


1977

Free Enterprise: Let's Reinvent the Wheel

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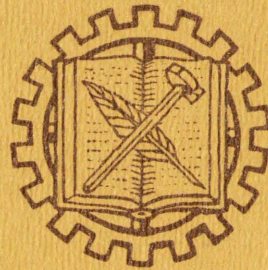
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1976-77

FREE ENTERPRISE

LET'S REINVENT THE WHEEL



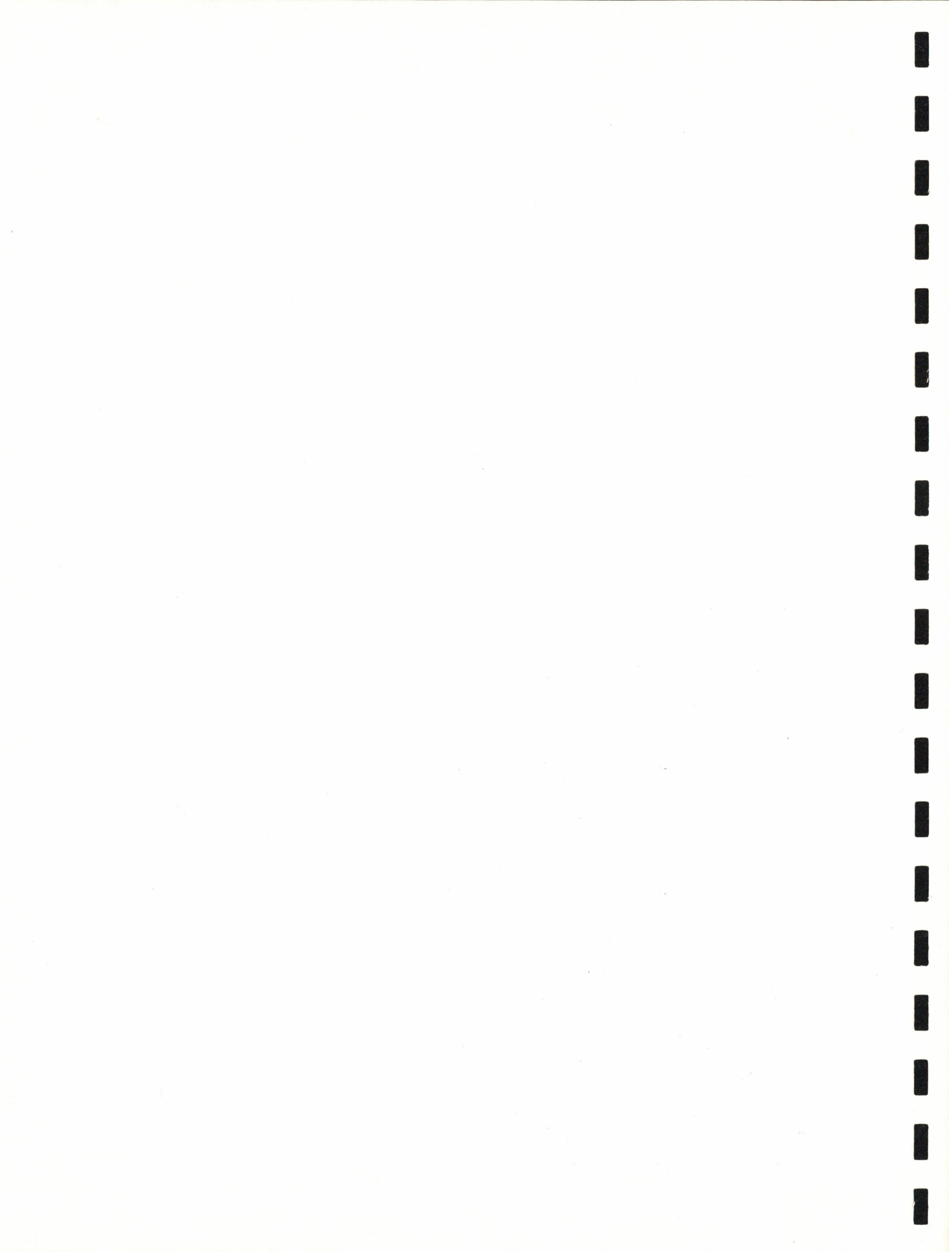
By

The Center for Private Enterprise Education

HARDING COLLEGE

Searcy, Arkansas

D. P. Diffine, Ph.D., Director



INTRODUCTION

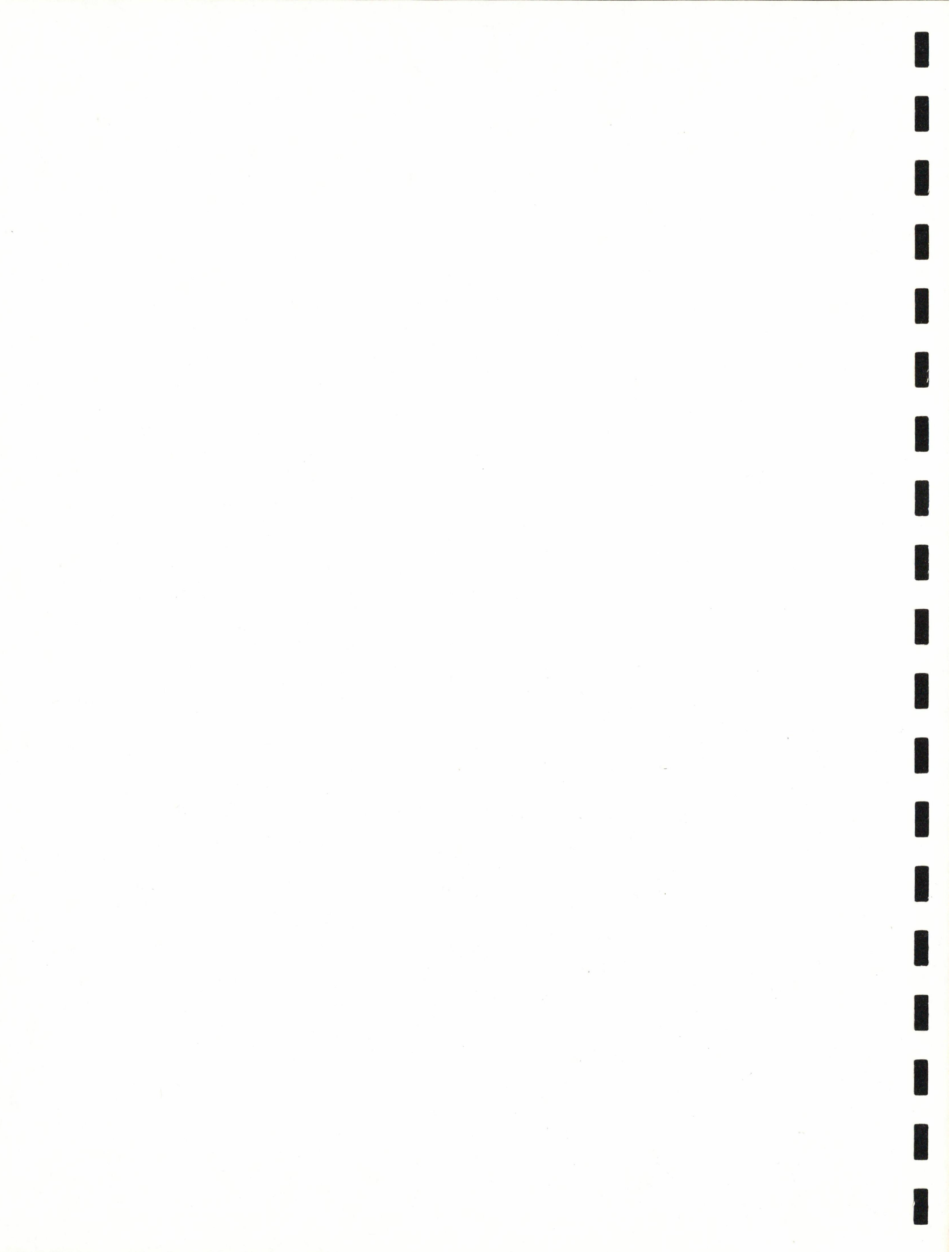
The primary purpose of this Report is to share with interested individuals and organizations the back-to-the-basics steps being taken by the Center for Private Enterprise Education to develop and implement an Economic Enlightenment Program. Conceived in the spirit of '76, the Harding College Center for Private Enterprise Education is now completing its first year of existence. It is staffed by student volunteers who have decided to be supporters of the system which supports them. These students realize that perhaps the best Bicentennial birthday present we could have given ourselves would have been to declare a moratorium on anti-free enterprise legislation. Each of the student members of the 1976-77 Economics Team realizes that he would lose more than most people if we voted out free enterprise, because these young people live longer than most Americans in experiencing results.

At a time when history's greatest economic miracle, American capitalism, has become a casualty of misinformation, little information, and no information, "FREE ENTERPRISE: The Greatest Story Never Told (Until Now)", a product of the Harding College student-faculty Economics Team, captured top honors in a regional intercollegiate private enterprise education competition in May, 1976. In September, 1976, the Harding College Business and Economics Department launched a new Center for Private Enterprise Education. In February, 1977, the Freedoms Foundation selected the Center to receive the Valley Forge Honor Certificate Award for its 1976 Economic Education Program.

The Center's goal is to collect, write, and disseminate in a multi-media fashion private enterprise-related information which is positive, non-partisan, and balanced in its approach. The Center staff has been charged with the following responsibilities: Present our economy, warts and all, with its tragedies and triumphs, benefits and costs. We want the building, not the whitewash. American enterprise has plenty to apologize for, but nothing to hide. Do be accurate. Credibility is the soul of this project. Don't just provide facts. Provide insights. Our goal is economic understanding. We are promoting economic enlightenment. If truth is in the field, we don't need to fear error.

The young people who make up the volunteer task force that we call the Center staff, our Economics Team, are pioneers in mass communication of economics. These young people have studied all the main alternatives to the free enterprise system, and they have found that the free enterprise system is a superior system. It has more justice, and it is more fair than the rest. However, they are not merely propagandists for the system. Their goal and the Center's goal is to assist people, both opinion leaders and the masses, to understand the facts of economic life. The result will be a more responsible citizenry, and a more productive work force.

We, at Harding College, did not invent free enterprise, but the Economics Team composed of a student-faculty brain trust has decided to assume, at



least for the present, that we have the sole franchise for promoting it. The challenge we gave ourselves was to come up with positive, nonpartisan, objective, responsible ways to increase the College, community, and business awareness of the system in which a person is free to do anything he wants if he is enterprising enough to do it.

We have been set up for business for 200 years at the same location. It is time to start making the sale. Our goal, then, is to put a polish on each citizen's amateur status because in a very real sense he is his own personal economist. Improve the understanding, and better attitudes will be a healthy byproduct. The fact is, our judgment can be no better than our information.

The reader of this report will be reading about projects that this student faculty Economics Team has accomplished over the period October 1976 through March 1977. We decided to practice what we preach. We decided to put up or shut up--to put our time and talents (and a little bit of money) where our mouth is--and not just tokenly "mouth" free enterprise. We've stepped out to defend the endangered species--the "goose that lays the golden eggs"--American capitalism.

The following audiences size documentation is provided as a recapitulation of our multi-media economic enlightenment programs and projects: (1) television--two appearances totaling an audience of 335,000; (2) radio--twelve broadcasts and spot messages totaling an audience of 480,000; (3) newspapers--twenty-four articles and pictures totaling a known audience of 718,000; (4) live audiences--twenty-one presentations totaling an audience of 18,500; (5) newsletters--five such publications totaling 105,000 readers; and (6) free market messages printed and distributed on 800,000 milk cartons.

If free enterprise economics is contagious, then many in our sphere of influence had the opportunity to "catch" it numerous times. We minimally estimate our total audience to have been 2,857,500, exclusive of our two articles which were reprinted for a very large but unknown population by 1,932 newspapers and 362 company publications. The above mentioned figure also does not include the listening audience for the 120 radio stations in 38 states which also ran the taped version of our "Capitalism" ENTREPRENEUR articles.

In 1915 the Goodyear Tire and Rubber Company adopted the creed, "protect our good name." This simple credo has grown to mean much more. Today it points to the urgent need to make all with whom we come in contact more aware of the workings and benefits of the free enterprise system. The Harding College Economics Team for 1976-77 has stepped into the breach to bring economics to bigger audiences than ever. This is the enterprise spirit, and it is a back-to-the-basics approach, a total package approach. There is no viable alternative to action. If most of us do nothing, it will add up to nothing. Let's free enterprise!

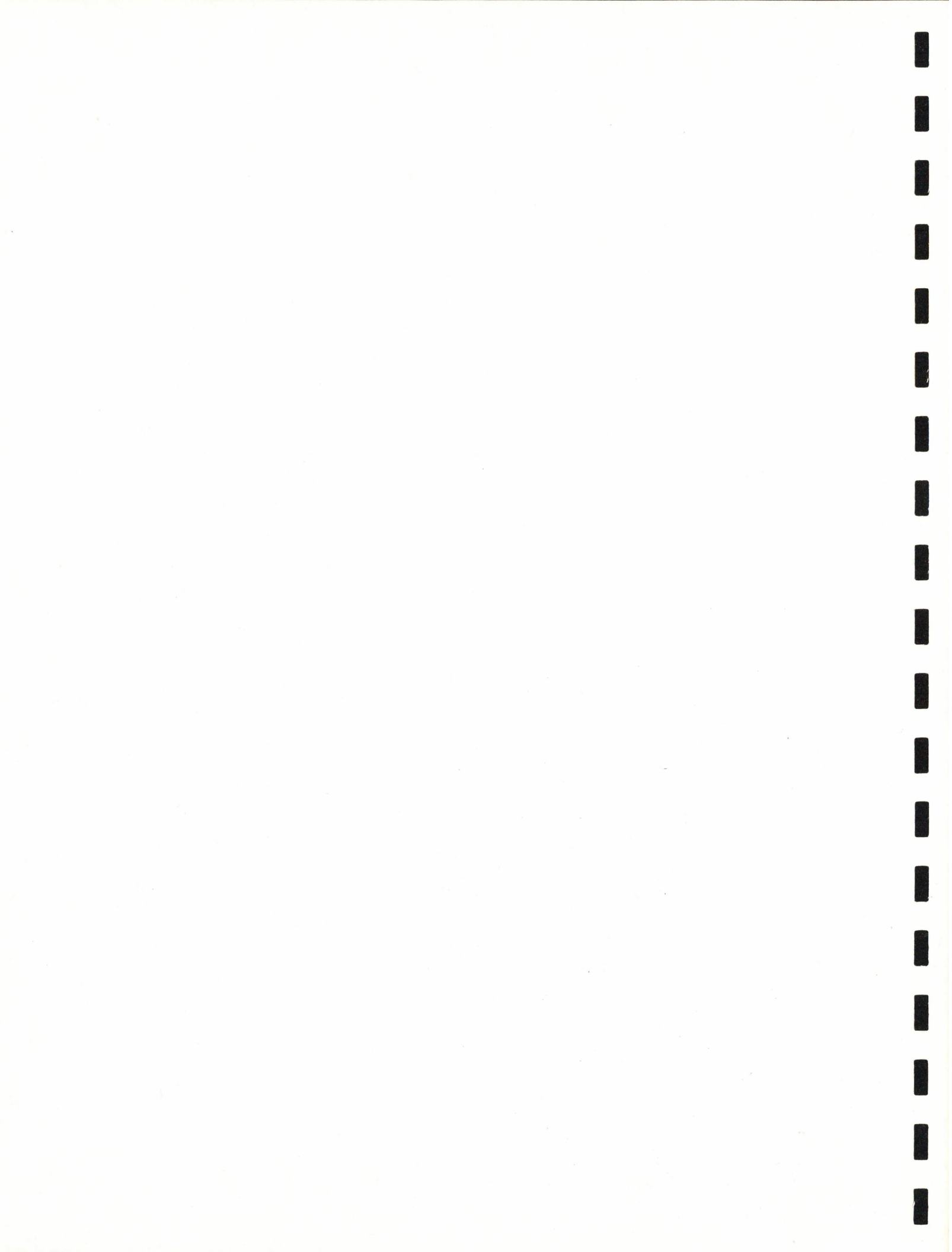
It's a pleasure to do economics with you! This is our task. Let us begin...

D. P. Diffine, Ph.D., Director
Doug Sanders, Student Chairman
Marsha Bender
Merrill Klemm
Dickie Isom
Daniel Holt

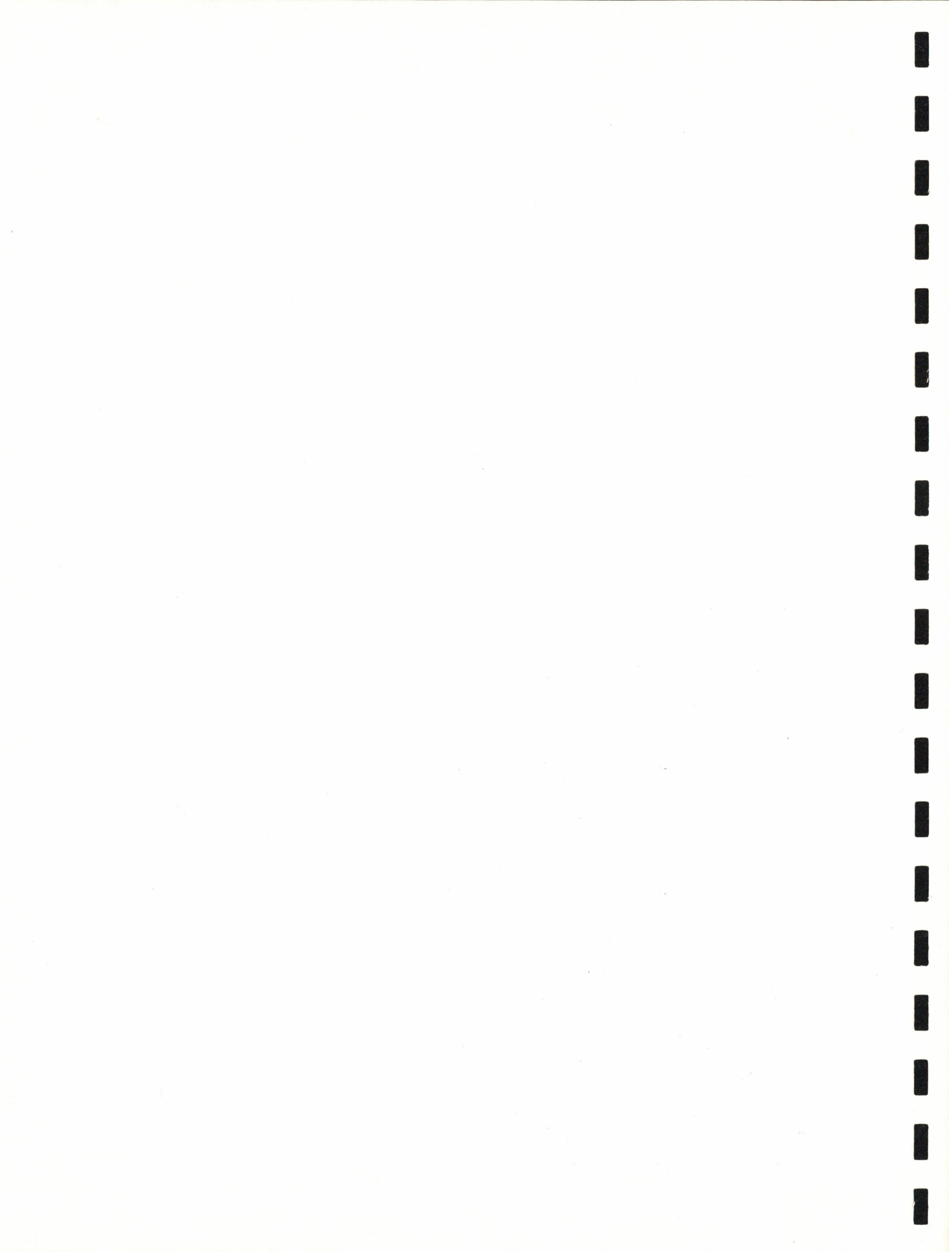


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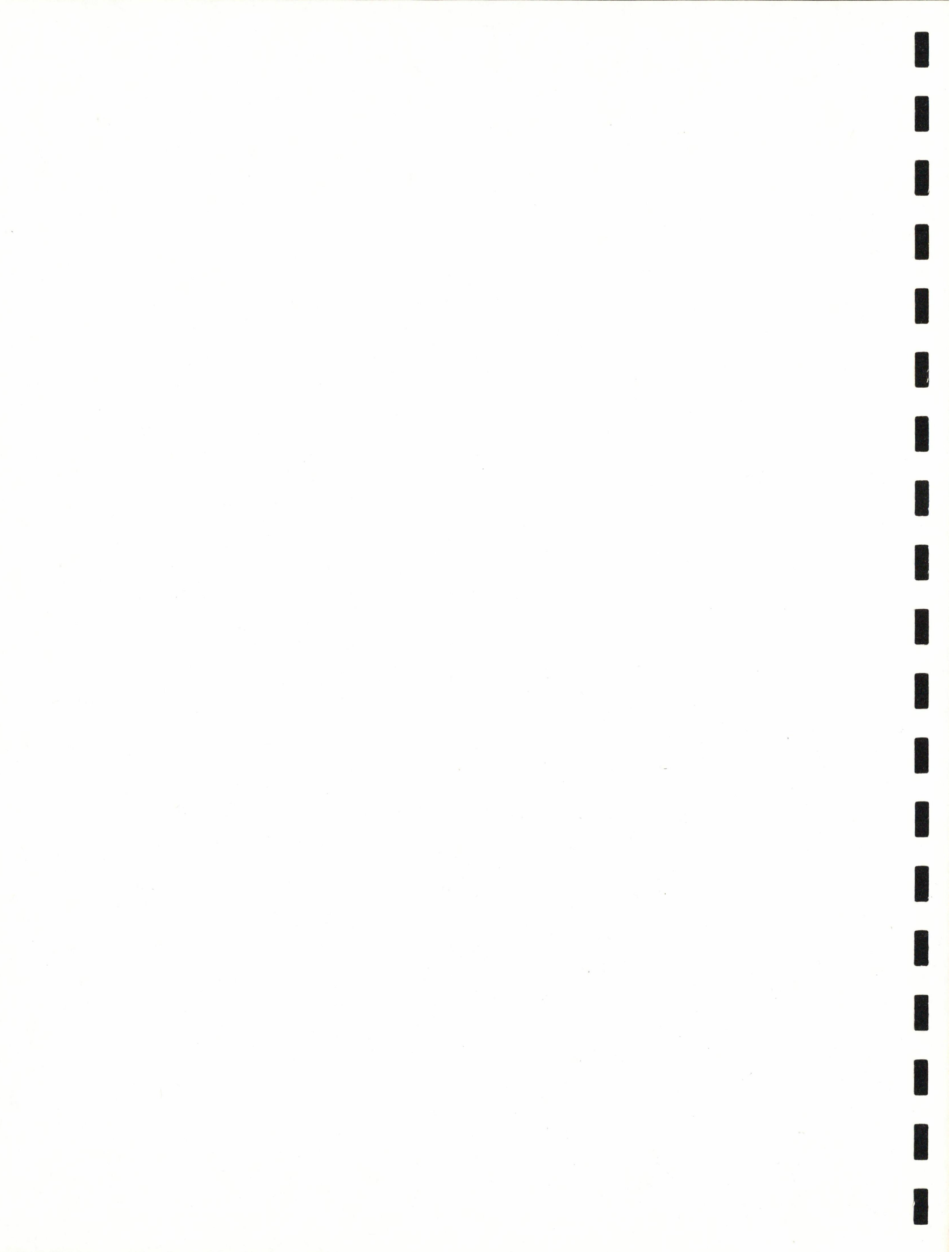
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CHAPTER I

WHAT IS FREE ENTERPRISE AND HOW HAS IT PERFORMED?

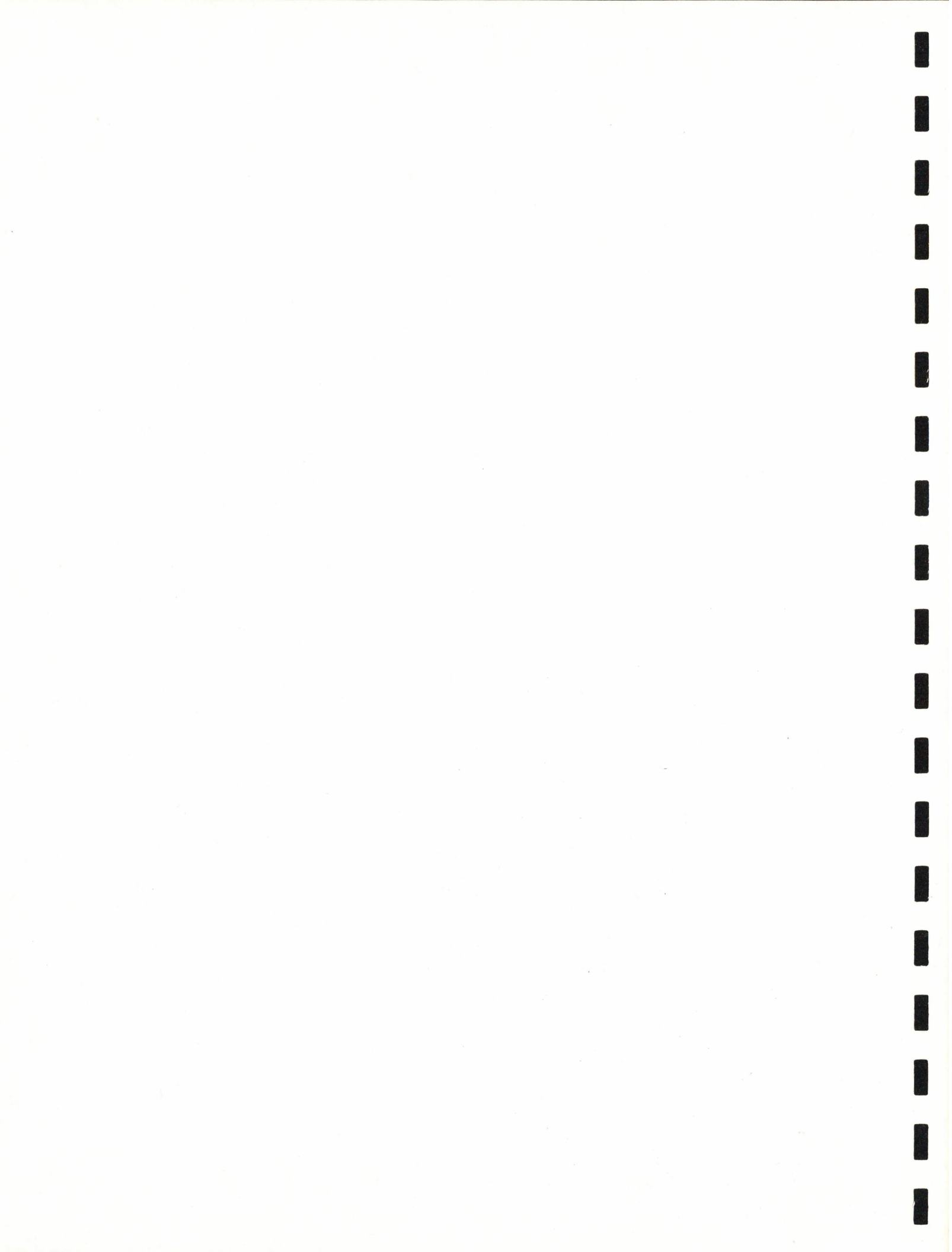
The power to choose the work we do,
To grow and have the larger view,
To know and feel that we are free,
To stand erect, not bow the knee.
To be no chattel of the state,
To be the master of our fate,
To dare, to risk, to lose, to win,
To make our own career begin.
To serve the world in our own way,
To gain in wisdom, day by day.
With hope and zest, to climb, to rise,
That is what we call free enterprise.

--Edgar Albert Guest

According to the Advertising Council in the National Survey done for them by the Crompton Advertising Corporation, only one in seven Americans is able to give a minimum description of the joint roles played by labor, business, investors, and consumers in our economy. We, the members of the student-faculty Economics Team, have observed from the very beginning that Free Enterprise is a term that is not well understood, and it is all too commonly misused. This is not only true in and out of the classroom, but also in and out of the business world. Free Enterprise is not well understood. And, unless it is from the very beginning, then any economic education program is in danger of being based on some glaring misconcepts and half-truths. Economics is fraught with more fallacies and myths than any other discipline; therefore, defining Free Enterprise and taking a look at its track record is extremely important. This must be done on the front end of any program or project.

In the free economy there are essential pressures between divergent groups. The first is the freedom of the worker to get as much as others are willing to give. The second is the freedom of the owners of the business to charge as much as customers are willing to pay. The third is the freedom of the customer to pay as little as possible. Out of this three-cornered conflict comes voluntary compromise of self-interest. You may not be happy with the compromises you make, but at least you make them voluntarily. They are yours to make.

In Free Enterprise, the customer is free to buy, what, when, and where he pleases. The will of the free customer is the automatic police force, the never-ending purge, the Supreme Court of a free society. Nothing can stand before it, nothing can define it, and nothing can circumvent it. It rewards confidence and efficiency by extending patronage and destroys incompetence and inefficiency by withholding patronage.



Basically, the Free Enterprise system means freedom of the individual. Under the Free Enterprise system, the individual is "free" to make something out of himself if he has the "enterprise" to do it. Too many people put too much emphasis on "free" and too little emphasis on the "enterprise." It is a package deal of individual liberty and private property. They stand or fall together.

The difference between collectivism and capitalism is the difference in where the decisions are made. In a collective society the decisions are made at the peak of the political pyramid. In our society, which we call capitalistic, the decisions are made at a rather low level and they are made tentatively. The decisions are either confirmed or rejected by the marketplace.

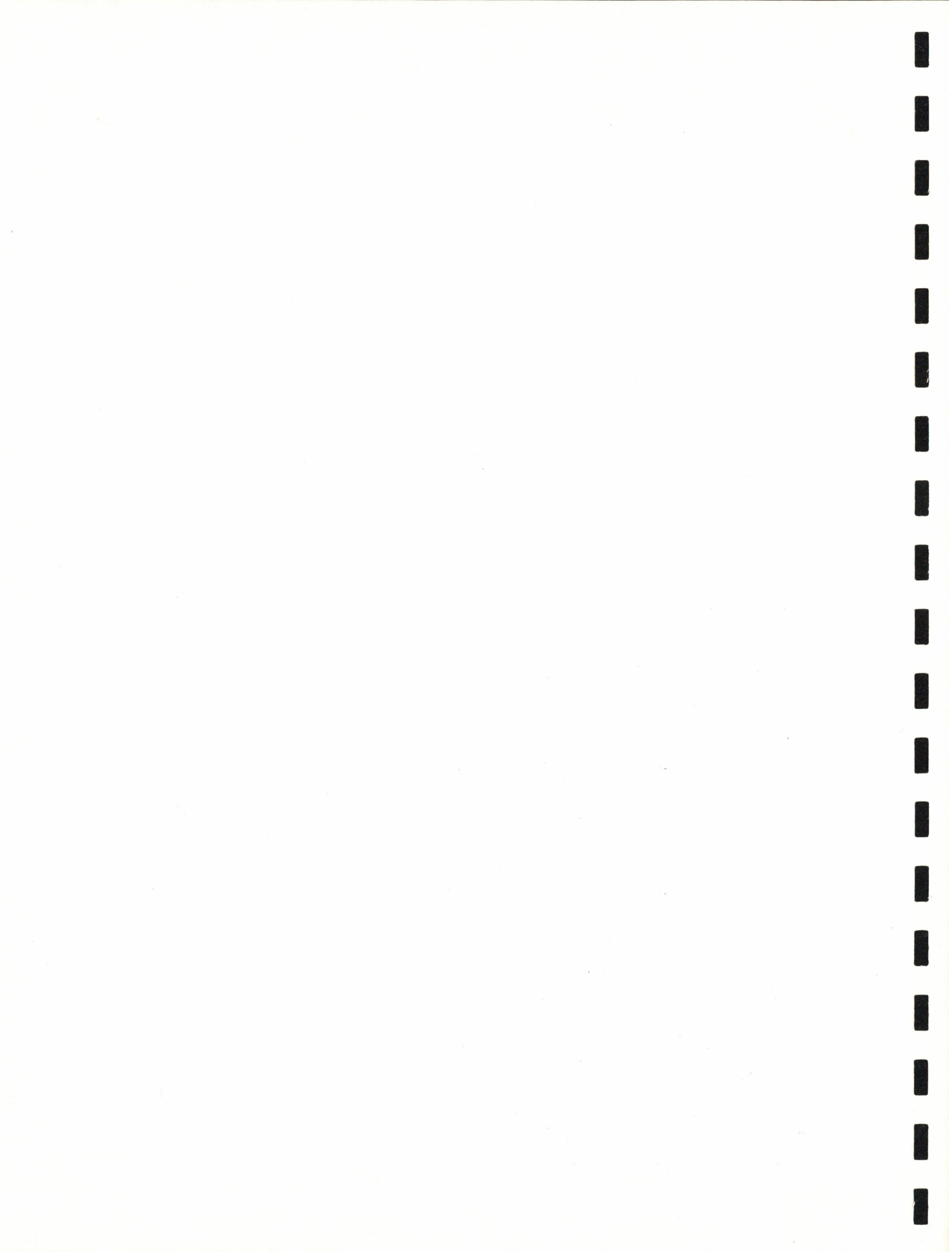
Why does public enterprise perform so poorly? The answer is found in the nature of people. Most people--whether managers or employees--do their best only when they have to. Private enterprise has to make a profit to stay in business. It has hungry competitors. It has hard-nosed, wage-conscious, labor unions and hard-nosed, profit-conscious management. They know that success depends on satisfying hard-nosed, price-conscious customers. As a result, both labor and capital know that efficiency is the price of survival. Public enterprise is free of these disciplines. It cannot fail because deficits are paid out of taxes.

The Free Enterprise system is a system of production, investment, and consumption under which private individuals and business firms, largely by their own initiative and responsibility, combine the community labor skills, managerial skills, and capital to produce the bulk of goods and services men want. Its most characteristic features as compared with other economic systems are the following: maximum dependence upon competition and the free play of prices to determine who shall produce what, maximum dependence upon profit as incentive rather than power or prestige, and maximum emphasis on free personal choice among the economic opportunities--be they goods or jobs--that are available to men.

Many Americans soon assume that Free Enterprise is a "natural condition"--that it appears as natural as buds in the springtime and that it will continue to bloom forever. But, the fact is that throughout most of history there has been little freedom of enterprise. No great nation enjoyed a full measure of economic freedom until it was nurtured here under the U.S. Constitution; and, there are signs that we are rapidly losing our economic liberty--choked by the weeds of government intervention.

Some thoughtful observers are concerned that 1976 may not have marked the Bicentennial of American Capitalism but the end of the age of capitalism. If we want it to be the former we had better step up our efforts to understand and preserve the most productive economic system in the history of man. Unless we do so, it will soon become a gross misnomer to call our enterprise system "free".

Remember--there is no problem imaginable that can't be overcome with a lot of Free Enterprise education--we need to sell the system in which a man is free to earn his keep and to keep what he earns. The marketplace, despite

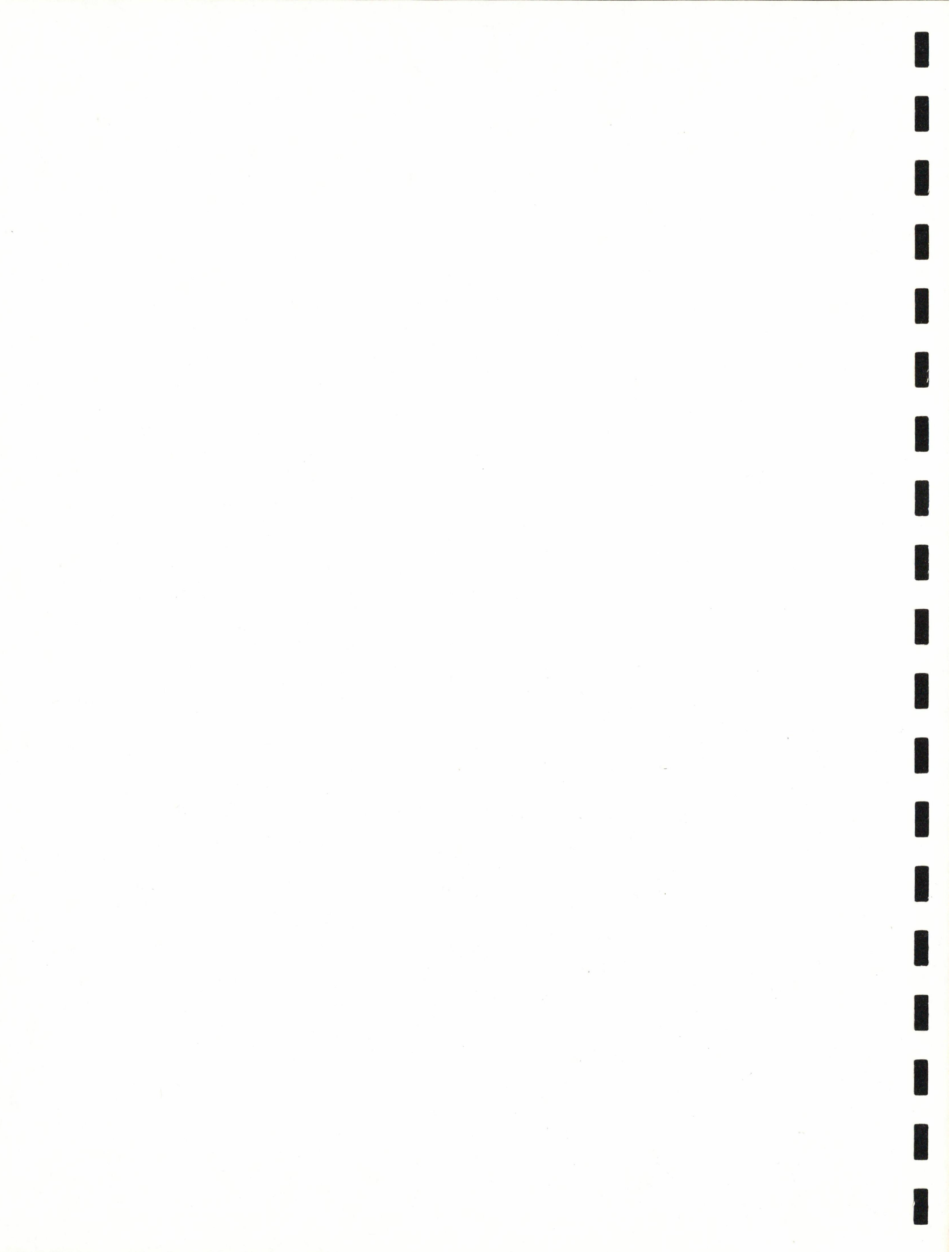


its shortcomings, is the finest calibrated, most effective regulator of the speed and direction of our highly successful economic system. We ought to do something about preserving it.

The Bicentennial would have been a time of rejoicing were it not that our Free Enterprise heritage is being lost in three ways:

1. Loss of understanding. Adam Smith offered a brilliant explanation of American prosperity: respect for law which created an orderly society; right to keep the fruits of one's labors, which stimulated effort; limited government, which mean that Americans had "scarce any taxes to pay." We once understood and lived by these principles, now we are losing this understanding and endangering the prosperity that it brings.
2. Loss of productivity. A major reason why the U.S. long led the world in productivity was that Americans were investing substantially in power tools. Now, with after tax profits for our U.S. corporations, as a percentage of national income, only half the total of thirty years ago, there is not enough incentive to motivate saving and investing in tools production.
3. Loss of freedom. "The spirit of 76" embodied in the Declaration of Independence rose out of a fierce love of liberty. Present-day Americans are losing the spirit, letting their Constitution be eroded, and economic freedom to be lost, as government increases the percentage of income taken in taxes, intervenes in wages and prices, manipulates the money supply, and regulates more and more the aspects of business activity.

What is the problem in a nutshell? We are involved in a triple whammy of misinformation, little information, and no information. This is a pervasive legacy of economic illiteracy. A massive re-education task awaits us. Free Enterprise is simply the freedom applied to the marketplace. This idea has rarely been taught. For a documentation of specific problems in our economy with clear-cut examples, please see pages 1 through 4 of the 1975-76 Economics Team's report entitled, "Free Enterprise: The Greatest Story Never Told (Until Now)."



CHAPTER II

IS FREE ENTERPRISE WORTH PRESERVING, AND IF SO, HOW?

"...The goose which lays the Golden Eggs doesn't worry much about its reputation. It is too busy creating wealth and benefits and providing jobs, in other words, laying golden eggs. But then some dissatisfied person comes along and fires a shot at the goose...Soon another critic takes a few shots... Finally a crowd has gathered and everyone is blasting away. The goose knows it is getting weaker...but it still isn't worried...The goose believes it has only to hang up there and one day the crowd will realize where the golden eggs are coming from, come to its senses and cease fire. Meantime the goose struggles to stay aloft. By now, as all of us are surely aware, the crowd shooting at the golden goose we know as business shows no signs of dispersing. Instead it has grown huge and even more hostile toward the goose. Perhaps it is time to ask: why is no one rushing to the defense of this endangered species?..."

--John D. Harper, retired Chairman, ALCOA

The question before the house is not whether the survival of capitalism is in doubt (this is admitted). The question for us is "What to do?" Perhaps all of us would feel more at ease as the diagnostician than as the therapist. Admittedly, diagnosis must usually precede therapy. Proper therapy usually rests upon proper diagnosis of the problem. Specifically, and to paraphrase Winston Churchill, "Free Enterprise is the worst of all economic systems, except from all others which have come on the scene from time to time." What is needed, then, is a polished strategy of a moral defense tying together both private property and personal liberty. They stand or fall together, and a delicate balance must be achieved between the private and public sectors as we accept this challenge.

Nonpartisan, nonpolitical, objective, responsible advocacy economics is needed to sell through principled arguments the belief that, historically, Free Enterprise has all the good arguments on its side. There is no alternative to capitalism that credibly promises wealth and liberty. There must be candid portrayal that if Free Enterprise has its shortcomings, it also has its virtues. These virtues outweigh the possible benefits of alternative systems. Capitalism wins hands down in any comparison.

Management must think and speak in terms familiar to those people they must reach; convince the public that what American capitalism has going for them is the best there is. Business managers, who may have had a good



track record in the face of obstacles, must now do more than manage-- they must also defend. The right kind of sponsorship is important to gain maximum conviction for the message, maximum acceptance from the mass media. Economy is essential. A program can be maintained at minimum cost which is far less than the price for equivalent communication by a commercial enterprise.

Business will have to do more than relegate the cost of explaining themselves to the half-world of educational contributions and charity. The time has come for business to realize that costs of pollution abatement-- both physical and intellectual--are part of doing business today. Harness some of the ingenuity that has given us the finest business system in the world.

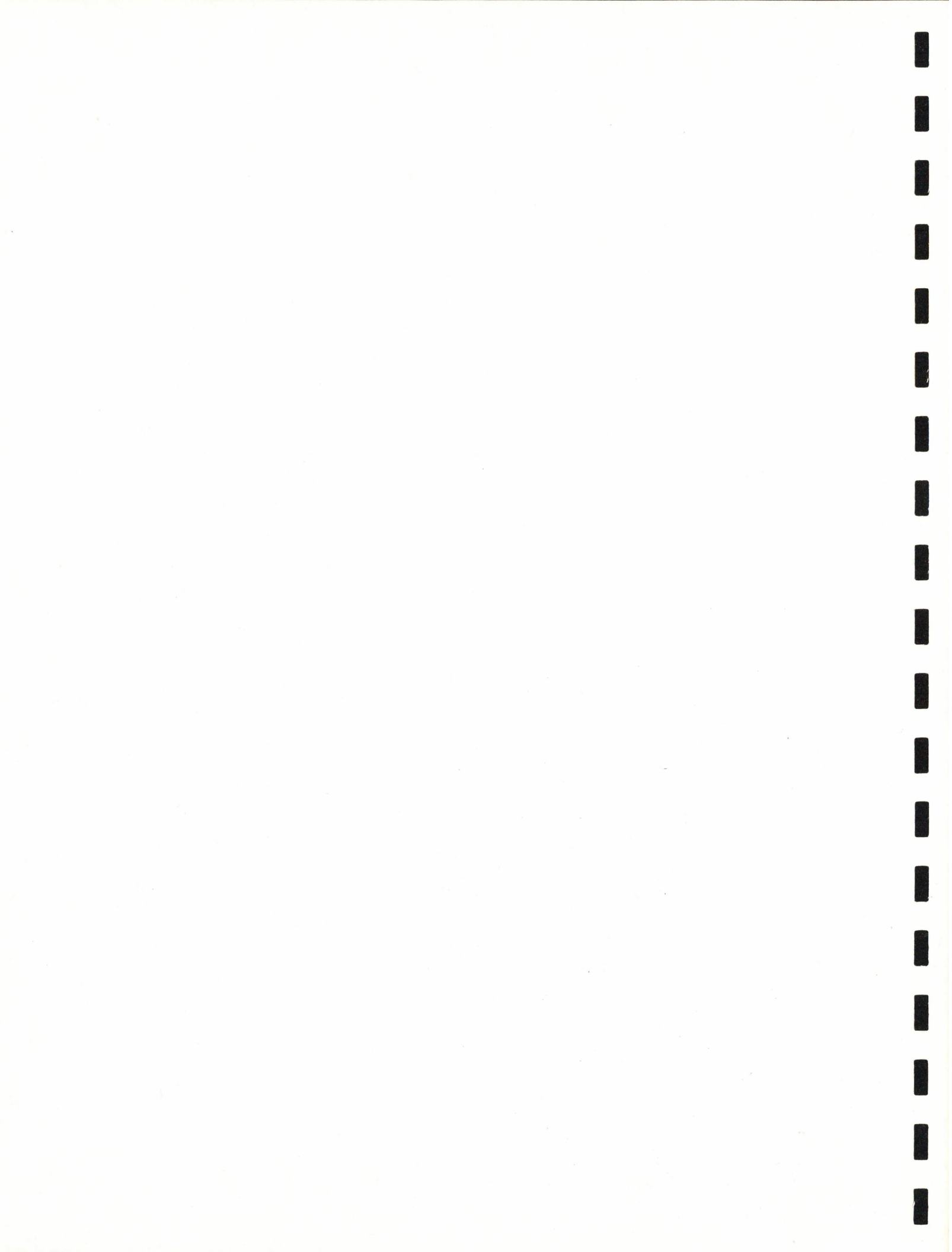
Business should refuse to just be a frozen asset in the struggle, by only grumbling in private. Businessmen should make a bid for public trust in terms of performance, meticulous attention to quality, and efficient use of natural resources. Tell your story or some amateur will.

If those running for office say, "No tax breaks for the rich," businessmen should say aloud, "Alright, no new jobs for those who need them." Constructive candor is a smart communication tool. The re-education task must be done on a company basis--each one telling its own story to the people within its own orbit, plant committees, customers, stockholders, and employees. Education should start at home. We need to work with our own people. A work force that has some understanding of the marketplace, and of where its own goodies come from, may be a less troublesome, more effective force over time. Companies need to work with appropriate audiences in communities where they have operations. There may be some payoff in terms of a better political environment in which to function.

Approval and consistent backing of top management is needed for a vigorous education and information campaign with more specific messages and more credible efforts than ever before. A simple but adequate crash course for managers on the philosophy of the free market is badly needed. Word games on ideologies are not the businessman's normal turf (yet). Individuals involved must do their homework to gain the intellectual and philosophical armor for the struggle.

The fallacy that economic ignorance comes from a lack of facts must be corrected. Our mass economic illiteracy comes from not knowing the meaning of the facts. A back-to-the-basics approach is necessary. For example, the law of predictable money: the more money that is printed, the less it is worth; it takes on value only at the expense of the money already in circulation. Cause and effect thinking about economics needs to be promoted. For example, the money that comes to the people from government was previously taken from the people by government.

The prime target should not always be the masses who generally do not conceive any ideas, sound or unsound. Aim for the men and women in society who deal in ideas and who shape the thinking of the masses, including the academic community. We need to look up to people who can simply and briefly summarize the facts on the "Great Issues." Most of these issues have



economic origins and consequences which become astonishingly obvious when identified with the right words. The response is, "Of course, why didn't I think of that?"

There must be realization that most Americans are now aware that something is very wrong in America. They are looking for answers. It is becoming harder and harder to conceal the failures of permissive social and unsound economic theories. Recognize that consumerism and other anti-business movements are often political movements, not economic movements. They need the support of government and the passive business sector to succeed.

Don't be trapped solely by the profit motive argument although important to the company and a measure of its executive success; such an approach often reinforces the public's false belief that business categorically puts profit ahead of everything else. Don't place too much reliance on rational persuasion regarding efficiency in business. Tie in everyone's private property right and everyone's personal liberty right; the two moral concepts that stand or fall together. Free Enterprise must be defended on moral grounds.

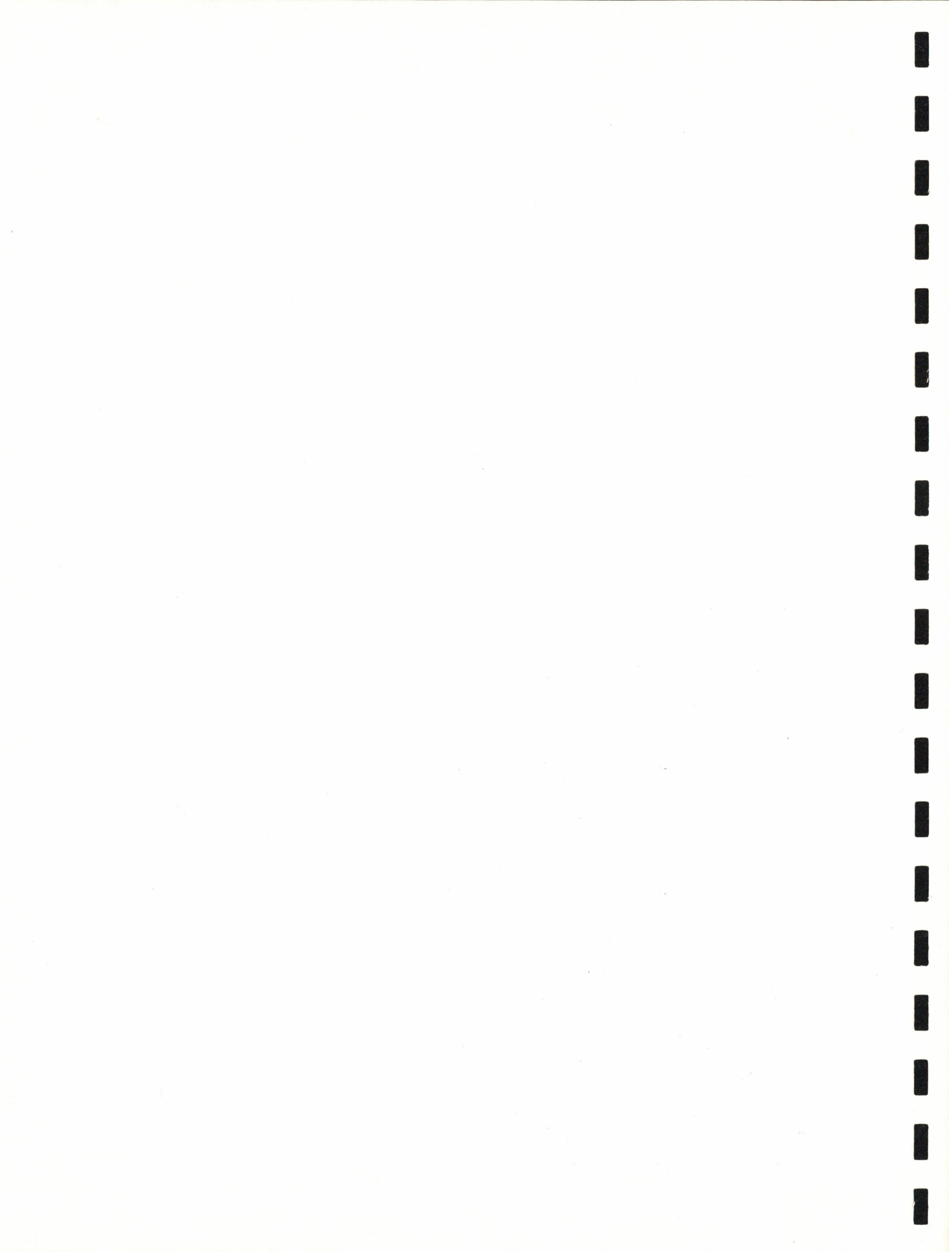
Avoid being a pest by trying to force free enterprise ideas down the throat of every passerby. Don't come across in a self-serving manner. Arrive at excellence and understanding in exposition that will cause others--those who care to know--to seek one's tutorship. Go only where called, but do one's best to get good enough to get called. Avoid anger, recrimination, personal attack, panic and despair.

Improve skills in expressing ideas and in demonstrating the errors in contrary positions is a must. To achieve this we must dig deeper into what we believe and why. Sound business-related economics needs to be simply presented to reflect solid knowledge of Free Enterprise, in a manner of semantic skill, utmost clarity and simplicity. Lay the groundwork for a practical, proven, pro-free enterprise, mass yet personalized, communications program.

Expect one's views to be represented in the ranks of the faculty and of his alma mater, especially if one is subscribing financially to the institution. Additional efforts should be made to publicize the need for economic education. Subsequent programs such as corporations sponsoring chairs in economic education in colleges and universities should be undertaken to meet needs. Where there is this general concurrence that economic education should be part of general education, economic instruction should be provided to college students before they graduate, with special emphasis on economic education for effective citizenship.

Soundly planned messages are needed to improve economic knowledge, attitudes toward business and to motivate people to vote responsibly and perform as profit-oriented employees. Messages to correct key misconceptions, establish fundamental principles, clarify current issues are vital. Broaden the "free choice" argument to include workers and consumers in a voluntary exchange market economy.

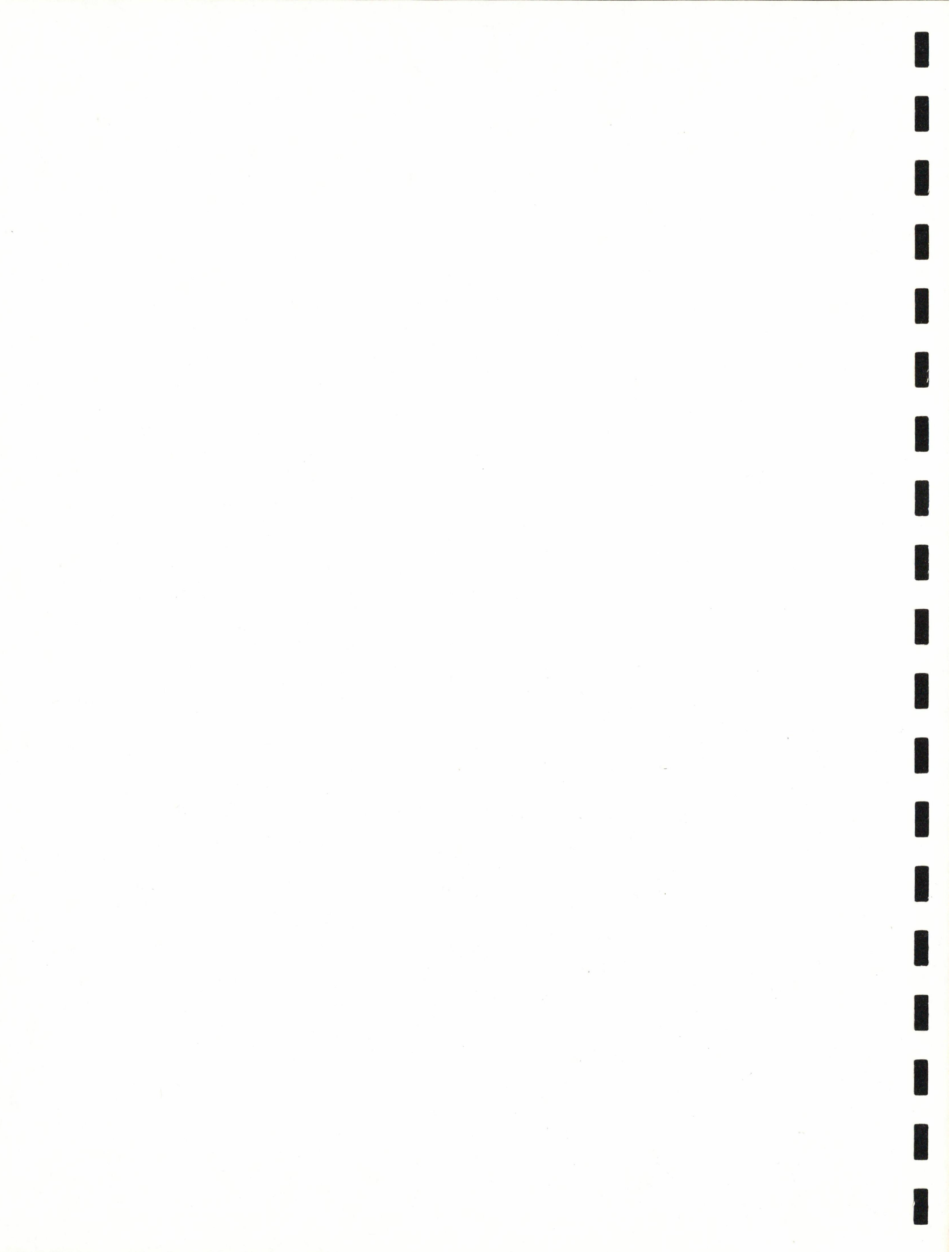
Emphasis should be placed on effective two-way communication messages noticed, seen, read, heard by a maximum of the audience in a communication



method that encourages people to reveal negative attitudes, ask specific questions, and then relieve these feelings and answer queries. Achievable objectives should be set: improved economic understanding; increased belief in and support for private enterprise; increased awareness of the size, scope, and cost of government; improved company profitability through improved employee performance; and development of more active and informed citizenship.

The answers to pressing social questions are to be found in principles that lie beyond the scope of technical economics. It's simply not enough to understand the pure economics of the free market system (profit, capital, supply and demand, marginal utility, etc.). What must be understood is the crippling effect of excessive government regulation and the vital but fragile link between economic freedom and personal liberty.

Being of good cheer is important. The only question that need concern us is if and how well we took our stand in the defense of Free Enterprise during the short period of time when we were potentially part of the struggle. In private education as in private enterprise an ounce of initiative sometimes produce a pound of profit. It is better to light a candle than to curse the darkness, the saying goes. Truly if everyone would light candles and brighten the corner where they are, what a great future of material blessings will await us through the economic "Horn of Plenty" that we call Free Enterprise.



CHAPTER III

GETTING THE WHEEL ROLLING: OUR CONTRIBUTION

"Make all you can
Save all you can
Give all you can
Do all the good you can
In all the ways you can
With all the souls you can
In every place you can
At all the times you can
With all the zeal you can
As long as you ever can."

John Wesley

The educational philosophy at Harding College--at least so far as economic education is concerned--is to recognize the merits of Free Enterprise and to judge the business community in the perspective of its achievements as well as its shortcomings. We can no longer claim that capitalism is some kind of God-given dispensation. We can, with good reason and good conscience, argue that the market economy and limited constitutional government stand or fall together because both are deeply rooted in the nature of man.

In the search for right principles and the competence to communicate them to others, the key to success rests upon proper treatment. The "hard sell" sends prospective converts away from, not toward, the cause being promoted. Counsel which is not sought, uninvited wisdom--these are seldom heeded. However, we can achieve a high level of competence in articulating economic individualism. This will prompt those who care to learn and benefit to seek our tutorship.

If the Free Enterprise economy survives and flourishes, it will be due to a greater sense of objectivity among our opinion leaders, the reasoned arguments of business leaders, the unbiased research of economists, and to the more responsible actions of educators and students.

The Economics Team developed a three-pronged strategy to combat the triple whammy of misinformation, little information, and no information about our private enterprise system: (1) a vigorous educational and informational campaign which is absolutely essential for the preservation of the system as we know it; (2) messages which are better phrased, more specific, and more credible than past efforts; and (3) the approval and consistent backing of the College administration and business leaders. The following items, as listed in the Table of Contents, are presented in this Chapter in alphabetical order, in order to describe the programs that involved the Economics Team in this school year, 1976-77.



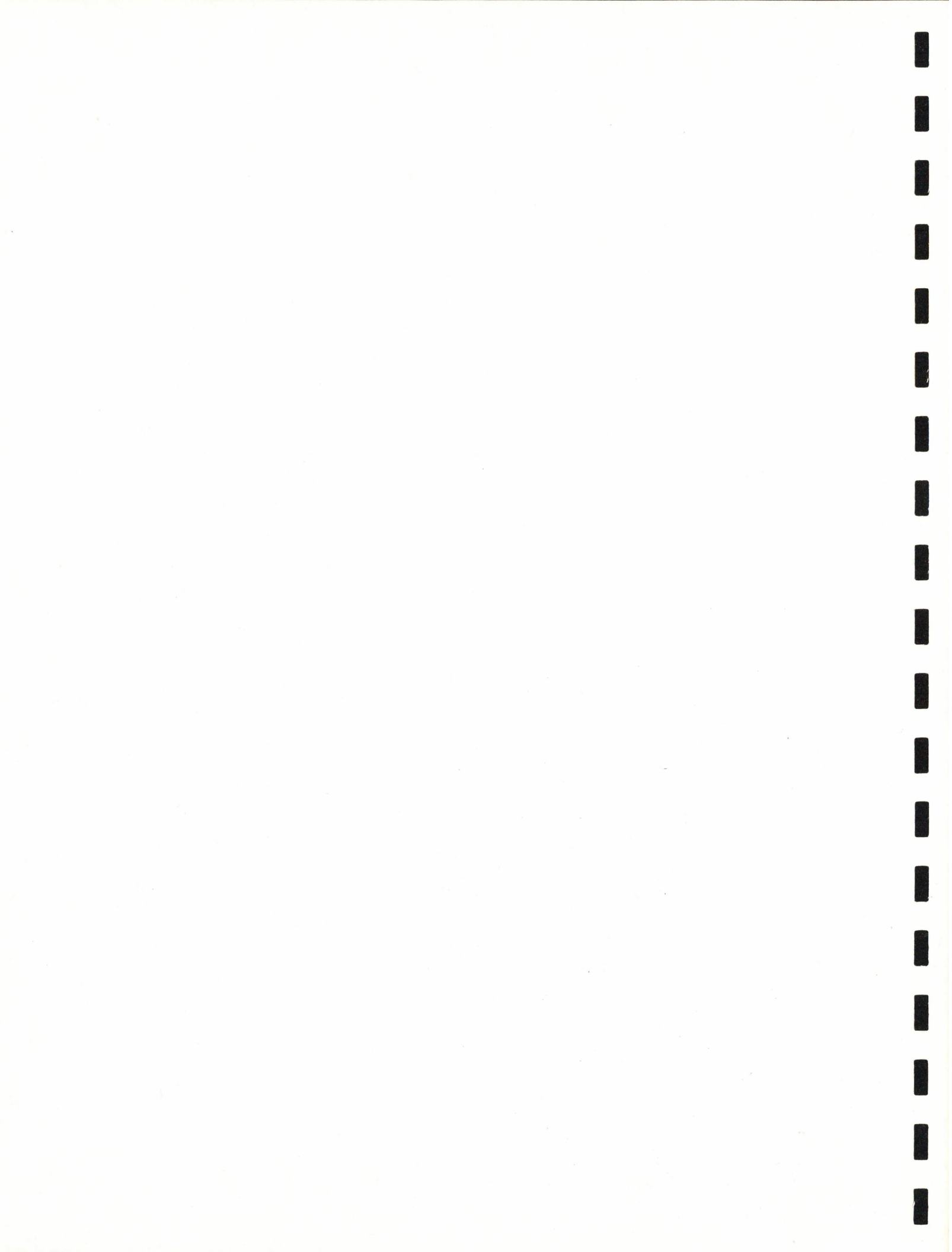
1. Assemblies and Convocations--Five presentations were made this year in all-student assemblies, the combined attendance totaling about 13,500 college students. The initial presentation taken to the Student Body by the Economics Team was to inform them of the Team projects and Report under the title "Free Enterprise: The Greatest Story Never Told (Until Now)" which took top honors at last year's competition. This was done in order to inform our students who had left for summer vacation before last year's competition was completed in late May. It was also intended to lay the groundwork with our constituency for this year's competition.

The second Free Enterprise-type presentation was a 15 minute speech on capitalism, collectivism, and the economic issues of the national election. The third presentation was the reading of the Governor's "Free Enterprise Week" proclamation honoring the work of Harding's new Center for Private Enterprise Education. The fourth presentation was later in "Free Enterprise Week". At that time the Economics Team was reintroduced and their new slide-tape presentation, "The Economic Facts of Life", was shown to this large audience. At that time a challenge was issued to the entire Student Body to come by our highly traveled office area, the Center for Private Enterprise Education, and take an Economic IQ quiz. The challenge was made in such a way that any who got a perfect score on this 10 point quiz would have their group picture taken for the paper, and they would receive a handsome certificate which will be described later in this report. Young people like to be challenged. All we have to do is keep the challenge out in front of them. On that occasion both the college and high school division winners of our Adam Smith Bicentennial Essay Contest were also announced.

The final presentation was our showing of the Center's newly purchased film, "Will There Always Be An England?" This film is an adaptation of segments of a recent CBS "60 Minutes" program in which Milton Friedman is interviewed about Britain's current plight as it relates to us.

2. Bumper Stickers--"FREE ENTERPRISE DELIVERS THE GOODS". This bumper sticker is an additional product of the student-faculty Economics Team (Appendix A). Several hundred of these were printed, and they have found their way into automobiles of nearly every state from which our students hail, not to mention their being found on notebooks, briefcases, and bulletin boards. Others in the series are planned. For example, "Economy Begins With Me". Although last year's bumper sticker, "Profits Promote Progress", was done in bicentennial colors, this year we decided to go with the school colors: black and gold. And this year we decided to add our Center logo to these bumper stickers, so that people could write back when they see them.

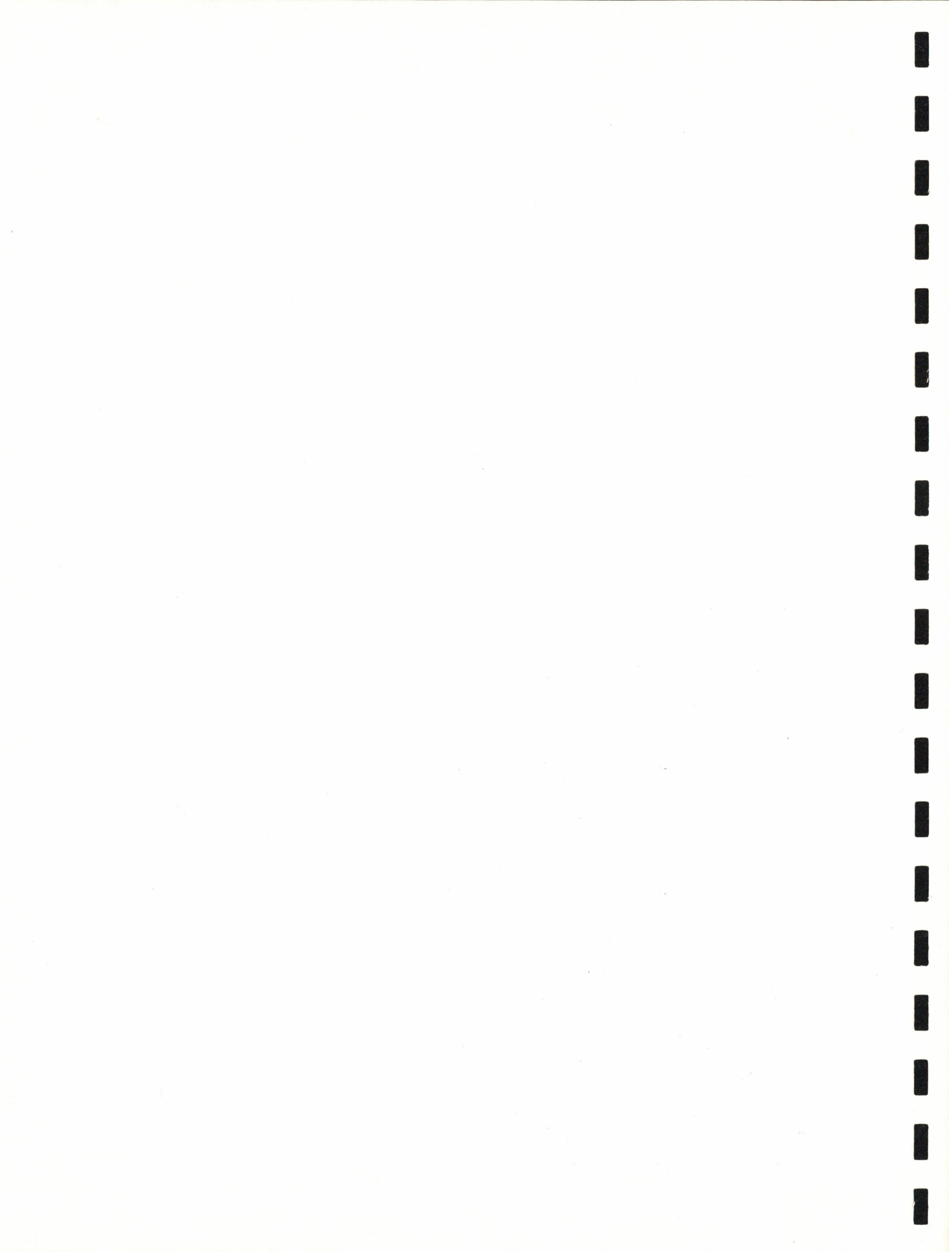
This short message that the Economics Team wanted to give to motorists points to the fact that when business is healthy and prosperous, so is the economy--its producers and consumers enjoying higher standards of living and more material blessings. We are corresponding with the Editorial Director



and Publisher of Free Enterprise Magazine, a monthly publication. It is very possible that these bumper stickers will be made available in the near future through advertisements in his magazine. Phillip Gramm, eminent conservative economist from Texas A&M, is distributing quantities of our bumper stickers among his constituency.

3. Business and Economic Educators Presentation--At the annual December meeting of the Arkansas College Teachers of Economics and Business with this year's theme being "Building a Better Image for Business", Dr. David Burks, Chairman of our Department of Business and Economics, keynoted the meeting with a very effective presentation on business ethics. Copies of the Center's new publication, The ENTREPRENEUR, which will be described later in this report, were sent to each representative, all institutions of higher education in the State, and their respective Business and Economics Departments. In addition, Mr. Adrian Williamson, Jr., an executive with Heifer Project International, Inc., spoke on free enterprise to this group, zeroing in on the economic illiteracy issue. He cited the problem that we have: an emotional democracy in an educational vacuum, for it is no secret that business students have to take liberal arts courses, but liberal arts students do not have to take business and economics courses. This is part of the economic illiteracy problem. We at Harding College are solving it by being "a full service department". That is, our Principles of Economics course, with a very strong emphasis on Free Enterprise, is also a general education requirement for all liberal arts students.
4. Center for Private Enterprise Education Launched--The Center for Private Enterprise Education is very new. A year ago we were encouraged by the businessmen sponsoring the Private Enterprise Education Competition in Oklahoma City to set up an economics club. To us it seemed to be a bit too sophomoreish for the long run potential we hoped to reach. The students and Faculty Director got together and decided to lay the groundwork for petitioning the Administration of the College for permission for the new Center. Included in the request was a description of what the Team felt could be accomplished in the long run by a permanent organizational structure as opposed to an economics club. As of this fall, Harding College has a new Center for Private Enterprise Education.

The dividends for the College and her constituency have already been accumulating rapidly due to our new, continuing multimedia programs. We were able to obtain an old store room which is now the Center library and contains private enterprise literature of a balanced, fair nature in describing the free market economy. The Center is located in a highly traveled area, and it is open and accessible to all comers. In fact, we have already outgrown it, for right now it probably is, by far, the single largest source under one roof of titles of books, pamphlets, and tracts of the private enterprise nature. We know this to be a fact for we have scoured the country for all varieties of literature related to this field and have collected it at this one site. Designing a bibliography of this literature has proved to be a massive task, and that project is only partially completed. The symbol for the Center is the gear, the open book, the hammer, and the quill pen. We are putting this symbol on all of our publications and literature for organizational identity, continuity and distinctiveness--all signifying the important dual role of knowledge and

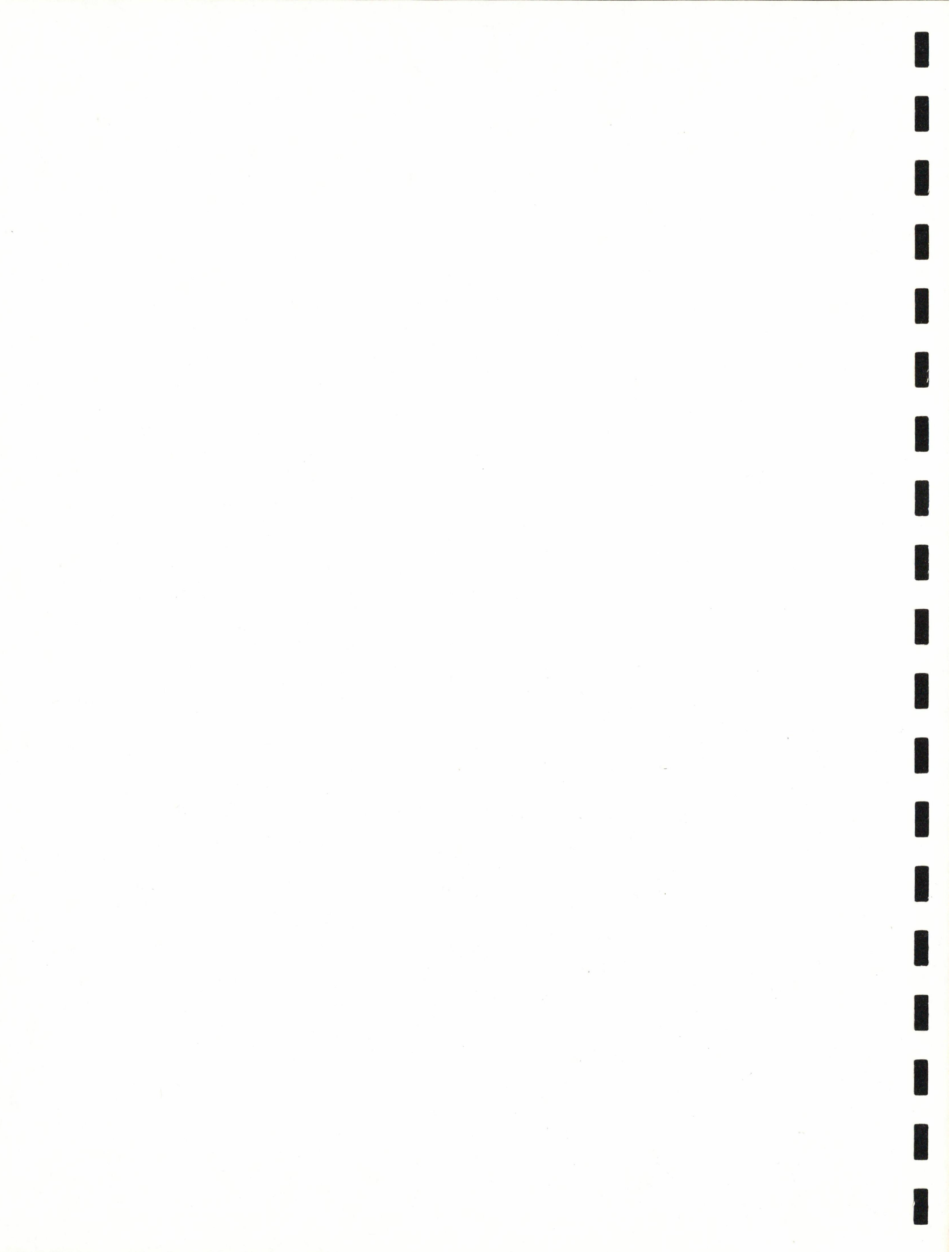


technology as they are related to foster American capitalism as we know it (Appendix C).

5. Civic Organization Presentations--Upon the request of the Citizen State Bank President in Nashville, Arkansas, a town nearly 200 miles away from the Harding campus, we made a presentation on the "Economic Facts of Life" to the Nashville, Arkansas, Rotary Club. Out of that visit came an invitation to write monthly articles for their newspaper and to provide literature for the school superintendent who wanted to pass it on to his government teachers. During Free Enterprise Week, February 14-19, the Economics Team made a free market presentation to the largest civic club in White County, the Kiwanis Club. This presentation was on the radio live throughout the county. This year we also contacted the Governor of the State and were successful in having him declare "Free Enterprise Week" for the entire state. His proclamation gave considerable credibility to our efforts.
6. Clergymen and Legislator Involvement--We received a request from a lady in the state of New York who was running for re-election to the New York State Senate on a free enterprise platform. She requested that we provide her with private enterprise-type literature that she could use in her campaign. We really don't know how she got our name. This both puzzles us and at the same time intrigues us greatly. The word is being passed, and people are exporting these ideas. We've also felt an obligation to try to put in the hands of clergymen copies of the "Ten Pillars of Economic Wisdom", since these tracts cut right to the heart of common sense economics. It is not at all uncommon for some clergymen to use their pulpits as vehicles for social reform. We do not think this is best.

It is also not uncommon to hear clergymen say, "I'm happy to pay the taxes I have to pay in order to live in the great country our government has provided." Here, we feel that the "Ten Pillars" also serve a purpose in providing some economic enlightenment, for government is not a provider of anything except that it is first provided to the government by the private sector. Today we have an "economic horn of plenty" called American capitalism which may well have come about in spite of government actions, rather than because of government actions. Our new economics IQ quiz has also been provided to clergymen and educators for them to take in their own privacy for maximum benefit and edification.

7. Corporate Programs Involvement--Due to inquiries that come our way as a result of word being spread about our efforts in the past, we are providing literature for private enterprise education for the following organizations: Barber Coleman Company in Illinois which is developing a free enterprise system program through their Industrial Relations Department by using literature we have provided them; GTM Life Insurance Company of Texas which has developed a free enterprise speakers bureau and has requested our literature; Dresser Industries of Texas which has had several meetings with us both at their offices and at the Harding campus regarding their economic education programs for employees; and Exxon Company USA for whom we are currently working with to develop training modules for wage employees in the area of private enterprise related topics.



In the case of the Exxon Company programs, Exxon plans to use our subject matter-base in writing the script, the workbook, the instructor's manual, and the achievement tests. The Exxon media experts will then work it all up into slide-tape modules which will be administered at the supervisor level to wage employees.

8. Crossword Puzzles Administration--We are providing to student groups, professional groups and civic groups a series of crossword puzzles which are cleverly put together and bring out a certain amount of expertise on free enterprise economics topics. From our brief usage of the crossword puzzles we have noticed that people tackle a topic such as "Free Enterprise" in crossword puzzle form that they wouldn't do in a lot of other forms, such as a book or lecture. We have had the same very pleasant and positive reactions when we administered the economics crossword puzzles to people (Appendix E).
9. Divestiture Puzzle Approach--During a recent visit with the Exxon Company, USA, they provided us with copies of their essentially inhouse publications. We have provided their divestiture puzzle to a variety of audiences, and it is a very clever way to show people that the breaking up of oil companies would mean years of delay, a lot of confusion and litigation at a time when we need to build up our energy capability and not tear it down (Appendix F). The puzzle itself is very difficult to put back together, and we challenge people to try. After most cannot--the record was seven minutes for the six piece puzzle--we explain the very real dangers of dismemberment that is being proposed by some members of Congress. We suggested that the result might look something like the unfinished puzzle which most cannot put back together to be the efficient integrated organizations that we now have.

In addition, we have requested additional copies of "Work We Have To Do" from the American Petroleum Institute. We plan to reprint these executive speeches in The ENTREPRENEUR, the Center's bimonthly newsletter.

10. Economic Enlightenment Certificate--For some time now we have felt the need to find some method of recognizing those who have spent their time and energies involved in promoting private enterprise education. In the past we have had very little we could provide these people except our warm-hearted thank you. However, this year we have designed and printed a very handsome "Economic Enlightenment" certificate which is very suitable for framing (Appendix G). We have used this certificate for a variety of presentations, always with the news media close at hand.

Business people who have donated money services to the Center and the Economics Team have received the certificate. People in the community who have allowed us to be of service to them have also received this certificate. Any student who got a perfect score on the Economics IQ quiz received a certificate. The winners of the college and high school divisions of our essay contest received certificates in addition to savings bonds.

Since we did not have this certificate last year, we have retroactively issued certificates to the Economics Team members of the '75-'76 school

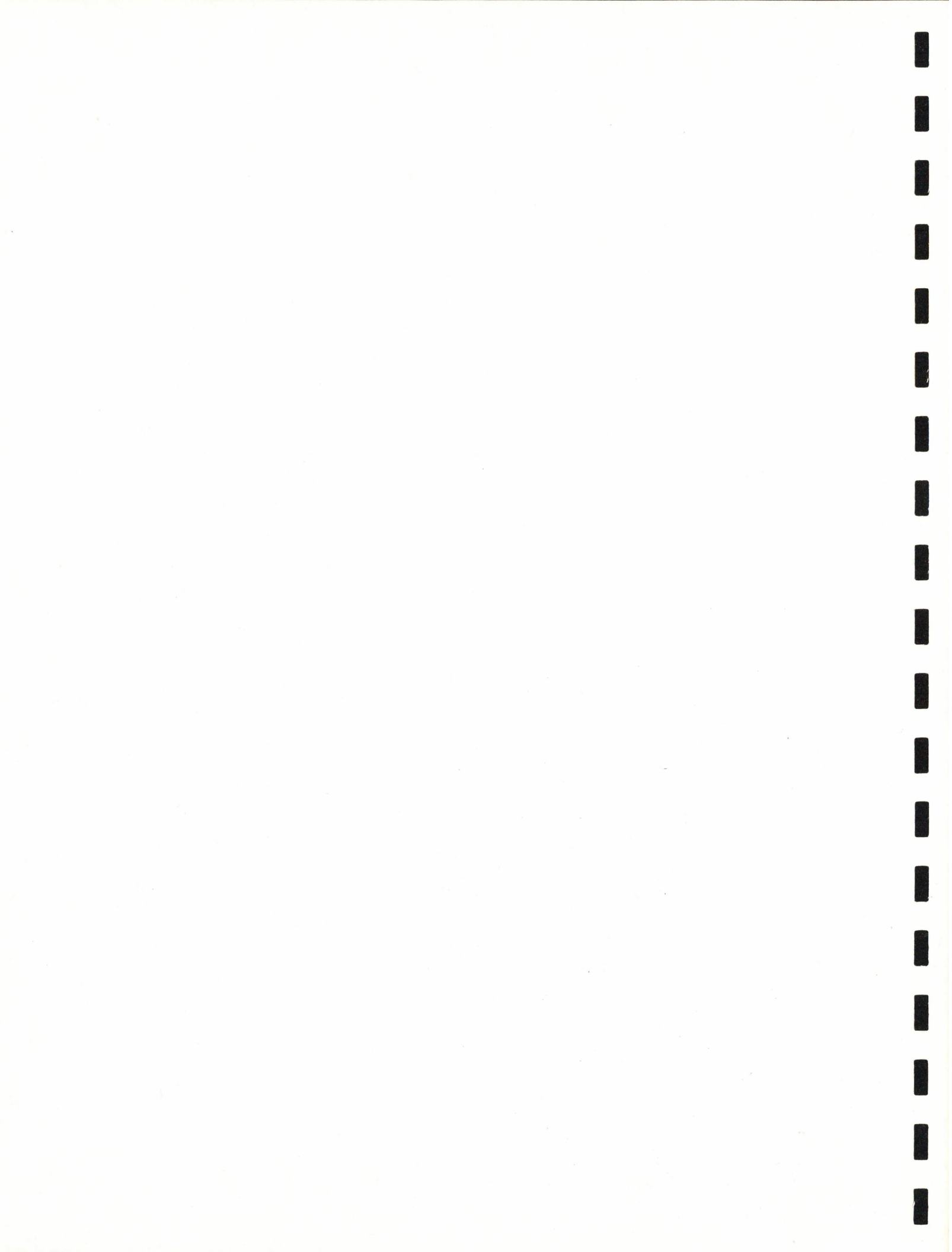


year, for they too were pioneers in helping us push back the frontiers of economic illiteracy. This year's Economics Team members will receive a certificate for their tireless work.

We are also planning to come out with another certificate called the "Armchair Economist Award". This is mainly a certificate for employers to show that a certain employee has achieved a perfect score on the Economics IQ quiz. This certificate will state that this well-informed employee is henceforth entitled to be heard and respected when speaking on important economic issues of the day.

11. Economic IQ Quiz Approach--In order to kindle interest and challenge people, the Economics Team put together its own Economic IQ quiz this year (Appendix H). This IQ quiz proved to be an excellent, low key forum for administering some hands-on economic education to students and civic and professional people. We made this quiz available to nearly every audience that we came in contact with. During "Free Enterprise Week" as we spoke to the entire student body of 2600 young people, we challenged any who would like to come by the new Center for Private Enterprise Education and take the quiz. We had a group picture made for the newspaper of all who earned a perfect score on the Economic IQ quiz.

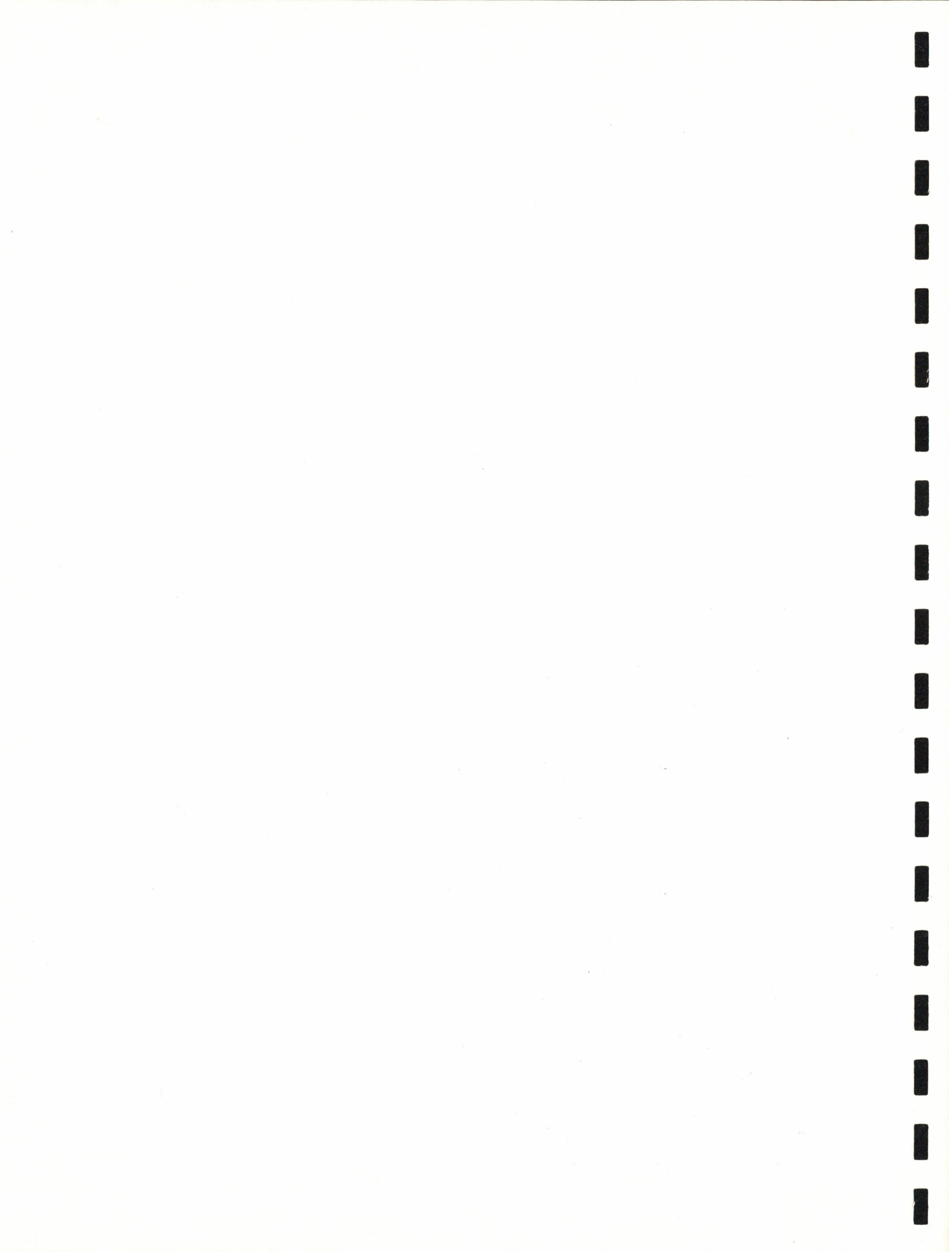
Our theme was "Your judgment is no better than your information--How's your economic IQ?" This is the type of quiz that everyone likes to take, for the answers are on the back. Below the answers is information about our new Center and a "Free Enterprise" poem written by Edgar Albert Guest (Appendix N). Again, there is something about the challenge of taking a quiz, especially the kind you can grade in your own privacy, which kindles a lot of interest in audiences, whereas a formal approach might not. If you plan to take the quiz, seventy is an average score. The quiz has done much to counteract the image of "economics" which by name discourages most people from making any effort to try to understand the subject matter of the discipline.
12. Election Issues Emphasis--Early in November of 1976, we of the Economics Team resolved to take on the opportunity to put several articles in the newspapers about economic issues in the coming national and local elections. Doug Sanders, our Student Chairman, wrote a series of articles which were printed in the SEARCY DAILY CITIZEN and the HARDING BISON (Appendix I). Both of these articles were very long, covering over half a page in each case. We decided that our emphasis was to be such that these articles would deal with economic issues and not with personalities or parties. One newspaper used part of one of our articles for a subsequent editorial by its managing editor. The following topics were part of our articles submitted as being economic topics in the election: unemployment, inflation, tax reform, minimum wage, job rights, welfare, health and energy.
13. Employee Training Programs--We are in the early stages of developing a ten topic slide-tape training module for a program for wage employees on the private enterprise system. Exxon Company USA has asked for us to be the subject matter experts in assisting in writing the script, the workbook, the achievement tests, and the instructor's manual (Appendix J). The private enterprise educational program for wage employees will be administered at the supervisor level.



14. ENTREPRENEUR As A Key Publication--The ENTREPRENEUR is the new bimonthly newsletter of the Center for Private Enterprise Education (Appendix K). In order to provide our constituency and alumni with information on current economic topics that they, in turn, can use in their professional lives as opinion leaders, The ENTREPRENEUR takes the approach that economic individualism, private property, and the market economy are not just neutral concepts. They are, in fact, worthy and attainable goals. Several organizations have requested bulk copies of The ENTREPRENEUR for mailing to their employees. We are currently mailing The ENTREPRENEUR to people in the following categories: opinion leaders in the Mid-South, Texas educators who were provided to us on a list by the Texas Bureau of Economic Understanding, nearly 2000 alumni of the Business and Economics Department, current faculty, staff, and administration of the College, the Development Council, the Board of Trustees of the College, and to a variety of corporations, foundations, and Chambers of Commerce which have written in with the request to be placed on our mailing list. It has become a very useful tool to promote and advertise the activities of the Center.

Feedback from The ENTREPRENEUR has been excellent. Here are a couple of samples: "I think this is the very type of publication that has been needed for the last ten years." "I think that the article is one of the finest in the subject that I have ever read, and I am especially appreciative that it is going out to so many fine people from the Harding campus." "It is a very factual, straight forward, and easily understood publication. All three of these qualities make it outstanding in my opinion." "Thank you for The ENTREPRENEUR. I will be taking several copies to men who are in business and I think they will appreciate the publication."

15. Essay Contests--This year the Economics Team conducted an Adam Smith Bicentennial Essay Contest. The title of the essay theme was "The Future of American Capitalism: The Market Economy vs. The Collective Economy in Our Third Century." There were separate divisions for high school and college students. First place winners received a \$25 savings bond and a handsome plaque onto which the "Ten Pillars of Economic Wisdom" was laminated and containing an engraved nameplate. A group picture of all participants in this program promoting economic enlightenment was made for local papers. The entries were expository essays rather than research papers, and the winners were announced on February 17 during Free Enterprise Week for both the college community and the state, thanks to the efforts of the Economics Team in securing a proclamation from the Governor. Literature on the essay theme was made available to all entrants through the Economics Team and the Center for Private Enterprise Education. The winning entries for the high school and college divisions are reprinted in Appendix L. We asked Mr. E. D. Yancey, Executive Vice President of First Security Bank, and Mr. Perrin Jones, Editor of the SEARCY DAILY CITIZEN, to be judges for the essay contest.
16. Extensive Free Market Library--Since printing projects often involve great initial cost and time, another ambitious goal has been to locate and thoroughly screen all existing free market literature. The result last spring became an annotated bibliography which was literally out of date as soon as

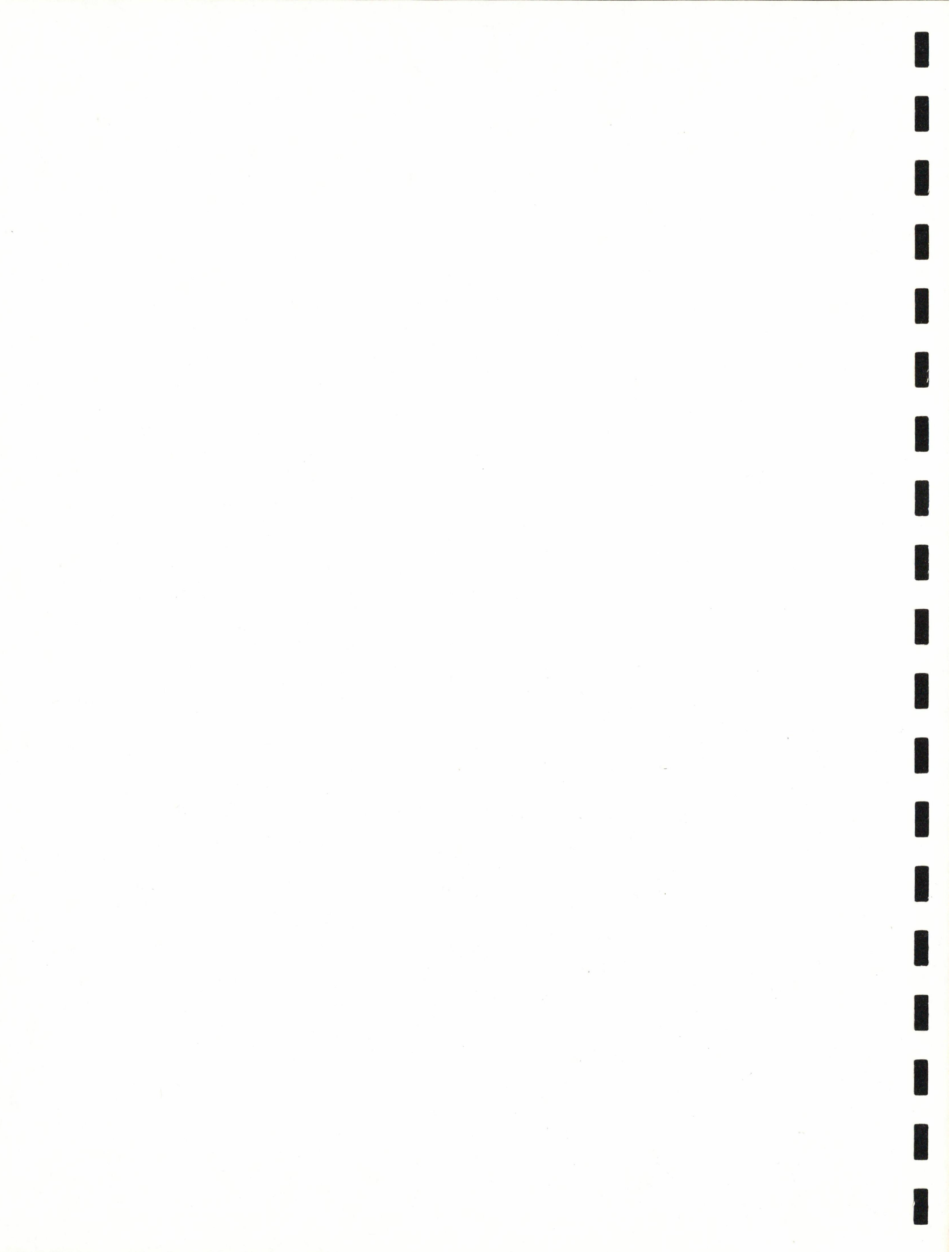


it was printed. The bibliography contained items of interest to any who would build up a personal or company library, compile reading room literature, or mail out materials for gifts. The Center library now contains over 2000 separate titles on the following general topics: Economic myth and reality, nature and scope of economics, Economic IQ quizzes and crossword puzzles, the free market system, American capitalism, the Bicentennial of the market economy, management in the market economy, labor, unions, capital, productivity, big business, profit, responsibility of business, inflation, price control, unemployment, recessions, government and private enterprise, the "isms" as economic systems, energy, environment, divestiture issue, Britain, USSR, and income redistribution.

Economics broadens out into a hundred different directions; however, most of the professional economic journals are virtually unreadable. They are primarily mathematical and statistical, imitating the methodology of the physical sciences. It must be stressed that no one will ever properly understand any of these specialized fields unless he has, first of all, a firm grasp of basic economic principles, and the complex interrelationship of all economic factors and forces. When he has done this by his reading of general economics, he can be trusted to find the right books in his own special field of interest. This project has also received a great amount of attention, and the result is, by far, the largest single collection of titles of free and nominal cost literature of its kind available anywhere, for we have literally screened the entire libraries of every private enterprise-type organization that we have found in our search. The bibliography as it is being updated at the current time, is being made available to high school and college students, clergymen, legislators, newspaper editors, college professors, high school teachers, school board members, businessmen, professional people, radio commentators, and civic organizations.

17. Feedback on Programs--The following profound comment about our Center was made to us by Phillip Gramm, an eminent conservative economist from Texas A&M: "You keep on developing these private enterprise education programs through the Center and the patrons in the private sector with money will not only beat a path to your door, they will knock it down in their hurry to support it..!" Even though it is hard to put a time table on such, it is a very interesting and hopefully self-fulfilling prophecy that he has made.

There have been quite a variety of other reactions to our Free Enterprise programs this year (Appendix EE). For example, one Friday afternoon we received an urgent call from an educator in Louisiana who had been on a state committee to recommend a passage of mandatory statute for the semester's course in free enterprise economics as a requirement for graduation of all high school seniors. The legislature had just passed that bill and had asked her to conduct a workshop for teachers on how to teach Free Enterprise the following week. To say the least, she was very concerned as to how to approach it in terms of literature, materials for enrichment, and the dramatizing of free enterprise economics. She had found out about our Center for Private Enterprise Education through a public utility in her town. So, we put together a rather large packet of



our literature commonly available in our Center and sent it off to her. This same caller also made the comment that there's no real textbook on free enterprise economics, yet many states have such a law. She further stated that she knew a publisher right now who would probably sign an author up today had he a book in this field. So here's an area that someone could really be an innovator in. We have not altogether discounted the possibility of attempting that ourselves at some time in the future.

Another organization similar to ours has contacted us wanting to hire a student for several hours a week to read and screen their incoming private enterprise-type literature in order to "pull out" specific items suitable for republication. The "Thirty-seventh Annual Report" of the American Economic Foundation also printed a "testimonial" taken from our correspondence with them about their "Ten Pillars: Blueprint for Understanding."

18. Film Library Buildup--We've learned that Harding students expect more than just a lecture alone or a textbook alone. Well-designed movies are often a good capstone to a presentation. Unfortunately, most of the good movies are out of date, most of them having been made in the early 1950's which may have been the last time that people worried seriously about preserving Free Enterprise. We have decided to step into the breach and fill the gap with as many of the more recent films as are available. We are in the process of renting or purchasing the following: "Sam's Song, The Legacy of a Free Economy" and "Business Money: Where It Comes...and Where It Goes" by the Sun Oil Company; "Inflation", a new movie by DuPont Corporation; "Energy", a new movie by Dresser Industries; "The Day Business Stood Still" by the Illinois Chamber of Commerce; a new film on Adam Smith, whose classic text Wealth of Nations helped shape the free enterprise system; "Mr. Both Comes to Town" by the American Economic Foundation; "Will There Always Be An England?" by CBS and Carousel Films; "Scrooge McDuck and His Money" and "If The Fergy Fits Wear It" by the Walt Disney Educational Media Company; "The Springfield Gun", a movie on right-to-work; "Buckley Vs. Galbraith" by the American Citizenship Center; "The Kingdom of Mocha", an excellent Swiss Family Robinson-type animated cartoon by Standard Oil; "Enterprise" by the National Federation of Independent Business; and "Economics for Young Americans" by the U.S. Chamber of Commerce. As these movies and filmstrips come in, we are using them along with our other presentations with various civic, professional, and educational groups as opportunities come up. We continue to use the excellent series of ten animated cartoons on the American Economy produced by the College in the 1950's.
19. Free Enterprise Confrontation--Mr. Buddy Hyde, President of Dresser Industries, Oilfield Products Group, a company that has reprinted some of our literature including the "Ten Pillars of Economic Wisdom", has taken it upon himself to come to the campus at his expense and meet with student leaders, faculty, and civic people in order to provide an extended, open-ended, give-and-take discussion about the public and private sectors. His theme was sparked by the title "How To Succeed In Business". His comments were underscored by the statement that "unless we in the next few years set our minds to solving some very real problems regarding energy and the proper role for the public sector in our private lives, there will be no business

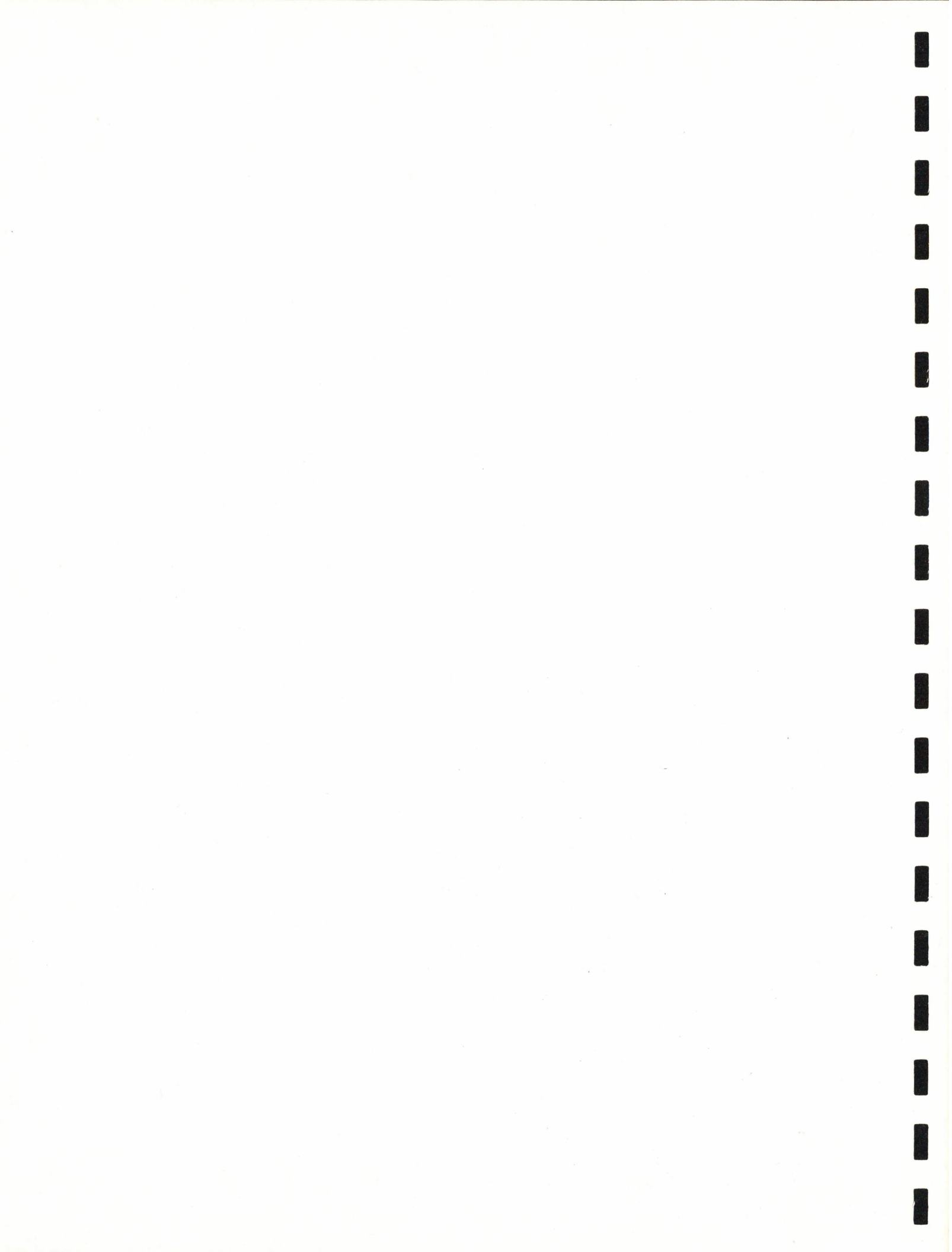


to succeed in!" This was probably the best presentation we have had in several years, and Mr. Hyde's speech is being reprinted in the third issue of THE ENTREPRENEUR. The evening and morning sessions with 2600 students went so well that we put together a quick luncheon for Mr. Hyde and invited business and civic people from the community for a noon presentation. It was an excellent no-holes-barred discussion that was enjoyed by everyone as he wrapped up his two day visit on the theme of the Businessman and Free Enterprise (Appendix M). Dresser Industries is also looking at its economic education program for the next year. There is a possibility that they may ask us for our inputs for their monthly company newsletter.

20. Free Enterprise Poem-- Edgar Albert Guest, an American author who lived from 1881-1959, wrote a poem which really catches the "spirit" of the free enterprise system (Appendix N). We have been printing this poem extensively on the back of the Economic IQ quiz which we designed. It is also being printed on milk cartons sold by Purity Dairies of Nashville, Tennessee. This organization sells over 400,000 milk cartons in a three-week period, and they have agreed to let us provide the printing plates for the poem which they will run on the side of their half-gallon milk cartons.
21. Free Enterprise Week Activities--February 14-19 was a very full week for the Economics Team. We contacted the Governor and received permission from him to declare that week as Free Enterprise Week (Appendix Q). Last year we had just a Free Enterprise Day at the local level only. On Tuesday of Free Enterprise Week the Economics Team spent most of the day in the studio of a Little Rock TV station with a live talk show interview broadcast statewide on the theme of Free Enterprise Week. This was an excellent forum for us to promote economic enlightenment, and it was probably the most visible thing we did during this year's competition. Thursday of Free Enterprise Week we spoke at two all-student convocations on campus, totaling about 2600 students who heard our free enterprise presentation. We went right from there to the largest civic club in the county to make a similar Free Enterprise presentation. At the various meetings during this week we also administered Economic IQ quizzes and crossword puzzles, in addition to handing out copies of the "Ten Pillars of Economic Wisdom."

We also received an unusual request from a gentleman in another state who was representing the Chamber of Commerce Education Committee in his large city. They had also decided to have a Free Enterprise Week, and he asked us to furnish them with literature that he could pass on to each minister. It seems that they had definite plans of asking each minister in town to complete the Free Enterprise Week by preaching a sermon on that subject. We sent the literature; however, unless we are mistaken, having preachers speak on economics will be a precarious ending for their Free Enterprise Week.

22. Free Market Syllabus Utilization--The Foundation for Economic Education has put together an excellent syllabus and basic reader on "Free Market Economics." This will be used this summer by the Faculty Director in the new course for teachers of high school economics to explain economic principles in the classroom by dramatizing, simplifying, and enriching explanations for high

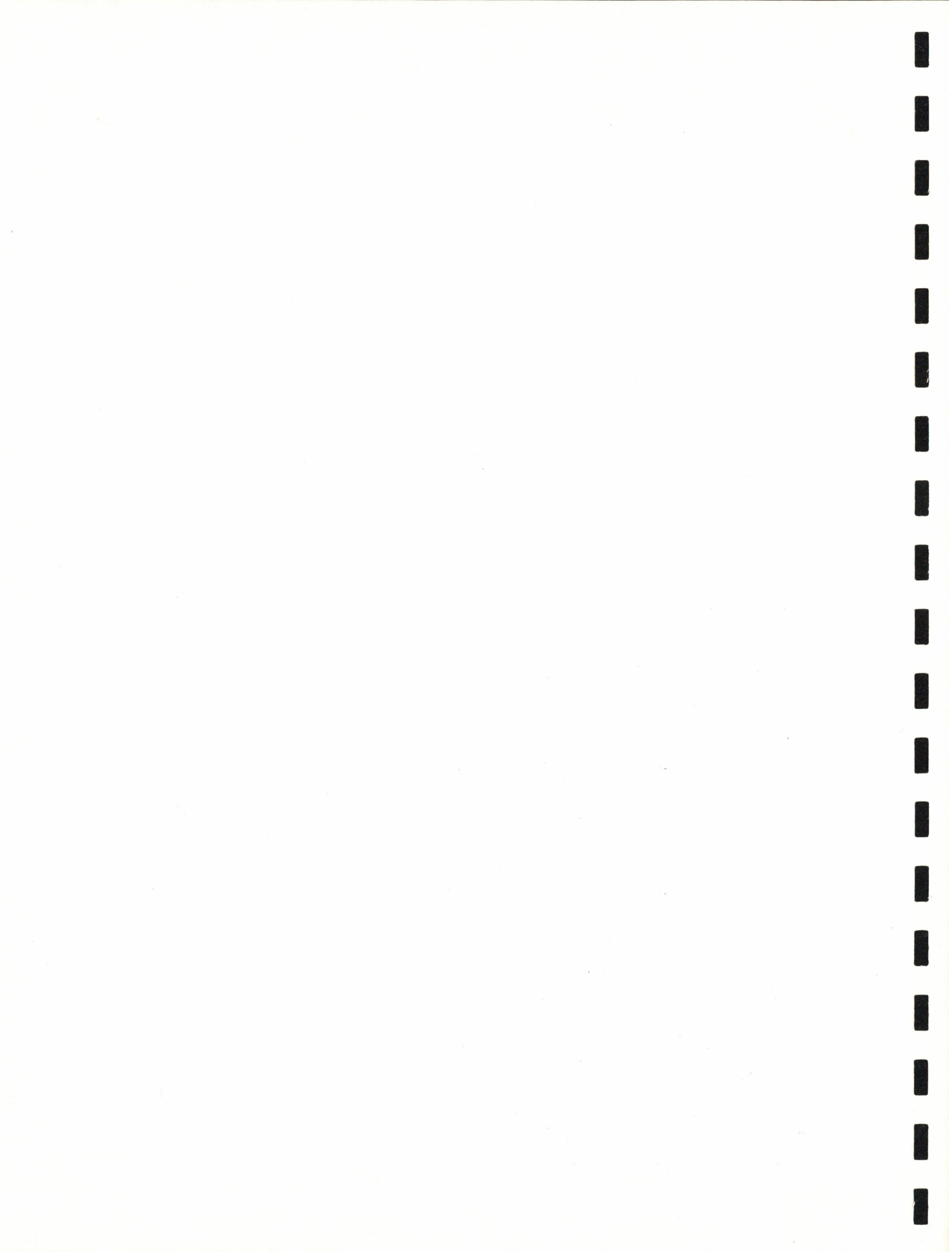


school students. The title of this new course is Free Enterprise Economics. Teachers who help to mold the thinking and destiny of our youth will want to be as well prepared and effective as their abilities permit. We plan this spring to correspond with current teachers and would-be teachers, to encourage them to take this course which is accepted by the State Department of Education as fulfilling the economics requirement for teaching at the secondary level.

23. Freedoms Foundation Award--When last year's competition was over, we packaged up the lengthy 200 page version of the Economics Team report and sent it for judging by the Awards Department of the Freedoms Foundation at Valley Forge. We wrote them that "if free enterprise is catching, and we believe it is, then 680,000 people were exposed to it in our 27 projects last year."

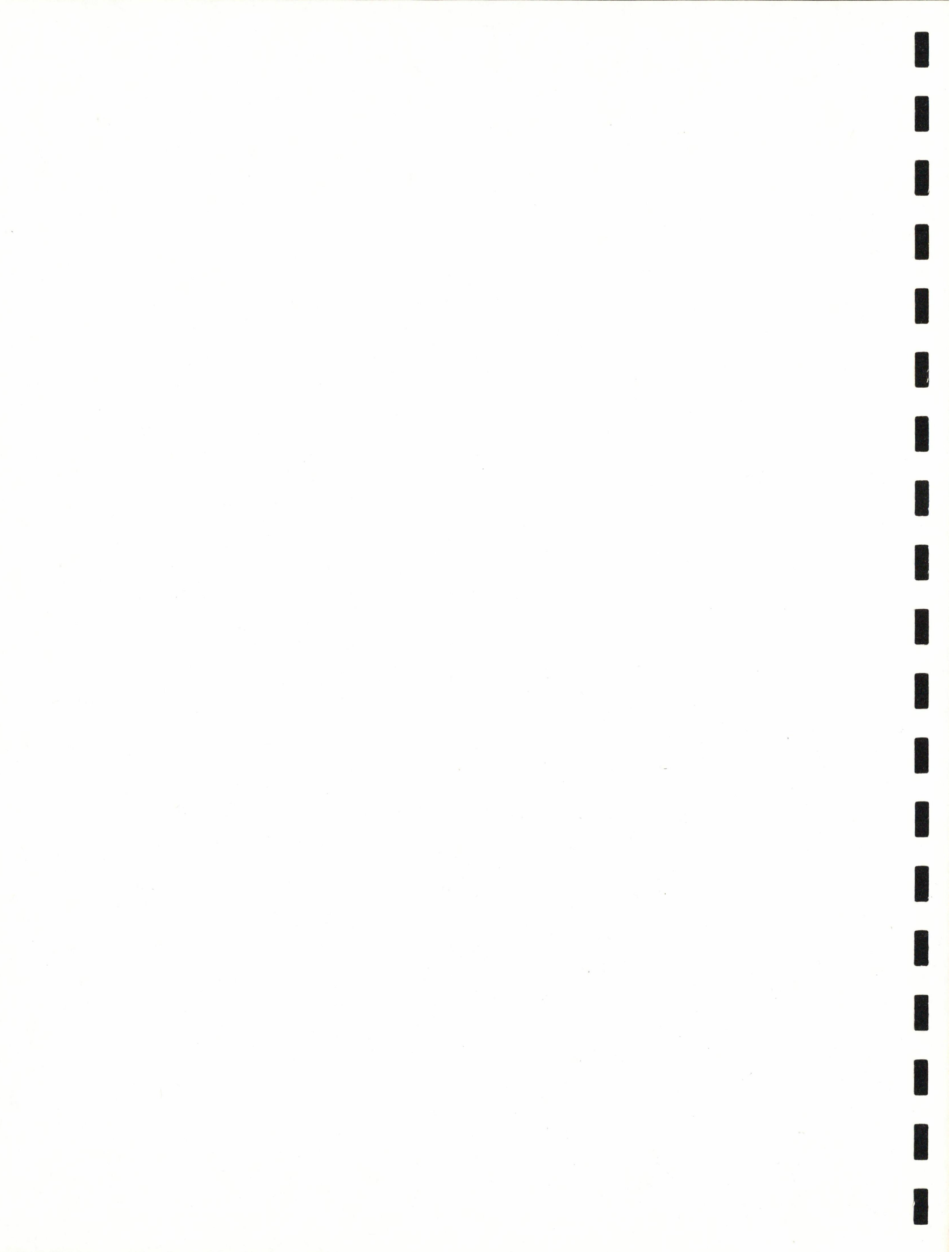
On February 22, 1977, the birthday of George Washington, we received the following notification in the mail from Valley Forge, Pennsylvania: "The Trustees and Officers of the Freedoms Foundation at Valley Forge announce with pleasure the selection of the Center for Private Enterprise Education by the distinguished National and School Awards Jury to receive the Valley Forge Honor Certificate Award for 'Free Enterprise: The Greatest Story Never Told (Until Now)' report, the 1976 Economic Education Program, an outstanding accomplishment in helping to achieve a better understanding of the American Way of Life."

24. Governor's Proclamation--Having had a "Free Enterprise Day" in Searcy, Arkansas, last year, this year we decided to contact Governor David Pryor with a request that he designate February 14th as "Free Enterprise Week" for the entire State. The governor's proclamation is in Appendix Q. We feel that this really paved the way for many future contacts in the Central Arkansas area. We have also presented the Governor with a certificate of appreciation for his promoting economic enlightenment (Appendix G). The activities of "Free Enterprise Week" are listed in our earlier section.
25. Guest Speakers on Campus--Students need to see, meet, and hear businessmen and other opinion leaders in order to understand them better. There is a great reservoir of frozen assets of expertise waiting to be tapped in this area. Largely through the American Studies Program, during the past few months Harding College students have met with the following speakers in give-and-take sessions: Mr. Buddy Hyde, President of Dresser Industries, Oilfield Products Group, Houston, Texas; Dr. Ben Rogge, Distinguished Professor of Political Economy, Wabash College, Indiana; Dr. E. G. West, in a special program centered around Adam Smith's Wealth of Nations; Dr. W. Philip Gramm of Texas A & M University, Dept. of Economics; Dr. M. Scott Myers, Director of the Center for Applied Management; Mr. Bob McCord, Editor of the Arkansas Democrat; Mrs. Mildred Long, Memphis businesswoman and President of J. Stricklin and Company; James J. Kilpatrick, Syndicated Columnist, E. D. Yancey, Executive Vice President, First Security Bank; Bob McKinney, Vice President, First National Bank; Dr. George Benson, President of the National Education Program; Mr. Philip Davis, Personnel Manager, Sperry-Vickers, Inc.
26. Harding - ASU Joint Programs--Because of our initial contact with ASU students and faculty last spring on a free enterprise presentation, they invited us to join them to hear Mr. Dick Bryan, a salesman for Goodyear



Tire and Rubber Co., of Akron, Ohio. They had invited Mr. Bryan, not because he sells tire, but because he sells the American Economic System. Mr. Bryan is well trained for the job of discussing the merits of private enterprise, having more than 350,000 air miles, touring 86 countries, and having made more than 600 public appearances. In addition, we worked up some new programs, some multimedia approaches for a joint audience of Harding-ASU faculty and students. We also made available to them the new 28 minute animated movie titled, "The Kingdom of Mocha" which does an excellent job of describing the market economy which, despite its shortcomings, has a pretty good track record. (Appendix V) From that meeting we adjourned to the Kiwanis Club of the same town for a noon presentation for those civic leaders. Upon request of some ASU faculty members who wished to purchase the Economics Team report of last year, we have made this available to them at no cost through our new Center for Private Enterprise Education.

27. Letters to Editors Published--Toward the beginning of this year's competition, we decided that with the upcoming election, something should be submitted to the newspapers regarding the economic issues. Our Student Chairman of the Economics Team, Doug Sanders, put together a very sound article for the newspapers based on economic issues in the election. He also wrote a letter to the editor of the College paper who, in turn, used this material provided by Doug to create his own editorial (Appendix I). This editor's editorial accompanied the article by our student staff member in the same issue of the newspaper. In addition, we have written him whenever his editorials on economic current issues are especially effective as we rate them.
28. Library Display Placement--We were able to reserve the month of February, which is the month in which Free Enterprise Week will be conducted, for setting out a rather large and colorful display in the college library. This display on large tables and under glass has provided a large sampling of a cross section of private enterprise-type literature, posters, and other multimedia techniques. Located in a high-traffic area of the library, this display has sparked a great deal of interest especially among student teachers who are really searching for materials as they find they have to teach a unit on economics (Appendix S).
29. Literature Distribution--In addition to the other programs mentioned in our report regarding the dissimulation of private enterprise-type literature, we have made a concerted effort to leave bulk quantities of many of our publications with every audience that we come in contact with. A large medical center is using the "Ten Pillars" in their waiting room tract racks. A large bank is using the "Ten Pillars" as inserts in the mailing of bank statements. We continue to expand our mailing list of opinion leaders to receive the bimonthly ENTREPRENEUR. We also received a very unusual inquiry recently from an Agriculture Department employee who had been stationed in Africa. He told us he lived near a university in that African country and that the American government gives these foreign universities a small library of books about America. However, he noted that the African students so often came to him in order to get him to explain American capitalism to them, for the books really were not accomplishing that. And after listening to our Civic Club presentation



by the Economics Team student members he relayed this account to us and suggested that we put together a bibliography or some literature to send to these countries and universities for inclusion in their libraries. We have checked with State Department officials in Washington, and are making progress on putting together just such a package for that purpose.

30. Lobby Display Signs--We were loaned on a long term basis two free-standing sidewalk signs which are metal. These were loaned to us by Mr. Rogers Yarnell of a state-wide firm located in Searcy, AR. It was last year that Mr. Yarnell donated the use of his billboard on which we painted the free enterprise message. For that service we have presented him with the Economic Enlightenment Certificate (Appendix G). We have had these two sidewalk signs repainted with the following messages on them in large print as well as our Center logo down at the bottom: "Free Enterprise Delivers the Goods"; "Free Enterprise...Who Needs It? 'We, The People'"; "Free Enterprise: The Fuel that Keeps Our Economy Going"; and "Free Enterprise: 'Free' to be Anything We Want If We Are 'Enterprising' Enough to do It". These signs are painted in Harding College colors, black and gold, and one was placed in each of the two lobbies of First Security Bank and First National Bank in Searcy, AR, the county seat, during Free Enterprise Week as well as other occasions. These were also put out on the sidewalk outside of these establishments. In addition, they were placed around at various places in town and on the campus as we presented the various programs (Appendix T).
31. Milk Carton Advertisements--Purity Dairies of Nashville, Tennessee, which sells 400,000 units of milk every three weeks, has granted us permission to print the "Free Enterprise" poem by Edgar Albert Guest on the side of their milk cartons (Appendix N). The only cost to us is that of the printing plates. After this 12-line poem on Free Enterprise ran awhile, they switched over to another item that we recommended that they use. (Appendix U). The equation $MMW = NR + HE \times T$ and accompanying brief story of man's progress then appeared on their milk cartons. We feel that these short well-worded messages are well suited to this type of advertising, and we've been greatly encouraged by the interest of Purity Dairies in letting us do this with them. Accordingly, we have presented them with the Economic Enlightenment certificate.
32. "Mocha"--Youth Citizenship Seminar--At our upcoming Harding College Youth Citizenship Seminar there are plans to use a new film that we have purchased through the Center, "The Kingdom of Mocha" (Appendix V). This movie which is put out by Standard Oil of Indiana is animated and describes a Swiss family Robinson-type economy experiencing the economic problems not too altogether different from those experienced in the early 1970's in this country. We have also purchased the new 20 minute movie, "Will There Always Be an England?", which is a CBS presentation of an interview of Nobel winner, Milton Friedman, a recent visitor to the Harding campus. Stated in the literature to these young people who are conferees at this seminar is the following statement: America can preserve her freedom only by instilling her principles and ideals into the hearts of each on-coming generation. These two films will aid in achieving that goal.

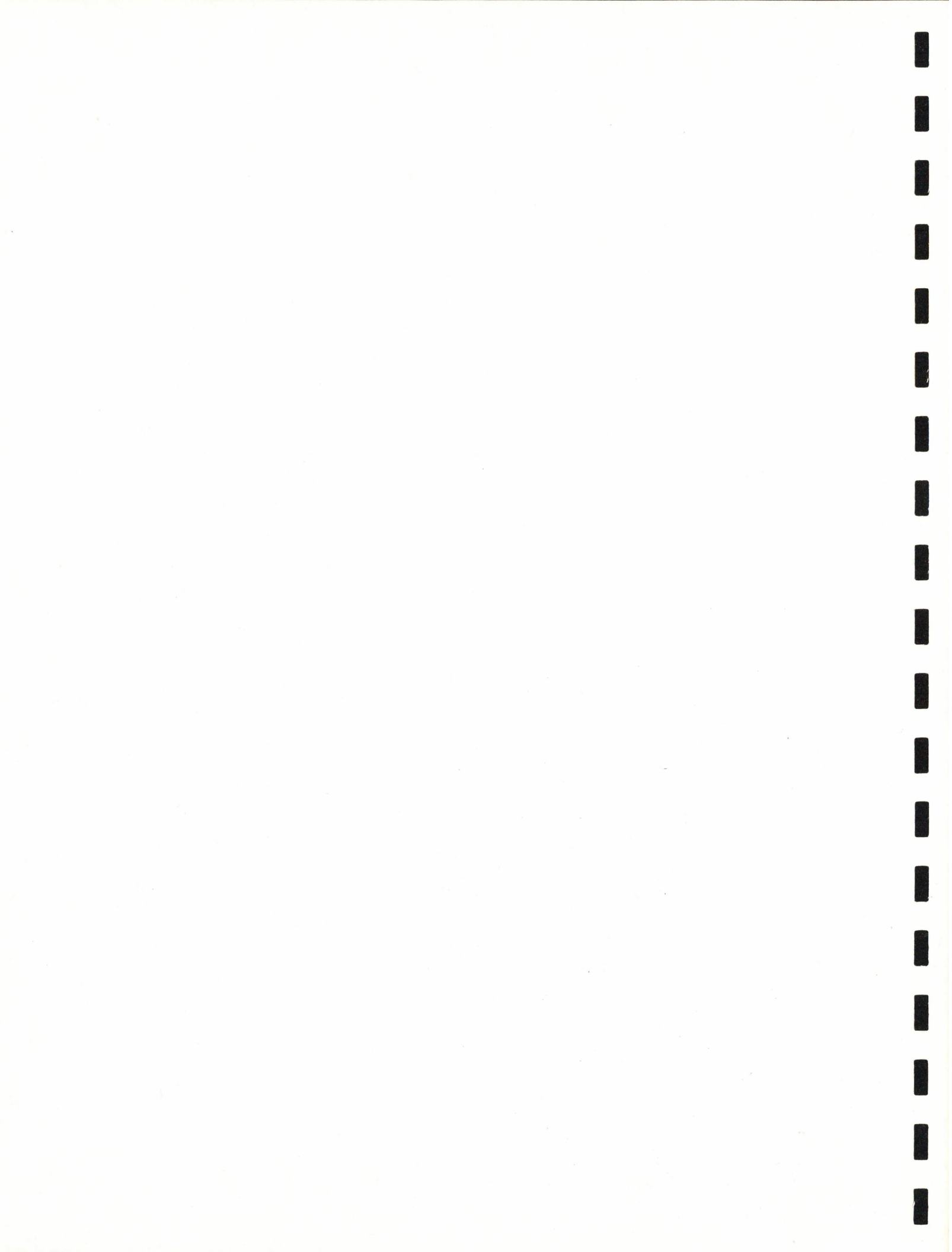


33. New College Level Courses--Since last year's competition, we have offered and are offering three new courses, each with an emphasis on preserving and attaining a viable market economy: Free Enterprise Economics, Comparative Economic Systems, The American Economic System. These courses are being taught by the Economics Team Director with an eye toward dramatizing, simplifying, and enriching explanations for both students and teachers. Teachers who help mold the thinking and destiny of our youth will want to be as well prepared and as effective as their ability will permit. For the first time, we have adopted the Free Market Syllabus and the Basic Reader, both provided by the Foundation for Economic Education. Christian Business Ethics is another new course that our Department is offering now for the first time.
34. News Articles Published--A considerable number of news articles relating to our programs have been in the paper during this year's competition (Appendix W). The longest article was several columns wide and half a page in depth. This was on economic issues of the up-coming election, and it was written by Doug Sanders, Student Chairman. Subsequently, we received a request from a bank president in Nashville, AR, a town about 200 miles away, for a series of monthly articles on economic topics, and we're currently working on fulfilling that committment.

Since going to the Economic Enlightenment Certificate, which was presented to those who had made an exemplary contribution to promote economic enlightenment, we have gotten excellent news coverage with press releases about the awarding of these certificates. One of our articles that was submitted became the basis for the editor's editorial in the college newspaper, and it ran concurrently with our economic issues article on another page. Having a group picture of the Economics Team taken around our new sidewalk signs has been a very effective way of pulling together the team and the program for publicity purposes for Free Enterprise Week.

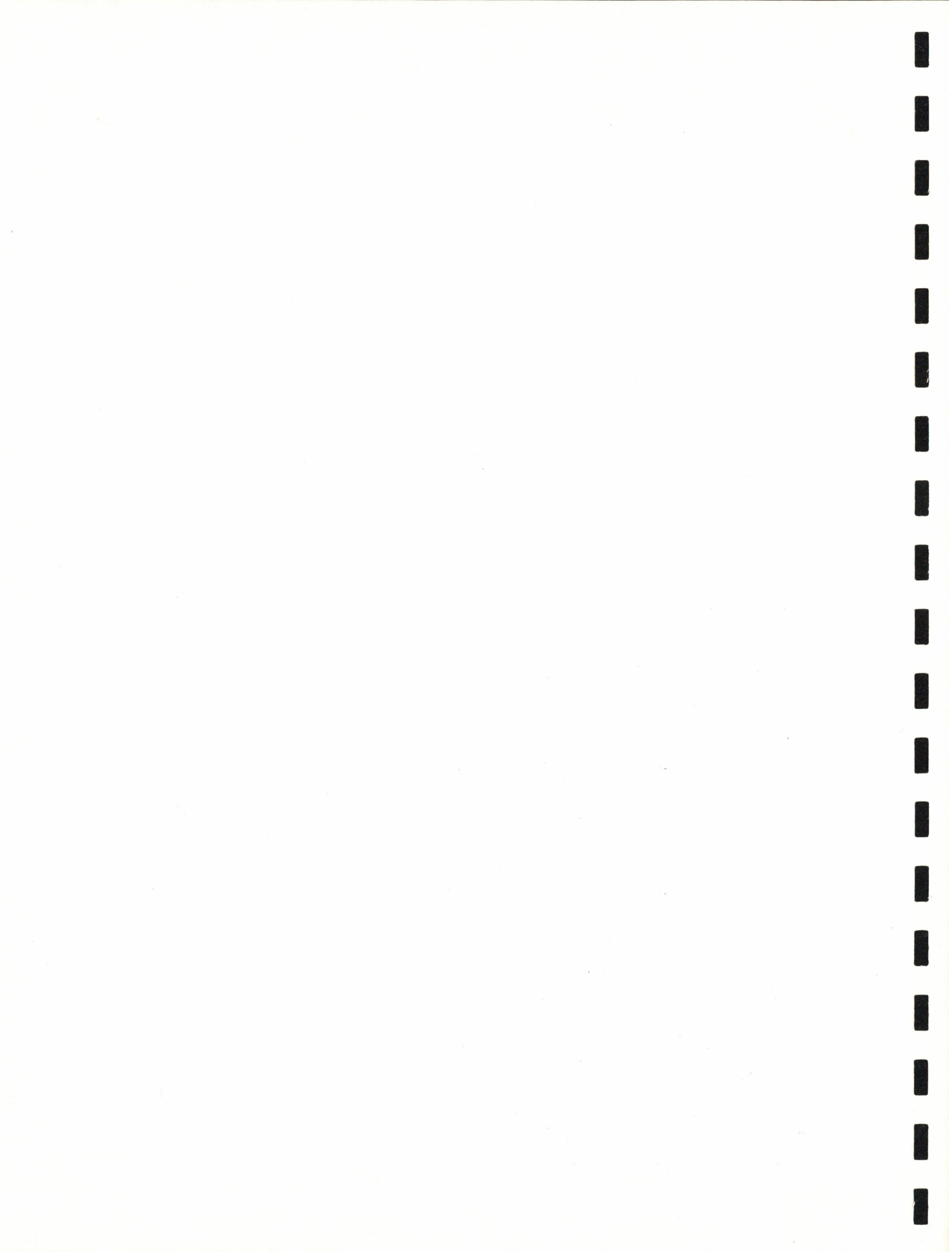
The National Education Program has taken our first ENTREPRENEUR article titled, "American Capitalism As An Economic System: A Perspective" and requoted it in their radio program, "Behind the News", which is carried by 120 stations in 38 states. In addition, this same article was broken down into two newspaper columns under the heading "Looking Ahead" which was carried by 1,572 weekly newspapers and 362 company publications. This makes a total of 1,934 papers carrying the column in all 50 states of the Union. Our article was also reprinted in two of the National Education Program's monthly letters which go to some 50,000 readers on each mailing.

35. Paul Harvey and Milton Friedman Combo--Two famous Americans, both recent visitors to Harding College, were featured by us in the second issue of THE ENTREPRENEUR, our bi-monthly publication. Mr. Paul Harvey, news commentator and participant in Harding's 50th year Convocation, recently paid tribute to another participant who also spoke during the celebration. Mr. Harvey's November, 1976, television remarks concerning the Nobel Prize in Economics were printed in Vol 1, No. 2, of the Center for Private Enterprise Education's bimonthly newsletter, THE ENTREPRENEUR. His remarks were then followed by Mr. Friedman's speech on the occasion of



Harding's 50th year convocation, as Mr. Friedman evaluated our economic prospects upon entering our third century. We believe that economics is one of the hottest subjects currently going. Therefore, by combining these two well-known Americans into a publication that is being sent all over the country, we believe we're doing our part in promoting a renaissance of sound, quality private enterprise education.

36. Plant Tours--As part of Harding College's American Studies Program, a large number of our student leaders this year got to tour at length a General Motor's Assembly Plant in Dallas. We feel that it's very important for our students to see the inside of a large business, for most have not. It's equally important for businessmen to get into the classroom, and we have been increasingly promoting more of this. Local plant tours in the White County area have been conducted with professors and students. We feel that this has gone a long way toward helping each understand the other's role, for all of us are really two-sided creatures, being both producers and consumers. We, subsequently through these contacts, were able to arrange for the Personnel Manager at the large Sperry Vickers plant in Searcy to speak to the college students on campus regarding employer-employee relations and the work ethic.
37. Poster Utilization--Our poster program has been to use "America's Wheel of Economic Progress", "Monopoly--Not A Monopoly", "Man's Material Welfare", and "Costs" posters, as well as others, by making them available to teachers in the area and by converting them to transparencies for use in the classroom (Appendix X). They're simple enough that you get literally a picture that's worth a thousand words, without having to use several more thousand words to describe it. Sometimes short messages on posters are more easily understood than tedious explanations.
38. Private Enterprise Conference--Being individuals concerned with economic understanding and the private enterprise system, we were invited to be represented at the Second Annual Chair of Private Enterprise Conference, February 20 and 21, at Sea Island, Georgia. This conference was sponsored by the Chair of Private Enterprise at Georgia State University, one of the leading programs in this area of the country. The program featured Mr. Burt Lance, President Carter's Director of the Office of Management and Budget, Mr. Charles Pilliod, Chairman of the Board, Goodyear Tire and Rubber Company, The Advertising Council, creators of the 2.5 million dollar "Understanding Economics" campaign, Owens Corning Fiberglas, discussing their successful employee Economic Education Program and Dr. John Udell, holder of the University of Wisconsin's Chair of American Enterprise and Economic Development. About 50 universities, 40 corporations, and several foundations, all of which have expressed an interest in economic understanding, were invited to attend the conference. It was such a high-powered session, that we believe the programs that we have been promoting will perhaps spread even more like wildfire as we aim to practice a lot of quality control in our activities with better framed messages than ever before.
39. Public Policy Tapes and Reprints--In cooperation with the American Enterprise Institute for Public Policy (AEI), a public supported, nonpartisan research and educational organization which aims at providing factual analysis



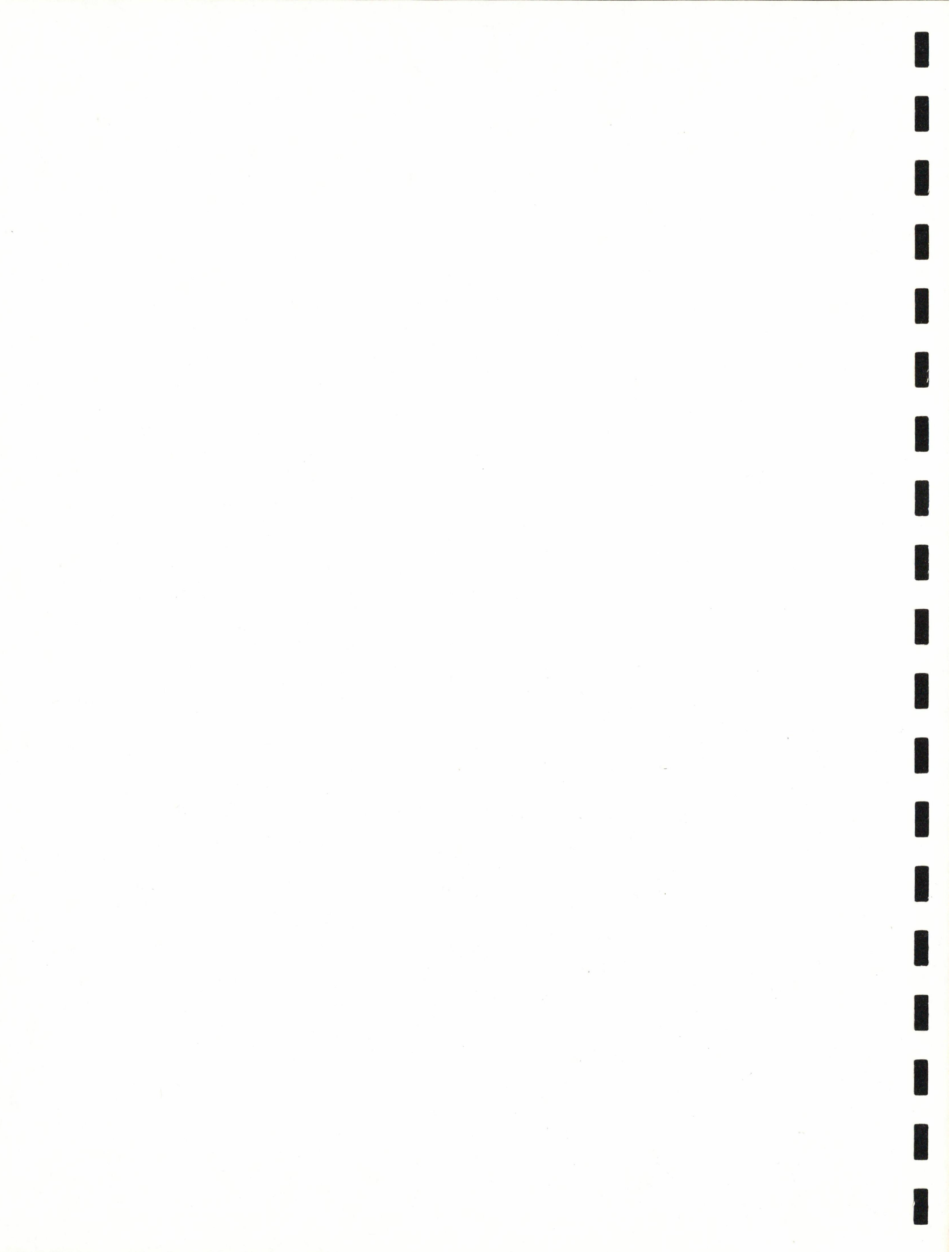
of important national policy issues for the use of the nation's legislators and economic leaders, we have set aside a section of our Center library for more than 350 AEI publications which have been released to us to provide information for our students and faculty on major issues on the day. By simply agreeing to provide this shelf space as being so designated from the AEI, this literature and tapes were given to us at no charge.

Especially helpful to our cause were the great number of publications in their College Debate Series which provided a wealth of information for college students engaging in debate or project research on topics such as government control of energy, wage and price controls, government and privacy, and comprehensive national medical care, to name just a few in their College Debate Series. The Center library being in a very high traffic area, not only does the AEI literature have a lot of visibility here, but we've been very impressed as to the number of present students, former students, students from other classes in other departments, student teachers, and some faculty members who have all come to borrow literature from our Center library for a variety of reasons: to write an article, to prepare for debate, speech, and to have material for class discussion.

40. Public Schools Programs and Materials--We've accomplished much more this year in this area. For example, one of our students took the "Kingdom of Mocha" movie and workbook and packet of literature over the Christmas vacation back at his former high school in another part of the state. He even made a presentation to a number of high school classes and then to the local civic group. Our new course on Free Enterprise Economics now fulfills the State Department of Education requirement for a course at the secondary level for those certifying to teach. We have made available two publications: "How We Got the Way We Are", an experimental primer in Economics for elementary school children, and "Economic Principles Can Be Taught At Every Age Level".

Through our ENTREPRENEUR mailings came a number of requests for literature from high school teachers in Texas, Mississippi, Arkansas, Louisiana, and Tennessee (Appendix EE). The oldest high school in Nashville, Tennessee, requested permission to reprint our "Freedom From Want" article that appeared in the College "Bulletin". The text was reprinted in their Thanksgiving issue of the school newspaper (Appendix Z). A total of 21 presentations were made to students and teachers in the public schools in our area. We have also served in a consulting position to educators in the state of Louisiana as they have sought to launch a semester's long course preceded by a workshop for teachers on free enterprise economics. Through a similar program at the University of Mississippi, we have also provided literature and a presentation to a teachers' workshop on this very same subject since last year's competition was completed. At the same time a number of states have a requirement for a free enterprise course for graduating seniors. Arkansas presently does not. We hope to work toward that end.

41. Radio Spot Announcements--Shortly after the initial workshop which commenced this competition, a student team member and the faculty director were on the half hour program "Around the KWCK Land" which was an interview on live radio about our new programs as the competitions start up again this year. A few weeks after that we submitted to the station one minute



spot announcements which was used by this local station KWCK-KSER. These were patterned after the bicentennial minutes of the last year on tv (Appendix Y). In addition, we purchased and gave to the local station a 3½ minute tape produced by the Phillips 66 Company about the newspaper boy who being a free enterpriser makes more than 50% of the people on earth: "This is an independent businessman. He makes his own deliveries. Does his own selling. Keeps his own books. To us he's just a paperboy. But 50% of the people on earth make lower incomes than he does. That's right. With a part-time job, he earns more money than half the people on earth. Because he works in a system that's made this the wealthiest country on earth. Free Enterprise. Sometimes we forget how well it works."

Both the local radio station and the campus radio station have provided excellent forums from which to launch free enterprise economics topics and projects that have a definite free market slant to them.

42. Republication by Other Organizations--In addition to the milk carton adaptation of our materials and the contacts we've made to sell our bumper stickers through the Free Enterprise magazine, the National Education Program has adapted our initial ENTREPRENEUR article into a series of two which became radio broadcasts which were carried on 120 radio stations in 38 states and to their own newspaper column which was carried in 1,572 weekly newspapers and appear in 62 company publications. This makes a total of 1,934 papers that carried our article twice in all 50 states of the union. In addition, their monthly letter goes to some 50,000 readers and it was a cumulation of the radio program and newspaper columns all of which gave our Center credit for being the source of the articles.

The oldest high school in Nashville, Tennessee, reprinted our "Freedom From Want" article that originally appeared in the Harding College Bulletin. This was done as part of their special Thanksgiving week issue (Appendix Z). The Groupvine, a quarterly magazine of Dresser Industries Oilfield Products Group, which goes to 34,000 employees, reprinted the Economic Team Director's presentation to that company's executives on free enterprise and its credibility gap (Appendix Z).

43. Slide-Tape Module--Feeling that this was an area that we really needed to get into compared to last year, the Economics Team developed a 20 minute slide-tape presentation on the theme "The Economic Facts of Life". This Facts of Life presentation is a stretched out, editorialized version of the "Ten Pillars of Economic Wisdom" (Appendix AA). We developed the script, made some of the slides, had others made for us as they were adapted from Dr. George Benson's National Education Program's American Economy animated, 16mm films. Alan Risener of KWCK radio in Searcy donated his time to professionally record the tape that goes with the Carousel slide projector presentation after we originally taped it using one of our own voices.

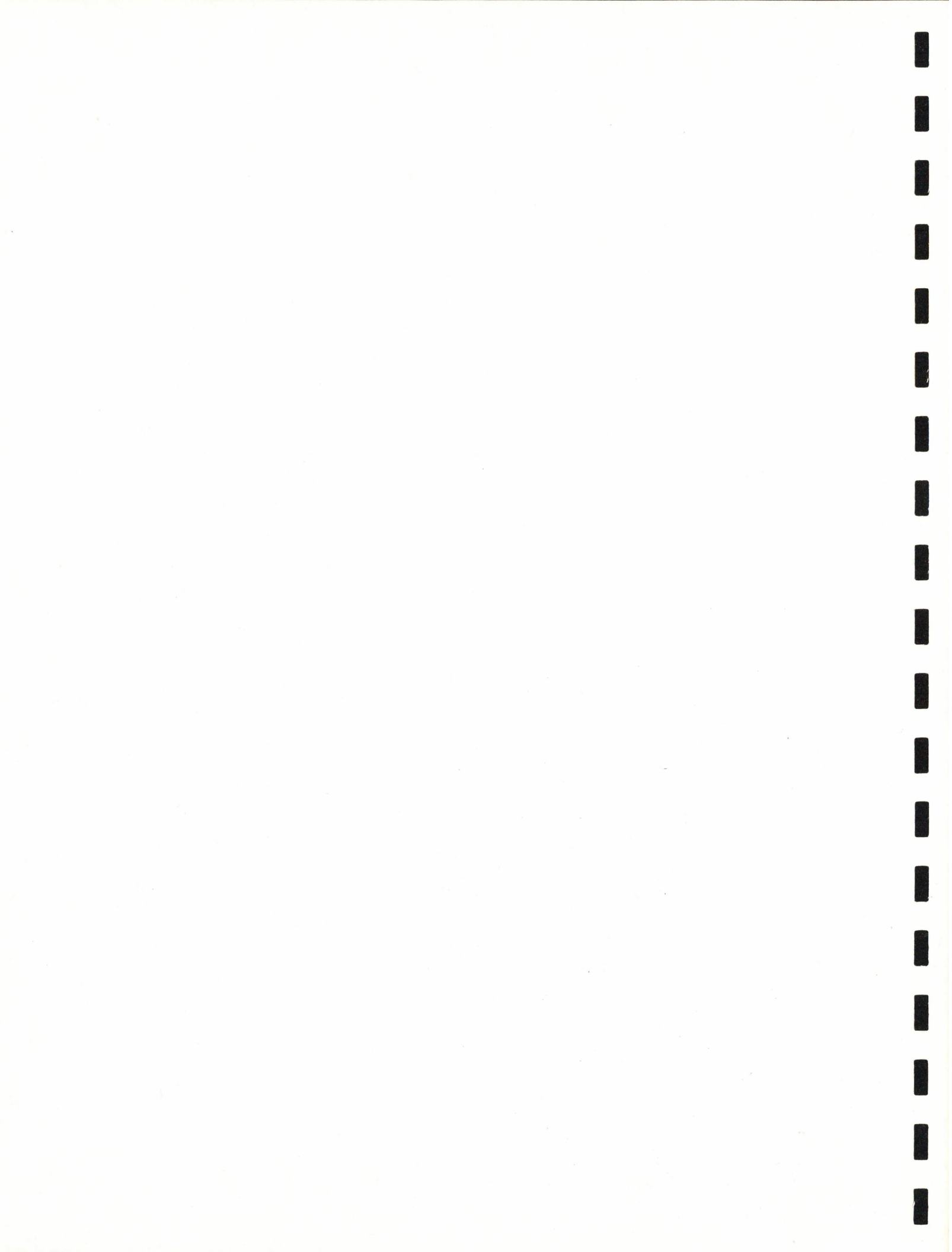
Of big assistance to us was the fact that the National Education Program agreed to let us convert frames from their 16mm animated American Economy films to the current slide-tape presentation, and we have accordingly remembered them in our acknowledgements. So, from these 25-year-old animated films we have developed an up-to-date, modern presentation which we have used many times for civic, educational and professional groups of all ages. Being easy to update, we intend to rely on it heavily as we promote common sense economics.



44. Small Business Institute Formalized--This year we brought into the institutional structure of the Department in a permanent way last year's experimental program. Making an important contribution to free enterprise in assisting students to gain greater appreciation of free enterprise, this year the students, including our Student Chairman, Doug Sanders, have an opportunity to participate in a management audit of select local firms. The new Small Business Institute has called upon the resources of the Center for Private Enterprise Education. The program has been a mutually beneficial one. It has offered a practical training ground for our students. It supplemented academic theory by permitting them to address live problems in a real business environment. Student consultants on the ten management audit teams earned college credit for the experience and received a Certificate of Merit in recognition for management counseling services provided the business community through the Harding College Business and Economics Department, thereby making an important contribution to Free Enterprise (Appendix BB).
45. Speakers' Bureau--In addition to the seminars, retreats and workshops mentioned in this report, and living up our proposition of "going only where called", the Economics Team formed a speakers' bureau. Presentations on Free Enterprise-related topics were made to about 20 different educational, professional and civic organizations. We used the opportunities to present an exchange of ideas and concepts and facts about business. In every session we spent a few minutes to develop a rapport with the audience by explaining our positions with respect to private enterprise-related issues. The presentations were never just a speech or a lecture per se. We always showed films or made a slide-tape presentations or distributed literature or gave a quiz or a crossword puzzle, as well as having discussion with the formal presentation. In order to benefit from the specialization of labor and to export our programs more effectively, this year we divided our Economics Team up into several separate groups of speakers to multiply our efforts. At most of the presentations that were given not all the team participated, therefore each member got a variety of exposures to articulating Free Enterprise economics in his own right.

One of the first programs we conducted for this year's competition was for a class of teachers who were required to take this class in Economics for the Elementary Teacher prior to being certified by the state. We conducted an hour-long session with them using the multimedia approaches at our disposal that we had worked together into a program. To our pleasant surprise, a leading banker in the community recently told us that he had made a talk before a local high school, and that he concluded his talk by saying, "If you need anymore information on the free enterprise system, see the Center for Private Enterprise Education and the Economics Team at Harding College because they're the experts." It's feedback like this that makes it all worthwhile. As one publication that we've been using quite a bit states in its title: "It's a Great System; Let's Pass It on."

46. "Story" Reprinting and Distribution--We have gone through 5 reprintings of last year's Economics Team's report, "Free Enterprise: The Greatest Story Never Told (Until Now)." By citing this report in the first issue of the Center's new publication THE ENTREPRENEUR, we have received inquiries and requests for copies to be sent and/or purchased by the following organizations: Chambers of Commerce in a variety of states,

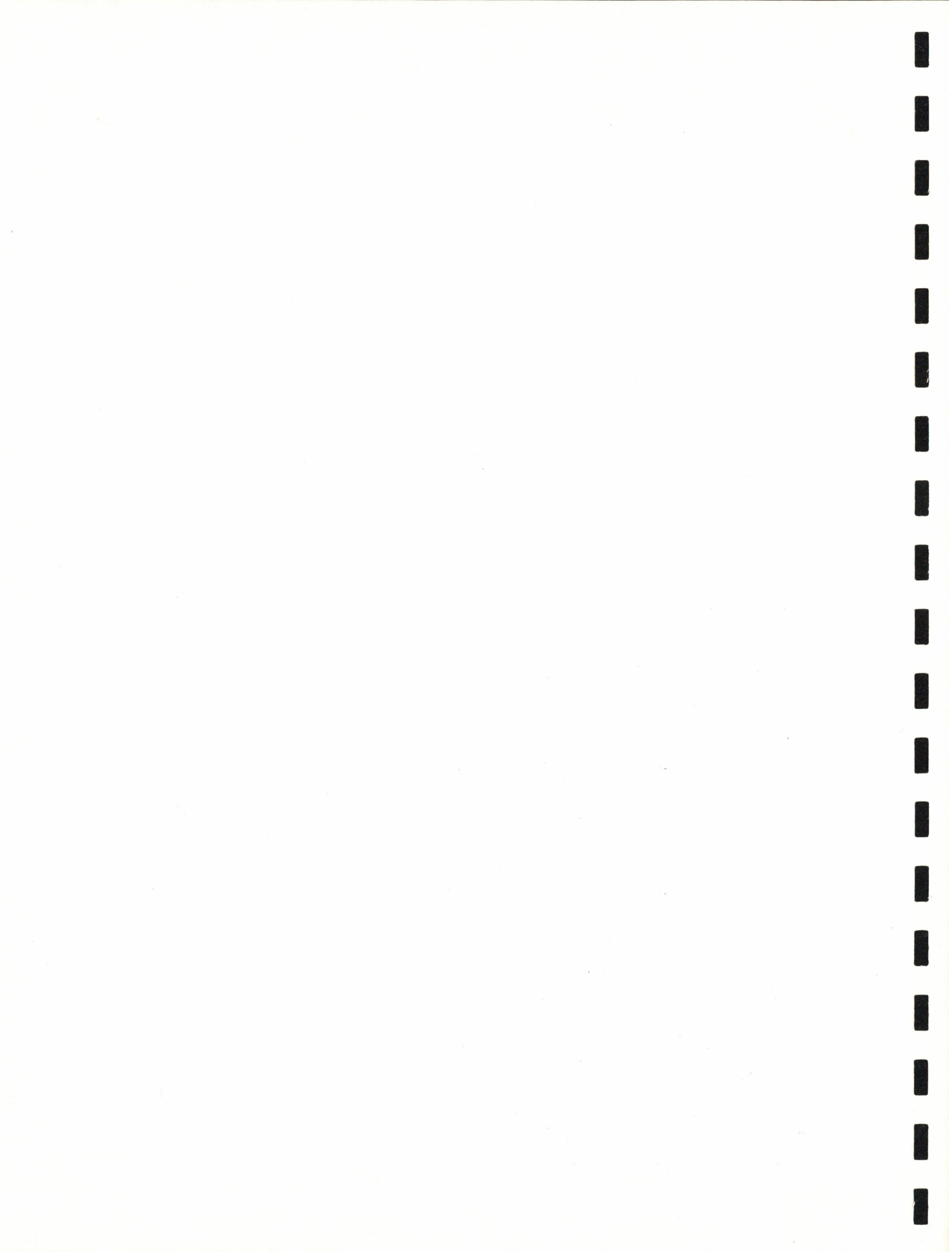


public utilities in a number of states, state boards of education, educators working with legislatures to work up statutory requirements for free enterprise education for high school students, schools, libraries, foundations, university chairs for private enterprise education, the Joint Council for Economic Education, university educators, and our alumni. In the back of our minds last year was the idea that our report should be made for more than just the judging.

In fact, we got so wrapped up in the competition both last year and this year that we seldom thought about winning. The programs and the projects came to be more important. In addition, the team report has been useful for us in fund raising and has been also requested by a number of our alumni as they speak with friends of the college. "Free Enterprise: The Greatest Story Never Told (Until Now)" has also been submitted to the Freedom's Foundation in Valley Forge for possible award in the area of college-type economic education programs. Furthermore, by being able to distribute copies of last year's team report to individuals with whom we are in contact to promote this year's programs, we are able to easily develop a rapport with these people about the programs we are currently promoting.

47. Sustained Community Awareness Programs--Our goal being to locate, screen, write, and disseminate private enterprise materials in a multimedia fashion--materials that are nonpartisan and responsible in presenting a balanced, fair treatment of economic individualism--all of this is being rapidly achieved in our local community. In addition to making some 2,000 separate titles of books, pamphlets, films, and reprints about American Capitalism available to local, professional, civic, and educator groups, we have enlisted the support of the community through the placing of the sidewalk signs and by economic enlightenment programs which we presented to civic gatherings. By judiciously presenting the Economic Enlightenment Certificate (Appendix G) to local people who have in one way or another helped us promote our cause, perhaps by making their facilities available, we have seen develop a much closer rapport between college and community, between town and gown. In fact, recently a leading banker in the area was speaking to a high school class nearby and as he finished his presentation he said, "Now if you need any more information on private enterprise, you see these students at Harding College. They're the experts."

Recently in Alabama, one of our students who had just graduated, applied for a job with a large industrial firm. The personnel director's first comment when he read that the student was from Harding was "Oh, so I bet you know the difference between capitalism and collectivism." Therefore, by we as educators and students promoting economic enlightenment in the community and encouraging business and professional people to be on the campus so that students can get to know them, by placing students in local plant tours, we have helped each understand better the role of the other. All of this makes the environment in which all of us work a much more pleasant and helpful one, being altogether committed to the merits of the private enterprise system.

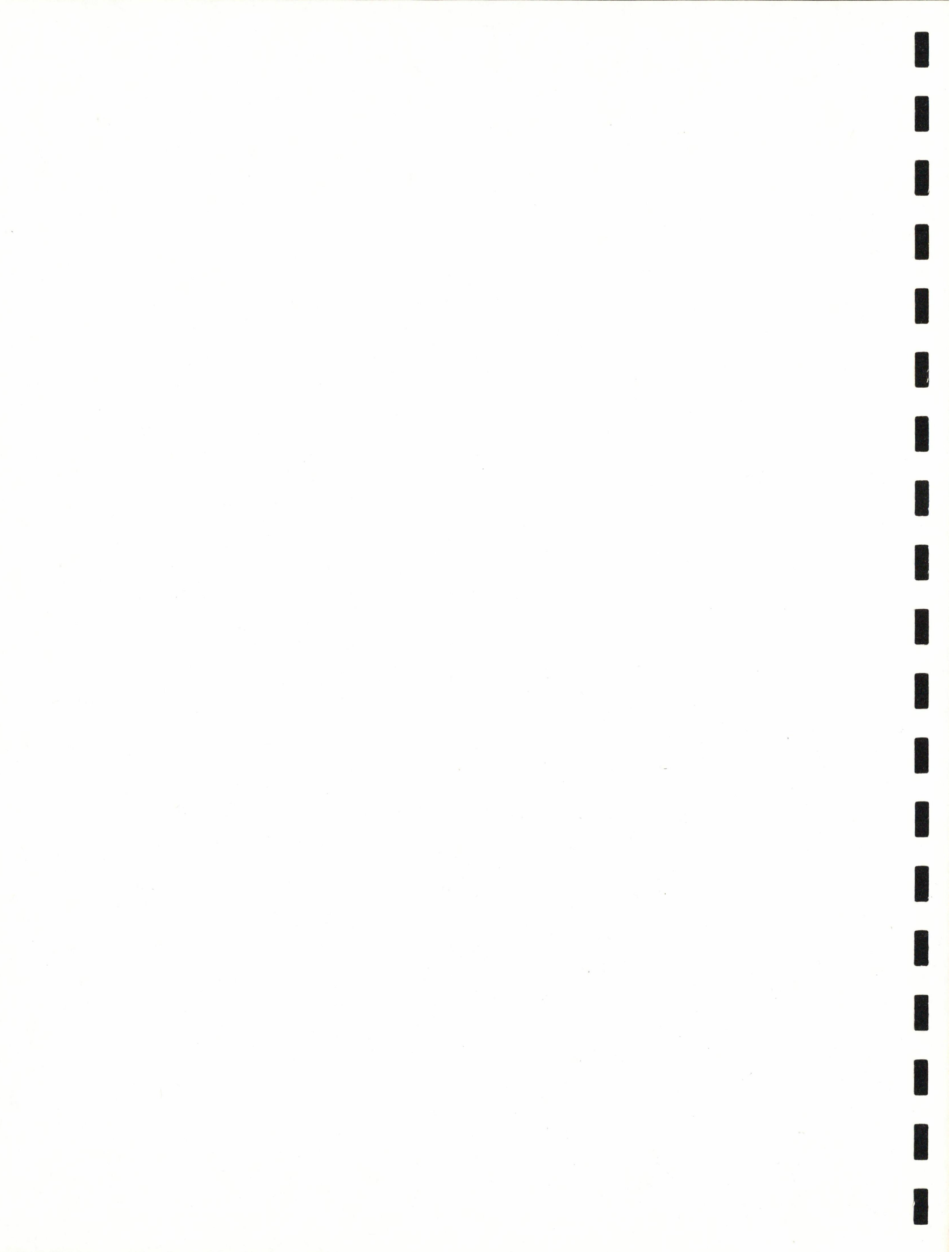


One indicator of our successes this year has been that we have received much more inquiries from a variety and sometime unusual sources about our coming out into the community and putting on programs, whereas last year we were more or less inviting ourselves. One nearby school district in another town has asked our Economic Team members, the students themselves, to help the teacher conduct a 4-week course on American Capitalism in the evenings. Receiving a lot of invitations, we've had to just be able to go for a couple of sessions, so that we could have a variety of many different audiences. The community is rapidly becoming aware of the Center for Private Enterprise Education at Harding College.

48. TANSTAAFL Lapel Buttons--TANSTAAFL stands for "There ain't no such thing as a free lunch." It's really not known who coined the term first. It's been used by Professor Milton Friedman, by management consultant Peter Drucker, and others in and out of government and the private sector. On a variety of occasions as we've been out and about, the Economics Team members have worn lapel buttons which have TANSTAAFL written on them. Without fail people have always said, "What does TANSTAAFL stand for?", and we very quickly relate to them the following story and message. "Long ago there was this king and he was searching for a very brief, succinct explanation of life, especially economic life . . . So, he called in his philosophers and they gave him a 3-volume bound report on what life is all about . . . He beheaded them because it was too long . . . Others tried and still it was too long of an explanation . . . So finally he tossed out the challenge for anyone in his kingdom to come up with a brief statement of the essence of our economic life . . . It took a commoner to step forward and say, 'There ain't no such thing as a free lunch.' That is, we pay for every government benefit we get, usually far more than it's worth . . . If we don't pay it in taxes, we pay in inflation, higher prices for everything we buy."

If we have the time, we launch out into distribution of the "Ten Pillars" for "There ain't no such thing as a free lunch" is exactly what the "Ten Pillars" are all about. So, TANSTAAFL has had a place for audiences and in one-on-one relationships in which we have just a brief encounter. It's been a terrific conversation piece, for it kindles many future contacts and more elaborate explanations as time permits. We had to reorder for an additional supply of TANSTAAFL buttons because our students kept wanting to pick them up so they could wear them too. We are also circulating buttons which read "Laissez Faire", an idea from the french term meaning "leave alone." Here we explain that this has been a term to mean that government should have a minimum role in the economy, essentially to create the climate where a business can be healthy, assisted in forcing contracts, provide for national defense, and protect each citizen from the violent attacks of others. The "Laissez Faire" lapel button has been an excellent springboard for discussions with groups about the proper roles of the public and private sectors as we enter our third century.

49. Television Talk Shows--Having been successful in getting Governor David Pryor to designate the week of February 14 as "Free Enterprise Week", we asked a local station to consider our request to allow us to be on their noon talk show, Channel 11's Eye on Arkansas. This station and one



other very readily agreed and this was accomplished on Tuesday, February 15, during Free Enterprise Week for the state of Arkansas. Other activities of the week are listed in this report. However, essentially the time on this state-wide television network by the Economics Team members was spent in a formal discussion session with the moderator, Mr. Glenn Mahone, reviewing essentially the material found in this report concerning our programs and projects which have emanated out of the intercollegiate private enterprise competition.

We describe free enterprise and then ask the question, "Is it worth keeping? If so, how?" We went into describing the triple whammy of misinformation, little information, and no information which is our pervasive legacy of economic illiteracy. We also have scheduled a presentation and a movie on educational TV, Channel 2.

We believe that this will especially help in the Little Rock area as far as encouraging opinion leaders throughout the metropolitan area to be patrons of our Center for Private Enterprise Education and its programs and projects. The Free Enterprise Week activities as listed earlier in this report which also included the television appearance were at this point a culmination of all of our projects which have dovetailed together well into an increased college, community, and business awareness and articulation of the respective roles of the enterpriser, the worker, and the consumer in a market economy.

50. Ten Pillars' Role--The "Ten Pillars of Economic Wisdom" in a handy, easy-to-use, mini format have been sent by us and distributed by us literally by the thousands all over the country (Appendix DD). The new "Little Giant" edition costs us 2¢ a piece in bulk purchases, and it beautifully distills the collective wisdom of the great classical economists. It's small size, readability, and favorable appearance guarantee that anyone who picks it up will read it. It's an extremely positive way to get people to understand what makes our economy tick and what they must do to make it keep on ticking. The "Ten Pillars" have been distributed to educational, civic, and professional groups all over the country by the Economics Team. They've been placed in tract racks and upon our encouragement of local businesses, in their waiting rooms. They've been used as mail inserts in bank statements through one of the local banks at our encouragement. We took the large 9" x 12" "Ten Pillars" laminated under plastic and mounted it on a plaque, added an engraved plate, for presentation for the essay contest winners.

One of our civic leaders recently told us that the "Ten Pillars" made more sense to him than all of the combined 28 credit hours in economics that he took years ago at the University. It is literally an entire textbook of Economics on one sheet of paper, truly a blueprint for understanding. The "Ten Pillars" have also found a key role in being the basis for our 20 minute slide-tape presentation that the Economics Team developed on the theme, "Economic Facts of Life." After initially experimenting with it last spring, this year we have used it to a much greater extent. All beginning students in Economics at Harding College received the "Ten Pillars of Economic Wisdom" on the first day of class. Then later in the course we expanded on this through the slide-tape presentation, followed up by an editorialized version of the "Ten Pillars" comparing economics and morality in the market place. The same approach is being used for other civic, professional and educational groups.



CHAPTER IV

CONCLUSION: KEEPING EVERLASTINGLY AT IT

"...A man went to the museum of art. He stood for a long time and stared at a masterpiece displayed on the wall. Finally, he complained to the attendant, 'I certainly don't see why this picture is so famous. What is so great about it, anyway? I sure can't see it.'

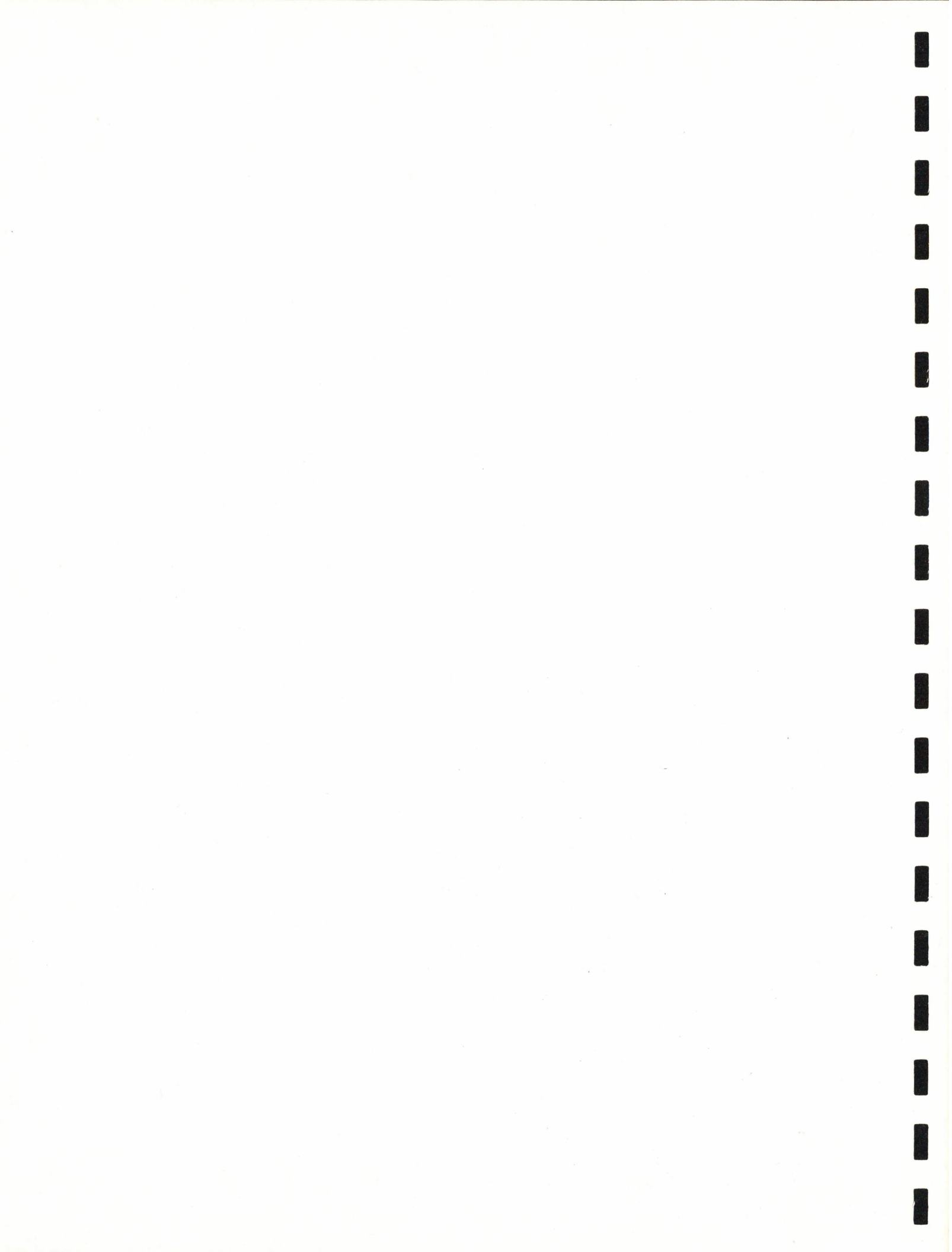
The attendant was indignant at the criticism, and he said, 'Sir, the picture has survived the ages. It has been approved by critics of all countries. Millions and millions of men, women, and children have gazed upon it with admiration. This picture has passed all the tests and is no longer on trial, but you are.'

The masterpiece on the wall for observation, in our case, is the American Free Enterprise system. It is a fine picture. It has served millions, pleased millions. Now, why do people suddenly see it as a bad picture. Who is on trial in this case? Sometimes an art object is not appreciated out of ignorance of the qualities of good art. This could be the case with the critics of our economic system. If it is ignorance, then we can do something about it. Maybe the critics don't see the picture because we haven't displayed it well. We can correct this. The picture of our Free Enterprise economic system is not on trial. It has been proven over a period of some 200 years. So, who is on trial? The critics and all of us here are on trial..."

--Richard A. Riley
President and Chief Executive Officer
Firestone Tire and Rubber Company

Americans have never packaged or merchandized capitalism properly. Through the Center we can tell students that because of capitalism they are something special, that they have a chance to succeed or fail, that man is an individual, he has dignity and he has freedom of choice. If critics hostile to the system succeed, then our society can anticipate regression to a state-controlled collectivist society in which individual freedom will be only a historical memory. If our students fail to understand the system, then we have failed our responsibility to teach.

Unfortunately, in every productive field some weeds will grow, which, if left uncontrolled, can and will destroy the crop. In America we call some of these weeds "economic illiteracy", and they can be found in all levels of society, at every echelon in business, and even in our halls of higher learning. While such ignorance is simple to eradicate--as easy as pulling weeds!--someone must first have the inclination, the time, and the money



to wish to promote sound, healthy economic growth based on a better public understanding of who has actually been benefited by our free market system.

Despite the antagonism between business and academia, or perhaps because of it, the campus remains the number one priority of those who wish to repulse the ideological assault on private enterprise. The answer lies not in business cutting off its support of academia, but in even greater support toward certain specific ends.

What can be done? We must help provide answers to the public's questions concerning our economic system and way of life. We must make economic education one of the nation's top priorities.

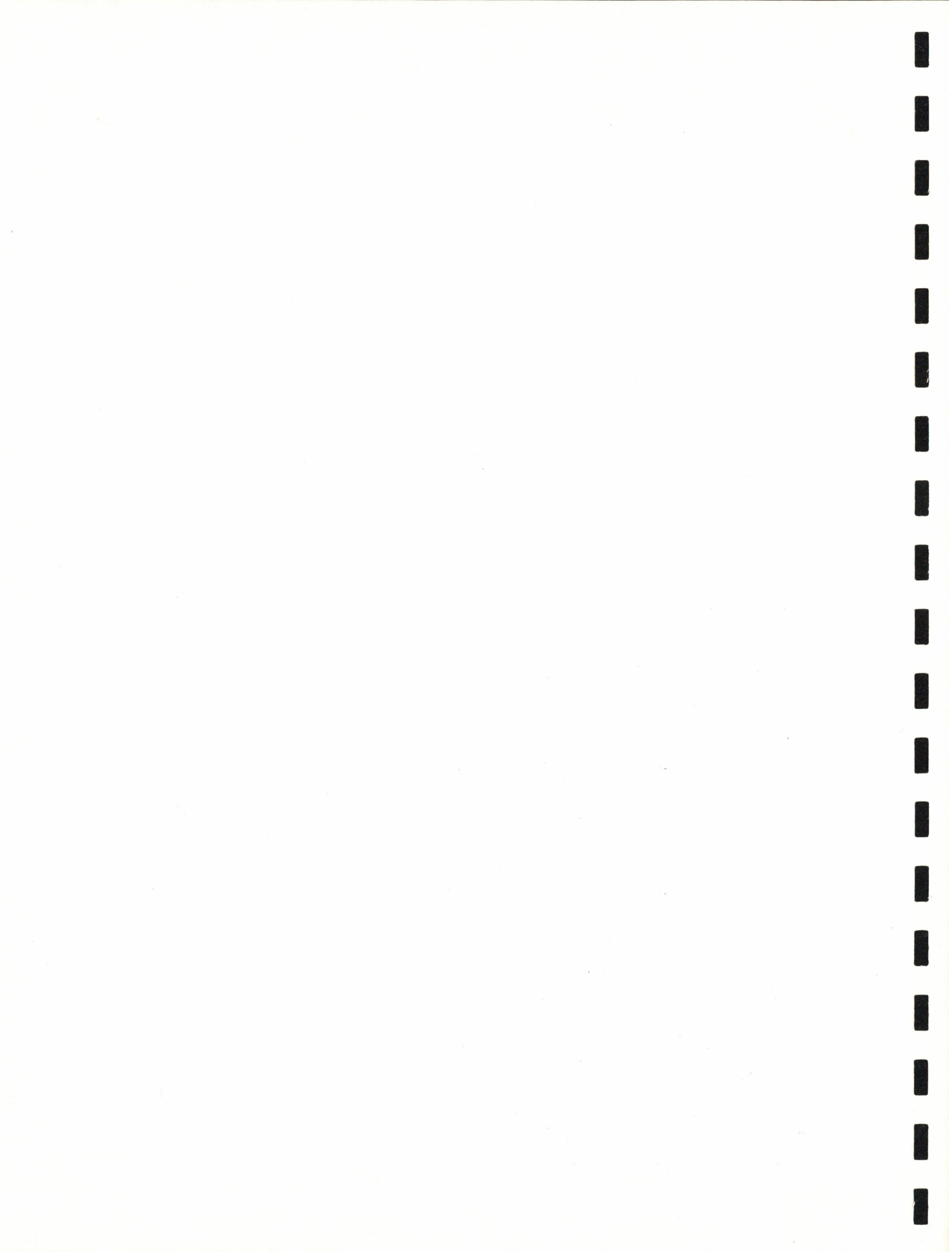
Most recent studies seem to indicate that the amount people know about economics is correlated with their attitudes toward business. The more information people have, the more likely they are to look with favor on business institutions. Harding College's unique Center for Private Enterprise Education, the happy issue of an improbable marriage between business and higher education, has become a favorite cause celebre of our constituency since its inception earlier this year.

The educational philosophy at Harding College--at least so far as economic education is concerned--is to recognize the merits of Free Enterprise and to judge the business community in the perspective of its achievements as well as shortcomings. So, we are sure that most recognize the need to resolve this conflict in favor of preserving free economic institutions. Ignorance, short-sightedness, envy, impatience, good intentions, and a utopian idealism combine to engender a barrage of charges against "the system"--which means against Free Enterprise. And so, the return fire, if Free Enterprise is to be preserved, must also be endless.

This duty does not fall exclusively on professional economists. It falls on each of us who realizes the untold benefits of Free Enterprise and the present threat of its destruction. We need to expound our convictions within the sphere of our own influence, as well as to support others who are expounding like convictions. The fate of capitalism, seemingly now in the balance, may be determined by how well those of us who understand and appreciate it support it when it is under criticism. Let each of us work and speak and give all possible support to freedom in the marketplace and Free Enterprise throughout the nation.

It must not be said that American business can sell anything except its most important product--itself. The most important thing in America today to the safety and well-being of every American is solvent, healthy American businesses. An ounce of initiative sometimes produces a pound of profit. Businessmen have an opportunity to help mobilize public opinion toward an outcome in which government and business each attend to their respective roles. This is a difficult and high-sounding goal. But it is one that can be based on common sense economics.

That "the ship is sinking" is not bad news. It's how the news is received that is most important. We can give up, or we can "man the pumps." Let's rush to "man the pumps." Let's Free Enterprise!



BIOGRAPHICAL SKETCH OF THE FACULTY DIRECTOR

D. P. Diffine was born in Long Beach, California, on June 15, 1942. After graduating from Long Beach Polytechnic High School in 1960, he earned the Associate of Arts degree from Long Beach City College in 1963. In 1966, he earned a Bachelor of Arts degree in Economics from Long Beach State College.

After being a Junior Financial Accountant-Management Trainee for the Southern California Edison Company, he spent five years in the U.S. Air Force, during which he earned the rank of Captain and served as a Senior Education and Training Officer and Squadron Commander of a basic military training squadron. While in the Air Force, he earned a Master of Arts degree in Economics from St. Mary's University, San Antonio, Texas, in 1970.

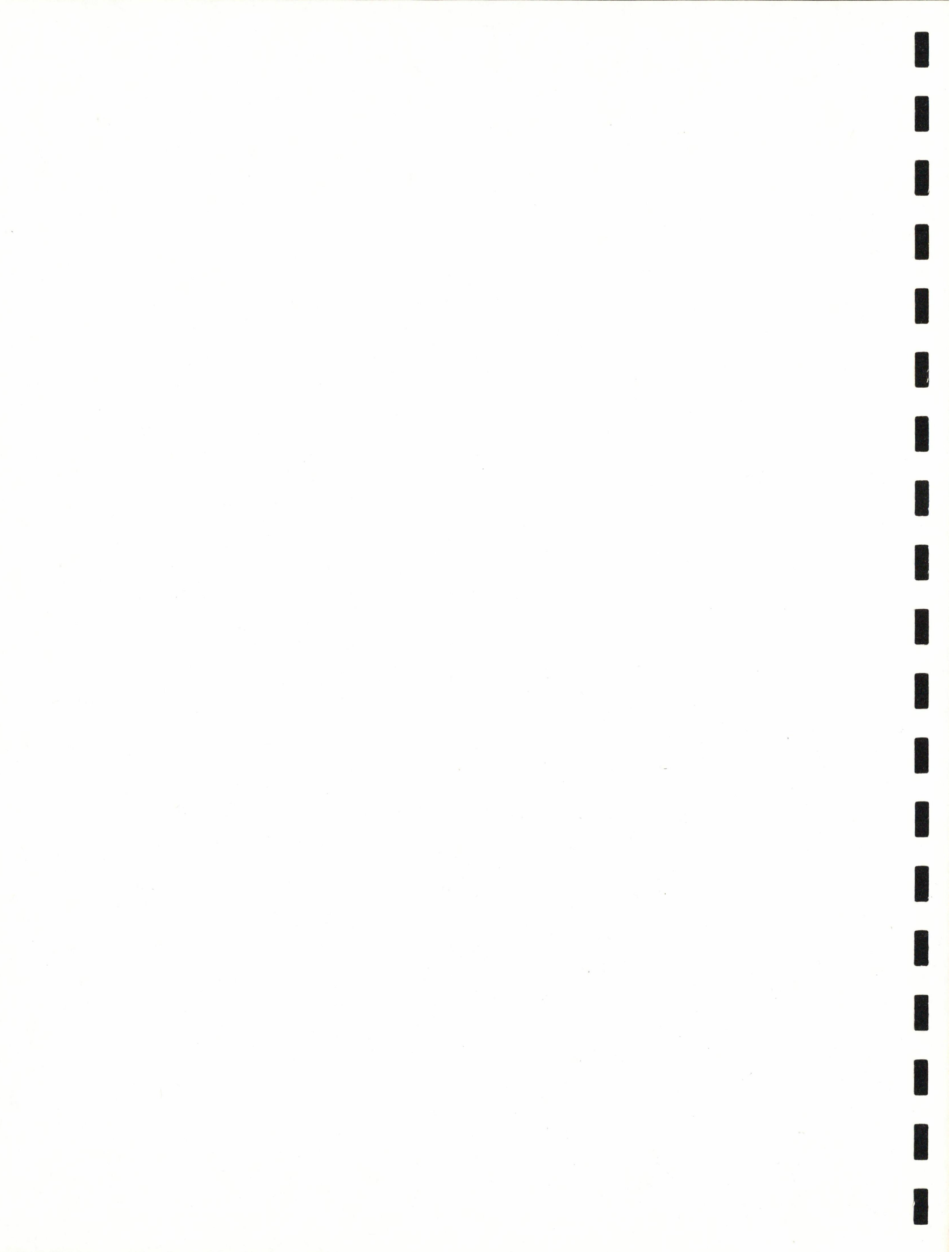
He earned the Ph.D. in 1975 at the University of Mississippi and he is presently Assistant Professor of Economics and Director of the Center for Private Enterprise Education at Harding College, Searcy, Arkansas. He has also taught part time for the University of Arkansas and Arkansas State University. In 1972 and 1976, he was granted Fellowships to the Foundation for Economic Education, Irvington-on-Hudson, New York. In 1974 he received a Koch Foundation Fellowship for advanced postgraduate studies.

He is listed in Personalities of the South and Outstanding Educators of America. He is a member of Omicron Delta Epsilon and Delta Mu Delta, National Honor Societies in the fields of Economics and Business Administration, respectively. He is also a member of the Arkansas College Teachers of Economics and Business.

His recent works include the following: "A Conservative Economist (are there any left?) Looks at the Free Enterprise Dilemma," "The Case for Celebrating the Bicentennial of American Capitalism," "The Two Thousand Year Forgotten History of Price Controls," "An Analysis of Economic Understandings and Attitudes of Select College Students," "Freedom From Want," and "American Capitalism as an Economic System: A Perspective." In 1977 the Center's publication, "Free Enterprise: The Greatest Story Never Told (Until Now)", was awarded the Freedoms Foundation's Valley Forge Honor Certificate in Economic Education.

Dr. Diffine conducts Business and Economics seminars for executives and supervisors interested in polishing their communication to others of the free market-economic individualism approach. He does some consulting work with companies interested in improving the economic literacy of their constituency and work force. He also conducts workshops on more effective private enterprise education for teachers.

He is married to the former Dion Hillman of Kailua, Hawaii. The Diffine's have two children: David Arthur, age 6, and Danielle Renee, age 4. The Diffine's currently reside at 1301 Fox Drive, Searcy, Arkansas.



BIOGRAPHICAL SKETCHES OF THE ECONOMICS TEAM MEMBERS

Doug Sanders was born on March 29, 1957, in Nashville, Tennessee. Upon graduation from David Lipscomb High School in Nashville, he entered David Lipscomb College but soon transferred to Harding where he is presently classified as a junior. Doug has a double major, one in accounting and one in management.

Doug has been very fortunate in that he has been able to travel extensively. Both his father and grandfather are land developers who oversee many construction operations around the world. These travels have proved to be an invaluable education because they have enabled Doug to "see the world as it really is."

Doug has been honored on the Dean's List as well as being a member of the Chi Sigma Alpha social club, the Collegiate Civitan Club, and the American Studies Program. He enjoys football and swimming as well as tennis and handball. After graduation Doug plans to go to work for an accounting firm and hopefully move into the management consultant field.

Marsha Bender was born on October 15, 1956, at Johnson Air Base, Japan. Due to her father's Air Force career, she has had the opportunity of living in Europe and the Far East as well as the United States. She graduated from Kubasaki High School, Okinawa, Japan, in January, 1974, and was a member of the National Honor Society.

After graduation Miss Bender was employed as a teller for American Express and later as secretary for the Civil Service on Okinawa. She has had the privilege of representing the United States at Expo '75, a world-wide exposition held in Okinawa, Japan. She attended the University of Maryland and Los Angeles City College, Far East Divisions, for a year and a half before transferring to Harding College in August, 1975. Miss Bender is currently working toward a Bachelor of Science degree in Management which she will receive in May, 1978. She is a member of Ko Jo Kai social club and is presently serving as treasurer. She is also a member of the American Studies Program and Delta Mu Delta Honor Society.

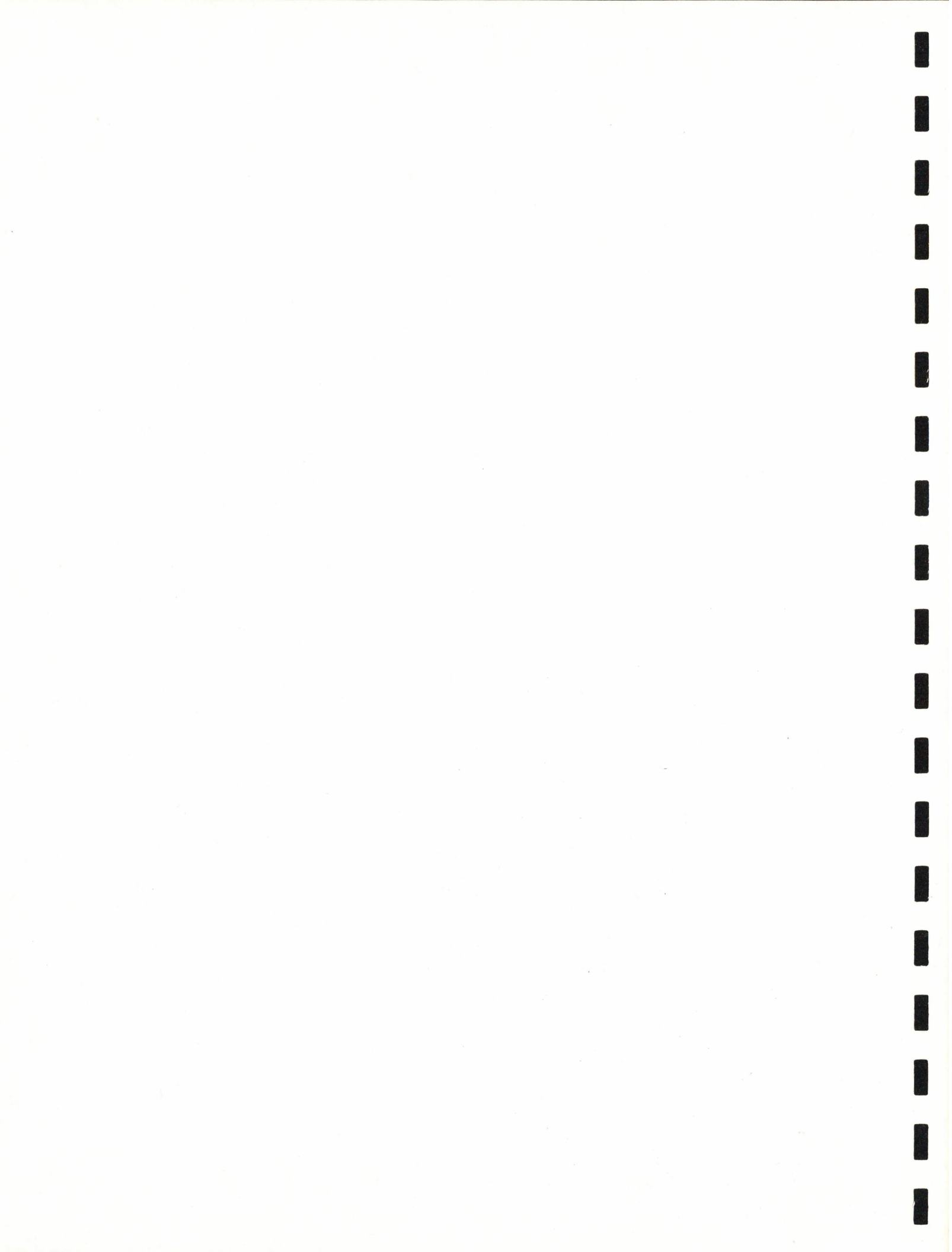
Merrill Klemm was born July 10, 1953, in New York City. His father is a Navy Captain in charge of the Naval Ship Engineering Center, Philadelphia. He has three sisters ranging in age from 28 to 18. Upon graduation from high school in 1971, Merrill entered the United States Naval Academy at Annapolis, where he studied Naval Architecture for three years. Due to a change in his goals in life, he left the Academy and sought employment in an engineering firm in Philadelphia. After two years in Philadelphia, earning practical knowledge of business, Merrill decided to complete his



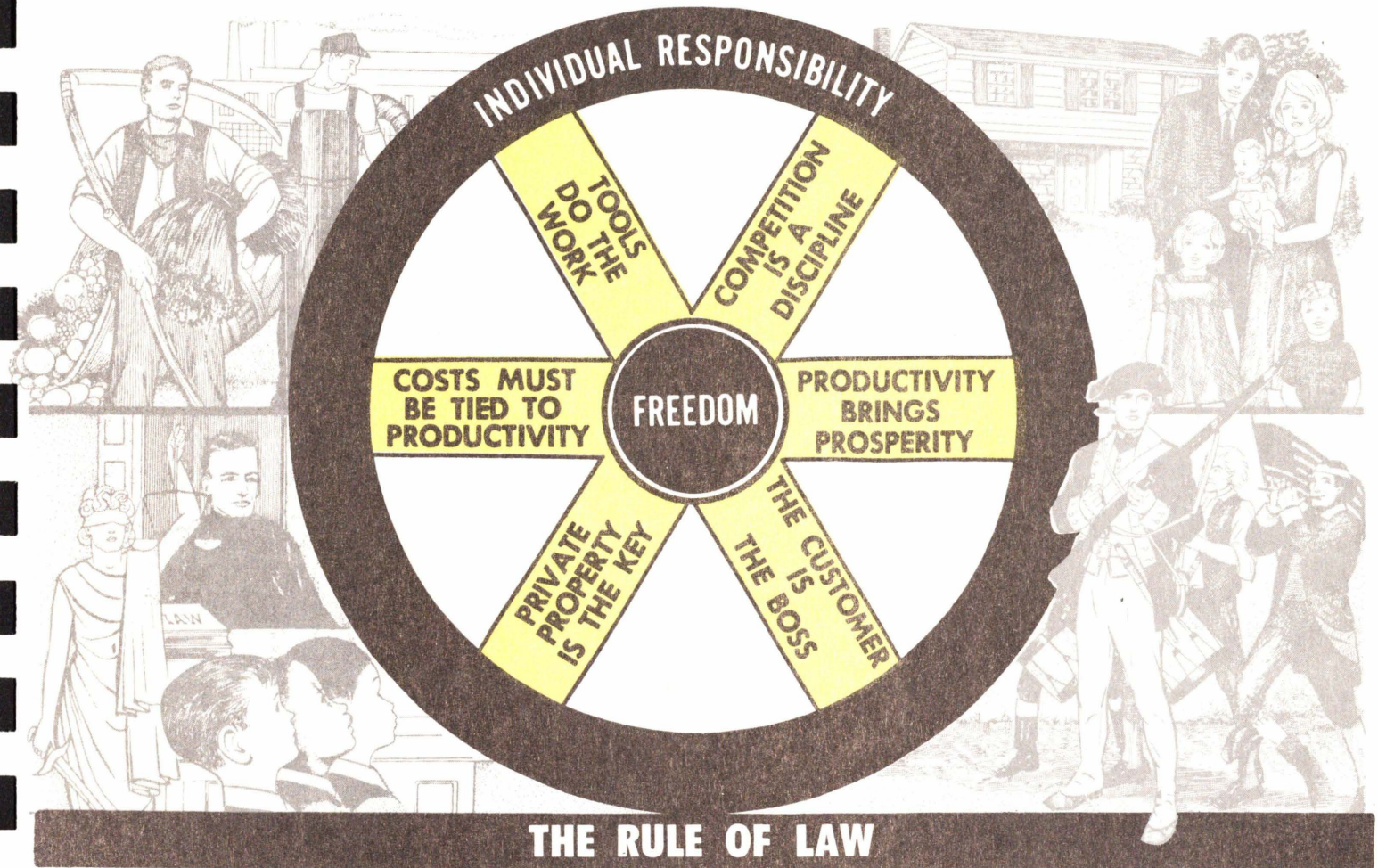
college education. Looking for a school with a strong business curriculum and a religious atmosphere, he entered Harding College in 1976. He is classified as a junior with a major in Management, and he hopes to graduate in June, 1978. His hobbies include amateur photography, chess model building and automobile racing.

Daniel Holt was born in Cardwell, Missouri, on March 19, 1958. He was third in his graduating class of 1976 from Effingham High School in Illinois. An Eagle Scout, Daniel is now serving as an assistant scoutmaster for Troup 96 in Searcy, Arkansas.

CLEP tests enabled Daniel to begin his college education as a sophomore in the fall of 1976. He is now majoring in Business Management at Harding College, the Alma Mater of several members of his family. Daniel is chairman of the Harding College Chapter of Young Americans for Freedom, an organization dedicated to the principles of conservatism. He is currently considering a career in government.



AMERICA'S WHEEL OF ECONOMIC PROGRESS



HUB conducts the driving force which is man's economic **FREEDOM**
SPOKES . give the wheel strength and are the economic **PRINCIPLES WE LIVE BY**
RIM . . holds them together and is man's sense of . . **INDIVIDUAL RESPONSIBILITY**
ROAD on which the wheel must roll is man's respect for . . . **THE RULE OF LAW**

Any failure or weakening of hub, spokes, rim or road threatens the system which has provided more things for more people than any other economic system in history:

THE FREE ENTERPRISE SYSTEM

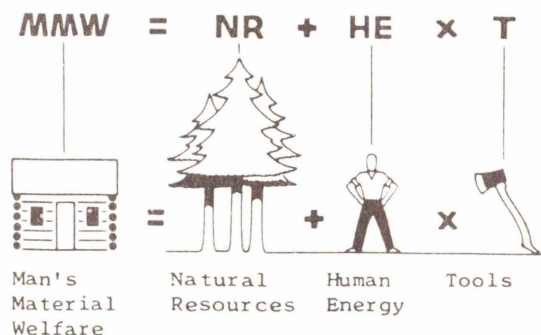
★ Principles We Live By ★

Productivity Brings Prosperity

The greatest good for the greatest number means, in its material, or economic sense, the greatest goods for the greatest number which, in turn, means the greatest productivity per worker.

Tools do the Work

All productivity is based on three factors: 1) Natural Resources, whose form, place and condition are changed by the expenditure of 2) Human Energy (muscular and mental), with the aid of 3) Tools. In the illustration it is to be noted that the Tool is the multiplying factor. MMW is Man's Material Welfare which is, essentially, the result of productivity, and it is the total of Natural Resources (NR) and Human Energy (HE) which is multiplied by Tools (T). These are the basic elements of production expressed in an equation which is a universally accepted teaching aid, applicable anywhere in the world.



Private Property is the Key

In a free society such as we enjoy in America the right to own property is the strong stimulus to the Human Energy (HE) factor in the illustration. It provides the incentive for man to take the risks of making profit or suffering loss, to apply his energy to the development of better Tools (T) with the anticipated resultant increase in his standard of living, his Material Welfare

(MMW). The traditional American values of the individual dignity of man, of fair play, freedom of choice, and the right to benefit from the fruits of one's labor, together with the basic right to own private property, stimulate ambition, reward honest work, encourage creative imagination and thus are the lifeblood of private enterprise

Competition is a Discipline

Under our American free enterprise system competition provides a discipline which causes those who make products or offer services to strive to meet in price and quality the customer's needs and wants.

The Customer is the Boss

In the market place of our modern competitive production and exchange economy, payroll and employment come from customers, and the only worthwhile job security is customer security; if there are no customers buying a company's products or services, there can be no payroll, no dividends and no jobs. Therefore job security is a partnership problem that calls for understanding and cooperation between worker, manager and owner to get and to hold customers.

Costs Must be Tied to Productivity

Because the cost of human energy—wages, salaries, etc.—is a substantial cost of everything, it must be tied closely to productivity. If this cost increases without corresponding growth in production then the result is simply an increase in everybody's cost of living.

Education is the Answer

These Economic Principles by which we in the U. S. A. conduct our lives, fortified by and based on our traditional American values under the rule of law, provide our people with a standard of living higher than that of any other society in the annals of history. Understanding of these principles is vital to their preservation so their teaching must take a primary role in American education.

Freedom

Economic freedom is essential to our enterprise system. Basic to freedom or synonymous with freedom as set forth in the Declaration of Independence is **choice** which brings freedom to its fruition. Each person must accept the consequences of his choices in respect to the rights and privileges of his neighbor regardless of social, religious, economic or political differences.

Individual Responsibility

Responsibility is the attitude of the individual in making his free choices in the U.S. It is not a tangible element, but a powerful factor in a free society because it can be the difference between the rule of the free individual under law or the rule of government by force. When citizen's attitudes make the latter necessary, individual freedom disappears.

Law and Order

Target of "revolutionists" is the rule of law, backbone of an orderly society based on faith, justice and trust. Weakening of this rule inevitably breeds anarchy with its concurrent hardships and cruelties. Those who would destroy the American way of life must first break down the rule of law and order, tear asunder the restraints of individual responsibility and ultimately find themselves without the very freedom that sheltered them.

