

Private Enterprise, Productivity and Prosperity: James C. Miller III and The Spirit Of Solomon Huebner

From *The Frank M. Engle Lecture, 1994*

The American College is pleased to present the 1994 Frank M. Engle Lecture in Economic Security, the seventeenth in a series endowed by Frank M. Engle of Tulsa, Oklahoma. This annual lecture series is designed to stimulate the study of economic security and economic life in the United States, with particular emphasis on the social and economic impact of public policy and private economic activity. Those of you who have attended or read past Engle Lectures know they have



been delivered by very notable scholars, commentators and policymakers. This year's Engle Lecturer is equally distin-

guished.

Our 1994 Frank M. Engle Lecturer is Dr. James C. Miller III, Distinguished Fellow of the Center for Study of Public Choice at George Mason University in Fairfax, Virginia. Dr. Miller grew up in Georgia and received his bachelor's degree from the University of Georgia. He earned his doctorate in economics at the University of Virginia. Dr. Miller is the author of numerous scholarly articles and author, editor, or coeditor of eight books, including *The Economist As Reformer and Benefit-Cost Analyses of Social Regulation*. His eighth book, entitled *Fix the U.S. Budget! Urgings of an Abominable No-Man*, was just published by The Hoover Institution.

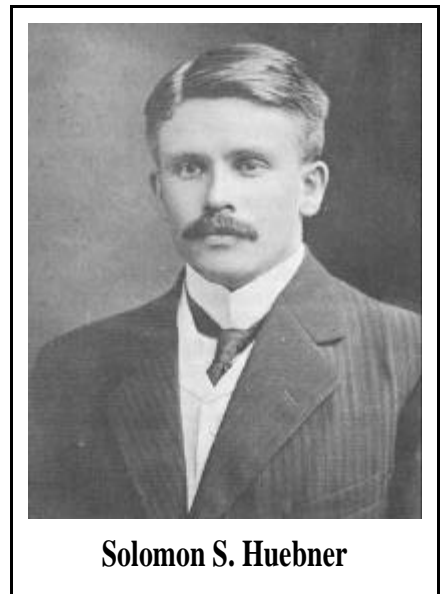
Dr. Miller was Chairman of the Federal Trade Commission from 1981 to 1985, and Executive Director of the Presidential Task Force on Regulatory Relief, chaired by Vice President George Bush. He served as director of the Office of Management and Budget and as a member of President Ronald Reagan's Cabinet for three years. In 1989 he became Counselor and Chairman of Citizens for a Sound Economy.

I believe Jim Miller is an excellent choice to deliver the Engle Lecture in Economic Security because he subscribes to many of the economic principles articulated and practiced by Dr. Solomon S.



By

Michael D. White is Managing Director of Financial Institutions Insurance Association and President of Michael White Associates, Bank Insurance Consultants, Radnor, PA. MWA@BankInsurance.Com



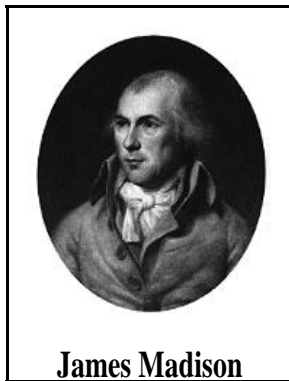
Huebner, the founder of The American College. I'd like to tell you a little bit about Dr. Huebner and Dr. Miller so you can see the parallels yourselves.

As an economist, Dr. Huebner maintained that "prosperity rests upon production." He was "violently opposed to [Franklin] Roosevelt's economics" and probably considered it his misfortune that their birthdays were only 35 days apart. Although a contemporary of Roosevelt, Dr. Huebner went his own way when it came to principles of economic security.

Dr. Huebner placed "productivity" at the center of his economic philosophy, brought economics to the field of life in-

insurance and changed the life insurance industry with his concept of “human life value.” Simply put, a human life’s economic value is tied to productivity and derives from an individual’s talents and his will and ability to put those talents to productive use. Just as property values can be appraised, capitalized and protected against risk of loss, so can human life values.

Because an individual has the ability to create economic wealth and because his life has value in relation to other lives, Dr. Huebner argued that the individual has a “sacred duty” to provide for his dependents in the event of his death or incapacitation.



James Madison

Dr. Huebner did not believe it was the business of government to provide economic security.

Individual initiative and private insurance were his answer. The voluntary purchase of insurance protects dependents and relieves society of the burden of providing social welfare to those otherwise made destitute by the loss of a valuable, productive human life.

Dr. Huebner “vigorously urged individual self-reliance in financial matters.” He lauded private enterprise and argued that “too extensive government security systems weaken individual initiative and are a potential threat to the nation’s economic health.”

Dr. Huebner related what he learned

to practical matters and the problems of people. His goal was to set out facts simply so they could be understood and made useful. He believed that when people have the facts, they make sense of them and act wisely. As his biographer, Mildred Stone wrote, “He [sought] not to impose his judgement on others but to present facts and open [people’s] eyes to truth so that they could voluntarily make sound judgements.” He trumpeted free inquiry and independent thinking. Dr. Huebner was a reformer, as Stone called him, *The Teacher Who Changed An Industry*.

The economic value of the individual, personal responsibility, economic freedom and limited government are the underpinnings of the life insurance industry as defined by Solomon Huebner. These concepts also define the economic philosophy that Jim Miller holds.

Like Solomon Huebner, Jim Miller is *The Economist As Reformer*, bringing economics to government regulation. Jim took control of the nation’s second oldest independent regulatory agency, the FTC, an agency that had “expanded its regulatory powers” to such an extent that even the *Washington Post* called it the “national nanny.”

Jim worked to reestablish the original purpose of the FTC as “an advocate of free competition.” He knew that President Woodrow Wilson had “cherished the competitive system with its individual values and [had] feared the powerful state.” Jim was determined to follow Wilson’s “vision that the Commission would...remedy market failures that restrained competition and damaged consumers; but it would not engage in comprehensive oversight of business activi-

ties.”

Like Dr. Huebner, Jim Miller defends the relationship among private property, competition, economic growth and individual liberty. Said Dr. Miller in 1989,

Nothing is wrong [with America] that a great entrepreneurial spirit—a reliance on individual initiative—cannot cure.... This country was founded on the principle of individual liberty, and liberty remains at the heart of our political morality. I regard unjustified government control as unfair.... As an economist...I have learned to be skeptical of claims on behalf of government control. Government can rarely improve on the free market in equity or efficiency.

Just as Solomon Huebner was a practical educator/economist who prized facts and a free exchange of ideas in an effort to know the truth, Jim Miller has maintained: “We must always be prepared to change our approach when faced with superior reasoning or contrary evidence. But,” he has cautioned, “we must also be prepared to oppose unfounded changes that would deprive us of the unsurpassed freedom and prosperity that this country has achieved....”

We would all do well to keep in mind that the ultimate source of economic security is founded on the historic American principle of liberty. Individual economic freedom, not government-controlled security programs, holds the only hope of improved economic circumstances and security. Economic liberty allows for greater productivity and offers the potential to produce greater prosperity for all. What opportunity there may be for economic security will only be found



James C. Miller III

among a free people—free, as Madison said, in their property, free in their opinions and the communication of those opinions, free in the use of their faculties and the “choice of the objects on which to employ them.” “In a word,” wrote the Father of the Constitution, “as a man is said to have a right to his property, he may be equally said to have a property in his rights.”

Economic security is only a potential, and it can only be derived from liberty. Where economic security becomes the people’s primal, driving urge, such that they will demand it or accept it from the hand of government, the people will neither be free, nor secure. Of all the parallels between Solomon Huebner and Jim Miller I could draw for you, it is their common belief in individual liberty, self-

reliance and limitations on government intrusion into both realms that is the most significant...and the most solemn.

Dr. Miller addresses “Questions About Income Redistribution During the 1980s.” Like Dr. Huebner, Jim Miller presents the facts to us so we can voluntarily make sound judgments.

© The American College, Bryn Mawr, PA 19010

This essay appeared under the title “The Economist as Reformer: The Spirit of Solomon Huebner” in *The Frank M. Engle Lecture 1994, Questions about Income Redistribution during the 1980s*, a lecture delivered by James C. Miller III at The American College on April 18, 1994.