



Rae C. Heiple

# Aunt Elsie's Recipe

If the term "growing old gracefully" ever applied to any particular individual, it sure fits my Aunt Elsie. At 90 she needs a magnifying glass to read the paper, but read the paper she does, as well as live alone and keep house, braid room-size rugs, make needlepoint pictures, refinish furniture, and baby-sit great-grandchildren. She goes to church, takes care in her appearance and always maintains a cheerful disposition. Ask her for a recipe of life and she would tell you to "take pride in your work and let other people be, so they can do the same."

And you know this recipe has more than individual application. It is really the answer also to the eco-

nomic and political problems that beset the nation and the world. It is the simple solution to the current conflict in the economics profession between micro-economics and macro-economics.

Macro-economics is the economic theory which looks to the statistics of a nation's total economic activity (gross national product, etc.) and holds that policy change designed to alter these total statistical aggregates is the way to determine economic policy and promote economic progress. Micro-economics, in contrast, is the economic theory which says the statistics of total economic activity are valueless as far as providing clues to policy decisions. Micro-economics holds that the individual person and the way his individual activity is influenced

This article is from the 1979 Annual Report of the Abingdon (Illinois) Bank and Trust Company of which Mr. Heiple is President.

by governmental policy is the explanation to economic progress or the lack of economic progress.

Economists, like doctors, tend to make simple things sound difficult. It may be that "a transverse fracture of the ulna" is medically precise but a simple "broken arm" is often a superior explanation. The conflict between micro vs. macro can also be simplified. The macro believers would have government plan the economy and they would force the individual citizen through regulation and taxation to spend his money and time in ways the planners think desirable, even though the individual would not make the same choice if left to his own desire. Individuals like Karl Marx, Nikolai Lenin, John Maynard Keynes, Kenneth Galbraith and Walter Heller are individuals who could be described as macro-economists.

On the other hand individuals such as Adam Smith, Ludwig von Mises, Friedrich Hayek, and my Aunt Elsie are micro-economists. They believe that each individual person is able to make his own decisions better than some bureaucrat. They believe that each individual, if faced with the choice of working or

going hungry, will work, and that no individual as a matter of right has a claim to another person's property. This does not mean charity is precluded. It does mean that giving to another is voluntary and not compulsory. They believe that people, if left alone unhindered by regulation and excessive taxation, will produce more, consume more, save more, and in so doing create a better nation and society for everyone.

My Aunt Elsie, without ever having gone to college or read an economics book, knows human nature, the way life really is, and more about economics than Galbraith, Heller, and Keynes put together. She knows instinctively that inflation, unemployment, excessive taxation, oppressive welfare, shoddy merchandise, a shortage of competent help, and a general feeling of dissatisfaction are all the results of macro-economic policy of regulation and taxation. How much better it would be if our national policy was to let people alone to take care of themselves. The progress, prosperity, and well-being that would flow from this philosophy would stagger the imagination of the supreme optimist. ☉

### J. Ollie Edmunds

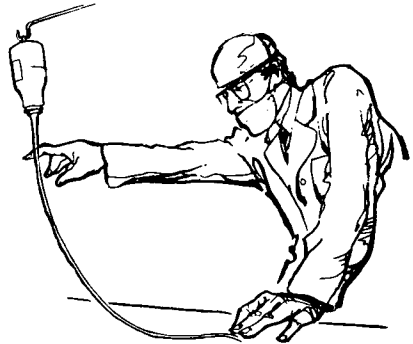
IDEAS ON



LIBERTY

THE time has come for us to re-establish the rights for which we stand—to reassert our inalienable rights to human dignity, self-respect, self-reliance—to be again the kind of people who once made America great.

# Free Enterprise and Health Care



ANY discussion of free enterprise or of the free market requires a clear definition of these terms. Free refers to freedom of choice, not freedom from cost or responsibility. Free refers to freedom from regulation and restriction, other than those laws necessary to protect individuals from force and fraud. The free market implies the willful exchange of goods or services, either directly or through the intermediate utilization of a stable measure of value, such as money.

This country's economy was originally based upon such a system, and prospered in direct proportion to the

extent of adherence to the principles involved. From the very beginning, there were those who realized the advantages to individuals or pressure groups of selected interference with the process which would benefit some, at the expense of others. The miracle of market exchange and pricing is that it tends to bring supply and demand toward a balance. The steadily increasing intervention of government into the process has deprived the free market of the pricing mechanism indispensable to its success. It is the ultimate irony for those responsible for our current dilemma to justify further intervention by claiming that the free market does not work, when in reality it is government which created and continues to intensify the problems.

Inflation, once it is understood, illustrates most clearly how gov-

**Frank J. Primich, M.D., is Assistant Director of Obstetrics and Gynecology at Riverside General Hospital in Secaucus, New Jersey. This article is drawn from a lecture in a course on "Understanding American Business" offered to secondary and elementary school teachers through the Foundation for Free Enterprise of Hackensack, New Jersey.**