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# Gala Marks Decade of Impact

The Mackinac Center for Public Policy celebrated its first decade of policy impact on June 5 with an open house of its new \$2.4 million headquarters and a black-tie gala headlined by publisher and 1996 presidential candidate Steve Forbes.

Forbes praised the Mackinac Center before the sellout crowd of hundreds of friends and supporters for the institute's decade of "great work," especially in advancing school choice, worker rights, and privatization. He delighted the gathering by recounting how the Center discovered and publicized that the Michigan Education

for the same services. Forbes called the Center's exposure of the MEA's hypocrisy "a public service."

Michigan Supreme Court justice and master of ceremonies Clifford W. Taylor joined Mackinac Center Chairman of the Board Richard Antonini in acknowledging the Center's unique ability to shift public opinion—and thereby the political climate—toward sound public policy based on



Forbes credited the work of the Mackinac Center and institutions like it with the rebirth of American civil society ideals.

free markets and individual liberty.

Champions of Freedom awards. During the afternoon open house, celebrants crossed Main Street from the Ashman Court Hotel ballroom to greet the Mackinac Center staff and tour the new headquarters building. The open house was continued for the public on Saturday, June 6.

Many did not wait until the open house for their tour. The Center enjoyed earlier visits by scores of friends in government and the media including Governor John Engler and *Fox News Sunday* anchor Tony Snow.

See pages 6 and 7 for more anniversary news and photographs.!



A 17,000-square-foot former department store is the new Mackinac Center headquarters.

Association contracted with outside firms for custodial, food, security, and mailing services while the union simultaneously opposed allowing schools to contract

ing contributions to advancing Michigan's culture and prosperity. See pages 3 and 8 for complete coverage of the first-ever Lives, Fortunes, and Sacred Honor, and

*"Public opinion is stronger than the legislature. . . ."*

— Charles Dudley Warner, Associate Editor, *Hartford Courant* 1870

MACKINAC!

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Lawrence Reed  
President

## Let the Political Chips Fall

The economist, said Ludwig von Mises, one of the greatest economic thinkers of this century, will never be popular with most politicians. It is the economist who must bring the politician down to earth and show him how promises are one thing but reality may be quite another. The economist reminds the politician that there is a cost to everything. Many politicians would prefer compliant yes-men who forsake principles, ignore evidence, and schedule the next photo-op.

One of the many reasons I am proud of the Mackinac Center for Public Policy's first decade of achievement is that we have fulfilled that role of the economist faithfully and effectively. Our many supporters recognize that Michigan would be the loser if the Mackinac Center ever let politics and personalities interfere with the timely presentation of sound economics. The integrity of our work depends upon calling the shots as we see them, presenting innovative ideas for moving the state forward, and letting the political chips fall where they may.

The Mackinac Center's work has often enjoyed the endorsement and support of prominent public officials. Some of the policies of state government today have their roots in ideas that we originated or advanced in some way. But we have not hesitated to offer constructive criticisms—even of policies promoted by friends—whenever we have felt that remaining true to our mission or sticking to the evidence required it. In the long run, our friends in government should understand that we would have no credibility when we praise them if we didn't speak out when we disagree with them.

When state government in 1995 implemented new programs involving discriminatory tax treatment and subsidies for selected businesses, we explained forcefully why that was poor policy. Every year, when politicians are loathe to cut spending, we tell them where to cut and why doing so will enhance both our pocketbooks and our liberties. I've always appreciated the fact that *never once has a single Mackinac Center supporter indicated to me that his or her support was contingent upon what any public official thinks of our work.*

**"...our friends in government should understand that we would have no credibility when we praise them if we didn't speak out when we disagree with them."**

Being independent sometimes means we're on the cutting edge of public discussion, helping to generate new debate and pushing the politicians in directions they don't want to go. School choice, for instance, is a cause that will prosper in 2000 because of what the Mackinac Center boldly did in 1997: We presented Michigan's first comprehensive proposal for constitutional change (our Universal Tuition Tax Credit plan).

With the Mackinac Center, what you see is what you get—a *decade of consistent application of sound economic principles.* That's what economists—and all independent thinkers—are supposed to be all about. **!**

## Bold Men Honored for Risking Personal Interests

In 1776, 56 principled men boldly risked everything they had by affixing their names to a document that challenged the authority of the world's greatest power. Their courage sparked a revolution that secured political freedom for millions, while costing most of the signers their positions, property, and in some cases their lives. They resolutely accepted that cost the moment they signed the Declaration of Independence under these words: "[W]e mutually pledge to each other our Lives, our Fortunes, and our sacred Honor."

B. Frank Webster and Thomas F. Bertonneau embody that courageous spirit in Michigan today. The men were presented with the Mackinac Center for Public Policy's first-ever Lives, Fortunes, and Sacred Honor Awards on June 5 at the



B. Frank Webster

Center's 10<sup>th</sup>-anniversary celebration in Midland.

Webster was chosen for the award to recognize his invaluable contribution to better education for Michigan children. After leaving his post as executive director of the health insurance subsidiary of the state's largest teacher's union, Webster risked his personal interests by assisting the Mackinac Center's investigation of the



Thomas F. Bertonneau

union's misuse of funds. The 1993 Center study *Michigan Education Special Services Association: The MEA's Money Machine* showed how the union used public money for political purposes. The study led to legislation that curtailed the union's abuses and saved school districts millions of dollars.

Bertonneau earned the award for courageously risking his personal interests

to improve education at Michigan universities. He wrote the 1996 Mackinac Center study *Declining Standards at Michigan Public Universities* while he was an English instructor in Central Michigan University's College of Extended Learning. His study analyzed and criticized weak curricula and teaching at public universities—including CMU—and made recommendations for improvement. CMU President Leonard Plachta later sought Bertonneau's advice for improving education at CMU and convened a public forum to consider the recommendations.

The Mackinac Center confers Lives, Fortunes, and Sacred Honor Awards from time to time to honor individuals who conspicuously risk personal interests to advance sound economics and individual liberty in Michigan. !

## Leadership Conference Multiplies Mackinac Center Impact Nationwide

On May 7, leaders representing a dozen free-market institutes from eight states and Washington, D. C. learned how to make their organizations more effective at advancing sound policy at the three-day Mackinac Center Leadership Conference in Midland.

Senior members of the Mackinac Center for Public Policy staff provided the 16 executives of state- and



Heritage Foundation Resource Bank Director Tom Atwood describes how his organization assists state-focused research institutes on national policy issues.

nationally based research, educational, and legal institutes with intensive training on the management, marketing, project, and development ideas that have helped the Mackinac Center become the nation's largest state-focused policy research institute.



Sixteen executives from a dozen institutes gain insight on how to more effectively advance policies that promote free markets and individual liberty.

Leaders from the following institutes were energized

See "*Leadership*" on page 10

## 1997 Print Media Coverage Worth Over \$700,000

Some organizations have to purchase advertising space to get their messages in print, but Mackinac Center for Public Policy ideas are newsworthy in their own right. Each month last year, newspapers alone devoted space to our commentaries and research findings equivalent to an average of more than \$60,000 worth of advertising. A small sample of spring 1998's media exposures is below.

- *The Wall Street Journal* printed an essay by Hillsdale College's Ron Trowbridge that praised the Mackinac Center's Universal Tuition Tax Credit as the most effective way to advance school choice. An *Investor's Business Daily* editorial also

lauded the plan for creating incentives to support private scholarships.

- *The Wall Street Journal* also printed Senior Fellow in Economic Education Burton Folsom's commentary explaining how America's first minimum wage law was not passed to help poor workers; it was a political ploy to protect Northern textile manufacturers from Southern competitors whom the law forced to pay artificially high wages.
- Folsom also recounted in a *Grand Rapids Press* op-ed Michigan Senator Arthur Vandenberg's principled opposition to federal New Deal policies that stifled economic freedom during the 1930s.

- Urban sprawl expert and Adjunct Scholar Samuel R. Staley argued in separate *Detroit Free Press* and *The Detroit News* op-eds that the growth of new cities is a benefit to families and the economy and recommended ways for central cities to attract residents.
- The Cato Institute's Dean Stansel explained in an *Investor's Business Daily* essay the benefits of the Mackinac Center's innovative Right To Know Payroll Form, which reveals to workers the hidden, government-mandated costs of keeping them on the payroll.
- In a front-page *Detroit Free Press* story reprinted in dozens of papers statewide, Senior Vice President Joseph

Overton challenged the effectiveness of selective tax credits equivalent to \$153,000 per job granted to General Motors by a politically appointed board.

- Statewide reporting of the Center's ten-year anniversary gala and open house included live broadcasts by WSGW radio in Saginaw and front-page coverage in *The Saginaw News* and other Booth newspapers, as well as the *Midland Daily News*.
- President Lawrence Reed's commentary arguing for a legislative resolution to permit Michigan to opt out of Social Security generated several radio interviews and was reprinted in papers including the *The Oakland Press*. ❗

## Weekend Economists and Historians Learn What Their Teachers Never Told Them

Students whose college memories of economics and history classes may have included dozing off were energetic and eager learners at the Mackinac Center for Public Policy's Economic History Weekend conducted in Grand Rapids April 17-18.

More than thirty students, parents, and interested citizens learned from Mackinac Center President Lawrence Reed and Senior Fellow in Economic Education Burton Folsom the historical importance of economic forces and free

markets. Cornerstone College, a private, four-year, Christian institution, helped host the event at its campus.

Curriculum topics were selected to provide insights that the participants may not have received in their traditional history and economics classes. Reed and Folsom explained in a series of nine lectures how the Roman welfare state led to the fall of its empire, the true causes of the Great Depression, which American president tried to create prosperity by raising the top tax rate to 99.5 percent, and how slavery came to be

abolished in the West.

Attendees also learned lessons from the history of taxation in America; inspiring stories of the lives of America's greatest entrepreneurs, including Ford, Kellogg, Rockefeller, and Dow; the nineteenth-century history of money and banking; and the promising future prospect of free markets around the globe.

The next Economic History Weekend will take place



Participants learned how government policies led to the Great Depression and how New Deal jobs programs, such as the one pictured above, prolonged it.

June 19-20 in the Norval K. Morey Conference Room at the Mackinac Center's new Midland headquarters. The \$100 cost includes meals. Call (517) 631-0900 soon to register. ❗

# Intensive Grass-Roots Training Increases School Choice Momentum

Participants in the Mackinac Center for Public Policy's Freedom in Education Training Seminars come with a desire to improve the quality of education for Michigan's children and leave with the facts and arguments they need to translate that desire into action.

The free, one-day seminars held at the Center's new Midland headquarters building attract parents, teachers, policy makers, community leaders, and others interested in learning how to advance market-based school reforms in Michigan. More

than two dozen have already been trained in two sessions. Small classes foster in-depth, interactive instruction.

Trainees are instructed in the moral, historical, and practical arguments for allowing



Public school guidance counselor and seminar trainee Joe Nekvasil shares his observations on the need for systemic change in education.

parents greater freedom to choose their children's

schools. Mackinac Center education policy department personnel explain where, why, and how school choice is working to improve education; identify those in Michigan who support or oppose school choice and why; and provide powerful responses to common arguments made by school choice opponents.

Participants become part of a statewide network of citizens working to improve education through competition and parental choice.

A library of intellectual ammunition including the pathbreaking Universal Tuition Tax Credit (UTTC), the Mackinac Center's plan for expanding parental choice in Michigan, is provided to every attendee.

An independent citizens' group called School Choice YES! is working to place the UTTC on the 2000 ballot for voter approval.

Democratic party activist and seminar trainee Anita Nelam said the training "provides a valuable analysis of the forces that have shaped education in America, and how school choice—a true civil right—gives us a road map to the future."

The next Freedom in Education Training Seminar is scheduled for November 14. Please call (517) 631-0900 to register. !

# Report Helps Schools Earn Voters' Trust on Bond Issues

On the heels of a state police and FBI investigation of the mishandling of \$162 million in Detroit Public Schools bond money, the Mackinac Center for Public Policy has proposed safeguards to help public schools better manage the bonding process.

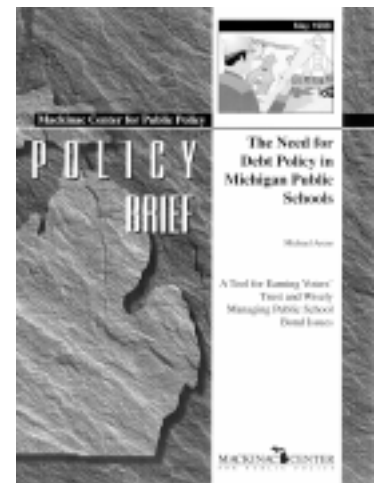
The 17-page report, *The Need for Debt Policy in Michigan Public Schools*, helps school officials earn the trust of the voters and taxpayers they ask to approve new bond issues. The amount of bond-financed K-12 school construction jumped 152 percent to \$6.3 billion between 1990 and 1996.

Most schools lack formal debt policies that help them avoid bond-related problems including excessive borrowing, mishandling of bond fund surpluses, improper accounting, negative perception by voters and taxpayers, and conflict of interest in debt issuance.

Prosecutors found in the Detroit Public Schools investigation that bond funds were used illegally to pay for general operations and generate interest income. Earlier audits found that millions of dollars were also spent on unapproved projects. Publicity over these problems makes it harder for all public schools to raise needed capital.

The report recommends 15 elements of sound debt policy that each school district should adopt to help meet legal requirements and wisely manage bond monies. Recommendations include avoidance of the use of bond monies to pay for operations, limits on total indebtedness, competitive bidding for debt underwriters, enforcing the prohibition against the use of public funds to influence ballot questions, and full disclosure by financial advisors and bond counsel.

School officials are requesting copies of the report and accessing it at no charge via the Center's Web page, [www.mackinac.org](http://www.mackinac.org). All of



Michigan's nearly 5,000 superintendents and school board members were contacted when the report was released in May. !

# Why We Celebrate Our First Decade of Impact

The Mackinac Center for Public Policy was founded ten years ago by a group of citizens who shared an interest in promoting ideas that would make Michigan a better place to live and work. The Center opened its doors with a small office in Midland and a broad base of public support.

Today, the Mackinac Center is an influential, respected voice in public policy and is the largest of the nearly 40 state-focused policy research and educational institutes.

The Center has always focused on advancing sound policy through research, education, and ideas—not politics. The best way to make a lasting policy impact is to change public opinion. When the beliefs of the people change, politicians change with them.

Through vigorous promotion of its ideas, the Mackinac Center has chalked up scores of policy victories on dozens of issues over the years, but perhaps its most important successes have been in the strategic areas of education, labor law, and privatization.

- School choice, considered radical ten years ago, is now a mainstream idea. The Mackinac Center's research showing the benefits of competition and parental choice set the stage for today's intra-district school choice and helped to make Michigan a national leader in charter schools. The Center's comprehensive school choice plan, the Universal Tuition Tax Credit, is slated to go on the general election ballot in 2000.
- Citing labor unions' unique ability to distort the democratic process by using

compulsory dues money for political purposes, the Center made a convincing case for reform. New Michigan law now restricts unions' ability to take PAC contributions from members without their express permission.

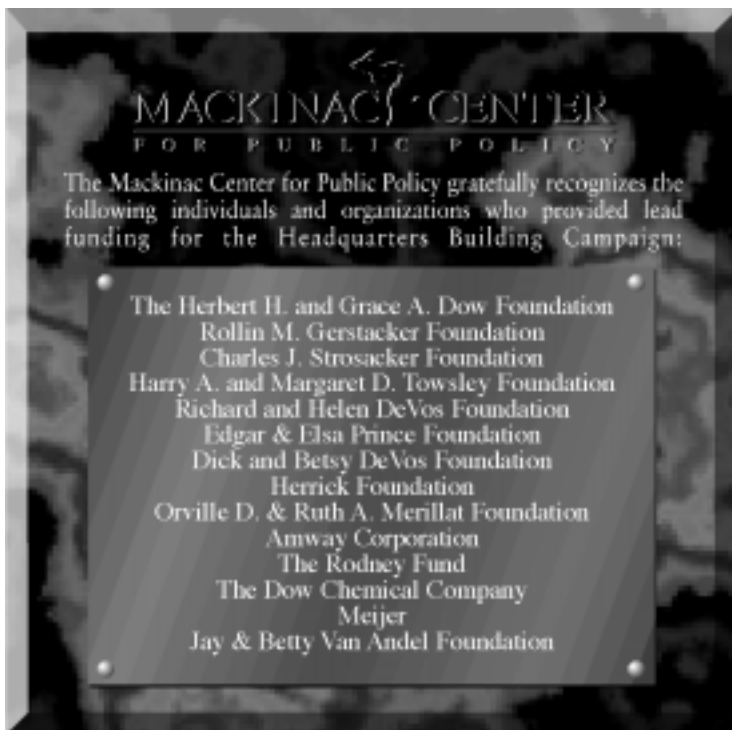
- "Privatization" hardly, if ever, appeared in print ten years ago. After a decade of Center research showing the potential benefits of privatization, hundreds of Michigan schools and municipalities now save money and improve quality by

privatizing services. Now, not a day goes by without news stories on privatization.

The Center has not been alone in its promotion of sound policy, but it has been Michigan's most consistent and influential voice for free markets, limited government, and individual liberty. With the momentum of the last decade under our belt and the faithful support of hundreds of contributors, our 20<sup>th</sup> anniversary is bound to be an unparalleled celebration of success!!



Free-market economists show they have a sense of humor by laughing at Justice Taylor's couplet: "The world would not be in such a snarl, if Marx had been Groucho instead of Karl."



The Board Room boasts a 360-degree panoramic photo of Mackinac Island, after which the Mackinac Center was named.

# Tenth-Anniversary Gala and Open House



Open offices bathed in natural light adjoin the Center's economics and public policy library, shown in background.



The Norval K. Morey Conference Room accommodates eighty or more students, teachers, elected officials, community leaders, and citizens for workshops, lectures, training, and seminars.



Frequent guests from schools, communities, research institutes, and governments are welcomed in the spacious lobby.



Father Robert Sirico, president of the Acton Institute for the Study of Religion and Liberty, delivers the invocation and reminds celebrants of the moral foundations of commerce.



At a Mackinac Center news conference, Steve Forbes explains that unemployed accountants would not be a problem under a flat income tax because they would be busy keeping the books for all the new and growing businesses energized by tax simplification.



During a pre-open-house tour on February 16, President Lawrence Reed explains to Governor Engler and Supreme Court Justice Taylor the educational events that can now be held at the new headquarters.

## Merillats Win First-Ever Champions of Freedom Award

**L**ong-time Mackinac Center for Public Policy supporters Orville D. and Ruth A. Merillat were awarded the first-ever Champions of Freedom Award at the Center's 10<sup>th</sup>-anniversary gala on June 5.

The Champions of Freedom Award honors individuals who demonstrate a lifetime of accomplishment and dedication to the principles of freedom and self-reliance through their exceptional entrepreneurship, philanthropy, and Mackinac Center support.

The Merillats founded high quality cabinet manufacturer

Merillat Industries, Inc., through which they ultimately created thousands of jobs that in turn provide livelihoods for thousands of families.

Among a large number of charities generously supported by the Merillats is the Lenawee Christian School in Adrian, for which they provided all the start-up funding and continue to provide operational support.

The Merillats' Mackinac Center support goes back over eight years and includes substantial sums given to support the Center's general operations, major policy

initiatives, and recent building campaign.



Ruth A. and Orville D. Merillat

In accepting the award, the Merillats joined in saying, "We've been financially blessed and we've always made donations where our hearts are. The Mackinac Center defends the values and promotes the policies we believe are most beneficial to Michigan workers, students, and families."

Richard Merillat, son of Orville D. and Ruth A. Merillat and chairman of the board of Merillat Industries, has been a member of the Mackinac Center's board of directors since 1996. !

## Is the Mackinac Center Too Successful?

**A**sk Bill Gates at Microsoft if you can be "too successful." At the zenith of his success, Gates is now decried as being "too big" by many of the same people and institutions who benefit daily from his products.

After completing our most successful year ever, some of our friends perceive the Mackinac Center for Public Policy as too successful. I've been asked a couple of questions that translate roughly as, "Isn't your new \$2.4 million building proof that you no longer need financial support?" and "Couldn't the \$2.4 million have been spent on other, more worthwhile projects?"

Let me explain why the answer to both questions is "no." Two years ago, we were



James E. Kostrava, Vice President for Development

18 people crammed into less than 3,500 total square feet of scattered, rented offices with almost no storage or meeting room, no place to host educational events, and inadequate space for the extensive library that is so crucial to our research. The space served us well for nearly a decade, but we

succeeded in outgrowing it. We put our minds to securing major relocation funds from new sources—money that would not be diverted from other Mackinac Center projects and would not otherwise come to us at all.

With the help of campaign co-chairs Ranny Riecker and Alan Ott of Midland, we asked four Midland foundations to fund the lion's share of buying and renovating an abandoned downtown department store building. The foundations saw the renovation as a great economic development project and a way to keep the Mackinac Center in Midland, so they provided the lead gifts. We could not walk away from their \$1.8 million in "new money" that would not have been available to us for other purposes.

With a head start of 75 percent of the funds, we launched the \$400,000 western Michigan component of the campaign, which succeeded in generating more one-time contributions that also would not have been available to us for other projects. In just over one year, we are less than \$45,000 away from completing the campaign.

We're inspired by our beautiful and functional new headquarters, but the Mackinac Center needs funding more than ever to maintain our momentum in advancing free markets, limited government, and individual liberty. I hope our decade of success makes you even more determined to support the Mackinac Center. !



## Capitalism and Morality

by Edward W. Younkins

**F**ew would deny that capitalism is the most productive and efficient economic system, especially after the collapse of Soviet Communism. But some critics still contend that capitalism is not a moral system.

Yet morality is impossible unless one is free to choose between alternatives without outside coercion. Since capitalism is based on freedom of choice, it provides the best environment for morality and character development. In addition, business success not only requires but also rewards virtuous behavior by participants in the market.

### Morality Requires Freedom

All human beings have natural rights—either endowed by their Creator or inherent in their nature, depending on whom you ask—and have a moral obligation to respect the rights of others. Natural rights impose the negative obligation not to interfere with someone else's liberty. Thus, it is morally illegitimate to use coercion against someone who does not first undertake the use of force. The role of government, as recognized by America's founders, is to protect man's natural rights.

This kind of freedom involves far more than simple democracy. It demands a protected private sphere within which an individual can pursue his freely chosen norms, actions, and ends

without the arbitrary intervention of others. And this freedom is necessary for individual morality.

There can be no morality without responsibility and no responsibility without self-determination. Responsible self-determination implies rationality, honesty, self-control, productiveness, and perseverance. In order to provide the maximum self-determination for each individual, the state should be limited to maintaining justice and defending against internal or external coercion, thus protecting life, liberty, and property.

A social system such as capitalism is a system of relationships and cannot be moral or immoral in the sense that a person can be—only individuals can be moral agents. However, a social system can be moral in its effects if it promotes the possibility and likelihood of moral behavior by individuals who act within it. It follows, then, that there is a moral imperative to create a political and economic system that permits the greatest possibility for self-determination and moral agency. Capitalism is that system.

Capitalism is itself only a means and requires its individual participants to decide on the ends to be pursued. No economic system can make people good. The best that an economic system can do is to allow people to be good. But morality and virtue require

that individuals be free to be immoral and of bad character. Only when an individual has choice and bears responsibility for his actions can he be moral. Capitalism, more than other economic systems, allows the exercise of individual free will. Thus, though capitalism cannot guarantee a moral society, it is necessary for one.

Human development usually requires more than material wealth. However, prosperity enables individuals to cultivate their talents, abilities, and virtues. Thus, capitalism, the best system for wealth creation, permits individuals to spend less time on physical concerns, leaving them more time to engage in higher pursuits.

### Voluntary Exchange Encourages Moral Behavior

At the same time, the achievement of prosperity tends to reward moral behavior. Businesses—more particularly, their owners, managers, and other employees—have moral obligations. They must respect the natural rights of other individuals, which includes honoring contracts, not engaging in fraud, not using coercion against others, and honoring representations made to the local community. Moreover, businessmen should not support government economic interventions, such as price supports, tariffs, and subsidies, even though doing so might result in higher profits. To do so would involve the use of coercion, one step removed.

Living up to these virtues will aid businessmen in the pursuit of profit. The free market rewards polite, cooperative, tolerant, open, honest, realistic, trustworthy, discerning, creative, fair businessmen. Lying to and cheating other businesses, misleading consumers, and mistreating workers all have serious adverse consequences. In the long run, profitable businesses tend to be operated in accordance with the basic ethical principles most people hold dear.

Under capitalism a business transaction takes place by mutual agreement for perceived mutual advantage. Through voluntary exchange buyers and sellers can promote their own interests only by serving the interests of others. By protecting individual choice, capitalism not only generates enormous wealth, but also creates an environment in which virtue can flourish. In the end, capitalism is not only the most productive and efficient economic system. It is also the most moral economic system.!

*Adapted and reprinted from an article in the November 1997 issue of The Freeman with permission from the Foundation for Economic Education.*

# FREE MARKET BOOKSTORE

“Leadership” from page 3

with new ideas to put to work in their organizations: Pacific Research Institute (California), Cascade Policy Institute (Oregon), Texas Public Policy Foundation, Yankee Institute (Connecticut), Buckeye Institute for Public Policy Solutions (Ohio), Independence Institute (Colorado), The Commonwealth Foundation (Pennsylvania), Hillsdale College (Michigan), and the Heritage Foundation, Competitive Enterprise Institute, James M. Buchanan Center for Political Economy, and Institute for Justice (Washington, D. C. area).

“[W]e are better prepared as managers, communicators, and leaders, thanks to Mackinac’s instruction,” said Institute for Justice Vice President for Marketing and Development John Keppler.

The conference was the first of two planned this year. Representatives from groups in the U. S., Europe, Canada, and South America are expected to attend the next conference in October.

“We are pleased to assist so many other fine organizations,” said Mackinac Center President Lawrence Reed. “The leadership conference isn’t just one-way mentoring. It provides tremendous opportunities for cross-fertilization of ideas.”

The Atlas Economic Research Foundation supported the event with a generous contribution. !

## Viewpoint Commentaries

### Senator Arthur Vandenberg: A Profile in Courage

**April 1998 VP 98-10**  
While 1930s Washington was abuzz with interventionist bureaucrats and politicians, Michigan Senator Arthur Vandenberg championed the free-market economy and was rewarded—by being elected to four terms.

### A Tax Credit Is Not a Voucher!

**April 1998 VP 98-11**  
Opponents of school choice for Michigan’s children are misrepresenting tuition tax credits in order to recycle their shopworn anti-voucher arguments.

### Pay Up, Michigan: Using Tax Credits to Subsidize the Sunbelt

**April 1998 VP 98-12**  
President Clinton wants to curb “greenhouse gas” emissions by encouraging solar energy use through tax credits. Those in sunny states would enjoy blue skies and lower taxes as Michiganians went without both.

### Greenhouse Gas Reduction Is No Simple Task

**May 1998 VP 98-13**  
President Clinton is telling Americans they must reduce carbon dioxide emissions to comply with the unratified Kyoto treaty, but he has yet to say how this will be done without sacrificing jobs.

### Michigan to Washington: Privatize Social Security or Let Us Opt Out!

**May 1998 VP 98-14**  
The looming bankruptcy of Social Security threatens the retirement security of millions of workers. Michigan lawmakers should call on Congress to either privatize the system or let states design alternate plans.

### Property Doesn’t Commit Crimes, People Do

**May 1998 VP 98-15**  
American citizens are presumed innocent until proven guilty, but when government accuses their *property* of criminal activity, it’s a whole new ball game.

### Government’s Hidden Bite out of Michiganians’ Take-Home Pay

**June 1998 VP 98-16**  
Hidden payroll taxes are one reason Michigan ranks twelfth from the bottom nationwide in take-home pay. Workers should be informed of the full cost that government imposes on their pocketbooks.

### Minimum Wage Causes Maximum Pain

**June 1998 VP 98-17**  
The minimum wage hurts low-skilled workers by pricing them out of the labor market. Sixty years ago, New England textile workers afraid of Southern competition were counting on just this fact.

### Do Dollars Equal Scholars?

**June 1998 VP 98-18**  
Eighty-three percent of all spending on public education goes toward employee salaries and benefits, but over half of Michigan school employees never set foot in a classroom.

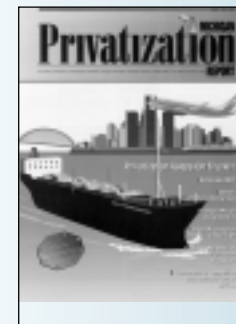
### Time to Change Michigan’s Revenue Sharing Program

**June 1998 VP 98-19**  
Each year, over one billion dollars in state sales taxes are divided among Michigan municipalities. Why are cities with the highest tax rates rewarded with the lion’s share?

## Journals

### Michigan Privatization Report

**MPR98-02 \$3.00**



Privatization takes off in a special transportation issue, including feature articles on privatiz-

ing the nation’s airports and air traffic control system, privatization and Detroit’s port authority, and private driver’s education. Other features discuss competitively contracted transit services, ending Amtrak subsidies, and the new book *Curb Rights*. 20 pages.

# UPCOMING EVENTS

## Studies & Reports

### The Need for Debt Policy in Michigan Public Schools



**S98-02**  
**\$5.00**  
Public school construction is booming across Michigan, but due to

citizens' negative perceptions, many districts are finding it harder and harder to gain voter approval for bond proposals to fund needed projects.

This analysis of Michigan public school bonding

concludes that development of formal debt policies can help schools earn essential voter trust by managing bond monies in the most efficient and effective manner.

The report recommends fifteen elements for a sound debt policy that school districts should adopt to avoid common pitfalls and problems in bonding, including excessive borrowing, improper accounting, and conflict of interest in debt issuance. 17 pages.

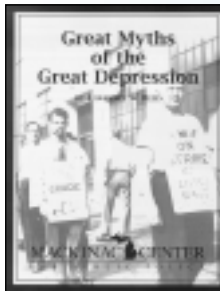
## Monographs

### Great Myths of the Great Depression

by Lawrence W. Reed

**ST98-01**      **\$5.00**  
Students today are often

given a false account of the Great Depression of 1929-1941 that condemns free-



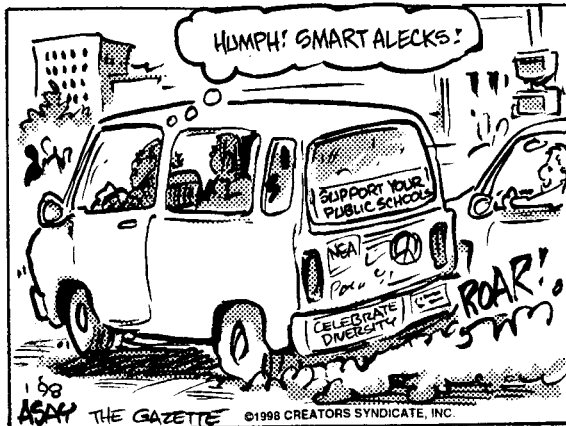
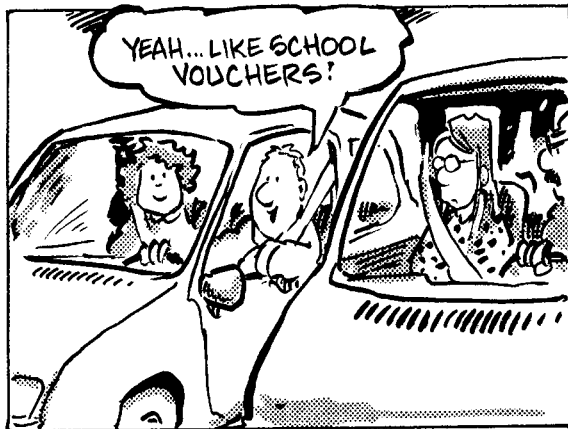
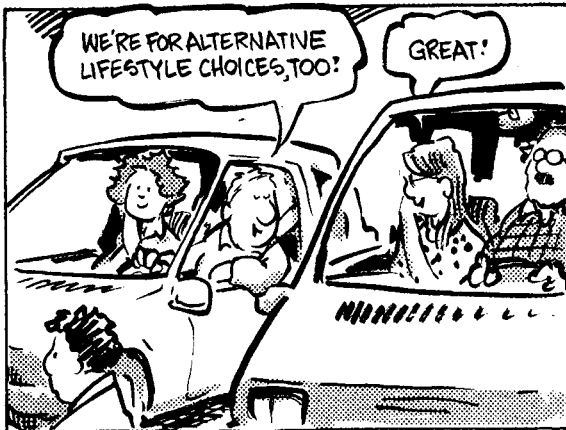
market capitalism as the cause of, and government intervention the solution to, the economic hardships of the era. In this essay based on a popular lecture, Mackinac Center for Public Policy President Lawrence Reed debunks the conventional view and traces the central role that poor government policy played in fostering this legendary tragedy. 12 pages.

market capitalism as the cause of, and government intervention the solution to, the

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## UPCOMING

**MACKINAC CENTER**  
FOR PUBLIC POLICY

## EVENTS

**Economic History Weekend**  
June 19-20  
Midland

**President's Council**  
featuring Indianapolis Mayor Steve Goldsmith  
October 1  
Grand Rapids

**Freedom in Education Training Seminar**  
November 14  
Midland

Call (517) 631-0900 for more details.

# Brouillette Leaves Classroom to Advance Educational Freedom

**F**ormer teacher Matthew J. Brouillette is the Mackinac Center for Public Policy's new education research assistant.

Brouillette works in the education department where he analyzes Michigan K-12 education policy and tracks national school reform trends. His research is used to develop and promote reforms that improve educational opportunity and school quality for Michigan students.



Matthew J. Brouillette

Brouillette helps train parents, teachers, and community leaders to advance market-based reforms and school choice through the Center's Freedom in Education Training Seminars. This fall he will coordinate the launch of a new quarterly publication called *Michigan Education Report* which will inform and connect education reform advocates throughout Michigan and the country.

Brouillette earned his master of arts degree in education from Azusa Pacific University in California and taught U. S. history at the middle- and high-school levels for over six years. He is currently writing a study about school choice in Michigan to complete a second master of arts degree from the University of San Diego. !

# Former White House and U. S. Department of Education Official Joins Staff

**F**ormer U. S. Department of Education appointee and Bush White House official Daniel J. Cassidy is the Mackinac Center for Public Policy's new director of education policy.

Cassidy heads the Mackinac Center's education department, where he oversees research and initiatives that help parents, teachers, elected officials, and community leaders apply market-based reforms to improve education for Michigan's children.

Cassidy directs the free, full-day Freedom in Education Training Seminars that equip policy makers and grass roots activists with strategies to advance educational choice plans including the Universal Tuition Tax Credit.

After his White House and U. S. Department of Education assignments, Cassidy served on the staff of national school reform figure and Jersey City Mayor Bret Schundler where he coordinated the Mayor's statewide campaign for school choice

and comprehensive education reform.

In June, he is coordinating the National Summit of Teachers for Education Reform, hosted by the Mackinac Center in Midland. At the summit, some of the nation's most gifted and acclaimed teachers will issue a boldly worded letter to the American people calling for systemic change in education. !



At the Center's February Issues and Ideas luncheon in Lansing, Cassidy explains to state legislators and policy makers the lessons Michigan can learn from New Jersey's education reform successes.

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