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2012

## Champion of Capitalism, Third Edition

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**HARDING**  
UNIVERSITY

**CHAMPION  
OF  
CAPITALISM**

A Tribute to  
Nobel Economist  
Dr. Milton Friedman  
1912 - 2006

by  
D. P. Diffine, Ph.D

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## TABLE OF CONTENTS

	Page
I. Some Personal Reflections . . . . .	1
II. Let Free Choice Reign . . . . .	7
III. Origin of Government's Growth . . . . .	9
IV. No Freedom of Speech . . . . .	11
V. More Problems Exist . . . . .	13
VI. Opinion Leaders The Key . . . . .	15
VII. Stopping Big Government . . . . .	17
VIII. Rays of Hope . . . . .	19
IX. Remedy the System's Flaws . . . . .	21
Epilogue: Friedman's Way . . . . .	23
Appendix: The Raging Conservative - Liberal Debate . . . . .	27
Acknowledgments . . . . .	35



## I. Some Personal Reflections

*With the passage from this life of Nobel laureate Dr. Milton Friedman, in November 2006 at the age of 94, this commemorative monograph takes special note of both a diminutive giant and a pugnacious gentleman who, at the turn of the millennium, was cited in Fortune Magazine as "Economist of the Century."*

*Following his 1980 American Studies Institute (ASI) presentation at Harding University, promoting his new book and video series, "Free to Choose", Dr. Friedman and I flew together across a portion of the southeastern U.S. in a small, general aviation aircraft. Upon boarding, he eagerly volunteered to ride up front with the pilot. Ever the mentor, he announced, "Did you know that the clock and watchmaking industries in the United States were subsidized by the government in the 1930s?"*

*"No," I replied. "That surprises me. Of course, we weren't as good as the Swiss or the Germans...Oh, I get it. We feared another world war and did not want to be cut off (embargoed) from the technology that made the gauges, navigational instruments, bombsights and so on." Friedman replied, "Exactly, and for a while I actually worked in the factory that made these gauges for the aircraft consoles."*

*In 1982, Debbie Garrett and I won cash prizes and a free trip to the West Coast to meet and dine with Professor Friedman at the Bonaventure Hotel in Los Angeles. Friedman was Chairman of the Blue Ribbon Panel of Judges for that First Annual National Essay Contest on freedom applied to the market place. We had won First Place.*

*On that occasion, we received our prizes, posed with Professor Friedman, and presented him with a copy of our "FREE MARKET ALMANAC -- A Daily Chronicle of Enterprise." He chided me for one quote on the January page: "Ask not what your country can do for you, but what you can do for your country (President Kennedy at his Inaugural)." Honorably pursuing self interest will result in the social good - this was Friedman's frame of reference, not the other way around. Adam Smith would agree.*

*We corresponded now and then over the years. This delightful letter arrived in the Fall of 1983 (please forgive the lack of humility on my part for printing this; humility is, after all, the arrogance of the meek):*

*Dear Don:*

*Your activities in spreading the free enterprise message certainly deserve a great deal of praise. Each of the times I have heard you speak, you have been effective, persuasive, and humorous. I am sure that must be the reaction of most people who hear you speak. It is a real tribute to you that you are able to inject humor into a serious subject and at the same time to get across an important message. I wish you luck in your activities.*

*Sincerely yours,*

*Milton Friedman  
Senior Research Fellow  
Hoover Institute  
Stanford, California*

*Friedman was a child of working class immigrants from eastern Europe. His father died while Milton was in high school, and his mother worked as a seamstress in the New York City garment district. Friedman arrived in 1928 at Rutger's University with a rare and coveted scholarship in mathematics.*

*Friedman was wanting to become an actuary, but then decided that it was a fascinating time to be studying economics, as the Great Depression was unfolding. He turned down his scholarship, changed his major to economics, and took on several part-time jobs (clerking, waiting tables).*

*One account has it that, on the eve of our Great Depression, Friedman took his first economics class by accident, taught by Arthur Burns, future Federal Reserve Bank Chairman. After that semester, Friedman was addicted to what I like to call, "The Only Game in Town."*

*Graduating from Rutger's in 1932, Friedman stated later that, "...under the circumstances, becoming an economist seemed more relevant to the burning issues of today than becoming an applied mathematician or an actuary." So, off he went for graduate work in economics at the University of Chicago, followed by post-graduate work at Columbia University.*

*Early in his career, Friedman was a staff economist at the Treasury Department. He lobbied hard for wartime tax increases and price controls, all in the name of efficiency, he felt at the time. Later in life, he would profess that he had blotted out those early memories as they came from an era when he was a pro-Keynesian fiscalist in his thinking.*



*Friedman had a passion for replacing the military draft with all-volunteer military. And that landed him on a key commission after the Vietnam War. Obviously, with an all-volunteer military, you get a more committed, productive GI who has a higher retention rate and is therefore less costly to train and replace. Conscription is inefficient and it restricts freedom. The logic of it all is inescapable. He remarked to me more than once that some of his best and most serious students were the GIs who went to college on the GI bill after WW II.*

*Recipient of the Presidential Medal of Freedom in 1985, Friedman was such a great communicator that his listeners would often react with "...that makes sense...why haven't our leaders thought of that..." He was acknowledged pioneer and scholar in the fields of monetarism, price theory, business cycles, privatization, personal investment accounts, inflation and price controls, school vouchers, all-volunteer military economic growth, freedom and property, etc.*

*Friedman and his wife, Rose, were a rare breed: both husband and wife were economics majors. She co-authored many of his books. The other husband and wife economist combo I know of first hand were Sam and Helen Walton, she graduating from Columbia College in Missouri and he from the University of Missouri at Columbia. Can you imagine the great conversations these couples must have had over the decades?*

*I have heard accounts over the years of Dr. Friedman's receiving an honorary doctorate at the Hebrew University in Jerusalem. Asked if it was possible to summarize any theory of economics into a*

single phrase, Friedman reportedly responded, "There is no such thing as a free lunch. That is the sum of my economic theory; the rest is elaboration."

In his prime, Dr. Friedman was known for accepting one out of every ten speaking engagement invitations, for a maximum of three a month at a speaker's fee in the mid-five figure range. He was most well known in recent decades for his advocating of school vouchers, thereby encouraging competition and giving parents a choice to shop around, among and between different types and qualities of schools.

Dr. Milton Friedman and Dr. John Kenneth Galbraith, both of whom passed from this scene last winter, made very successful careers of going around the country debating each other on college campuses. It was quite a sight: conservative economist Friedman at 5'2" tall and liberal economist Galbraith at 6'7" in height. Champion of Capitalism Friedman with his logic, facts, and examples, could absolutely debate Galbraith under the table.

Do I have one favorite quote from Milton Friedman? Yes, indeed:

*There is one and only one social responsibility of business -- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud.*

To elaborate, some say that the bad done by business would fill a book. In some cases

*that is true. In this country, it is rare enough as to be newsworthy. However, the good done by most business people -- jobs, new and better products and services, a rising standard of living, economic growth, even taxes -- would fill a library. To me, that's the good news of our American incentive system.*

*Finally, on another occasion, as we were driving across a portion of the mid-south, Dr. Friedman was taken with my ten-year-old, 1965, mint condition, Buick LeSabre. It turns out he had one just like it at the time. He kept it on his mountaintop retreat in Vermont, for those six months of the year when he wasn't at the Hoover Institute at Stanford University in Palo Alto, California.*

*During that driving trip, I asked Friedman to name the top post-graduate programs in Economics across the country. He absolutely nailed it with a superb list of those which were both intellectually and technically competent. Don't forget: he was also a first rate econometrician.*

*Was Milton Friedman a giant in his profession? Indeed! He owned the second half of the 20<sup>th</sup> Century, just as English fiscalist John Maynard Keynes (1883-1946) owned the first half. Keynes was also keenly aware of the legacy which comes to those in the vanguard:*

*The ideas of economists and political philosophers...are more powerful than is commonly understood... Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.*

## II. Let Free Choice Reign

*As an undergraduate economics major in a rigorous program at California State University at Long Beach, and in the mid-1960's, it was my good fortune to be assigned to read and critique Milton Friedman's new book Capitalism and Freedom.*

*A good title, or brand name for that matter, should describe the contents of the package. Friedman adeptly wove together the case for private enterprise and personal initiative as some of the key ingredients for prosperity.*

*The following chapters II through IX (pp. 7-21) contain the text of a presentation by Dr. Milton Friedman, Keynote Speaker of the American Studies Institute (ASI) Lecture Series, Harding University, in 1976, the year he received his Nobel Prize in Economic Science from the Royal Swedish Academy.*

My theme is, as I see it, the major problem which faces this generation of Americans, which faces the young people who are here in Harding now as undergraduates and those who will come after them.

It is widely believed that the growth and size of government is inevitable. It is taken for granted that somehow the growing complexity of the world, increasing technical developments and sophistication and growing numbers of people make it necessary for government to grow and that what we have been observing in recent years is simply a continuation of a trend running back for centuries. That is false, historically.

This country was founded in 1776. The present form of constitution came some 13

years later. In the first century and a half of this country's existence, in the period from about 1790 to 1930, there was no tendency whatsoever for the government to grow. On the contrary the size of the government, both federal and state, stayed roughly the same throughout that whole period except during the war of 1812, the Civil War, and World War I.

Today, governments at every level -- local, state, and federal -- spend a sum of money which is equal roughly to 40 percent of the national income. That is to say that if I add up what our cities and our states and our federal government are spending, they are spending 40 cents out of every dollar of your income for you.

In the period I spoke of from 1790 to 1930, excluding the great wars, spending by the federal government was never more than 5 per cent of the total income. In 1929, it was 3 per cent of the total income. In that whole period, spending by state and local governments was always larger than spending by federal government.

Spending by state and local governments in 1929 was about 9 percent, mostly for education. Taken together, local, state and federal governments had a total spending equal to about 12 percent of the national income. And at no time in the prior 150 years did it reach 15 percent. There was no tendency during that period for government to grow and grow and grow.

### **III. Origin of Government's Growth**

The growth of government dates from roughly 45 years ago. It dates from the beginning of the New Deal, after the Great Depression of 1929 to 1932. The origin of the growth of government is to be found in the post-depression period. In the 40 years from then to now, we have seen the government's spending grow from 12 percent to something like 40 percent.

It started very rapidly. Already by 1936, federal spending was greater than state and local government, and the growth of government has gone along with a shift in the power from state and local communities to the federal government. Today, the federal government spends about 26 percent of the national income and state and local governments about 14 percent, or half as much as the federal level.

And the size of spending by the federal government understates the role and the importance of the government. That is not the only way in which the government impinges upon you and me.

The first question to be asked is why is this a problem? Doesn't this merely mean that people are getting what they want? These expenditures by the federal government, the taxes to pay for them and the inflation which has accompanied them have been produced by the people you and I have elected and sent to Washington, by the people you and I elected and sent to the state chambers.

Why is this a problem? Is it not the reverse? Does it not mean that our government is giving us what we want? I think the answer is very clear.

Even if you could suppose we were getting our money's worth for every dollar that government is spending, government of this size is a serious threat to our individual and personal and political freedom. There is a sense in which government is giving us what the people want.

And indeed, the reason for talking about the problem is to try to get people to recognize what have been the consequences of their wants, to recognize that perhaps they have been wrong in what they have urged upon government, and to see what the further consequences of these developments are.

So, even if we are getting our money's worth, the growth of government would threaten our freedom. It is impossible to have a free society if government is too big. It is impossible for there to be simultaneously an all-powerful government and a free and individual society.

#### **IV. No Freedom of Speech**

Let me ask you a question. Is there a businessman in this country today at any important and responsible position in business who has freedom of speech, who can say in the press, over the radio or on any public podium what he really believes? I can assure you that there is no top level businessman who will say he has freedom of speech.

Before he says anything anywhere, the businessman will look over one shoulder and see what the Internal Revenue Service is doing and over the other shoulder to see whether maybe an antitrust suit isn't coming his way. And I guess he must have three shoulders now because he must look to see what will happen to his allocation of oil.

And this is inevitable. It is not because of any malicious or evil people in Washington. It is because, if you have power, power will be used. If you have a governmental body that spends 40 percent of the income of the community, if you have government so powerful and so strong, it will inevitably use that power.

But let's put aside the threat to freedom, even though from my point of view I believe that it is the most fundamental problem we face. Are we getting our money's worth? It seems like belaboring the obvious to discuss that issue.

Is there really one among you in the audience who will say that the 40 percent of his income which is being spent for him by government -- state, local, and federal -- is giving him his money's worth compared to the other 60 percent? Are you really getting



your money's worth? Is anybody getting his money's worth?

Some years back, in discussing the situation in New York City, John Kenneth Galbraith said there was no social problem that couldn't be solved by an increase in New York City's budget. In the period since he spoke, New York City's budget has tripled, and so have the problems. Did the problems get worse because the budget didn't quadruple? No!

The problems got worse because the budget increased. How can anybody say such a silly thing? How can it be that you get less for more money? The answer is that it is an illusion to believe that you had more money. Where did the city get the money to spend? It got it from the citizens of the city of New York. What happened was the government had more to spend, but the people had less to spend.

Now is it any surprise to you that governmental civil servants spending someone else's money are likely to get less value per dollar spent than people spending their own money will get for those same dollars? In my opinion the problems of New York became as bad as they are because government spending went up while private spending went down.

Instead of money being spent by people who were careful with their money, money was spent by people who had no interest in how efficiently it was spent. They spent much of it to create problems instead of to solve them.

## V. More Problems Exist

Now the next question we want to ask is, "Why has government grown?" Why have we had this tremendous growth? Clearly, if you accept my view that the increase in spending and the growth in government has not solved problems but has left us with more problems, you cannot say government has grown because there were some problems that had to be resolved.

The fundamental reason why government grew is because of a basic change in philosophy that was institutionalized by the New Deal. It wasn't produced by the New Deal. The basic change in philosophy had been going on for a long time. If you look at what was happening in intellectual circles between 1890 and 1920, you will see a great shift in philosophy.

It was a shift from a belief in the government as umpire and peacemaker, to a view of government as Big Brother. It Was a shift in philosophy away from the doctrine that each individual responsibility and the doctrine that each individual must be responsible for himself to a doctrine that some amorphous entity called society was responsible.

If a man did wrong, it wasn't because he failed himself, but because somehow or other society had failed him. This change in philosophy which occurred over a long period might not have been effective exactly and as early as it was, except for the Great Depression which was itself produced by government mismanagement.

That Great Depression undoubtedly was the occasion for this shift in philosophy

becoming embodied in actual governmental policy. It was the occasion for the acceptance by the public at large the view that all blessings flow from Washington. If there is a problem, we should turn to Washington to solve it. It is a view which unfortunately has not diminished very much over the years.

## **VI. Opinion Leaders The Key**

To cite again the example just given, if you only look at the mass of nonsense which is being spoken about the oil crisis, about the gasoline problem at the moment, there seems to be a problem. What is the cry that goes up? Have Big Brother in Washington do something about it. It is that change in philosophy which fundamentally accounts for the growth of government.

This change in the role of government was midwifed by two very different groups that did most to bring about the change and make it effective in government, They were, on the one hand, my fellow intellectuals, and on the other hand, the businessmen of this country.

Every intellectual believes in freedom for himself. Ask him whether he wants the right to speak freely, ask him whether he wants somebody to choose his research topics for him, or whether he wants somebody to tell him what job to take, and there is no doubt what answer you will receive.

But on the other hand, when it comes to other people, that is a different question. Intellectuals have been on the forefront of the groups producing an increase in the importance of government, because of their desire to limit the freedom of others.

Businessmen, while preaching free enterprise and free markets, have in many, many cases been among the major forces which have undermined free enterprise and led to the growth of government. As I say, while believing in freedom for other people, each one thinks he himself is a special case.



## VII. Stopping Big Government

Time and again, you have had this unholy coalition of the do-gooders on the one side and then the supposedly hard-headed businessmen on the other, getting measures enacted which would strengthen government and reduce the area of freedom.

It really comes full circle back to my original question. Do we really have as much government spending as we have because people want it? The answer is, no. The answer is that our political institutions are so structured that there is a bias in what happens.

If somebody comes before Congress for a special program, there is a small group of people who have a very strong interest who will testify in favor of it. On the other hand, if you and I, as taxpayers, are concerned about it, which one of us is going to go to Washington to make a great effort to stop it?

Now I ask the question, can government be stopped? Can we stop this continued growth of government, this continued extension of government into a greater and greater part of our lives. The answer is, yes, it can be. How can it be? In order to stop it, we need a change of philosophy.

It cannot be stopped by complaining about wastefulness or bureaucracy. That will not stop it. It cannot be stopped by grumbling when we pay our taxes. It can only be stopped as a result of a change in fundamental philosophy.

It can only be stopped as a result of emergence, again, of a philosophy of

individual responsibility and a change in our attitude toward government, by recognizing that government is not the benevolent Big Brother. It is, on the contrary, a major source of danger to our freedoms and our liberties.

And if we have that change in philosophy, Big Government could be stopped. Again, how could it be stopped? It cannot be stopped by fighting the individual measures. You are beaten every time there. If you try to say we are going to stop it by trying to get Congress to vote against a particular tariff, for example, you are going to be beaten on this.

You cannot stop it piecemeal; you can only stop it by establishing limits to government in a constitutional form which will limit the scope and the power of government.

## VIII. Rays of Hope

If you are going to reform that income tax, you have to do it through a constitutional amendment which will change the income tax amendment, so as to say that Congress may enact an income tax provided that no deductions are permitted except strict occupational expenses and a personal exemption, and provided that the maximum rate cannot exceed the minimum rate by more than two to one.

I could go down a long list, but my main point is that we could stop government, if we have a change in philosophy, and if we proceed by adopting such self-denying ordinances.

But finally, will Big Government be stopped? I doubt it. I am an innate optimist, but I am not that optimistic. I think there are many signs of decadence and decline in our society. We note through history that golden ages have been brief; they have tended to last about 75 years, and then they have declined. We may very well be at the end of our golden age.

But there are a couple of rays of hope. Indeed, the one thing that gives some hope is the incredible inefficiency of government. That is the great saving grace. People complain about so much of that 40 percent going down rat holes.

I say that you should praise that, because if that 40 percent of our income were really being spent efficiently, our freedom would have been gone long ago. It is only because so much of it is wasted, because we get so little for our money, that it does as little harm as it does.



The other ray of hope is the spreading disillusionment with standard liberal remedies throughout this country. There is nobody who believes anymore in the standard remedies. The liberal philosophy is literally bankrupt. That is not an expression of hope; it is a statement of fact which will be granted by almost every liberal in this country.

There is not one liberal who will not agree with that statement, but although the inefficiency of government and the spreading disillusionment with standard liberal remedies are rays of hope, there is very little sign, unfortunately, that they are producing the hope of slowing down the government.

## **IX. Remedy the System's Flaws**

In recent Harris polls -- the fraction of the population that thought Congress was doing a good job was even lower than the fraction that thought the President was doing a good job. Yet, what lesson do they draw? Do they draw the lesson that maybe we should give Congress less to do? Not at all.

The lesson that is drawn is that we ought to kick the rascals out and put another set of rascals in. But the people who are in are not rascals; they are good, decent people but they are operating in an environment, in institutions, and under circumstances where they are inevitably driven to pass bad laws.

What's wrong is not the men. As Karl Marx said in a different context, "What is wrong is the system." What's wrong is a system in which we assign the powers and the rights to government to attempt to solve the problems. What's wrong is the acceptance of the view that it is possible to solve the problems of this world with somebody else's money.

I have often said that if I could. add an 11<sup>th</sup> commandment to the Ten Commandments, that 11<sup>th</sup> commandment would be a very simple one. It would be, "everyone shall do good with his own money."



## **Epilogue: Friedman's Way**

By Wythe Walker, Jr., then-publisher  
*Arkansas Business*, April 20, 1992

*(After a 15-year hiatus, it was good to visit with Wythe Walker again recently. He was thrilled to know that I read his Arkansas Business article to my microeconomics students every semester, as "Free to Choose" is a supplemental text that is half their final exam. Wythe's article is reproduced below with permission. It is especially interesting and relevant, as Wythe's undergraduate work was primarily in humanities and psychology, not in business and economics.)*

Midway through this political season, the state of the economy is all the rage. Yet, none of the candidates seem to be offering any answers. Perhaps that is why I spent last week-end watching a videotape series drawn from economist Dr. Milton Friedman's book, Free to Choose.

Friedman offers a straight forward analysis of why America continues to struggle with exploding health care costs, poor public education, overregulation and onerous federal deficits. His conclusions are simple and classically conservative: "Let the free market work and the little people will have the most freedom and the most prosperity."

Violate these rules, let government interfere in the working of free markets, and invariably 'consumers won't get what they want. Their individual liberties will diminish, and big business will align with big government every time.

I find these conclusions inescapable. They match my experience as a reporter covering politicians and businessmen for the past six years. They match my experience as a publisher running a small newspaper.

Although theory never matches reality in the social sciences, Friedman's principles are as sound as those that shaped the Constitution. They focus on individual responsibility and individual liberty.

### **The Great Sea Change**

If you're under 50 like me, you don't remember the Depression, but you've felt its impact. You've grown up in a world where government has been cast in the role of the ultimate caretaker. You've assumed that Social Security, Medicare and Medicaid, and all the other paternalistic government programs are as integral to democracy as the Bill of Rights.

You probably believe that the collapse of the United States economy during the Great Depression of the 1930s was the fault of a free market economy and the greed of the monied classes. Wrong on all counts.

American capitalism collapsed in the 1930s in large part because the newly created Federal Reserve monetary system (the Fed was born in 1914) tightened, instead of loosened, the money supply in the face of one banking run after another.

Big business, not big government, got the blame. Big Brother was born as a result. Before 1929, spending by government at all levels had never exceeded 12 percent of the national income. Federal spending averaged just 3 percent. Today, the total amount of

government spending is 40 percent, with the federal government spending two-thirds of that total.

Thomas Jefferson never envisioned the federal government as a modern day father figure. Jefferson and the original framers of the Constitution were concerned about the dangers of centralized power and appropriate taxation.

Their goal was to curtail, not enhance, government power. What would they think of total government taxation that garners an average of 40 cents of every dollar earned and still runs a \$400 billion deficit?

### **Karl Marx and Me**

Karl Marx said a man's work determines his point of view. If so, then my arrival at the free market doorstep of Dr. Friedman is no accident. Since I became publisher of *Arkansas Business* 10 months ago, I have been thinking more and more like a businessman.

It's no surprise that I should find Friedman's paeon to the free market making all the sense in the world. Friedman's focus is on individual liberty, individual responsibility, and the role big government plays in curtailing individual liberties.

Months ago, I read Free to Choose the first time through. Next came the rereadings, the underlinings, and the note taking. A rabid Friedmanite, I am now in favor of free trade, a bare bones government structure, a Federal Reserve that keeps its hands off the economy and a tax system without loopholes, giveaways, and a myriad of incentives.

Friedman is a patron saint to economists in eastern Europe. They have experienced firsthand the inefficiencies of the command economy and the psychological misery of the all-powerful state. Too bad we can't see our economic reality as clearly.

In America, we are like Britain in the 1960s, slipping further and further into socialism with the continuing growth of regulatory agencies and inflation-indexed benefit programs.

We complain about lower productivity growth, yet we are unwilling to take the free market steps to let the economy really grow. Asking politicians to make wild promises certainly isn't the solution.

## APPENDIX

### The Raging Conservative- Liberal Debate

Many issues in life seem to have "conservative (rightist)" and "liberal (leftist)" spins to them. In election years, there may be more (or less) clarity on this, as each side is tempted to pander to the other's base.

Additionally, on either side of the barricade of issues are some who have neither understood nor cared. Confusing matters, few of us are consistently in just one camp or the other.

We rarely go about defining these conservative and liberal terms. Let's give it a go. Here's the way Archie Bunker would probably have viewed it (1980's "All In The Family" sitcom television show):

The conservative sees you drowning 50' from shore, throws you 25' rope, and shouts encouragement for you to swim halfway for the good of your character.

The liberal sees you drowning 25' from shore, throws you 50' of borrowed rope, and lets go of his end to go on his merry way to do more good deeds with other people's rope.

Winston Churchill put it this way: "Anybody who is under 25 and not a liberal has no heart, because he can't feel the pain and suffering of the people. Anybody who is over 25 and is not a conservative has no brains, because in 25 years he has not learned what the people are really like." Ouch!



Complicating the debate, several recent studies confirm, often by self-reporting, that American academia and media members are, on balance, markedly to the left of center. Do unbiased scholarship and balanced news reporting become potential casualties? The question answers itself.

Consider this segment from an American Economic Foundation editorial: "The purpose here is not to attack liberals or defend conservatives -- we only wish to point out the need for vigorous presentation of both viewpoints, followed by intelligent compromise essential to self-government. The nature of these debates can almost be predicted, and deal mostly with economics:"

Liberals are quicker to support temporary, emergency "crisis" spending measures. Conservatives maintain that these measures tend to become permanent, expensive, and undesirable (unless the federal monies come mostly to their own states).

Liberals usually want government responsibility for peoples' economic welfare. Conservatives often feel that this will destroy both personal freedom and individual initiative.

Liberals tend to believe that most problems can be solved by centralized government. Conservatives believe that most problems can best be solved by a level of government closer to home where the problems are best understood and more easily solved.

Furthermore, liberals would not want a capitalism in which some are rich while others are poor, because wealth-causes-poverty, don't you know. Conservatives believe that each person should be compensated according to his contribution to the marketplace, as valued by customers, and that capitalism has solved the poverty problem better than any other economic system.

It doesn't end there. Liberals want more laws regulating business, industry, and the marketplace. Conservatives want more laws regulating crime and sexual behavior.

Liberals want to continue the ban on public prayer in public schools. They favor compulsory sex education. Conservatives want to ban sex education. They favor public prayer in public schools.

Typically, liberals want to outlaw handguns. Conservatives want to outlaw pornography. Neither is for locking up criminals. Liberals claim it's society's fault, and conservatives say it costs too much money.

Liberals may pass laws and then go on their way to pursue other noble causes. Conservatives are sometimes content to follow the plans their grandfathers made.

And liberals are known for buying books that have been banned. It has been alleged that conservatives form censorship committees and read them as a group.

Liberals say that country clubs should be more fully integrated and that prisons should become more like country clubs. Conservatives believe that, in clashes between good and evil, duly constituted

governments are ordained by God to mete out justice to those who harm the public good.

With some exceptions, liberals are sometimes known for condoning acts of sodomy and baby killing, euphemizing their labels in an attempt to soften collective guilt. Conservatives usually believe in good, clean safe monogamy with benefit of clergy and are only "pro-choice" in the sense that they are for letting the baby decide.

Liberals may see no inconsistency in being both pro-abortion and participating in a candlelight vigil for a convicted murderer on death row. Conservatives can be "pro-choice" and "pro-life": before conception there is a choice; after conception there is a life.

And liberals are known for putting animal rights and feelings above those of humans. Conservatives take the position that humane testing of animals leads to longer and better lives for people and animals, too.

Liberals, who believe that SUV's represent everything that is wrong about capitalism and harmful to the environment, have been known to ask "What Would Jesus Drive (WWJD)?" Conservatives know that Jesus arrived in Jerusalem on a very polluting quadraped (a donkey) and that it was only two millennia later that people's lives were corrupted so woefully by SUV's.

The liberals, wanting to remove religion from the public square, are known for standing confidently on the First Amendment Constitutional "...separation of church and state." Conservatives know that the words

"separation," "church," and "state" are not in the First Amendment of the Constitution, which was penned to keep the state out of religion, yet allowing fully for religion in the heart of a statesman.

Some liberal people of faith believe that they should not take their personal convictions into the polling booth and in some cases even refuse, by abstaining from voting, to support the body politic. Conservative people of faith, who want to be "salt", light" and "leaven" in this life, tend to actively participate in our representative democratic process by voting their cultural values.

Liberals often regard moral values as "wedge issues" in elections, deriding those who are drawn to the polls by just moral or cultural issues. Conservatives usually regard moral values as "mainstream middle America issues" in elections, and believe that religion can provide moral values that not only make a country great, but also that nations prosper when governments work well and honorably.

The liberal jurist tends to favor personal politics, activist social agendas, and sometimes interprets other countries' founding documents into his own circuitous judicial rulings. The conservative jurist literally intends to "...support and defend the Constitution of the United States...", by enforcing the Constitution and time-tested laws passed by elected public officials.

In times of international crisis, some liberals lapse into playing the "Blame America First" game. When our country has seen some very dark days, conservatives often give us some very bright hours by using words such as "prayer," "God," and "America"

in the same sentence, and in public forums, too. Most welcome it.

Well, what do liberals and conservatives have in common? They all want more laws. They have different goals; however, they both agree that they want to control the kind of power that can be wielded to achieve their respective goals. They live in blue and red states all across the map, states predominately blue around the perimeter in large, metropolitan areas and mostly red everywhere else.

This list could be longer; however, we get the idea. Two schools of thought are locked in battle, and that's good. As history demonstrates, when there is no active political opposition, there is always the danger of the suppression of liberty in the name of liberty.

For example, the former Soviet government excused tyranny by saying that inasmuch as the Communist Party was the party of the "...liberated people," there would be no sense in having another party to oppose the "...will of the people."

I conclude by quoting three famous people (enhancing credibility, no doubt). First, here is Thomas Jefferson (paraphrased): "Opposition is so important, that I wish it would always exist, even for its own sake. It will sometimes be wrong, but it performs a valuable function nevertheless."

Second, as Disraeli put it, "No government can long be secure without a formidable opposition." Opposition by the "outs" makes the "ins" careful to avoid actions

that invite criticism and to promptly correct the mistakes that they do make.

How shall we all get together? John Milton penned it this way: "When there is much desire to learn, there, of necessity, will be much arguing, much writing, many opinions; for opinion in good men is but knowledge in the making." Oft times it gets messy, So, be ye careful. My motto is this: Never wrestle in the mud with a pig -- you get all dirty, and the pig enjoys it!

And sometimes, being liberal or conservative comes down to, yes, the issue at hand and next to whom we are standing at the time. In the meantime, is this a great country, or what? Strength and Honor.



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The *Entrepreneur* is a quarterly monograph addressing contemporary economic issues from a moral perspective. One may not agree with every word printed in the *Entrepreneur* series, nor should he feel he needs to do so.

It is hoped that the reader will think about the points laid out in the publication, and then decide for himself. Hopefully, the material herein will motivate people to further study and also toward a greater understanding of God's will on life's stewardship issues here on spaceship Earth.

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The recipient of the \$7,500 Freedoms Foundation Principle Award for Excellence in Private Enterprise Education, Dr. Diffine received 16 additional Freedoms Foundation awards in the categories of Non-profit Publications, Economic Education, Public Affairs-Advertising, Public Address, and Published Works. He is the faculty winner of a \$1,000 First Place prize in a national essay contest judged by Nobel Economist Dr. Milton Friedman.

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Dr. Diffine's wife, Dion, is from Kailua, Hawaii. She is a retired math teacher, Searcy Public Schools. The Diffines have two children: David, a physician; and Danielle, an accountant. Four wonderful grandchildren round out the family tree and give him all the more reason to live: Katie Elizabeth; Ridge Tyler; Lillie Ann; and Piper Dion.

