THE
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OF THE JAMES MADISON INSTITUTE

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New Leadership, New Issues

THE JAMES MADISON INSTITUTE

Celebrating 20 Years as Florida's Premier Free-Market Think Tank

Founded in 1987 by J. Stanley Marshall, The James Madison Institute is a non-partisan policy center dedicated to advancing the free-market principles of limited government, individual liberty, and personal responsibility.

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THE JOURNAL OF THE JAMES MADISON INSTITUTE

The Journal is a quarterly magazine provided to members and supporters of The James Madison Institute, to members of the Legislature, and to others who affect public policy in Florida. *The Journal* is intended to keep Floridians informed about their government, to advance practical public policy solutions, and to recognize those individuals who exemplify civic responsibility, character, and service to others. Opinions expressed in *The Journal* are those of the respective authors and do not necessarily reflect the views of The James Madison Institute, its staff, or its Board of Directors.

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ARTICLES

The James Madison Institute is a Florida-based, nonpartisan, nonprofit research and educational organization dedicated to advancing such timeless ideals as economic freedom, limited government, federalism, traditional values, the rule of law, and individual liberty coupled with individual responsibility.

The opinions expressed in The Journal of The James Madison Institute *are those of the authors and do not necessarily reflect the views of The James Madison Institute, its staff, or its Board of Directors.*

MESSAGE FROM THE PUBLISHER

J. STANLEY MARSHALL

The James Madison Institute's celebration of 20 years of service in the public policy arena will occur later this year. The date of the first meeting of people who gathered to hear me suggest starting an organization to advance free-market ideas and limited government in Florida took place on April 29, 1987.

A "think tank" we called it, and we were in the vanguard of five or six other small groups starting organizations of similar purpose in other parts of the country, mostly in the Midwest and California.

There are now about 50, all independent of one another but all committed to engaging in activities that would advance freedom as free men have labored to preserve freedom down through the history of the American democratic republic. These state-level groups share ideas through the State Policy Network.

Given JMI's April anniversary, the spring issue of this *Journal* will have more to say about the 20-year observance. Bob Sanchez, the *Journal*'s editor, is already laying the groundwork for a quite special issue that we hope will be of interest to all of our readers, but perhaps especially to those who were around at the beginning—and there are some who have been toilers in our vineyard since our earliest days.

Among *Journal* readers are some who have been JMI members from the founding. If any of those care to send me thoughts or recollections from those early days, we would be pleased and would, with the writer's permission, comment on them in the publisher's essay in the Spring issue.

We've really had a remarkable 20 years, and are certain that the Institute's best days still lie ahead.

FROM THE EDITOR'S DESK

PREPARING TO 'PLAY DEFENSE'

ROBERT F. SANCHEZ

In the 20-year history of The James Madison Institute, the past eight years have been among the most rewarding. JMI's members and friends have had the satisfaction of seeing some of its key policy proposals translated into public policy in Tallahassee and in Washington, D.C.

Florida even pared the size of its state government, reducing the number of state employees while maintaining service levels by boosting the remaining employees' productivity and by outsourcing some of the government's non-core functions.

Florida also phased out its onerous intangibles tax on investments, expanded its popular sales-tax holidays, boosted its "rainy-day" fund, and improved its credit standing on Wall Street, thereby lowering the cost of borrowing to finance future infrastructure.

These achievements are all the more remarkable in light of the eight hurricanes that pounded the state in 2004 and 2005 on the heels of a post 9/11 recession in 2002 that created fiscal havoc in many other states but not in Florida.

Much of the credit for these achievements must go to enlightened leaders such as Gov. Jeb Bush, U.S. Sen. Connie Mack, and Florida House of Representatives Speakers such as Daniel Webster, Tom Feeney, and Allan Bense. They championed the principle best summed up as "less government, more freedom."

Now, as JMI's President/CEO Bob McClure noted in his January memo to the Institute's members and friends, Florida has new leaders—a new Governor and 43 new legislators. Their degree of commitment to the principles of limited government remains to be seen.

In our nation's capital, too, new leaders have taken the reins of power in Congress after 12 years in which the former majority party strayed far from the limited-government principles outlined in its "Contract with America."

What this means is that free-market policy centers such as JMI—at both the state and national level—now need to learn how to "play defense" with renewed vigor against policy proposals that would reverse or erode the recent gains.

In the education arena, for instance, some of those programs—performance pay for teachers, tests of student achievement, state authorization of charter schools in districts where the school boards attempt to stymie competition and choice—are already are under attack.

Worse, they're under attack in a judicial system where some judges—notably the activist majority on the Florida Supreme Court—are prone to make capricious rulings that reflect their policy preferences rather than the clear intent of the state constitution.

Therefore, The James Madison Institute's mission—informing Floridians and their elected leaders about the importance of the free-market principles of limited government, individual liberty, and personal responsibility—is more important than ever.

With the support of its members, JMI aspires to rise to these new challenges in a manner that will make the next 20 years even more memorable than the past.

BEWARE OF TAX SHIFTS

TO THE EDITOR:

The essence of Amendment 6: "Increased Homestead Exemption for Low-Income Seniors" (*The Journal*, Fall 2006), represents tinkering at the edges of another failed government program, brought about by politicians' attempts to buy popularity with unwarranted legislation.

Once property taxes were politicized with the arbitrary and self-serving homestead exemption, the hole got dug! Ever since then, politicians have been trying to justify it and rationalize a way out. However, all of their "reform" efforts reflect the maxim that every act of political intervention makes matters worse, thereby inviting even more radical intervention!

The whole homestead thing is just another egregious intrusion into the marketplace, upsetting the self-regulatory mechanism of the law of supply and demand. In fact, "homestead exemption" is simply a code term meaning: "Some must pay for others!" It's the old socialist's equalitarian process.

What's desperately needed is not an increase in the homestead exemption; rather, it should be eliminated completely. What's needed is a genuine reduction in real-estate taxes. This could be accomplished in a responsible manner if government were managed in a responsible manner! Achieving this goal would mean the elimination of a gaggle of socialistic, non-productive schemes and reducing a grossly over-staffed and under-worked bureaucracy.

Interestingly, politicians see any shortcoming in the marketplace as a reason for government to get bigger, but they rarely see any shortcoming in government as a reason for it to get smaller!

ROBERT D. HELMHOLDT, D.D.S.
Fort Lauderdale

JUDICIAL ARTICLE WAS OFF-BASE

TO THE EDITOR:

Re: "The Case for an Independent Judiciary" (Fall 2006):

I take serious exception to this article by Jim Hampton. It is both disappointing and disturbing to see this kind of fact spinning by setting up a straw man and then dispatching all logic relative to the basis of an independent judiciary.

For example, nowhere in the article are there any citations of anyone who is against an independent judiciary. The fact is that all sentient people endorse and support an independent judiciary. In the process of setting up a straw man, activist judges and their decisions are ignored, since focusing on those would destroy the basis for the disingenuous arguments in the article.

However, in his conclusion Mr. Hampton exposes the underlying weakness of his defense of activist judges by citing the Terry Schiavo case. This case was a great example of judicial activism, which caused a wide ranging reaction to a judge who assumed the role of both judge and jury by sentencing someone to death who was not represented by counsel, and was not guilty, or tried, or convicted of any crime.

While ignoring the fact that there was no evidence of a living will as required under Florida law, and ignoring the willingness of family members to voluntarily care for Ms. Schiavo, the judge passed a sentence that would have been overturned in any court in the land had it been issued relative to someone guilty of the most heinous of crimes. That sentence was death by starvation, which has never been applied in the most egregious of criminal cases. In fact it would not be allowed in any animal-control facilities in the country either.

Perhaps most offensive in the article was this statement, "Her feeding tube removed by court (the judge's) order, Terri Schiavo died peacefully a few days later." The truth of the matter is that it took thirteen days for Ms. Schiavo to die of starvation as ordered by the judge, during which she must have suffered greatly, albeit silently.

Shame on Mr. Hampton for so blithely misrepresenting and dismissing one of the most inhumane judicial decisions ever handed down in the United States. This decision serves as a perfect example of judicial activism.

DAN CALABRIA
South Pasadena

EDITOR'S NOTE:

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You may also e-mail your letters to bsanchez@jamesmadison.org.

HERE COME THE BOOMERS!
AGING'S IMPACT ON FLORIDA

BY TERRI JO BARRON

Editor's Note: *For our political leaders, some challenges arise unexpectedly – as when thousands of refugees landed in South Florida in 1980, or when eight hurricanes pounded the state in 2004-05. Yet there are other kinds of challenges that can be anticipated and planned for. These include major demographic shifts such as the aging of the Baby Boomers – a phenomenon that is still mostly "flying under the radar" of public awareness. Author Terri Jo Barron explores some of the ramifications of this trend.*

Confession: As the Oldest Living Baby Boomer,[1] I have seen the demographic "pig in the python" from the front seat, and I've continually been amazed at the societal chaos that my generation has caused as we entered each new stage of life.

We were members of the so-called "Me Generation." We followed the "Silent Generation," which in turn had succeeded the much-lauded folks whom Tom Brokaw and others had proclaimed the "Greatest Generation" for their sacrifices as they led our nation through the Great Depression, World War II, and the initial stages of the Cold War.

We Baby Boomers prided ourselves on setting off the liberation of persecuted minorities and, of course, we knew we had defeated the "military-industrial complex" and ended the Vietnam War, with our first political scalps of Lyndon Johnson and Hubert Humphrey thrown in for good measure.

The years continued to feed our hubris as we set new standards for the American Way. Our children were dubbed "the Echo Boom," our denim became acceptable wear for casual office Fridays, our educated elite (the Clintons, the Bush brothers, Charlie Crist) moved into the corridors of power, and our youthful idealism was replaced by a desire for the good life of consumerism.

Now we are reaching seniorhood in massive waves, and you can be sure we will not go gentle into those sunset years.

My demographic group began entering its sixties in 2006. When 2025 dawns, we will begin entering the ranks of the "old old"—those over 80.

The numbers boggle the mind. While Florida's population as a whole will increase by 65 percent, the "old old" (needing more state services such as Medicaid) will grow by an almost incomprehensible 175 percent.[2]

What do these huge increases portend for 2007 policymakers? We can foresee some of the changes this aging population will bring about, but the Baby Boomers—as always—will bring surprises as well for government, business, and culture.

Can we determine how the mature population impacts our economy?

Tough Choices: Shaping Florida's Future[3] presents an economic analysis of the impact of these implacably approaching hordes. Authored by Dr. David Denslow of the University of Florida's Bureau of Economic and Business Research, this comprehensive analysis of demographic and economic trends lowers the usual 65-year-old cutoff to age 55 in order to elaborate on two categories of mature residents: the empty-nesters (55 or older, no children at home, one or more workers) and the true retirees (55 or older, no children at home, no workforce member).[4]

Empty nesters contribute to the economy by working, shopping, and owning property. They cost the economy less because they consume fewer of the tax dollars devoted to public education and the criminal-justice system.

Retirees do not work, but they still shop and pay property taxes. They consume more in health and welfare costs, but less in education, criminal justice, and transportation (driving less and not at rush hour).

Denslow comes up with figures of $3,600 per year, per empty nester, positive impact on Florida's economy, while retirees generate a $1,200 positive impact.[5]

Can policies have an impact in determining which of these categories of mature residents come to (and remain in) Florida? If so, should we then seek to induce even larger contingents of empty nesters and retirees to move here?

Almost half the net migration into Florida consists of people 55 or older. While those 25 to 44 arrive in larger numbers, they often leave the state while the older ones stay.[6]

We cannot overlook, however, the fact that even though our state leads the nation in the percentage of elders in our population, in raw numbers we still have 800,000 more people under 18 than over 65.[7]

As for enticing larger numbers of those elders who are assets rather than burdens to Florida's economy, we are already losing part of the battle. While our empty nester population is projected to increase by

101 percent by 2030, our "old olds" will balloon by 175 percent.[8]

Are there ways to get seniors here to share our sunshine during their vigorous years, but send them home to colder climes to be near children and grandchildren when they become frail? While this framing of the question seems cold-hearted on its face, the current statistics seem to say we have found ways to do this.

The Florida Department of Elder Affairs (DOEA), which is, incidentally, the most highly privatized agency in state government at 94 percent,[9] states that its Priority Goal Number One is to make long-term care streamlined, cost-effective, and consumer-friendly.

DOEA notes that Florida contains the public cost of long-term care efficiently and effectively compared to other states.[10] That is, we spend a smaller percentage of our Medicaid dollars (29 percent) for long-term care than the nation as a whole (35 percent).[11]

Without questioning the motives of past Florida legislators or executives, we can note the fact that we have more limited health and welfare services for the elderly than many other states. This means we have fewer seniors in nursing homes than other states (2.5 percent of over-65s here compared to 4.2 percent in the nation as a whole).[12]

Florida has intentionally held down both the number of nursing home beds available and the supply of home- and community-based services, and it is 40th in the nation in Medicaid per capita spending.[13] Those were probably fiscally prudent policy choices, given our demographics.

We have had our share of nursing home horror stories: elderly ladies killed by hundreds of undiscovered fire-ant bites, or criminal rapes perpetrated on the frail elderly in care. While atrocities happen in institutions in other states as they do here, our younger seniors read about our atrocities in their local newspapers, and some of them no doubt determine "No nursing home in Florida for me!"

"…we spend a smaller percentage of our Medicaid dollars (29 percent) for long-term care than the nation as a whole (35 percent)."

Yet our lower numbers are also a result of doing some things well: 98 percent of frail elders remain at home or in the community instead of going into a nursing home, 90 percent of elders at imminent risk of nursing-home placement are served with community-based services instead, and Medicaid-eligible persons remain out of nursing homes an additional 3.9 months in the Community Care for the Elderly program.

Last year well over five million congregate meals were provided, 440,000 elders received early intervention/prevention, and more than 54,000 were diverted to home or community care.[14]

Last year's Legislature added new positions to the CARES program,[15] which serves as both gatekeeper and referral provider for long-term care, and 30 percent of those determined to be eligible for costly nursing-home placement were diverted.[16]

Florida's Long-Term-Care Ombudsman Program (LTCOP) is a national model of unpaid volunteers who receive, investigate, and resolve complaints about care in nursing homes, assisted-living facilities, or adult-family-care homes. Coordination of this statewide volunteer program is provided by DOEA district staff, and 98 percent of nursing-home complaints filed last year had investigations begun within five working days.[17]

Our 15 state-funded Memory Disorder Clinics provide diagnosis of Alzheimer's disease, as well as memory disorders that may be treatable. The Serving Health Insurance Neads of Elders (SHINE)[18] and Sunshine for Seniors[19] programs help our citizens be wise consumers taking responsibility for their own health care. The state-funded Byrd Alzheimer Institute in Tampa has been named one of 32 research centers funded by the National Institutes of Health.[20]

There are many other exemplary initiatives underway in our state, too, from a nationally recognized program for the transportation disadvantaged, including the elderly. This program is run by an independent commission and provided more than 53 million trips during 2005.[21] Also exemplary is Florida's innovative Medicaid-waiver demonstration program, which provides for acute- and long-term-care needs through one managed-care organization.

Are we doing enough? There are still waiting lists for Meals on Wheels, Medicaid nursing home beds, day-care for dementia patients, and other community-based services. A truly scary epidemic of Alzheimer's disease looms, as scientists are beginning to call Alzheimer's "type 3 diabetes" because it is becoming so common.

We know that 20 million Americans actually have diabetes, and 41 million others are close to getting it (pre-diabetes).[22] So there will always be elder needs in our state beyond our ability to fund purely state-government solutions.

Could state government encourage a larger share of private funding and personal responsibility for elder care?

Let's just set out on the table some creative ideas for our state's new policymakers as we enter 2007. Can they come up with ideas that will encourage wellness initiatives in the private sector (through private insurance or tax policies)?

Are there barriers to volunteerism that could be removed (for example, limiting the liability of volunteer drivers for the elderly needing transportation)? Are there ways to encourage voluntary private associations that use our talented citizenry to provide and barter their own needs and strengths, like Beacon Hill Village in Boston?[23] Could the Legislature eliminate obstacles to building multigenerational housing, as in Lake Price Estates in east Orlando?[24] Let's hope so.

Can we find ways to encourage entrepreneurs to provide services the Baby Boomers will demand and be willing to purchase? For example, Meals on Wheels provides an irreplaceable service for shut-in elders, but many seniors would be willing to pay for a similar service that had higher quality and more healthful meals.

Subsidized adult day care provides recreation and congregate meals for the Medicaid-eligible, and sliding-scale fees enable many family caregivers to remain in the workforce, but more intellectually challenging activities could be provided by persons who could organize, operate and assume the risk of value-added programs.

Here our universities are incredible resources for providing programs such as Florida State University's Pepper Institute Academy, which offers wide-ranging short courses to mature adults in the Tallahassee area for modest fees.[25]

In 2000, assisted-living beds equaled nursing-home beds for the first time, and assisted living is private pay.[26] Although we must continue to meet basic needs of our low-income and vulnerable older population, the Baby Boomers will be better educated, richer by far,[27] and more demanding—yet expecting (and willing) to pay for quality services.

Florida attracts well educated and resourceful elderly,[28] and our seniors are 45 percent less likely to require long-term nursing-home care than those in other states.[29] We led the nation in our shift from nursing-home beds to a variety of assisted-living options, and the for-pay segment of this industry has provided creative and desirable solutions. We can expect continued innovations from home care to residential options, and our large market should help us attract the best of the best of these.

While my generation's numbers will explode, our state's future can remain bright if we provide innovative and fiscally sustainable government programs, and create a fertile environment for new and exciting private investments to serve Florida's Boomers.

Terri Jo Barron, J.D., is a Visiting Professor in the Aging Studies Program at Florida State University. She served as legislative staff director for various Florida Senate committees in the 1980s, and then managed a commercial beef operation in the Panhandle with her husband during the 1990s. She serves as a member of the Board of Directors of the Alzheimer's Foundation of America, Florida State University Foundation, LeRoy Collins Institute for Public Policy, and the Byrd Alzheimer's Research Institute.

[1] The Baby Boom technically begins in January of 1946, after the end of World War II. However, since I was born AFTER V-E Day and V-J Day, my birth was AFTER the war. Otherwise, I would have to be a member of The Silent Generation, a fate unimaginable to me.

[2] Population figures from the Office of Economic & Demographic Research (edr.state.fl.us/population), hereafter OEDR.

[3] A report published by the LeRoy Collins Institute in October of 2005, co-authored by David Denslow and Carol Weissert and published by the University of Florida and Florida State University, hereafter *Tough Choices*.

[4] *Tough Choices*, p. 393.

[5] *Tough Choices*, pp. 392-407.

[6] *Tough Choices*, p. 389.

[7] Florida Department of Elder Affairs Long-Range Plan, 2007 to 2011 (elderaffairs.state.fl.us/English/pdfs/final LRPP092906.pdf), herafter cited as DOEA Plan.

To Page 21 >

PERILS AND PROMISE IN HIGHER EDUCATION

BY ED H. MOORE AND MELANIE HICKS

From the Founding Fathers to Horatio Alger to *The Grapes of Wrath* to *The Great Gatsby*, Americans have always had their "American Dream"—the idea of what life in the United States should be. The "American Dream" is the belief that hard work, sacrifice, education, and determination can create opportunities for anyone to achieve a better life.

In everyday life the "American Dream" has been seen in people's perceptions about marriage, family, homeownership, and the work environment. In recent decades, these ingrained perceptions about the foundation of America have been changing. As organizations tighten their belt to stay competitive in a growing global market, they are beginning to change the social contract of the workplace. These trends are currently appearing in the higher education community, where workforce skills and needs are changing faster than education can accommodate. In the 21st Century, higher education is going to be more critical to the American Dream than ever before.[1]

The Shifting Population Landscape

The "Baby Boomers" born between 1946 and 1964 have been the change agents in America for the past 30 years. The oldest boomers turned 60 this year and are beginning to retire. This will begin massive changes, direct, indirect and incidental. This shift in population will profoundly impact nearly every aspect of government, business, and communities. As Baby Boomers leave businesses, institutions, and organizations designed to meet their needs, a next and very different generation will take their places.

The next generation in the workforce will be attuned to a "new economy," not the economy of their parents. A 10-year study (1993–2003) by Rainmaker Thinking, Inc., identified important aspects of what they termed this "new economy" work environment. They found seniority, age, rank, and rules to be diminishing as organizational charts are flattened and layers of management removed. Employees surveyed also indicated changes in perception of career success, defined less by rank or seniority and more in highly personal terms such as learning marketable skills and building relationships. As the current business environment is infused with instability, traditional ideas of job security in exchange for hard work and loyalty are increasingly diminishing.

Future Tidal Waves

This new economy (which will drive the job market and economy of Florida in the future) will depend on understanding, creating, recruiting, and retaining employees with the right skill for the right jobs. Simply stated, today in America there are just too many people trained for the wrong jobs. Many jobs have become unnecessary and technically obsolete or will soon become so.

Worse yet, the job/career aspirations of too many current and future workers are at serious odds with the changing needs of the U.S. labor market. The current training and education systems were never designed to respond rapidly to these rapidly changing conditions. Unless this problem is resolved quickly, this labor-market imbalance will have serious economic consequences—possibly including a devaluation of the U.S. dollar due to huge U.S. trade imbalances.

Jeff Taylor, Chairman of Monster.com, states, "The knowledge worker is going to be at the center of company desperation." Seventy million Baby Boomers, some very highly skilled, will exit the workplace over the next 18 years while only 40 million workers will come in.

Further, as noted by John Challenger, CEO of Challenger, Gray & Christmas, Inc., in the future job market many of these incoming workers will lack the basic skills—including strong reading and math skills—that they'll need to be competitive in a global economy. They'll need a clear understanding of newspapers, books, schedules, maps, charts, graphs, and digital formats. Many call this the new wisdom needed to survive in the new economy. A very good liberal education is seen as the common denominator when combined with specialized career skills components. Some of the statistics on these skills are frightening.

- 73 percent of U.S. employers cited "very" or "somewhat" difficult conditions hiring qualified workers. Forty percent said applicants have "poor or no employment skills" (Center for Workforce Preparation, U.S. Chamber of Commerce, Washington DC, 2002).

- 45 million U.S. Adults read below 8th grade level. This means that about 50 percent of the adult population cannot fill out a job application, read a driver's license manual, a newspaper, or compute change when making a purchase. (National Literacy Survey, U.S. Department of Education 1993, 1998). International Literacy Survey OECD, 2000, 2004).
- 47 percent of job applicants lacked the reading, writing and math skills for the jobs they sought. (American Management Association Workplace Testing 2000).

The Challenge to Change

To both cope with these changes and prosper, higher education must also change. Florida needs a new higher education approach that is less governance-focused and more market-focused. It must emphasize quality and accreditation and challenge each higher-education institution to deliver.

Adopting market-driven tactics that grow Florida's economy would enable the state to match and then catch up with the state's economic pace. A market-driven approach would direct resources to institutions that are capable of offering a quick, quality response to emerging state needs while growing a more skilled workforce, better aligned with the changing workplace. As the catalyst to change, a market-driven strategy in higher education would demonstrate that Florida is a state investing in a knowledge-based, future-facing economy.

The state's higher education systems do have a sound foundation upon which to build. The 11 state universities include some of the nation's largest institutions, with six of the "Top 10 Least-Expensive Public Universities in the Nation." The 28 independent colleges and universities complement these state institutions by adding a unique blend of both specialized and general educational institutions. Florida's community college system with 28 regional institutions is the nation's largest. Nearly 50 school districts have vocational centers to boost adult skills, and other for-profit schools offer additional specialized training.

Currently, the state universities and the independent colleges and universities split most of the market for baccalaureate, master's, doctorate, and professional degrees. At the most affordable public price, a market-based strategy would grow these institutions while offering opportunities to institutions expanding into these degree offerings.

Focus on Both Traditional and Non-traditional Student Demands and Trends

Florida must better determine the characteristics of future student populations and track them into the workplace. Students are not all 18-year-olds going to college for four years and then entering the workforce. Rather, higher education is increasingly populated with older students, working parents, career-changing graduates, and skill-boosting adults.

Many misperceptions about higher education persist, including the perception that private institutions serve only the elite. However, a recent study of federal aid programs shows that the 28 Independent Colleges and Universities of Florida (ICUF) include 18 of Florida's top 20 institutions with the greatest number of students eligible for Federal Pell Grant aid. Moreover, they include 18 of Florida's top 20 institutions ranked according to enrolled students from families with incomes under $60,000 a year.

Students from families of low to moderate income are increasingly attending Florida's not-for profit colleges and universities. This results in a lower cost burden to the state but increased demands on the families and schools to finance these educations. Florida will not be able to increase higher educational capacity unless it can describe its higher education customers. Florida must clearly identify who is being served and where and how it is being funded.

Seek Lowest Cost Options for Degree Production

Florida should have a system to reward productive colleges and universities ... the institutions that produce the most graduates—and the most graduates in targeted career fields—for the lowest public cost. Continuation budgets fuel continuation performance. A better model would allow efficient production to fuel increased funding.

"Determine what is needed, pay those who can produce it, and don't pay more than needed."

The Council of 100's 2004 study *We Must Do Better!* devised a methodology for such a system. It calculates the Return on State Funding (ROSF) for graduates produced from a college or university. At 25.1 graduates per $1 million invested by the state, Florida is 38th in the nation. Increases in funding to produce more degree graduates should be triggered by a "Return on State Funding" performance system (graduates per million dollars invested).

The prescription for a new higher education system is not overwhelming but rather simple: Determine what is needed, pay those who can produce it, and don't pay more than needed.

This strategy would fully enlist 28 non-profit corporations ... the independent colleges and universities of Florida. These institutions are based in part on this higher-education market model in which, as economist Richard Vedder notes, "Competitive forces require universities to pay more attention to consumer (student) needs and deliver a reasonably high quality product. Freedom from some bureaucratic structure and regulations allows for greater innovation."

This independent system can be

used to trigger competition for state resources throughout the higher education budget and serve as a catalyst for needed changes. For the state budget the independent colleges and universities are the lowest cost, highest yield institutions in Florida's higher education system. Currently, the 28 independent colleges and universities of Florida award 25 percent of the state baccalaureate degrees, more than 15,000 annually. They award 37 percent of the master's degrees, 42 percent of the doctorates, and 56 percent of the professional degrees.

With more than 180 educational sites around the state, this is also Florida's largest, and most local, higher educational system. These independent colleges and universities receive less than 5 percent of the state's higher education budget, but award more than 31 percent of Florida's baccalaureate and advanced degrees.

If state universities, independent colleges and universities, and public community colleges both compete and collaborate to meet Florida's student and workplace needs, Florida's higher education will keep pace with Florida's growth. A deliberate, well-designed system that rewards institutions for engagement in meeting critical state needs, for example, will deliver needed graduates at a competitive price.

This multipart strategy (know your customers, identify your current resources, improve efficiencies, reward successes) is standard practice in business in Florida's marketplace. It would launch a revolution in its higher education systems.

Ed H. Moore is Executive Director of the Independent Colleges and Universities of Florida (ICUF) and a former President of The James Madison Institute. Melanie Hicks is ICUF's Director of Research Programs.

[1] Tulgan, B. (2004) Trends point to a dramatic generational shift in the future workforce. *Employment Relations Today*, Winter: 23 – 31.

Worthy Words

"Experience teaches us to be most on our guard to protect liberty when the government's purposes are beneficent."

– JUSTICE LOUIS BRANDEIS

"A great nation is not led by a man who simply repeats the talk of the street-corners or the opinions of the newspapers. A nation is led by a man who hears more than those things..."

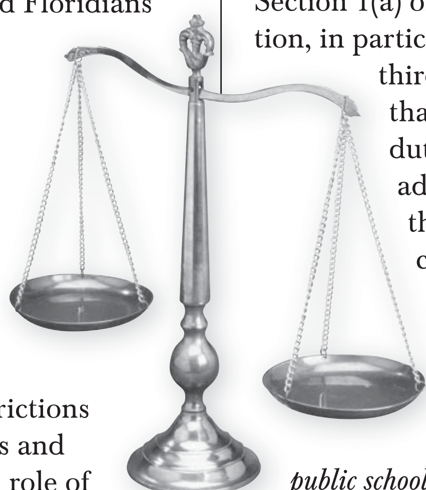
– WOODROW WILSON

THE LEGAL STATUS OF FLORIDA'S SCHOOL VOUCHER PROGRAMS

BY BRYAN SARBIA AND CHRIS SPROWLS

In the recent Florida Supreme Court decision *Bush v. Holmes*, 919 So. 2d 392 (Fla. 2006), the Court delivered a blow to education reformers and again reminded Floridians how the judiciary can make policy through judicial interpretation.

In an all-too-familiar break from its role as the interpreter of the law, the Court, led by then-Chief Justice Barbara Pariente, read into the state Constitution restrictions on education programs and effectively usurped the role of the Legislature as the writer of our laws. This decision and its inferred additions to the state Constitution have disrupted education in Florida and successfully eliminated "Opportunity Scholarships," which had offered vouchers to parents whose children were enrolled in failing schools.



The Florida Supreme Court's Decision

The Florida Supreme Court's decision rests substantially on Article IX, Section 1(a) of the Florida Constitution, in particular the second and third sentences, which say that "it is … a paramount duty of the state to make adequate provision for the education of all children residing within its borders. *Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools* that allows students to obtain a high quality education and for the establishment, maintenance, and operation of institutions of higher learning and other public education programs that the needs of the people may require." (Emphasis added.) The portion in italics is interpreted to prevent the state from funding any K-12 education program that does not fall explicitly within the public school system.

As is customary in reviewing legislative actions, the Court begins by assuring everyone that the statute "comes clothed with a presumption of constitutionality." This means that, unless it can be shown that the statute clearly violates a constitutional restriction on the state's power, it should be a valid. But then this presumption, along with the duty of the Court, is immediately abandoned in favor of policymaking.

The Court begins descending into judicial activism by labeling the second sentence in Article IX Section 1(a) a "mandate" and the third a "restriction on the exercise of this mandate." The Court desperately tries to maintain the position that because the state Constitution requires adequate provision be made for the public school system, the legislators sought to prevent the state from educating children in any other way.

The reality is that the Constitution merely requires legislators to make adequate provision for public schools. Under the restriction on the state's power, lawmakers may not abolish the public school system or stop funding the public school system. However, this provision does not deal with (and therefore does not restrict) public funding of private schools, which is why the Court is forced to apply rules of construction.

"The dissent in the Court's 5-2 ruling eloquently argues against the application of the rules of statutory construction…."

Rules of construction are tools used to discern the meaning of a statute or other provision of law when the law is ambiguous. This process can be compared to diagramming a poor sentence in order to extract the correct meaning from it. The dissent in the Court's 5-2 ruling eloquently argues against the application of the rules of statutory construction by pointing out that there is no ambiguity in this case.

The Court tersely addresses the dissent's argument, saying "it is precisely because the amendment is not clear and unambiguous regarding public funding of private schools that we look to [rules] of construction."

Here the Court shows its hand. Article IX Section 1(a) does not restrict the state's power to fund private schools. And so, because Article IX Section 1(a) does not clearly make voucher programs unconstitutional, the Court finds that it is ambiguous and therefore needs to be analyzed with rules of statutory construction so that it can be construed to say that the voucher program is unconstitutional.

The Court further displays that it is policymaking by noting that "because voucher payments reduce funding for the public education system, the [voucher program] by its very nature undermines the system of "high quality" free public schools[.]"

Curious logic. Under the same theory, one might wonder if, as one of the lower ranking education systems in the nation, public schools in Florida are unconstitutional on the basis that they are not "high quality." The Court could just as easily have said that the state must enact a voucher program because the state constitution requires "high quality" public schools (which it currently does not have) and competition is necessary to achieve that goal.

The truth is that rather than undermining the system of supposedly "high quality" public schools, the threat of pupils and funding being diverted to private schools would force public schools to improve.

Indeed, if funding followed the students, and parents were free to send their children to other schools, then schools would effectively be accountable to the parents and, as education consumers in the marketplace, the parents would demand high-quality schools.

This is the famous "quality improves with competition" theory—one that we base our free-market economy on. America's premiere capitalist economist, Milton Friedman, believed there is a role for vouchers in government-sponsored education, suggesting that the government "let the subsidy be made available to parents, regardless where they send their children—provided only that it be to schools that satisfy specified minimum standards—and a wide variety of schools will spring up to meet the demand."

That sounds like the creation of "high quality schools," as mentioned in Florida's Constitution. The Court's reasoning, however, appears to be arbitrary and geared more towards affecting public policy than interpretation of the Florida Constitution. It is difficult to comprehend that this argument defeats the presumption of constitutionality that the statute comes clothed in.

The Court then advances the argument that a voucher system, in conjunction with public schools, would keep the system from being uniform. First, the public-school system is not, nor has it ever been, and probably will never be, uniform. Second, Article IX, Section 1(a) requires that the public schools be uniform.

Yet the Court finds that because the private schools funded by vouchers were not governed by the same standards and requirements as the public schools—one of their best qualities, by the way—the requirement that the free public schools be uniform was violated. The language of Article IX section 1(a) places no such restriction on private schools.

The Court uses another tool of construction and finds that "reading Sections 1(a) and 6 of Article IX in pari materia evinces the clear intent that public funds be used to support the public-school system, not [a] competitive private system."

While Article IX, Section 6 could be interpreted to restrict where money for the voucher program comes from, it should not be seen as erecting a complete legal barrier to such a program, and certainly should not be read in conjunction with Section 1(a) to do so. It is merely offered in an attempt to bolster a poor legal argument.

Article IX, Section 1(a) requires that adequate provision be made for a list of things, one of which is "free public schools," but Section 6 authorizes certain funds to go only to "free public schools." Does this mean there is a constitutional contradiction? No. It shows that Article IX, Section 6 does not prevent state funding of education programs that are not within the realm of "free public schools."

The Court then attacks the possibility that a voucher program fits under the language in Article IX, Section 1(a), which states that adequate provision be made for "other public education programs that the needs of the people may require" by citing case law that refers to this clause as "obviously [applying] to the existing systems of junior colleges, adult education, etc."

Yet, the category is open ended, leaving room for "programs that the needs of the people *may require*." (Emphasis added.) The language "may require" clearly does not refer only to programs in existence at the time it was written.

The Court then tries to distinguish its specious reasoning in *Bush v. Holmes* from a precedent set in a nearly identical case, *Scavella v. School Board of Dade County*, 363 So. 2d 1095 (Fla. 1978). In that case, the Court ruled that "exceptional students could attend 'private schools because of the lack of special services' in their school district."

The keen reader will notice that the constitutional provisions in question make no distinction for "special" education services and "non-special" education services. If the Court's reasoning in *Bush v. Holmes* is correct, then programs such as the one in *Scavella* are also unconstitutional. Allowing a voucher program when schools fail to offer "special" educational services, but not when schools fail to offer the constitutionally required "high quality" educational services, blatantly displays the contradiction in the Court's position.

"In the wake of Bush v. Holmes, Floridians are faced with a few options…."

Moving Forward

In the wake of *Bush v. Homes*, Floridians are faced with a few options, most of which seem to be defensive rather than proactive. In order for the successful implementation and survival of any state voucher programs, sweeping constitutional changes are necessary to render the Court's assault obsolete. Whether such changes will begin in the Legislature, or through a citizen's initiative, remain to be seen.

It is likely that education reformers in the legislature will attempt to protect the "voucher lite" programs such as the McKay Scholarship and the corporate tax credit. It would be prudent for reformers to take the threat to these programs seriously after *Bush v. Holmes*. Governor Bush's commendable effort to push a corrective amendment through the Legislature failed and resulted in political controversy last session. However, that should not mark the end to the Opportunity Scholarships.

For those who labor for an educational system that provides all Florida's children with a competitive education and the ability to strive for excellence, it is vital to utilize the options available to make vouchers a reality.

The United States is facing tougher international competition in many arenas, including education. To make Florida a leader in education, however, we must begin by making bold initiatives, starting with school vouchers and the birth of the education marketplace.

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AGING *(Continued from page 11)*

[8] OEDR.

[9] DOEA Plan.

[10] DOEA Plan, p. 19.

[11] Kaiser Family Foundation website, 2006 (kff.org/medicaid).

[12] DOEA Aging Trends, *Addressing the Boom* (elderaffairs.state.fl.us/English/State/Aging Trends), 2004, hereafter *Addressing the Boom*.

[13] *Tough Choices*, pp. 85-88.

[14] DOEA Plan, pp. 47-48.

[15] Comprehensive Assessment and Review for Long-Term Care Services (CARES) is a free service, using a team of RNs and/or social workers, doing on-site, comprehensive assessment of the services best suited to the individual's needs, with the goal of the person's remaining in the community as long as it is safe and practical, using services such as home-delivered meals, homemaker services, transportation, personal care, home health care, adult day services, etc.

[16] DOEA Plan, p. 46.

[17] DOEA Plan, p. 50.

[18] Serving Health Insurance Needs of Elders (SHINE) provides free counseling on health insurance coverage, including both government and private plans.

[19] Sunshine for Seniors assists in enrolling eligible elders in free and discounted prescription drug programs.

[20] Byrdinstitute.org.

[21] Commission for the Transportation Disadvantaged, dot.state.fl.us./ctd.

[22] *U.S. News and World Report*, July 24, 2006, p. 56.

[23] "Declaration of Independents," *AARP Bulletin*, December 2005, describes the Beacon Hill Village in Boston, where residents created a revolutionary concierge service so they can complete their lives in their own homes. It is a nonprofit association that offers free services (weekly car service to the grocery), cultural and health activities (monthly lectures, classes and special clinics in neighborhood churches and schools), and referrals to carefully screened for-pay services (house cleaners, plumbers, travel).

[24] *Florida Trend*, January, 2007, p. 40. These 658-square-foot additions add about $125,000 to the price of the $300,000 to $400,000 homes in Lake Price Estates.

[25] The Florida State University Pepper Institute on Aging and Public Policy supports The Academy at FSU, offering six-week courses each fall and spring. Memberships range from $150 to $325 (for unlimited courses). The very successful program enhances the older academy members, the faculty and researchers who participate, and the traditional college students who are able to interact with older people.

[26] DOEA Plan, p. 49.

[27] Congressional Budget Office paper, "The Retirement Prospects of the Baby Boomers," March, 2004: "Compared with their parents at the same age, baby boomers typically have higher income…and have accumulated more private wealth. On the whole, boomers are on track to have higher incomes in retirement than their parents and appear less likely to live in poverty after they retire."

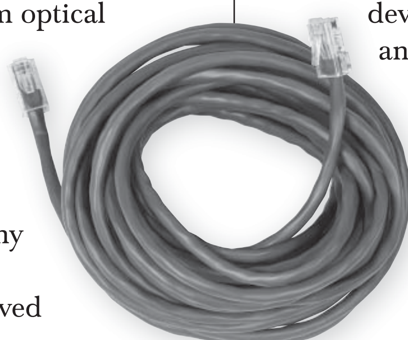
[28] DOEA Plan, p. 19.

[29] *Addressing the Boom.*

GOOGLING ON THE TAXPAYERS' DIME: MARKET CHALLENGES FACING CITIES' BROADBAND INITIATIVES

BY TANJA CLENDINEN

What began with "a four-word message over copper wire in 1844"[1] has evolved into an industry supporting billions of daily transmissions over a variety of signal-processing technologies, from optical fibers to high-frequency radio waves. Covering the gamut of telephone, cable TV, Internet access and more, many telecommunications applications have moved from luxury status to a basic expectation.



This transition has heightened the debate regarding government's role in promoting innovation, ensuring network reliability and security, and providing access to underserved communities. Beyond the standard pro/con arguments regarding governmental provision of services, there are additional points of debate inherent in the dynamic nature of this high-tech market.

Many local government officials and community leaders are of the opinion that expanded Internet access will provide an economic development tool as well as an agent for social change and are impatient for a rollout of broadband services in their area. Many municipalities are considering broadband Internet access initiatives, but what unique challenges would they face with this ever-evolving technology?

Despite the technological complexity and diversity of the telecommunications industry, it is still subject to basic economic principles. Thus, any proposed governmental involvement, from regulatory schemes to infrastructure investments, should be mindful of applicable economic and market forces. The following information is intended to serve as a starting point for discussions on evaluating proposed municipal broadband initiatives.

The Basics of Broadband

With the explosive growth of the Internet in the late 1990s, the demand for connections with a high data-transmission rate increased rapidly in the early 2000s. "Broadband" transmissions have the capability of carrying multiple data channels over a common wire. For example, many consumers receive their telephone and Internet services via DSL (Digital Subscriber Line). Using the high end of the specified frequency range for digital packets of data and the low end of the range for voice signals, DSL transmits this combo over a single telephone line.

"Broadband Internet access" uses broadband transmission techniques to provide high-speed access to the Internet. One of the first available broadband options was cable modems, followed by DSL and satellite services. More recent technologies include WiFi (Wireless Fidelity) transmitting via high frequency radio signals, OCn (Optical Carrier Networks) transmitting data as light signals via glass fibers, and BPL (Broadband over Power Line) transmitting via power lines.

The Basics of Dynamic Markets

Traditional municipal infrastructure investments, such as electricity, water, and gas, were generally stable, predictable, static markets. Typically requiring a large initial investment with relatively small ongoing operating costs, these services relied on technology that changed slowly and on fixed assets that were long-lived. It should be noted that some industry experts suggest that this was due more to the regulatory treatment of utilities than the nature of the service.

Basic needs were being met by a limited number of, if not a single, provider. Thus pricing and selling of the service was not difficult. A community could be fairly certain of recovering its initial investment and covering ongoing costs while receiving an acceptable level of service.

Broadband Internet access, however, is an evolving, volatile, dynamic market. Typically the large initial investment will not be balanced by diminished operating costs as the rapid changes in technology will require ongoing investment in the infrastructure to maintain a competitive product.

Although a growing segment of the population considers Internet access as a necessity, it is still not as basic a need as power and water, which increases the elasticity of demand for service. Additionally, there are often multiple competitors offering a variety of services, both of which are constantly shifting and innovating. In order to successfully compete in a dynamic market, participants must plan carefully and be prepared to respond nimbly to market changes.

Real World Experiences

In the late 1990s and early 2000s,

a number of municipalities took the broadband plunge, using a retail model in which the community makes an initial large investment in the infrastructure, then directly provides the services to the consumer. Unfortunately, many of these produced costly results in terms of debt and/or sub-par service.[3] In addition, some of these unsuccessful initiatives compounded the communities' economic losses by tapping other municipal revenue sources, such as cross-subsidies from other utility funds and increased property taxes, in order to continue "limping along."[4]

In an effort to avoid risks inherent in the retail model, some municipalities have proposed "wholesale models." These call for smaller initial investments and provide some buffer from ongoing overhead costs and market fluctuations. In this model, the community develops the infrastructure, then wholesales the capacity to private retail service providers. At this point, however, the wholesale model nonetheless still appears to encounter problems inherent in attempting to compete with the private sector in a dynamic market.[5]

A recent, lower-risk twist on government-sponsored broadband Internet access is free or privately subsidized Wi-Fi networks. However, these proposals often involve exclusive access to public assets such as rights-of-way and utility poles, thereby granting the selected provider a significant competitive advantage.

Not only would this advantage decrease any incentive for improving service and technology, it could also inhibit the development of competing companies. That, in turn, would decrease the funds available for further investment, thus hurting technology development, service, and consumer cost in the long run.

"Unfortunately, many of these produced costly results in terms of debt and/or sub-par service."

Reasonable Considerations

So how should municipalities evaluate whether or not to enter this dynamic market? If entering the market, what should their proposals incorporate? In The Reason Foundation's 2006 study *A Dynamic Perspective on Government Broadband Initiatives*, Dr. Jerry Ellig, of the Mercatus Center at George Mason University, suggests seven issues that should be considered and addressed when assessing proposed municipal broadband initiatives:

- ***Competition:*** Generally, the availability of private Internet providers will require municipalities to think beyond the scenario of a "captive market" such as traditionally encountered with utility monopolies.
- ***Performance Competition*** and ***Continuous Improvement:*** Municipal broadband services will continually have to improve and expand performance in order to compete with private providers. Given the rate at which telecommunications technology advances, municipali-

ties will have to deal with falling costs in the private sector which will increase competition in the prices of goods and services.

- ***Technological Change and Lock-In:*** Initial selection of one technology over another may give that technology an edge that results in its domination of the market. This can be even more detrimental to growth and innovation if that technology turns out to be inferior.
- ***Obsolescence:*** Telecommunications technology evolves rapidly, so fixed assets become obsolete more quickly. This requires faster depreciation rates and correspondingly higher prices.
- ***Risk:*** Broadband is not the traditional low-risk investment such as those common to conventional utility monopolies; therefore, returns on the investment are more volatile.
- ***Uncertainty:*** Taxpayers rather than shareholders bear the burden of financial uncertainty in municipal enterprises. Adequate accountability and transparency measures are a must.

A complete, responsible broadband proposal will be responsive to the distinctive characteristics and needs of the community while incorporating measures that address the above challenges. Beyond the theoretical possibilities identified through academic studies of dynamic competition, these issues are "real concerns that could have a substantial effect on the success of a government broadband provider."[6]

Alternatives to Municipal Infrastructure Investments

If a municipality chooses not to enter the broadband-market arena, how can it speed the deployment of broadband Internet access in its community? From education to regulation, following are several suggestions:

- ***Evaluate*** whether or not there is a need for educating users and potential users regarding the benefits of Internet applications for business, education, and quality of life. In some regions in West Virginia, when broadband access was made available, subscription rates still remained below national averages.[7] Additionally, studies found a correlation between broadband usage and age and education levels.[8] However, before embarking on an expensive public campaign, consider that these results could also be attributed to people having a variety of reasons for choosing not to sign up, even though they are aware of its potential. In situations where education is the issue rather than personal choice and/or accessibility, raising awareness of the value of Internet access could potentially lead to increased demand, which would lead to greater economic feasibility for private providers.
- ***Identify*** what is already available in the area. Currently, wireless Internet access exists in many public arenas including airports, hotels, coffee shops, book stores, copy shops, and fast-food restaurants. Additionally, federally mandated taxpayer subsidies provide free access in many public

libraries, schools, and community centers. Moreover, the penetration of these and comparable sources is increasing rapidly.

- ***Encourage*** the expansion of broadband services by reducing tax and regulatory barriers that inhibit penetration and decrease consumer choices. Lessons learned from cable-franchising missteps can be applied as well—streamlining any required application or permit processes, limiting fees and conditions, limiting "build-out" requirements, and providing a level playing field for all interested parties.
- ***Focus*** on providing excellent primary services, such as public safety, and on maintaining and improving current traditional infrastructure investments, such as utilities. "Well-run cities inevitably draw the investment in new goods and services that improve residents' quality of life."[9]

Conclusion

Often the economic decision-making required of successful entrepreneurs doesn't mesh well with the political calculations of government, and broadband Internet access projects serve as a case in point. Typically, municipalities have better odds for success in stable, tranquil market situations. With broadband services, the dynamic nature of the market is fundamentally different from the predictable utility markets with which most local governments have had experience.

Social and economic arguments have been made for government investment in providing broadband more quickly and more affordably; however, whether valid or not, this could prove expensive for the taxpayers and ultimately discourage cost containment, level of service, and technological improvement.

Thus the private sector should be allowed to provide these services whenever and wherever feasible, and municipalities should avoid duplicating existing services. In the case of economically unattractive regions and communities, if a municipal broadband effort has been determined to be useful and necessary, any initiatives should be carefully crafted to address the challenges raised above.

Tanja Clendinen is JMI's Communications Director. The author thanks Diane Katz, Director of Science, Environment and Technology at Michigan's Mackinac Center for Public Policy, for sharing her extensive knowledge and resources for this article.

[1] Diane Katz, "A Telecommunications Policy Primer: 20 Comprehensive Answers to 20 Basic Questions," The Mackinac Center for Public Policy, Midland, Michigan, 2004.
[2] Dr. Jerry Ellig, "A Dynamic Perspective on Government Broadband Initiatives," Reason Foundation, Los Angeles, California, November 2006.
[3] Dr. Wolfgang Grassi, "Government Broadband Plan Was Tried and Failed in Hillsdale," The Mackinac Center for Public Policy, Midland, Michigan, 2002.
[4] Steven Titch, "Spinning Its Wheels: An Analysis of Lessons Learned from iProvo's First 18 Months of Municipal Broadband," Reason Foundation, Los Angeles, California, December 2006.
[5] *Ibid.*
[6] Grassi.
[7] Mark L. Burton and Michael J. Hicks, "The Residential and Commercial Benefits of Rural Broadband: Evidence from Central Appalachia," Marshall University for Business and Economic Research, Huntington, West Virginia, July 2005.
[8] *Ibid.*
[9] Grassi.

CELEBRATING THE LEGACY OF MILTON FRIEDMAN
(1912-2006)

BY JAMES GWARTNEY

Milton Friedman, who passed away at age 94 this November, was awarded the Nobel Prize in 1976, but as high an honor as that is, it does not begin to illustrate the magnitude of his contribution to the world. Friedman was the supreme spokesman for free markets, limited government, and a free society. He was a scholar's scholar, but capable of explaining complex ideas to the common man. In my judgment, he was the greatest economist of the 20th century and perhaps the greatest ever.

Friedman's impact on both the views of economists and indirectly on economic policy around the world has been profound. Persons under age 50 are largely unaware of what economists believed in the 1960s and how the scholarly work of Milton Friedman eventually altered those views.

The decade of the 1960s was the golden era of Keynesian economics, or the New Economics, as it was called at the time. In the aftermath of the Great Depression, Keynesians believed that market economies were inherently unstable and government intervention through fiscal policy was necessary to remedy the situation. According to the New Economics:

- Planned deficits during recessions and surpluses during periods of inflation would promote unprecedented stability,
- Monetary policy was impotent and totally incapable of combating a recession, and
- There was a trade-off between inflation and unemployment—if we were willing to tolerate a little inflation, the unemployment level could be maintained at 3 percent or less.

Furthermore, macroeconomists were not the only ones in love with government planning. Most mainstream economists of the 1960s, particularly those at elite schools like Harvard, Yale, and MIT, favored central planning on a much larger scale. The students of the 1960s were told that if the United States and other market economies wanted to keep up with the Soviet Union, they must recognize the attractiveness of government planning and emulate, perhaps with an American twist, the successes of the Soviet system.

Except for a few enclaves such as the University of Chicago, these views dominated the economics profession when I entered graduate school in 1962. Milton Friedman challenged every one of them, and over the course of the next two decades, the power of his intellectual skills and scholarly work almost single-handedly transformed the profession. His *Monetary History of the United States* (1963) with Anna Schwartz presented powerful evidence that monetary policy not only mattered, it was the major source of economic instability. The chapter on the Great Contraction illustrated that the Great Depression was primarily, if not exclusively, the result of perverse monetary policy by the Federal Reserve rather than a defect of market economies. In his 1967 presidential address to the American Economic Association, Friedman summarized the link between perverse monetary policy and instability in the following manner:

"Every major contraction in this country has been either produced by monetary disorder or greatly exacerbated by monetary disorder. Every major inflation episode has been produced by monetary expansion."

Friedman's empirical work with David Meiselman found that changes in monetary policy had a far greater impact on total demand and growth than budget deficits. In other words, their work indicated that monetary policy was more potent than fiscal policy as a source of demand stimulus.

Early on, Friedman recognized the nonsense of the Phillips Curve, the theory that inflation could be used to reduce the unemployment rate. He correctly noted that once people come to expect the inflation, the alleged trade-off between inflation and unemployment will dissipate. Further, an economy that follows inflationary policies in an effort to reduce unemployment will soon be plagued by both. The so called stagflation of the 1970s, when both inflation and unemployment were high, proved Friedman correct.

Rather than responding to every turn in the economic road, Friedman argued that monetary policy makers should focus on monetary stability. He believed that this would best be achieved if the monetary authorities were required to expand the supply of money at a low and steady rate, 3 percent annually for example. While his monetary rule never really caught on, his general principle that the monetary authorities should focus on price stability and follow policies that would keep the inflation rate at a low level is now widely adhered to by central bankers throughout the world.

History has illustrated the validity of Friedman's views on the potency of money, the absence of the inflation-unemployment trade-off, and the ineffectiveness of fiscal policy as a stabilization tool. Even his critics, albeit sometimes grudgingly, now admit that Friedman was right.

"Even his critics, albeit sometimes grudgingly, now admit that Friedman was right."

In addition to his scholarly work, Friedman co-authored with his wife Rose, *Capitalism and Freedom* (1962) and *Free to Choose* (1980). Both were immensely popular and the latter was an outgrowth of his PBS television special, which broke all audience records for a program of this type. He had an uncanny ability to connect with both the general public and the brightest in his field. He knew how to state his position with clarity, zeal, and diplomacy. He was able to disagree without being disagreeable.

At a Mount Pelerin Society meeting in 2003, Friedman was asked to identify which policy change affected by his ideas he was proudest of. Without hesitation, he cited the elimination of the military draft. Friedman certainly played a critical role in this change. In 1966 the University of Chicago hosted a four-day conference on the military draft. The conference was attended by just about everyone who had written or expressed strong views on the topic. A poll taken at the beginning of that conference found that approximately two-thirds of the participants were in favor of the draft and opposed to an all-volunteer military.

Along with several other economists, Friedman presented the case for an all volunteer military. A poll taken at the conclusion of the conference found that the attendees had flipped—two-thirds were now opposed to the draft. Several scholars believe that this conference provided the intellectual foundation for the eventual elimination of the draft.

Friedman was a superb debater, and he refused to allow others to use emotionally charged words to gain advantage. When Friedman was a member of the Presidential Commission appointed by President Nixon in 1969 to study how the draft might be eliminated, General William Westmoreland, who had been the commander of the troops in Vietnam and was Chief of Staff of the U.S. Army at the time, told the commission that he did not want to command an army of mercenaries.

Friedman stopped him and asked, "General, would you rather command an army of slaves?" General Westmoreland retorted, "I don't like to hear our draftee soldiers referred to as slaves." Friedman shot back, "I don't like to hear our patriotic volunteers referred to as mercenaries. If they are mercenaries, then I, sir, am a mercenary professor, and you, sir, are a mercenary general; we are served by mercenary physicians, we use a mercenary lawyer, and we get our meat from a mercenary butcher." That was the last the Commission heard from the General about mercenaries.

I worked with Milton Friedman on the Economic Freedom of the World project for more than a decade. I remember getting an invitation to participate in a 1989 conference focusing on how to develop a measure of economic freedom. The idea struck me as an impossible task, but the invitation was from Milton Friedman. Thus, I quickly fired back my acceptance letter.

Actually, the conference was part of a series held between 1986 and 1994, sponsored by the Fraser Institute of Vancouver, British Columbia, and organized by Michael Walker, the Institute's president. Walker recognized that Friedman's participation in the project would make it possible to recruit a number of the world's finest minds to participate. He was right. Persons revered among free-market economists—Lord Peter Bauer, Gary Becker, Douglass C. North, Armen Alchain, Arnold Harberger, Alvin Rabushka, Gordon Tullock, and Sir Alan Walters—were among the conference's participants.

This series of conferences led to a clear definition of economic freedom and eventually to an index that provides an annual measure of the consistency of institutions and policies with economic freedom for 130 countries. Milton Friedman was the godfather of this project, and it could not have been undertaken without his leadership and direction.

During those conferences, two things made a vivid impression on me. First, Milton was convinced that despite the complex and multidimensional nature of economic freedom, it could be measured. Moreover, it was important to do so. He told conference participants that social scientists at the University of Chicago often argued, "If you can't measure it, measure it anyway." His insights provided inspiration that a reasonably good measure of economic freedom could be developed.

Second, Milton was constantly reminding us that our goal was the development of a scientific instrument. To the fullest extent possible, the measure needed to be based on objective data. We did not want our subjective views to influence the rating of any country. We wanted to develop an index that others could replicate and that even those who disagreed with us would utilize as a research tool.

During a debate with Walter Heller about the presence of an inflation-unemployment trade-off and other aspects of stabilization policy in the late 1960s, Professor Heller attempted to refute Milton

Friedman's arguments by stating that he was an optimist. He responded, "I am an empiricist."

Milton Friedman has always been an empiricist and that is why he was interested in developing a measure of economic freedom. The opportunity to work with him on this project is one of my greatest blessings.

It is difficult to overestimate the impact of Milton Friedman. In recent years, several other countries have followed the U.S. lead and eliminated the draft. Monetary policy throughout the world now focuses on control of the money supply and achievement of price stability. The economies of Chile, China, India, and Eastern European countries are now considerably more free than was true two decades ago.

Marc Larr, the youthful President of Estonia, confirmed that he had read only one economics book, *Free to Choose*, when he assumed the leadership of his country. He thought that the book represented the views of all economists and used the ideas as a road map for his policy initiatives. The result: Estonia now has the fastest growing economy among the former Soviet-bloc countries. The world is more prosperous and freer because of the life of Milton Friedman. His leadership will be sorely missed.

Dr. James Gwartney is a Professor of Economics and Director of the Gus A. Stavros Center for Free Enterprise and Economic Education at Florida State University. He is a senior member of JMI's Research Advisory Council.

Worthy Words

"The right of freely examining public characters and measures, and of free communication among the people thereon . . . has ever been justly deemed the only effectual guardian of every other right."

-- JAMES MADISON
(Virginia Resolutions, 21 December 1798)

"As we look over the list of the early leaders of the republic, Washington, John Adams, Hamilton, and others, we discern that they were all men who insisted upon being themselves and who refused to truckle to the people. With each succeeding generation, the growing demand of the people that its elective officials shall not lead but merely register the popular will has steadily undermined the independence of those who derive their power from popular election."

– JAMES TRUSLOW ADAMS

"Great constitutional provisions must be administered with caution. Some play must be allowed for the joints of the machine, and it must be remembered that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts."

– JUSTICE OLIVER WENDELL HOLMES

THE INCREDIBLE SHRINKING NEWSPAPER

BY JERE MOORE

"To some of the corporations owning newspapers, the bottom line is more important than the headline (and apparently readers, too)."

JEFF PARKER, *Florida Today* editorial cartoonist complaining about layoffs of editorial cartoonists

All over America, the moneymen are ruling newspapers. While the Tribune Co. of Chicago was running a 20-percent profit margin that would have been considered excellent in many other industries, its managers were making cuts in news staffs of its star papers, the *Los Angeles Times* and *Chicago Tribune*, as well as the *Orlando Sentinel* and *South Florida Sun-Sentinel.*

The owners clearly have that right, to seek to please stockholders and Wall Street with higher profits in a time of falling circulation and advertising revenue. While it may be good for them, however, it's bad for us.

When nobody is keeping an eye on the government, for instance, bad things can happen. When newspapers have fewer staff members to let us know what government's leaders and managers are doing, the leaders and managers tend to do things contrary to the public interest.

The special protection given to news media in the First Amendment to the U.S. Constitution is there to make sure that we the people have a chance to know what is going on, not as a license for newspapers to make profits at levels that their liberal opinion columnists often condemn when those kinds of profits are earned by oil companies or pharmaceutical giants.

It is hard to work up anger over the loss of assorted editorial cartoonists, but it is a cause for concern when news staffs get stretched as thin as the U.S. Army in Iraq—so thin that reporters do not have the time or the resources to obtain and disseminate routine information such as proposed tax rates, much less what campaign donations went to the county commissioners from the recipient of a new county contract.

In early 2006, the *American Journalism Review* reported, "E*ditor & Publisher* estimated in November that newspapers shed some 2,100 jobs of all kinds during 2005, although that figure requires some asterisks. For one thing, E&P tracked only announced layoffs and buyouts at major and midsize newspapers. The tally also doesn't include new jobs, which rarely make headlines the way cutbacks do.

"That's not much when stacked up against massive layoffs in the airline or auto industries. But there was certainly no shortage of grim announcements, either. Lee Enterprises, the new owner of the *St. Louis Post-Dispatch*, said in August that it would reduce the paper's newsroom staff by about 12 percent. The Tribune Co.-owned *Los Angeles Times* ginned up cuts of about 8 percent of its newsroom roster while Hearst's *Houston Chronicle* slashed about 7 percent of its total workforce (the newsroom was spared)."

Buyouts and hiring freezes had demoralized the newsrooms at Knight Ridder's *Miami Herald*, *San Jose Mercury News*, *Philadelphia Inquirer* and *Philadelphia Daily News* even before the entire newspaper chain—once the nation's second-largest after Gannett—was sold to California-based McClatchy.

"Whatever the final layoff totals for the year," the *Review* continued, "there isn't much doubt which way the arrows have been pointing. Newsroom employment has trended down in three of the last four years. The American Society of Newspaper Editors estimated that there were 56,400 people working in the newsrooms of America's daily newspapers in 2001. In 2005, the figure was 54,100, representing a decline of 4.1 percent over four years."

"…reporters do not have the time or the resources to obtain and disseminate routine information."

With some newsroom staffs cut by as much as one-third over the past 10 years, there is no way that reporters can do the kind of coverage that gives at least some assurance that when the County Commission or City Council decides to tack on a new fee or tear down a historic building, the citizens of the community will know about it before it happens.

St. Louis Mayor Francis Stay said that city's *Post-Dispatch* had cut staff so much that the local citizens are not getting the news they need. Twenty community leaders in the Los Angeles area sent a letter to the Tribune Co. asking that cuts in the *Los Angeles Times* staff be halted. They said the community needed more, not less, coverage of civic, political, and cultural life in order to function properly.

What about the other news media? Can't they keep us informed? They could, but nearly all of the original reporting is still coming from newspapers because they are the only ones with the staff to do it.

Bloggers like to brag about their reporting, but most of their items are merely comments or criticism of what the newspapers have reported. The original reporting that bloggers do tends to be in the category of "what happened to the marred blue dress." An exception to that is the blogs done by newspaper staffs, which, besides being short-handed, now get to produce blogs and webpage content, as well as write stories for the print edition.

What about radio and television? Are you kidding? Read the morning paper and then listen to the radio and watch TV newscasts. The TV reporters at least rewrite the items so they sound a little different. A former *Miami Herald* copy editor said he would listen to radio news on the way to work in the morning and decide that he could have done a better editing job the night before on what the announcer was reading.

Even at their best, newspapers and other media often fall short of carrying out the obligation imposed by the First Amendment. There's a joke among journalists that has a bit of truth in it: that reporters spend a great deal of time separating the wheat from the chaff ... and then publish the chaff.

"If your sole source of news was the six o'clock TV news, you might think your community was engulfed in a crime wave."

Reporters sometimes do seem to lack understanding of what they are reporting because they often have little experience dealing with the issues they're covering. They are also subject to valid criticism of letting their personal opinions influence what they report and how they report it.

Moreover, on TV and radio in particular, reporters too often blur the lines between real news on the one hand and entertainment and advertising on the other. Their reporting lacks background and context as they follow what some call the CNN Rule: If it is more than eight hours old, it is no longer worth reporting.

If your sole source of news was the six o'clock TV news, you might think your community was engulfed in a crime wave. Indeed, studies have shown that TV news tends to focus disproportionate amounts of its limited time to crime and violence. (Think about that the next time you watch TV reports from Iraq.)

Conversely, TV coverage tends to give short shrift to government news unless there's a juicy scandal or a high-decibel conflict. Why? In a ratings-conscious and highly competitive business, TV news executives don't want viewers reaching for the remote whenever a story appears that doesn't apply to them.

Consider a TV market such as southeast Florida, whose three major counties include more than 100 municipalities. Devote a minute or two to a city council meeting in Tamarac or a bond issue in Homestead, and everyone who doesn't reside in Tamarac or Homestead will switch to another channel's breathless coverage of a crime scene, police chase, or missing blonde.

Despite these problems, the news media get things right often enough for us to continue to protect their freedom to function. However, their constant reductions in the size of their news staffs will make the current problems worse.

The last time newspapers cut staffs severely, the United States was in a recession. Times are good now, even for newspapers. They face problems of Internet competition and young people turning to electronic media for news, but newspapers' income and profits are high enough for them to meet their obligation of providing enough reporters for the community to get the information it needs to function.

Jere Moore covered state government as a journalist before serving as Chief Cabinet Aide during the administration of Gov. Bob Graham.

Worthy Words

"To the press alone, chequered as it is with abuses, the world is indebted for all the triumphs which have been gained by reason and humanity over error and oppression."

-- JAMES MADISON (Report on the Resolutions, 1799)

"That the greatest security of the people against the encroachments and usurpations of their superiors is to keep the Spirit of Liberty constantly awake, is an undeniable truth."

– EDMUND BURKE

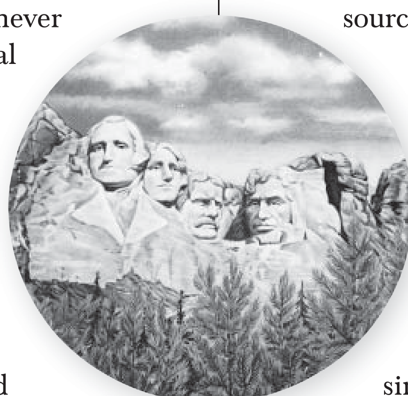
RATING OUR LEADERS

HISTORY'S VERDICTS: SOONER...OR LATER?

BY THOMAS V. DIBACCO

Editor's Note: The Washington Post *and other newspapers recently published articles in which different contemporary historians speculated on how President George W. Bush would rank among all previous Presidents. Predictably, these mostly liberal academics were quite critical. In this article historian Dr. Thomas V. DiBacco cautions against premature evaluation.*

When I was a graduate student in American history in the early 1960s, there was one caution that my professors stressed time and again: Never, but never undertake the historical analysis of any period or person until at least 20 years had elapsed. That's why, they continued, history texts published in the 1960s stopped their coverage around the beginning of World War II. Being too close to the period under evaluation, in other words, meant that a historian was unlikely to be impartial, steeped too much in the emotion of the times.



I always thought the rule was arbitrary and a lot of hooey. For one thing, the more time that had elapsed after a historical incident or era meant that there might be fewer primary sources to assist the historian.

I encountered that problem after I was asked to write a biography of businessman Arthur Vining Davis for *The Dictionary of American Biography*. By the time the requisite two decades had elapsed since his heyday, Davis was dead, as were close associates. His paper trail at Alcoa—the only firm for which he ever worked—had vanished because the grumpy old executive insisted that the company's archives be purged of his documents.

He avoided the press like the plague in his lifetime, and the result was an invisible businessman in terms of his historical environment.

I was also opposed to the 20-year rule because I did not view history as hard-and-true fact. For me, history was literature, and although it was based upon fact, (1) the researcher could never be impartial; and (2) historical facts, like statistics, could be interpreted any which way the prevailing winds of the researcher or profession dictated.

My graduate school colleagues took a much more serious view of the so-called "hard" social science, and in 1964, when I undertook writing a doctoral dissertation about the Eisenhower Administration, they were aghast—as well as dust-covered from the ancient archives in which they invariably chose to spend their final student days.

Not surprisingly for me, the historical profession decided to scotch the 20-year-yardstick by the late '60s as it increasingly agreed with the media's role in delineating the good guys and bad guys in Washington and throughout the nation. In that context, the Vietnam War transformed President Lyndon B. Johnson from the much touted Great Society leader to the bedraggled Commander-in-Chief.

Similarly, the Watergate episode during President Richard M. Nixon's Administration—a relatively modest breaking-and-entering incident in the hierarchy of crime—was ballooned into an impeachable offense. After Nixon left office, the liberal-leaning historical profession decided it was free to write definitive works without waiting for two decades to elapse. For example, rather than continuing and finishing his beautifully written, multi-volume history of the Franklin D. Roosevelt administration, Arthur M. Schlesinger, Jr. moved on to a two-volume, warmly supportive biography, *Robert Kennedy and His Times*, published in 1978. Today historians are not only eager to proffer evaluations of sitting presidents—as illustrated by the articles on George W. Bush in *The Washington Post* on December 3, 2006—but appear willing to serve as support for TV hosts' opinions that the 43rd President's Administration will rank among the worst in history.

"I have major concerns that historians who have different analyses from the dommsday view of Bush and other leaders have a forum for their expression."

As stated above, I have no beef regarding the abandonment of the 20-year rule. But I have major concerns that historians who have different analyses from the doomsday view of Bush and other leaders have a forum for their expression.

For example, when in 1990 I published an op-ed column praising Nixon on his busy and useful post-Watergate years, I got a call from another op-ed editor who had read the article and for whom I had written for many years. He informed me that my contributions were no longer welcome on his page.

On another occasion, I had a difficult time placing an article on former Florida governor and U.S. Senator Spessard L. Holland—many years after his death—because his leadership as a World War II governor and subsequent legislator occurred mostly during segregationist years, thereby lacking the liberal spirit of current times.

Virtually every historical crisis has a less critical analogy or counterpart that should be aired in the interest of fairness. One example: George W. Bush is bogged down in a frustrating situation in Iraq that may even get worse in the coming weeks and months.

Worst-case situation? Not necessarily. Fledgling democracies have not been confined to the Middle East. Even the United States witnessed the worst kind of near anarchy during the American Revolution, no matter that France provided Americans, in the words of early 20th Century historians Charles A. and Mary R. Beard, "the kind of assistance they sorely needed: strong naval forces, generous loans of gold, silver, and supplies, and a large body of French officers and soldiers well-trained in the arts of warfare. It also encouraged Americans in every way...." The problem was that wartime Americans moved away from traditional moorings. Instead of a strong central government *a la* the British monarchy and Parliament, the revolutionary government—embodied in the Articles of Confederation—saw the states hold power. Moreover, the federal government was operating through a Congress that could not tax or control interstate commerce. It shared with the states even the authority to print money.

States had the power to erect tariff barriers against other states—and they did. Some states resorted to the printing of paper money with a passion that angered merchants, some of whom refused to accept the near-worthless currency in payment of debts. Still other states provoked farmers with their conservative money policies. Massachusetts is a case in point. Dominated by eastern residents, its legislature paid little heed to the inflationary demands of western farmers, who saw the prices of their goods plummet as their markets in the West Indies dwindled as a result of Britain's refusal to permit continued trade.

As a result, 1,500 farmers under the leadership of one Daniel Shays, a former captain in the Revolutionary War, made war on the government, closing the courts of Worcester and attacking the U.S. arsenal in Springfield.

Boundary disputes were frequent and violent. "The farmers of New York and Connecticut," according to David Saville Muzzey, another early 20th Century historian, "fought over the region of Vermont like bands of Indians on the warpath, 'with all the horrors of ambuscade and arson;' Pennsylvania allowed the Indians of the Wyoming valley to scalp New Englanders as 'intruders.'"

Worse, the Confederation Congress was not only impotent in terms of dealing with these crises, but few members of the grand total of 91 regularly attended its sessions. To quote Muzzey: "Some states went unrepresented for months at a time. Only twenty members were in session to receive George Washington and to express to him the country's gratitude for his invaluable services on the most solemn occasion of his surrender of the command of the American army in December, 1783. Only twenty-three assembled the next month to ratify the peace with England."

Shay's Rebellion was put down, but a dozen of its leaders were condemned to death, although all were subsequently pardoned. In another sense, the rebellion was unnerving: Massachusetts appealed to the Confederation Congress for help during the crisis, but the latter had no authority to act.

George Washington, known for his cool disposition under fire, said of the matter, "What gracious God, is man that there should be such inconsistency and perfidiousness in his conduct? We are fast verging to anarchy...." To be sure, a few noted Americans—including James Madison—led the drive to reform their national government, beginning with a meeting in Annapolis in late 1786 inviting representatives from all the states. But even that effort brought forth only 12 attendees from five states. It took another meeting the following year before the Constitutional Convention became a reality.

Even then, the challenge was enormous because the mindset of reformers was at odds with the majority of Americans. "Widespread was the conviction," concluded the Beards, "that full autonomy in towns, counties, and states was the truest basis for the life, liberty, and pursuit of happiness in the Declaration of Independence. To Americans who had such views nothing seemed more reasonable than the belief that 'centralization' was to be dreaded and that the rights of states were to be cherished and preserved."

Thomas V. DiBacco, Professor Emeritus at American University in Washington, D.C., is the author of four books and more than 2,000 scholarly and newspaper articles. He is a member of JMI's Research Advisory Council.

Worthy Words

"Those who won our independence believed that the final end of the State was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness, and courage to be the secret of liberty."

– JUSTICE LOUIS BRANDEIS

BOOK REVIEW

LAND OF SUNSHINE, STATE OF DREAMS

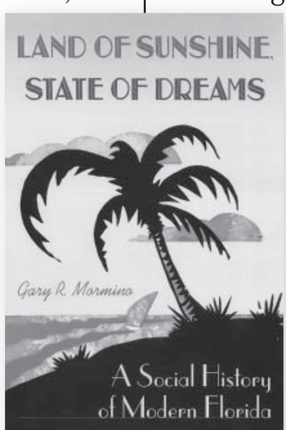
A SOCIAL HISTORY OF MODERN FLORIDA

By Gary R. Mormino

© 2006; University Press of Florida; 484 pages

REVIEWED BY J. STANLEY MARSHALL

Gary Mormino's book on Florida, *Land of Sunshine, State of Dreams*, is, in a word, masterful. He has, in my opinion, written a uniquely and distinctly superior account of "A Social History of Modern Florida," as the author—a University of South Florida history professor—says in the book's subtitle.



To me, however, this book goes well beyond social history. It satisfies my curiosity about people and places and events—yes, and myths and dreams and scandals—as no other book on Florida history has done for me.

Here's a test for Floridians who are interested in—and maybe fascinated by—the history of our state. See if you're as knowledgeable as you'd like to be about the following:

Regarding the transformation of Jacksonville from the Florida city that faced more troubling crises than any other to one with a revitalized downtown, new civic and cultural buildings, and a consolidated city-county government, plus a new, modern stadium and a prestigious medical center: How did all this come about in the short space of less than 30 years, and what part in the transformation was played by the consolidation vote?

It was pivotal, Mormino writes, made possible by a nearly two-to-one vote of the people. Other cities and counties have considered consolidation, but none has done it. Are there lessons to be learned from Jacksonville-Duval County?

The author relates "an alarming tale of sprawl's transforming powers." New roads—the interstates in particular—made it possible, and attractive, for homeowners to partake of the luxuries of suburban life and for the stores and other businesses to abandon the downtown areas. Ambitious, creative, hard-driving developers such as Arthur Vining Davis, Henry Flagler, John D. MacArthur, the Mackle brothers, Walt Disney, Dick Pope, and many others brought to life dozens of new communities—"edge cities," they were called—just outside all of the larger cities.

But then in the 1980s and 1990s, urban centers came back to life, spurred on by downtown improvement authorities, public funds, and often private enterprise. Among several such developments, Delray Beach provides "a model case study of urban demise and renaissance." It's an interesting account, and so is the revitalization of downtown Orlando, with its "stainless-steel and glass-paneled skyscrapers" and a wave of downtown condominiums.

Florida had three great land booms. The first was around 1770, when Loyalist British families fled the northeastern cities and settled around St. Augustine. The second was from 1920 to 1925, when Florida was seen as "a place of speed, glamour, fashion and celebrities." The third rode on breathtaking shifts in technology and an emerging group of senior citizens and other retirees, along with coast-to-coast expressways. The nation's media fell in love with the Sunshine State in the 1950s and 1960s, the author reports, and a new Florida land rush was on.

"The nation's media fell in love with the Sunshine State in the 1950s and 1960s, the author reports, and a new Florida land rush was on."

Mormino writes: "Miami's raw energy dazzles and confounds. Miami, more than any other city in Florida, intrigues and repulses outsiders. Most Floridians insist they would never, under any circumstances, live in Miami. Most of the rest of the world, however, would risk life and limb to live in Miami."

Gary Mormino's book tells me much more about the contrast between Miami as "one of the world's most important cities" and Orlando, "Florida's most influential city." If Orlando were a nation-state, its economy in the year 2000 would have placed it eighty-sixth in the world, just behind Puerto Rico. The population of Metro Orlando in 1950, including the four adjacent counties, was 185,000. By the 2000 Census, the Orlando area had surpassed 1.6 million. A former Orlando mayor said he had spent 30 years of his life luring people to Orlando, but he then retired and moved to North Carolina.

The economic trauma that came with the end of World War II was felt in many areas of the state. Military base closings seemed to be everywhere as Florida's 175 military installations were up for review. The site of one was converted to a tuberculosis hospital, another to a mental hospital and prison, still another to a community college, and another to Miami's Metrozoo.

Tallahassee's former Dale Mabry Army Air Field housed the first males to attend the Florida State College for Women. Panama City and much of West Florida, where military bases dotted the landscape, keenly felt the effects of the post World War II demobilization.

The demise of Eastern Airlines and Pan American, Mormino says, is "the story of good intentions gone wrong, financial mismanagement, labor strife, and greed." To readers who are old enough to recall the death of those two great airlines, it's a sad, sad story. And the economic, cultural, and public relations damage to Florida is incalculable. Mormino's account of their birth and growth and their demise is arresting.

And there's more, much more, that makes it hard to lay the book down. The interesting and useful information it contains compels the reader, but so does the writing style of the author.

Mormino is a gifted writer who knows how to tell a story. His deft use of the language shows up in every chapter: "Florida has always straddled the line between respectability and scandal, between honest toil and an easy buck, between strict adherence to the Protestant work ethic and games of luck and chance"; or, "at the most remote crossroads and isolated archipelagos, the automobile had conquered Florida."

Raymond Aresenault, co-editor of the Florida History and Culture series published by the University Press of Florida, calls *Land of Sunshine, State of Dreams* a major milestone in the historiography of modern Florida—destined to be a classic, the culmination of more than 20 years of research and inquiry.

To this Floridian with a deep interest in the history of our state, Gary Mormino, in my opinion, has made a momentous and lasting contribution. I'm certain other readers will find his book equally enlightening and rewarding.

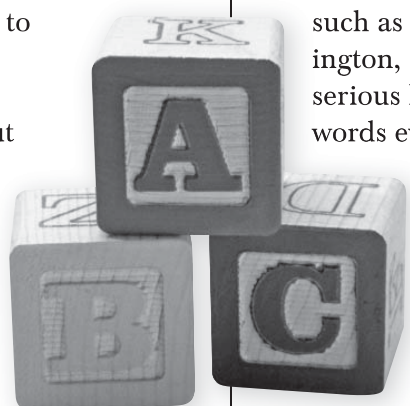
Reviewer J. Stanley Marshall founded The James Madison Institute in 1987 and currently serves as Vice Chairman of its Board of Directors. His book The Tumultuous Sixties: Campus Unrest and Student Life at a Southern University*–an account of his time as President of Florida State University–was reviewed by historian John Earl Haynes in the Summer 2006 issue of* The Journal.

A PRESIDENTIAL SPELLING BE[E]

BY THOMAS V. DiBACCO

If there's one hallmark of the writings of early Americans, including James Madison, it is that their writings are replete with misspellings. For that reason, scholars editing the works of the Founding Fathers are careful to point out whether the original spellings in their works have been retained or whether they've been changed to their correct forms.

Of course, notable Americans throughout history have tried to make the English language more palatable to spellers of all ages. And none was more forceful in his reform efforts than President Theodore Roosevelt, upset, in particular, about the unsounded or confusing vowels and consonants in the English language.



A reformer who took on the railroads, big corporations, and, as a conservationist, even the emerging Christmas tree, TR hopped on a longstanding movement that began with the American Revolution, notably with Noah Webster, who was appalled by the unnecessary and perplexing letters that made spelling a nightmare for children and adults alike.

To be sure, early Americans such as Madison, George Washington, and John Adams, as serious historians know, spelled words every which way they pleased—and their words still became legendary. But as the 19th Century unfolded and the quest for literacy became democratized with the spread of public education, American orthography became a hotly debated educational matter.

Of course, TR's motivation, as well as that of another supporter, businessman Andrew Carnegie, was multifaceted. Both men were poorly educated as youngsters, yet longed as adults to become educational pacesetters; they looked at spelling reform as efficient and cost-cutting, meaning that the size of newspapers, magazines, and books could be reduced, as could class time devoted to spelling. They also hoped that English and French spellings of common words that added more letters than were necessary would give way to a distinctly American imprint.

After Carnegie in 1906 put his money into what came to be known as the Simplified Spelling Board, Roosevelt issued an executive order on August 27, 1906, directing that all publications of the executive branch of the federal government adhere to the Board's new spellings for 300 words delineated in his order.

It really wasn't a big deal, for most of the words were already in use, though perhaps not in scholarly works. The list of simplified words included spellings such as "arbor," "ardor," and "clamor," (all without the *our* ending) and "judgment" and "acknowledgment" (without the extra *e* after the *g*).

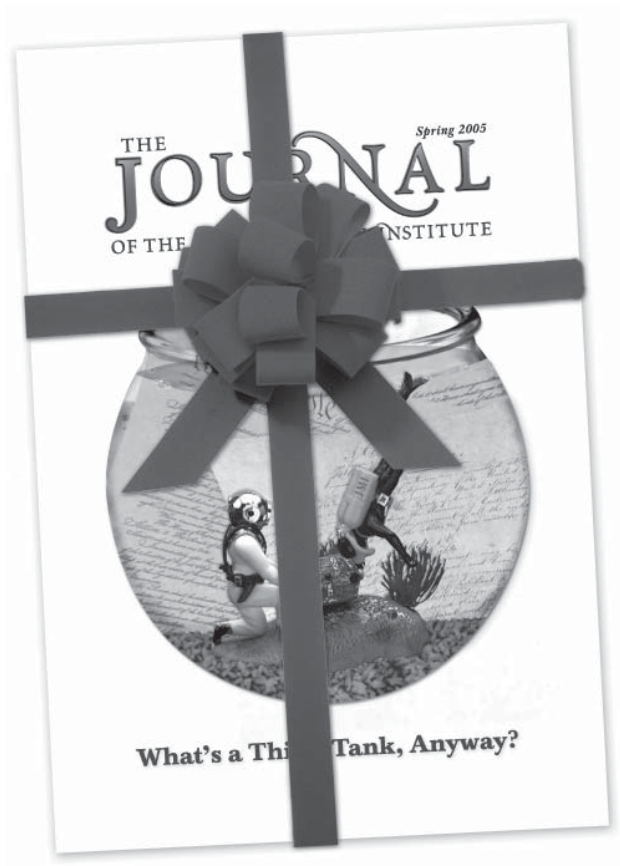
What set off a literal firestorm was TR's capitulation to phonetics: "blessed" became "blest," "dripped" would be "dript, "mixed" was "mixt," not to be confused with "mist," aka "missed." Double *r*'s at the end of a word were gone ("pur" instead of "purr"). The combined letters *oe* as in "subpoena" became an *e*; "though" was reduced to "tho," as was "through" to "thru." Even "whiskey" got watered down: just "whisky."

Not surprisingly, in his executive order, TR walked on both sides of the political street, arguing that the "ablest and most practical educators" were in favor of the scheme as well as the "popular forces which are endeavoring to make our spelling a little less foolish and fantastic." And, on December 3, 1906, Roosevelt used the new spelling in his annual message to Congress. I'm serious.

Although the President had his defenders, there weren't many. Newspapers across the country made fun of him, as, for example, the *Louisville Courier-Journal*: "Nuthing escapes Mr. Rucevelt. No subject is tu hi fr him to takl, nor tu lo for him tu notis. He makes tretis without the consent of the Senit. He inforces such laws as meet his approval, and fales to se those that do not soot him. He now assales the English langgwidg, constitutes himself as a sort of French Academy, and will reform the spelling in a way tu soot himself."

The Supreme Court ignored the new spelling, although the House of Representatives thought it had to do something more. A sense-of-the-House resolution was agreed to—without dissent—urging that all government documents "should observe and adhere to the standard of orthography prescribed in generally accepted dictionaries of the English language." TR immediately withdrew his executive order, forced, perhaps for the first time, to eat a little bit—excuse me—of "cro."

Historian and Professor Emeritus Thomas V. DiBacco resides in Palm Beach.



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