serve you well later on.

The current employment numbers are therefore like a telescope into the future labor market: a 23-year-old who is working part time as a dog walker, yoga instructor, or retail clerk may be having fun, but perhaps will receive fewer promotions as a 47-year-old.

One culprit in this situation may be the higher minimum

wage enacted in 2009, but the root causes run much deeper. Employers appear to be more risk-averse, more concerned about overhead costs, and less willing to invest in developing young workers' skills. And that seems true across a wide variety of sectors.

In the legal profession, for instance, there is less interest in hiring junior associates and grooming them for partner status. Colleges and universities are often more interested in hiring adjuncts than tenure-track young faculty members. And publishing houses, instead of providing a big advance upfront and investing in young authors over a series of books, now expect many writers to earn their share of a book's revenue through royalties.

If we consider how many jobs are being advertised, without asking whether they are being filled, the labor market seems to be booming. If we measure labor market progress in terms of actual hiring, however, it's clear that the economy is recovering slowly. Employers appear to be looking around for workers, but then holding out for the very best candidates, and, if need be, making do with few new hires

or none at all.

These are signs of a world where next year's business income is less certain, and many employers take greater care to keep weaker workers off the corporate team. Some employers would rather spend on information technology than hire the wrong workers. Some prefer to invest in the developing world with its longer work hours and lower wages.

I outline these processes in my forthcoming book, *Average Is Over: Powering America Beyond the Age of the Great Stagnation*.

Young people who are eventually hired often fail to find desirable, high-paying jobs. If we consider four-year college graduates only, average starting salaries, inflation-adjusted, were higher in 2000 than they are today, a decline that started well before the financial crisis.

On balance, though, college remains "a good deal," in part because wages for nongraduates have fallen even more than those for graduates. That is hardly a reassuring sign for the broader economy.

These developments put economic pressure on higher

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education. If it's harder to get a good and lucrative job after college, why should students pay ever-rising tuition rates?

College doesn't always prepare students very well for the work force, and most graduates don't enjoy the relatively rosy job prospects of computer science and engineering majors.

As tuition increases slowly because of a sluggish labor market, colleges will have to change, making their offerings more relevant. But significant improvements may be hard to come by. Slow-growing or even shrinking revenue will strip colleges of financial resources, and they may suddenly have to focus on managing a decline rather than building for a more innovative future.

Policy changes to bolster economic growth and employment, whether by simplifying the tax code, repealing some occupational licensing, bringing more rigor to K-12 schooling, or accrediting cheaper online education, may help reverse or curb these trends.

But to focus on policy alone is to miss the gravity of the situation.

Falling wages for new entrants to the job market suggest that a sizable chunk of the American labor force may never achieve middle-class wages in a relatively secure full-time job. And many

young people don't want to take physically demanding jobs, which are often filled by immigrants.

Some young people are breaking out of these traps by starting new Internet or service-based businesses, in lieu of looking for traditional employment. But others end up in part-time, temporary, or low-quality jobs, biding their time and hoping that something changes.

We may not like what the market is indicating here, but it would be a mistake to shoot the messenger — namely, the market itself.

Businesses are measuring value more accurately and choosing more cautiously, and though that raises overall productivity, it isn't good for all workers. Many face the burden of meeting the standards of a more demanding world, and not all are succeeding at that task.

It's a problem that won't be solved by any kind of quick fix.

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Liberalism's Legacy, Part II

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contradicts not only Adam Smith, but also almost all of modern economics. Special monopoly privileges designed for one group create benefits for that group, but harm everyone else. And the harm to society as a whole is inevitably much greater than the benefits to the special interests.

So back to the question posed earlier: why do so many intellectuals apologize for and defend the indefensible?

The only answer I can think of is that what we call liberalism is not an ideology at all. It's a sociology. And that would be okay, if it were comparable to one's preference for natural food or artsy movies.

It's not okay when it imposes costs on millions of innocent people.

John Goodman is President, CEO, and Kellye Wright Fellow of the National Center for Policy Analysis. Reprinted with permission of the National Center for Policy Analysis. This column appeared at Townhall.com, September 9, 2013, <http://healthblog.ncpa.org/liberalisms-legacy-part-ii/?utm_source=newsletter&utm_medium=email&utm_campaign=HA#more-32285>.

Pope Francis: Striking Out or Hitting a Home Run?

By Dr. Michael Brown, Ph.D.

Cardinal Timothy Dolan is certainly right when he says that Pope Francis “wants to shake us [Catholics] up.” But is he doing more harm than good?

Among the Pope’s most quoted recent statements are:

“I see the church as a field hospital after battle. It is useless to ask a seriously injured person if he has high cholesterol and about the level of his blood sugars. You have to heal his wounds. Then we can talk about everything else.”

And, “The most important thing is the first proclamation: Jesus Christ has saved you. And the ministers of the Church must be ministers of mercy above all.”

And, explaining how someone once asked him if he “approved” of homosexuality, Pope Francis noted, “I replied with another question. ‘Tell me, when God looks at a gay person, does he endorse the existence of this person with love, or reject and condemn this person?’ We must always consider the person. Here we enter into the mystery of the human being.”

What are we to make of this? Here’s my assessment (as a non-Catholic) of the positive vs. the negative.

Positive. Jesus often said controversial things that were easily misunderstood, and Pope Francis is following in his footsteps. There is nothing wrong with that, and it actually stimulates thoughtful

discussion.

Negative. Moral ambiguity helps no one, and as Paul taught, “if the bugle gives an indistinct sound, who will get ready for battle?” (1 Corinthians 14:8.)

Positive. The Pope is putting first things first, making clear that the mission of the church is not to oppose abortion and homosexuality, but rather to bring the gospel to those in need.

Negative. If the church doesn’t stand for the sanctity of life – defending the rights of the most defenseless of all – and if it doesn’t uphold marriage and sexuality as God intended it, who will?

Positive. The Pope is opening the door wide to atheists and gays and lesbians, not condemning them, but offering them grace.

Negative. It is one thing to open the door; it is another thing to say, “Once you walk through our non-condemning door, if you really want to follow Jesus, you will radically

change.” This is similar to Jesus telling the woman caught in adultery that he didn’t condemn her before telling her, “Go and sin no more.” (John 8:1-11.)

Positive. The Pope is right in saying that “The church has sometimes locked itself up in small things, in small-minded rules.”

Negative. Many people believe that he is placing opposition to abortion and homosexual practice in the category of “small things” and “small-minded rules.”

Positive. The Pope is putting a much-needed, new face on the church, which many Americans currently view as hypocritical, judgmental, mean spirited, and homophobic.

Negative. Jesus said to his disciples, “If you were of the world, the world would love you as its own.” (John 15:19.) It’s a dangerous sign when MSNBC, CNN, and *The New York Times* think you’re great and speak well of you.

Positive. The Pope has said plainly, “I am a sinner. This is

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the most accurate definition. It is not a figure of speech, a literary genre. I am a sinner.” This means that we can say to all the Pope’s new fans, “Well, if he is a sinner, where does that leave you? It looks like you need a Savior too.”

Negative. The idea that the leader of the Catholic Church is just a sinner like the rest of us makes it easy for us to justify sinful behavior in our own lives. After all, we’re just a bunch of sinners!

All this being said, I find it interesting that the same media that was shouting the Pope’s controversial comments from the rooftops took very little note of his more recent comments, dating to September 20th, when he told Catholic gynecologists that, “Every unborn child, though unjustly condemned to be aborted, has the face of the Lord, who even before his birth, and then as soon as he was born, experienced the rejection of the world.”

He also “strongly condemned abortion as a manifestation of a ‘throwaway culture’” and reaffirmed that life begins at conception. Why hasn’t the media reported on this?

And how long will the media’s love affair with the Pope continue if the reports prove true that the Pope “defrocked and excommunicated” an Australian priest in May “because of his radical views on women clergy and gay marriage.”

As noted by Tim Stanley in the *UK Telegraph*, “From all

of last week’s headlines saying that the Pope wants to forget this nonsense about abortion and gays, you’d imagine that Germaine Greer had been elected to run the Catholic Church. Actually what the Pope was saying was that he wants the Church to talk more about what it’s for than what it’s against. But that doesn’t mean it won’t still be against those things that contradict its teachings and traditions.”

Exactly.

From my perspective, it’s too soon to come to conclusions about Pope Francis, but if he proves to be a radical reformer who holds to core biblical values while challenging the religious system, I say bring it on.

If he proves to be more in tune with the spirit of the age than with the Scriptures (and the church’s Scripture-affirming traditions), that would be a disaster.

Michael Brown holds a Ph.D. in Near Eastern Languages and Literatures from New York University and has served as a professor at a number of seminaries. He is the author of 22 books and hosts the nationally syndicated, daily talk show, the Line of Fire.

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Philanthropy and Education Go Together

By Deborah D. Thornton
Editor, FACTS & OPINIONS

November 15 is National Philanthropy Day, to “recognize and pay tribute to the great contributions...made to our lives, our communities, and our world.” Iowans consistently rank near the top nationally (third in 2011) in volunteering and philanthropy. Education is a key philanthropy area.

Non-profit school tuition organizations (STOs) raise funds to help low-income children to attend accredited non-government schools.

Taxpayers donating to STOs are eligible for a tax credit equal to 65 percent of the contribution. Fortunately, the Iowa Legislature encouraged our philanthropy by raising the tax credits to \$12 million last spring, and including S corporations, partnerships, LLCs, estates, and trusts in the allowable donors.

Families receiving the scholarships make no more than 300 percent of the federal poverty level. Because of the STOs, thousands of children can now attend the school of their parent(s) choice. These children now have the same opportunity wealthy children have. This is a good thing.

So throughout the year, think of yourself as a philanthropist — whether big or small. We can all help, and we can especially help every child attend the school of their choice!

**Public Interest Institute
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600 North Jackson Street
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The series is free to any teacher, government or private school, or homeschooling parents wanting to teach this curriculum.

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POLICY STUDIES released this summer include #13-5, *Electricity — Make it, Use it — 24/7/365* by Analyst Deborah D. Thornton.

POLICY STUDIES on federalism, income tax cuts, and pension reform will be published this fall.

The August IOWA TRANSPARENCY NEWSLETTER featured “Iowa General Assembly Spending

Data for 2013” by IT Specialist Jennifer Crull. The Vote Tally results used to generate this analysis are on-line and available at: <http://www.iowatransparency.org/votetally.html>.

The September issue of LIMITS featured “Secure Liberty with Local Initiative and Referendum,” by Leslie Graves and Geoff Pallay.

State Policy Network Annual Convention Held

PII President Dr. Don Racheter attended the State Policy Network 21st annual conference, September 23-27 in Oklahoma City, Oklahoma.

The conference set a new record for attendance. It was a very informative event featuring excellent limited-government speakers.