

January 2005

NOTES from FEE

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The Greatest Mistake in American History: Letting Government Educate Our Children

Harry Browne

The following is abridged from a speech delivered at "Evenings at FEE" in December 2004.

This is a special evening for me. FEE's founder, Leonard E. Read, had a major influence on my life. He was the one person who actually made me understand how to think and approach others about liberty. To me FEE is hallowed ground, and I am so very happy to be here and to see such a large audience.

To appreciate the miracle of the market it is important sometimes to stand back and glimpse all the wonders of it. Just go into an ordinary supermarket and look at all those meats and vegetables, fruits and milk, candies and snacks, and everything else. Low-calorie foods, kosher foods, ethnic foods, microwaveable foods—there is so much to choose from. But the choices don't stop there. If you want ice cream, there's Edy's, Breyers, Häagen Dazs, Ben & Jerry's, and a dozen others.

And it really doesn't matter what the person next to you wants: he is free to get the Breyers ice cream, while you might prefer the Edy's. You don't have to vote on it, you don't have to pressure anybody. You simply come in and choose from the cornucopia of all these things that are available at prices that are affordable to you. We often take this for granted because it has been with us all of our lives.

Unfortunately, compulsion, not choice, rules schooling, the most important area of our lives. The supermarket is organized around voluntary relation-

ships. People who shop at a particular store have voluntarily decided to do so. If dissatisfied, they are free to choose from many other supermarkets. But when it comes to our children's education, there is no choice.

Facing the Truth about Public Education

From beginning to end, public education is organized on the concept of compulsion. By means of the property tax, sales tax and state income tax people are forced to pay for schooling whether they have children or not, whether they agree with what the schools are doing or not. The illusion of having influence through elections, PTA meetings, parent nights, or other legal avenues doesn't change the truth: we are forced to send our children to particular schools where they are educated and indoctrinated in a particular way. What's more, the price that American taxpayers have to pay for government schooling has skyrocketed. Twenty-five years ago, the cost of public education per student per year was roughly \$2,000. Today it is over \$8,000.

Let's imagine a computer industry funded, organized and managed like public education. Every year computers would get more and more expensive and less and less functional. By now a PC would probably cost a million dollars! It would be as big as this lecture room and basically capable of adding and subtracting. Of course some government expert could "prove" to you that with current limited funding it is scientifically impossible for such a complex system to divide, multiply or do word processing: "What, are you crazy? I'm a scientist and you're trying to tell me this computer ought to be able to do these things?" But be assured it would always come with irremovable software teaching your ten-year-old how to practice "safe sex."

Trusting the Market

Is it realistic to think that we could have a better schooling system if we got government completely out of it and trusted the market? What if schools were organized like the computer industry? In 1980 I had to scrape together thousands of dollars for my first



Harry Browne at FEE

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computer system. It was about one percent as efficient as the PC I bought last year for \$1,500. The same would happen in education if the creative power of the market were set free. Costs would decrease and prices would go down year after year as schools become more efficient under the pressure of competition. To meet demands for innovation schools would have to find ways to teach more in fewer hours and make learning enjoyable, stimulating and user-friendly.

Every summer the parents would be thinking: “What school are we going to choose for our children this year? You know, I like the school we sent them to last year, but there are so many bargains on the market and so many choices. There are those expensive schools that brag about how many students of theirs get into college. There are schools that emphasize sports, or music, or something else. And for those who can’t afford very much, there are these super-discount chains, where you can get a basic education for just \$1,200 a year. And they let you pay in installments of a hundred dollars a month!” Indeed the private sector would provide all these different choices of price, taste and curriculum.

I doubt that we will achieve school choice through the proposed taxpayer-funded voucher system. If vouchers are funded by taxpayer money, how different will this turn out to be from any other government program? Remember what happened at the Virginia Military Institute and the Citadel when the government forced them to admit women. They are both private institutions, but by accepting so many students who receive government grants and loans, they are required to follow government rules. All of that money will be withdrawn if they refuse to dance to the government’s tune.

“As long as there is one upright man, as long as there is one compassionate woman, the contagion may spread, and the scene is not desolate.”

—E. B. White

Once private schools become dependent on government money in their budgets, they too will have to follow government rules and regulations. Eventually they may become exactly like public schools. Then there will be no reason for parents to pay extra for a private school just to get the same education that their children would find in a government school. As a consequence many parents might pull their children out of private schools, and the competitive private schools could gradually disappear. This has already happened in health care, in research funding, and in all areas where

the government has gotten people on the “dole” and now “helps” them by regulating their lives and businesses.

Why can’t we just improve government programs? The answer is simple: force never works. Not only is coercion morally wrong, unjust and unfair; it is also inefficient. Any businessman knows that success can only be achieved by giving people what they want, not by trying to intimidate them. In other words it is impossible to reform the government schools. And the problem is not the teachers, or the administrators, or even the bureaucrats. The problem is the system. It simply doesn’t work. Some of us are old enough to remember how efficient and affordable the private health-care system was before Medicare and Medicaid, when doctors made house calls and health insurance cost around \$15 a month.

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Charity, Not Coercion

Of course, there are legitimate questions that have to be addressed. What about the poor? What about inner-city children? How will they be educated?

First, consider the history of education in America. Public schooling as a system emerged only in the middle of the 19th century. And yet, according to writer and education researcher John Taylor Gatto, the literacy rate in America was far greater in the early 1800s than it is now. Many parents taught themselves and then “homeschooled” their children. They had no television, no radio, no computers, or any other modern way to learn about the world. People did whatever was necessary for their children, and I am confident they would do so in the future. Fortunately, today, it would be far easier for them.

Second, the market cost of schooling all the children in United States could not, by any measure, exceed \$150 billion. Yet over \$400 billion are poured into government schools every year. Give this money back to the taxpayers, and you will see a surplus of around \$250 billion that other taxpayers will get as a rebate when the taxes are repealed. This is over and above the money that they will be spending on their own children. Marshall Fritz, director of the Separation of School and State Alliance, has estimated that it would require around \$20 billion to provide full or partial scholarships to educate every poor child in America.

Third, even under the tax burden of today, Americans continue to contribute a greater share of their income to

charitable causes than anybody else. Look what happened after 9/11—all the money that was donated to help the families of the people who died in that tragedy. Look at hundreds of thousands of churches in America that do not get a single dollar from any government whatsoever.

We already have in this country a great number of organizations that provide private scholarships to poor children with no strings attached. But even if there were strings attached, parents would have a choice of what strings they would be willing to accept. Lower taxes will encourage individuals, churches and private foundations to support more children in many different ways.

Looking to the Future

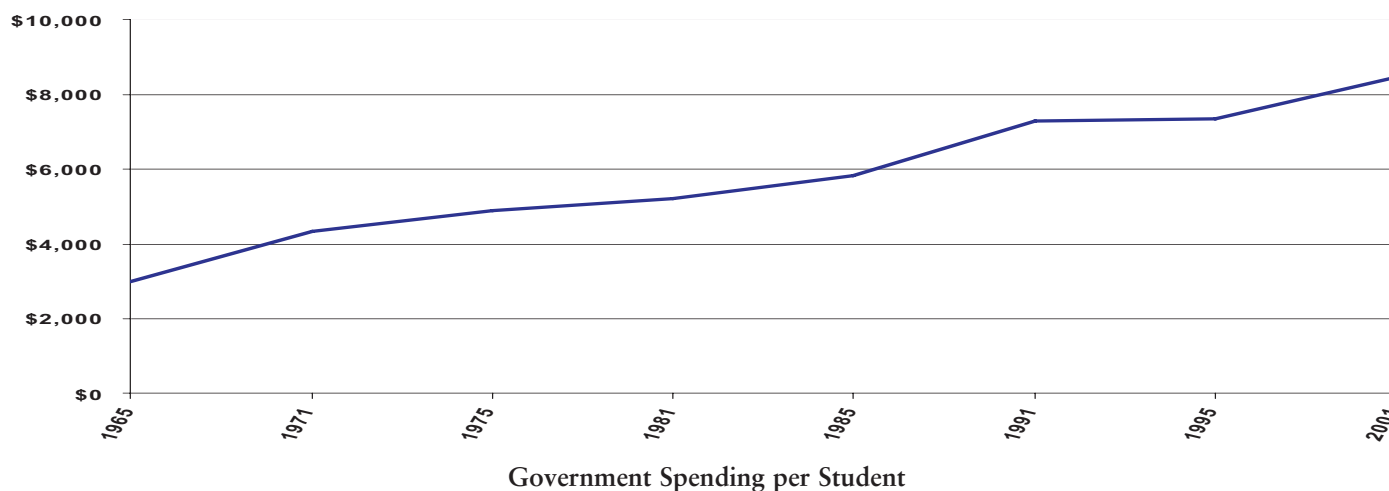
How likely is education to be privatized? I am optimistic. Most people already intuitively recognize that government programs don't work, and they don't seem surprised when this or that government plan fails or when some politician is caught lying.

And yet many still think that somehow the next project will work or that the program that they depend

on is a really good one, even though taxpayers pay two dollars for every dollar the program "provides." We need to learn to convey to families how much better educated and more capable of facing the world their children would be, if we could get the government out of the schooling business.

It is true that people cannot jump from zero to sixty overnight. That isn't the way our minds work. But we never know whose mind we open, whom we move, encourage, and inspire. The person who takes to heart your message about the blessings of liberty may be somebody far more influential than you or I. Somebody far wealthier, somebody more articulate, somebody more powerful, or somebody who is able to do things that you or I cannot do.

What is the future of liberty in America? E.B. White, the author of *Charlotte's Web*, *Stuart Little*, and other children's books, once wrote, "As long as there is one upright man, as long as there is one compassionate woman, the contagion may spread, and the scene is not desolate." You are such people. As long as you and I are dedicated to liberty, the contagion will spread and the future is never hopeless.



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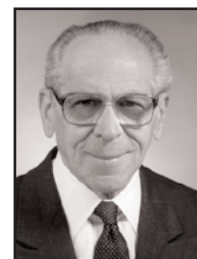
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THE FREEMAN A NEW LOOK FOR A NEW YEAR

THOMAS COLLECTIVIST

Our flagship publication, *The Freeman: Ideas on Liberty*, sports a brand-new look, beginning with the January-February 2005 issue.

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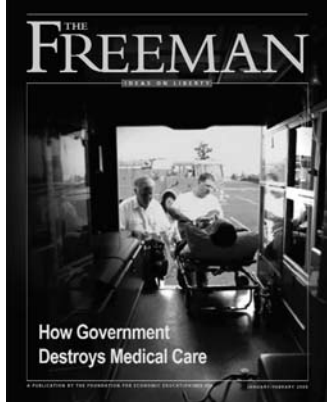
Government, Fiscal Responsibility and Freec Banking

BY RICHARD W. EDELING

There has been no greater threat to the liberty and property of the free man than the power of the state. Even the most noble and best of governments have been able to abuse their power. The power of the state is not limited by the fact that it is a power. The power of the state is not limited by the fact that it is a power. The power of the state is not limited by the fact that it is a power.

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Under the fiat money standard, the supply of money substitutes is subject to increase and decrease to reflect any changes in the quantity of fiat money in a nation's banking system.



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