

## Commentary: There's much for an economist to applaud in 'liberal' Indiana

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In May 1988, Professor James McGill Buchanan, the 1986 recipient of the Nobel Prize in Economics, told the graduating class at Ball State University that he “had never been attracted to the romantic nonsense that government or politicians know what is best . . .”

He encouraged the students to “nurture a skepticism uniquely Midwestern in its origins that questions the authority of politicians, governments and institutions.”

Although Dr. Buchanan cautioned against a skepticism that rejected authority because it was authority, he urged the audience to embrace a wisdom that combined “radicalism and conservatism.”

Buchanan is today an active and vigorous 92 years old. As with any great scholar his thinking plants seeds that bear fruit later on. Although it has taken me 24 years to articulate it, let me list four things classical liberals (aka libertarians) love about Indiana.

1. It's OK to make a fortune in Indiana: such folks are respected and admired. Especially those who made community contributions. In addition to providing employment to Hoosiers, the Ball's of Muncie, the Goodrich's of Winchester and Indianapolis, the Miller's of Columbus, the Hulman's of Terre Haute, the Lilly's of Indianapolis, among others, have founded or contributed to parks, foundations, schools, hospitals in their hometowns and throughout the state.

2. Such civic engagement is shared by wide swaths of the Indiana population.

When confronted with a local problem, a human need, a potential community embellishment or a cultural opportunity, Hoosiers of all stripes don't look to the government as the first and natural source of support. Rather, they organize their friends and neighbors to solve the problems and make the improvements.

From Sunday school classes serving food at a homeless shelter to civic clubs maintaining a local park, Hoosiers are a model of De Tocqueville' dictum that “the health of a democratic society may be measured by the quality of functions performed by private citizens.”

A corollary of this is a suspicion of playing the federal-aid game. An August 1940 story in Life magazine on Elwood, Indiana, the hometown of that year's Republican presidential candidate, made a number of unflattering comments about the community. It also attributed the construction of the local public swimming pool in Calloway Park to Franklin Roosevelt's Work Progress Commission (WPA). An Elwood resident's letter to the editor corrected this by pointing out the city paid for the pool's construction before Roosevelt was in office.

3. Hoosiers insist upon a capable but frugal government. The first instinct when government budgets are out of balance is to look for ways to cut spending not raise taxes. Hoosiers are suspicious of tax and spend schemes—and this is bipartisan

In my local community individual United Auto Worker Democrats have been the most persistent fiscal hawks. Republican Gov. Mitch Daniels quite rightly claims he balanced the budget with the help of Democrats in the legislature; but also recall Democratic Gov. Evan Bayh received an “A” rating for fiscal prudence from libertarian Cato Institute in 1992.

4. Finally the Indianapolis 500 — here is a public spectacle that includes over 300,000 plus people from all age groups and classes.

It is a local economic development-tourism office dream of an event that generates a large economic impact, yet to the best of this author’s knowledge does not receive any direct fiscal support from the city or the state. Yes, the local government plays an important role but its role is to facilitate the event (traffic control, police services) not manage or direct it.

And I bet this is part of what Professor Buchanan admires about we Hoosiers: We are skeptical but not cynical about the role of government.

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