



CENTER FOR THE AMERICAN UNIVERSITY
AT THE MANHATTAN INSTITUTE

CAPITALISM ON CAMPUS: What Are Students Learning? What Should They Know?



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The University Club
1 West 54th Street, New York City



The Marilyn G. Fedak

CAPITALISM PROJECT

AT THE
MANHATTAN INSTITUTE'S
Center for the American University



EXECUTIVE SUMMARY

The 2008 financial crisis prompted widespread debate about its causes, as well as the strengths and values of the free enterprise system. Research seemed to suggest that college and university students were not being prepared to participate intelligently in the debate—as a survey conducted by the Intercollegiate Studies Institute found that only about half of all college graduates could correctly define free enterprise as a system in which individual citizens create, exchange, and control goods and services (in fact, 13 percent believed it was a system in which demand and supply are decided through majority vote).¹ Fewer yet were able to articulate the reasons that such a system might be just or moral, as a recent survey of economics majors found that only 21 percent believe that the discipline is highly related to moral reasoning.²

At the Manhattan Institute’s October 5, 2010 conference, *Capitalism on Campus: What are Students Learning and What Should They Know*, panelists from the fields of economics, political science, and history explored the present state of college-level instruction about or regarding capitalism and political economy. After surveying various academic disciplines, the panel sought to address two overarching themes: the causes underlying this perceived deficiency in the college curriculum, and the various responses that might ameliorate it.

Participants found that a rounded portrait of capitalism is not present on campus for at least four reasons: (1) the subject crosses disciplines; (2) fields such as economics have become less philosophically oriented and more geared to quantitative modeling; (3) many faculty members are either disinterested or antipathetic; and (4) students’ previous exposure to capitalism is notably deficient. The result is that students in general, and economics majors in particular, do not always have the opportunity to discuss “the big questions”: large ethical issues and historical developments in western political economy, as well as the re-

lationship of capitalism to the state, the family, and the realities of everyday life.

The panel identified several solutions for reintroducing the study of capitalism. These included:

- Providing support for interdisciplinary, non-ideological courses on capitalism
- Developing a history-of-thought class to be included within the economics major, one of the most popular majors amongst undergraduate students
- Reintroducing Great Books Programs
- Creating a reader on capitalism for use in various courses and discussion groups
- Bolstering learning about capitalism outside the classroom through summer institutes, clubs, and lecture series

The discussion concluded by noting that despite obstacles, changing the climate of opinion and nature of instruction on capitalism is indeed possible and practical. Universities, like other charitable institutions, now face a challenging fundraising climate. This gives those who have the financial means to support courses and on-campus programs a great opportunity to implement solutions such as those outlined above. The keynote address suggested that this aspect of the fiscal crisis should not go to waste.

¹ “College Adds Little to Civic Knowledge.” The American Civic Literacy Program at the Intercollegiate Studies Institute. Available at: http://www.americancivilliteracy.org/2008/major_findings_finding3.html.

² Jones, S., E. Hoest, R. Fuld, M. Dahal, and D. Colander. 2010. “What do economics majors think about the economics major?” in *Educating Economists: The Teagle discussion on reevaluating the undergraduate economics major*, eds. D. Colander and K. McGoldrick. Cheltenham, UK: Edward Elgar Publishers.

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CAPITALISM ON CAMPUS: What Are Students Learning? What Should They Know?

INTRODUCTION

HOWARD HUSOCK: We're living in an era in which questions about the appropriate structure and direction of our financial and economic systems are both the subjects of deep discussion and dispute. At such a time we might assume that our institutions of higher education are preparing students to appreciate the essentials of that system and to participate in any ongoing debate. Without grounding, our next generation of citizens will lack the context in which to assess whether criticisms of our free enterprise system are well-founded. Without knowledge of how markets and regulation evolved, they will lack the basis on which to both judge where we are and to influence where we're heading.

These sorts of moral sentiments have inspired our conference, *Capitalism on Campus: What are Students Learning and What Should They Know*. We hope to take stock of the present state of instruction in matters of free enterprise and political economy—that interdisciplinary topic in which economics, law, culture, politics, and history can all be repre-

sented. Are students being exposed to such matters? If they are not, why not? What should or can we do to remedy the situation?

JAMES PIERESON: This conference addresses the large subject of capitalism or, as our founding fathers called it, the system of natural liberty. This is a pressing subject today in the midst of a long recession and a deep financial crisis. Many harbor doubts about the future of a system that has given us unprecedented freedom and prosperity. They would like the material benefits of capitalism but without some of its inconvenient side effects.

Irving Kristol once offered two cheers for capitalism but even that lukewarm endorsement would be too enthusiastic for many people today, including many on college faculties who have the responsibility for instructing the young about the institutions that will shape their future. Our purpose, however, is to promote an understanding of this complex system and its various economic political and moral dimensions. This is not an easy task but it is an urgent one. Once we have done so, the cheers, whatever their number will take care of themselves.

MARILYN FEDAK: The genesis of the Capitalism Project was an idea that came to me about eighteen months ago, just about at the nadir of the financial crisis. It was a very, very scary time.

I'd been in the investment business for thirty-eight years, and by 2007 I thought I had seen it all. But I never saw anything like the financial crisis. I know that everyone understands how serious the environment was, but unless you were in the markets every day trading or trying to trade, unless you were talking to company management, unless you owned financial stocks, I don't think you know how close we really came to a total collapse of our financial system.

Of course, in that environment everyone in the public domain felt free to inveigh against the evils of capitalism. "The greedy vultures of Wall Street had to be stopped. We needed massive government intervention both to stem the tide and make sure that such a crisis never happened again."

Even worse than the rhetoric were the actions that were being taken. As we all know, major industries within this country were being nationalized or quasi-nationalized. Bankruptcy law was being subverted. If you were an owner of the senior debt of Chrysler, your property rights were abrogated.

During this period I began to think that capitalism in America was under attack. I asked myself: What can I do, what can we do to defend it?

My initial responses to these attacks were very self-referential. To paraphrase that great baseball player, Roberto Clemente, capitalism has been very good to me. My grandfather came from Russia at the age of nine with only his twelve-year-old brother. Eventually they made it to the United States, selling pencils and newspapers on corners on the Lower East Side. My grandfather got enough money together to start a luggage and leather goods store on Nassau Street downtown, enabling him and my grandmother to raise five boys in Brooklyn. Some years later, my father and his brothers took over the store and turned it into a wholesale business that enabled him to raise their families in the suburbs of New York. This is the typical immigration story.

Fast-forward a generation to me. I learned to touch type at eleven, and got my first real job—as a clerk typist—at age fourteen. Over the next five years I earned enough money to pay for my first two years of college. Even more important than the money that I earned was the self-respect and self-sufficiency that the experience gave me. That has served me well my entire life.

I also experienced capitalism's benefits on a broader, more societal level, as a job creation machine and as a way for personal growth. In 1984 I joined a small asset management company, Sanford C. Bernstein and Company. At the time, we managed \$2 billion of client assets and had 200 employees. Today we manage \$460 billion of client assets and have 4,500 employees. I am extremely proud of the financial success and peace of mind that we have provided to our clients. But I am equally proud of the thousands of jobs that we created, the careers that we launched, and companies that were started by alumni of our firm.

The research I embarked upon when I began to think about this project also helped me to appreciate capitalism's benefits at a deeper level—as the underpinnings of our institutions, values, and personal liberties. This revelation dovetailed very neatly with something that I have noticed about recent college graduates and young people over the many years that I've been in business. That is, I noticed a pervasive disdain for business among many of our best and our brightest. They don't see business as a noble endeavor with moral underpinnings. At best, they see it as a means to a higher-purpose end—to work in a nonprofit, perhaps, or as a community activist. Many appear oblivious of the linkages between our capitalist economic system and many things that they hold dear in our society today.

When I began to think of the problem in this way, it was a natural for me to define this mission in terms of educating the next generation of leaders on the benefits of capitalism. It was also a natural for me to partner with the Center for the American University and its VERITAS Fund.

Let me be clear. We have no intention of hard selling capitalism here. We want students to examine it with its warts as well as its beauty marks. I think that's the only way they will really begin to understand it. We know that capitalism is not perfect, but to paraphrase Winston Churchill on democracy, it's a heck of a lot better than anything else that is out there.

PANEL DISCUSSION

HOWARD HUSOCK: I thought we'd start off with a report from the front lines. What do students know about our economic system and what do they think they know?

WILLIAM BUTOS: First-year students are very energetic and motivated, but they come in with notable deficiencies in their background. Students who have had economics at the high school level come in with a *New York Times* view of the world in which economic rules and the market are subject to massive and persistent failure. They have no analytical framework from which to draw those kinds of conclusions, and they simply are mimicking what they've read elsewhere. But I find that students are not only ill-prepared in economics, but also in history, philosophy, and what Adam Smith would have referred to as the moral sciences. It's that lack of preparation intellectually on the foundations of the social sciences and philosophy that I find probably the most difficult obstacle.

SANDRA PEART: Students tend to focus on technical, mathematical work in economics. One of the things we should be thinking about is whether economics majors are talking about the big questions. The assumptions that we make, some of which have been shown to have been perhaps ill-formed in the last few years, are simply not being discussed.

RYAN HANLEY: My students are ethically serious, quite earnest, and attracted to my Midwestern Catholic university largely based on issues of social justice. So they're already prepared to take the questions at the heart of capitalism very seriously even if they enter with some skepticism.

I've seen it as my task to meet them where they stand and to ask how capitalism responds to the central questions that are already on their minds: questions of justice and fairness, questions of what is the best life.

JERRY MULLER: There is a difficulty in conveying capitalism in all its interests and all of its multifacetedness. The division of labor in depart-

ments of economics and the academy in general is probably an exacerbating factor in terms of not giving students a sense of the big picture, the large ethical issues, the large historical developments, the relationship of capitalism to all these other things, the state, the family and so on.

HUSOCK: Is there antipathy towards capitalism on the part of the faculty? Is this due to political ideology or other factors?

DANIEL KLEIN: It's been confirmed time and again that faculty tend to lean left politically. In the humanities and social sciences, it's probably seven to one voting Democrat to voting Republican. Many of the Republicans are, in fact, in economics, where the ratio is probably two and a half Democrats to one Republican. But Democrat to Republican is just one way to look at it. More informative are surveys that ask about policy views on a range of issues. These again show that they're not very friendly to natural liberty.

JEFFREY MIRON: Are the faculty, especially in the social sciences, leaning left? Absolutely. But the good news is that the negative influence of this left-leaning faculty is probably not overwhelming. Students are influenced by much more than what happens in the classroom, and so they're not on average tilted substantially to be more left-leaning by virtue of the instruction, even admitting that the instruction definitely has a left-leaning tilt in many cases.

KLEIN: Even if students aren't influenced that much by their professors, the fact that they don't get exposed to core ideas and important thinkers is still a tragedy. They may not be influenced, but what was not accomplished, what they missed, what they've forgone is still the tragedy.

MULLER: I think there's an additional aspect of the problem. It has much less to do with ideological propensities of the faculty than a certain self-selection process by which those people who go into any of the humanities and most of the social sciences outside of economics have a propensity to be simply disinterested in economic life. Not only that, but they live in a world in which talk, or what they call "discourse," is

the only thing that matters. For this reason, they tend to be disinterested in material factors and economic processes in history. It's not that they hold well-versed critiques of capitalism. It's that they're not very interested in a whole productive market process. In many ways it's more a problem of disinterest than a problem of antipathy.

HUSOCK: In the last forty years, the emergence of distributional requirements has replaced core requirements. This is clearly the ascendant mode in undergraduate education. How much does the fact that one has an undergraduate that takes one from Column A, one from Column B, one from Column C, rather than the "History of Economic Thought" as a required course affect students? And how much does that have to do with the lack of exposure to capitalism?

KLEIN: The study done of the core curricular requirements by ACTA showed that economics was almost never a part of the core requirements. I think that the idea that most students get an economics course is wrong; I think most of them don't and the ones that do probably get just one introductory course that could be rather technical in nature. Again, I don't think there's that much exposure.

MIRON: Except in a few extreme cases, the core curriculum programs still had room for some choice, and the opportunity for students to select against away from something that they might not think they were interested in (like a pro-capitalism or a pro-freedom sort of course). Even when those courses might have been taught in the core curriculum they were frequently taught by someone who was very critical of freedom or capitalist ideas.

PEART: Within economics, which is a very large major on our campuses across the country, the "History of Economic Thought" requirement has largely been dropped at both the graduate and the undergraduate levels. There generally aren't places where a graduate student can write a dissertation which has any connection to the history of ideas. We aren't educating people who can teach at an undergraduate institution the history of economic ideas with any competence.

HUSOCK: How do we begin to expose that integrated idea of Western political and economic thought to students?

HANLEY: An aspect of the solution is to remember that politics and economics shouldn't be bifurcated. I had the good fortune of teaching at Yale's wonderful directed studies program—one of the really great, Great Books programs. The texts that we examined included Locke, Smith, Tocqueville, Mill, and Marx. Here, the students come away from the course realizing that capitalism is not some small segment that should be pursued within the context of a specialized discipline but is in fact fundamental in the philosophical traditions of the West—and is in fact integrated in a larger vision of society.

MULLER: There's a very real sense in which the specialization of knowledge—which has a lot of advantages—also has certain costs. It's not because of the evils of the university that capitalism isn't being taught, it's because of the real fragmentation of modern knowledge. It's hard to get a handle on any big question that everyone ideally should think about and be exposed to. Because big questions are, by definition, transdisciplinary, people are unlikely to be exposed to them in the context of disciplinary based courses. This is why those few exceptions to disciplinary-based programs like directed studies and its counterparts on other campuses are so beneficial—students there are actually often exposed to some of the big issues in a systematic way over time.

HUSOCK: Do we want to promote the idea of a grand integrated, interdisciplinary course? Or should we specialize in a “prosecutorial model” to maintain an oasis of free market thinking in a leftist jungle?

MULLER: If you do teach courses on capitalism, because it is so multifaceted it's important to teach it from a variety of disciplinary perspectives. And because there are many legitimate controversies it's important not to teach it from a political/ideological perspective. It shouldn't be a course about orthodoxy—it should be a course about perspectives on capitalism.

MIRON: Let me disagree. I think that the push for multidisciplinary, interdisciplinary courses has been a Trojan horse for mushy-minded liberalism and leftism across campuses. The multidisciplinary push has done great disservice to lots of students because it's like stew—its not one any discipline, its a little mush of all of these different things. The university should not be promoting them excessively because they frequently are really quite bad and are not bringing a clear perspective.

I also think that the nature of a professor in a course is to present that professor's perspective. It's not exactly to be fair and balanced. It's to be a little bit like a prosecutor or defense attorney: make the best case for the perspective that you're pushing, knowing that students have a choice to take other courses which take the opposite view, the opportunity to read lots of other things, and, of course, to disagree with you. You can have an excellent course which has a very particular point of view.

BUTOS: For me classical liberalism is not an ideology as much as it is a field of inquiry with lots of very interesting questions, and with a marvelous tradition.

The claim that there is a bias here I think is misplaced because what matters is the critical acumen that one brings to a field of study. I think most classical liberals that I know do not consider classical liberalism a set of definitive conclusions but rather a set of questions that are ultimately interesting, that provide one with good tools that can be investigated and open up new vistas. It's not the last chapter; it's the opening chapter in a student's education from my point of view. When I offer my seminar, it's a first year seminar, and my job is to expose the students to this wonderful tradition of ideas. It's not a platform for my particular personal views necessarily; rather it's an opportunity for students to think seriously about some very important questions, to interact with one another and to debate these things in class in a civil, intelligent way.

HANLEY: I think we could start with the very helpful models set by two authors that would be on any decent philosophy of capitalism class: Adam Smith and F. A. Hayek. What is remarkable about both of these

figures and the places in which they taught is that what we're calling capitalism is not an isolated phenomenon to be labeled and studied next to these other things. For both Smith and Hayek the key thing to teach was that the nature of the free society and a capitalist economy was one part within a much broader vision. Beginning with the concept of the free society and seeing a capitalist economy as part of that larger vision was not just important for Smith and Hayek, but is also still a very worthy model for how we approach things practically today.

HUSOCK: Should these courses be required or elective? Should we reform the economics major or minor?

MULLER: I don't think that they should be requirements. Courses that work well are courses that students choose to take and the professors choose to teach. Unless you're thirsty and have some propensity for being interested in broad ideas, the fact that you're required to be exposed to those ideas is not going to create a situation where those ideas are going to have any influence upon you. Insofar as we're talking about courses on capitalism they should be voluntary.

PEART: For many years I argued the problem with the economics major is we don't have a history of thought class. I'm a history of thought person, and I think that was a self-serving argument. But what I came to realize is that in the latter half of the twentieth century, economists have pulled away from all questions of morality so that we no longer discuss prudence. We don't discuss the moral implication of saving. We don't talk about one's obligation to look after oneself and one's family. All of those questions are off the table within the economics major. We've also pulled very much away from history, from our past. It seems to me that a liberal society needs to know and understand its past and we don't within the economics community professoriate. In fact we've, as a group, largely said that the past is simply where old and bad ideas thrive, and we're new and scientific.

HUSOCK: Are any of these approaches practical: the seminar, the interdisciplinary course, and the economics reform approach? From what you know of the profession is that plausible?

KLEIN: I think there's a question of who is the agent you have in mind. Is it someone who's just a member of the profession? Is it a department chair? Is it a university administrator? I think the answers depend a lot on that kind of perspective, even if it's the same person wearing those different hats.

As far as people teaching courses, there's not that much policing of what you put in your course, and there are not strong objections about whether you wander into ethics or politics or sociology. I think that disciplinary boundaries are quite artificial and for an energetic individual who wants to do these things, there's usually quite a bit of leeway.

MULLER: Within particular disciplines, people actually do have a good deal of leeway. The question is getting them to stretch their minds to make use of that leeway even if the course is taught under a disciplinary umbrella. What I would be inclined to do is offer some money, say \$10,000, to give them course release time to prepare a course that was beyond their normal boundaries. But I don't think it should come with ideological strings attached. If you're only teaching the virtues of the free market then I think you're giving a kind of ideological course that shouldn't be offered in a university.

MIRON: To get a new course approved, a faculty member says "I'm teaching a course" and, boom, it's done. You don't have to get approval from anyone except your department chair (and the department chair has better things to do than worry about that stuff). Of course, this is used to create all sorts of courses that are anti-capitalism, so our flexibility is a two-edged sword.

HUSOCK: Universities are not just what happens in the classroom. They are atmospheres; they're environments. Are there non-course related ways to achieve our goals?

PEART: We have some of those things at the University of Richmond—the Marshall Center, and the Summer Institute. The Institute is for professors and students scattered across the world that come together and

listen to each other's research projects. We've done it eleven years in a row and it's always a tremendous success.

I've also thought that it might be good to put together a reader on capitalism. One could have a reader that shows students that all of the ideas that they're learning about were or are contested, and elite institutions can produce materials that can filter out to the field.

MIRON: I would emphasize that the classroom is only one place where students learn. Students spend a lot of time outside the classroom arguing with their fellow classmates and if any of the classmates read the *Wall Street Journal* or read Hayek or read Friedman or speak back in class against left-leaning ideas, a lot of the students will hear that, respond to it, and argue about it. Also, there are Republican clubs, Democratic clubs, conservative clubs, libertarian clubs, there are lots of speakers from all across the spectrum on all sorts of issues. That's one major way that students are exposed to a lot of things other than what they get in the classroom. It's interesting, it's important, and it's very useful.

KEYNOTE ADDRESS

ROBERT P. GEORGE: I can't resist saying just a few words right here at the beginning, before we get on to the practical matters, about the value and values of the market economy, because I think it affects both the reasons why we want to teach differently and better than the way we now teach in this area, and it is at the foundation of our motivation to concern ourselves with these matters at all.

I think fundamentally we're concerned about the market economy because we share the conviction that the market economy serves the flourishing of human beings. It's a humanistic concern, contrary to the beliefs of some critics who see the market as this institution of exploitation that is managed by people who have no care at all for human well-being. The market has proven that it serves the common good. Now, it certainly serves the cause of freedom: free people in free institutions including the institution of the market—an institution that, as we heard this morning from our panel, also undergirds our legal and political systems.

Now when it comes to the study of the market economy especially in higher education, I completely agree with those on the panel who said that it's important to treat it as a philosophical subject and not merely as a technical one. If there's a problem with contemporary economics that I think can be understood, even across the political spectrum, it really is the tendency to treat the subject and to make rewards in terms of tenure and salary and so forth, almost exclusively on the basis of technical expertise, rather than seeing it as fundamentally a philosophical question.

I also think that it's absolutely critical, and this is so badly missing today in our universities, to study the economy bearing in mind that for the market to function in a way that truly does serve human well-being, we have to understand the socio-moral presuppositions of the flourishing of the free economy. I think it was Lenin who said, "The capitalists will sell us the rope with which to hang them." He was all too right about that in some cases. We need to be concerned about those moral founda-

tions. Again, the panel got this exactly right this morning; it's a moral problem, not just a technical problem. Understanding economics properly, understanding the free economy properly, means understanding its moral foundations and making sure that among our concerns when we're talking about how to make the free market function properly is not just getting the technical rules right but being concerned about whether the other social conditions are in place, and being especially concerned that we don't do anything, even in the moneymaking business, to undermine the socio-moral preconditions of the flourishing of the economy. We don't want to sell Lenin the rope with which to hang us.

I completely agree then with the panel that we need an interdisciplinary approach and I completely agree with my friend Jerry Muller that when we study the free economy and when we teach courses on the free economy we need to be attentive not only to its virtues but also to the ways in which the corruptions that are sometimes invited by the economy can enter in—the potential risks. We have to take seriously a problem such as the problem of plutocracy undermining democracy.

We're reformers; we all understand that we've got a problem in contemporary universities. Today we're focused on the economic side of things, on the way in which too often students do not get a sound and balanced and full picture of alternative ways of thinking about economics. It's not that students consider the alternative and dismiss it, it's that they never consider it because nobody tells them about it.

Conservatives have for too long cursed the darkness. We've got to light a candle, and that's why we're here. We've got to break through the screen. We have to make the contemporary university live up to its own ideals. It makes it easier that contemporary universities do proclaim a set of ideals that I think we completely agree with. We should. The problem is those ideals are often not honored and sometimes dishonored.

But we have the advantage of those being the proclaimed ideals so we can go to university officials, we can go to faculty members, we can go to our colleagues, those of us who are in the business, and we can say,

“Look, it’s time that we made good on this claim to have a diversity of points of view represented, that the spectrum should be engaged, that there should be real debates and not monologues about economics or foreign policy or social issues. We have the advantage of being able to appeal to their own self-proclaimed visions, which many of them honestly believe.

We happen to be, I believe, in a period of great opportunity. Universities, like other charitable institutions, are having a hard time these days with fundraising. Some, including my own university, are in the midst of capital campaigns. There are many people who have an interest in making sure those campaigns are successful. Those people are strongly incentivized then to get money where they can, how they can, which puts those of you who are donors in a very strong bargaining position. Don’t let that crisis go to waste. Now is really a time of openness to new ideas and new proposals, to looking at things a little differently, opening some doors maybe that have been closed in universities. If people have the resources and are willing to make them available for programs and initiatives that really make sense. They have to be programs and initiatives that are genuinely good, that are genuinely, intellectually first-rate. Universities will not accept catechism class, at least from the right or what’s regarded as being on the right. As for the left you know all you need to know, I suppose, about that. But it’s not going to happen on the side of the street I’m working. Universities are not going to accept courses, or programs or initiatives that are just catechism class and they shouldn’t.

We shouldn’t repeat on the conservative side the offenses that are committed on the liberal side. Our courses should be courses in which there is a true, fair engagement of ideas where students really are given the opportunity to assess critically the spectrum of possibilities that intelligent people have thought about out there and proposed. I often say to my own students that my job is not to teach you what to think or tell you what to think, its to teach you how to think more critically, more carefully, more seriously about important matters, matters that matter to you and to our communities. That’s my job.

Is it that I don't care what our students think? No, I do care actually. I'm a citizen as well. I care about the common good; I've got some ideas about what is for the common good and what isn't. I think Marxism, for example, is a really, really bad idea. But I want my students to read Marx. I teach a seminar with my colleague Cornell West. Professor West and I do not agree on everything. Sometimes I wonder if we agree on anything. But we assign Marx; we assign Marx and Engel's *Communist Manifesto*. I don't hesitate for a moment to do that. We assign Hayek. To Professor West's very great credit he doesn't object for a moment to that.

The students have some possibilities there to think about. We can address things; we can look at the historical record of the Marxian proposal. We can look to see whether the premises make any sense, whether the inferences are valid; we can do the same with Hayek. And we read a lot of other interesting people. We read Gramsci, but we also read Solzhenitsyn.

That's how you make education happen. It's not catechism class when West and I are teaching together believe me. But I'll tell you real learning happens in that context.

In fact, in the Madison Program we try to create not a conservative enclave, but rather something like what a university would be if it were what it should be, where different interesting perspectives genuinely are engaged in a critical way and where the learning really takes place. This is why I always tell my liberal colleagues: I practice what you preach. I like what they preach. I just think we ought to go to the next step and try practicing it.

Let me tell you something else. We don't need parity, we don't need equality, and we don't need even-steven numbers of faculty to transform the intellectual culture of a university, whether it's in the domain of political economy or anything else. There are roughly a thousand members of the Princeton faculty. I don't need 500 who agree with me in some sense or another in order to transform the culture of the university, the intellectual climate of the university. I don't need 500. I don't even need

fifty. I need fifteen. I can't do it by myself, I can't do it with three, but if we've got fifteen people who are willing to seriously engage the established campus orthodoxy it will transform the climate. It's what we've proven at Princeton with the Madison Program.

You can ask anybody who seriously observed what was it like ten years ago when we were about to form the program, and what's it like now.

One of the key things that you do when you are able to break through the screen, one of the key things that you do is you erase the possibility of people just making assumptions that they are not prepared to critically defend. Where there's an orthodoxy, basic assumptions aren't criticized. People don't have to defend the premises of their arguments. If the premise that begins the discussion is "Ronald Reagan was an amiable dunce," there's only a few ways that conversation is going to go. But once you have a situation in which a professor in a classroom or a visiting lecturer knows that if he comes in and he starts his lecture by saying "Ronald Reagan was an amiable dunce," he's going to get some challenges. He's going to get a rough time. There are people with PhDs and students who have been educated by people who are smart who are going to be asking some tough questions. They're going to be questioning those assumptions. Forcing the assumptions, the premises, and the presuppositions into the subject matter of debate—that's the key to transforming the intellectual climate on a university campus.

To do that as I say, you don't need half, you don't need 500 out of a thousand, you don't need fifty, you need fifteen. Now getting those fifteen can be very difficult, there's no question about it. But it's attainable. Not everywhere. Not right now. But—those of you who are donors—we need to stop thinking of ourselves as alumni of Princeton or Dartmouth or University of Oklahoma, and start thinking of ourselves as friends of American higher education because we're friends of America. Because we really do care about the intellectual and moral development of our young people. They're our future. They are the future of the American experiment and ordered liberty.

If it can't be done under the conditions now obtaining at your university, then go to where it can be done whether you have any previous connection with that university or not. Here I salute Manhattan Institute chairman Paul Singer, who has been doing a great job of helping to break through the screen at universities—universities that he has not even been associated with, including mine at Princeton.

Specifically, on economics, I agree with those on the panel this morning who said that the courses that we teach need not be in the department of economics. If you can get a course going of the sort that I've already said I think we need, a course that's not just a technical course, a course that's really a serious sociological and moral study of political economy, it's great if it's in the economics department, I'm not objecting to that by any means, I'd love that. But it needn't be in the economics department. It can be offered in an interdisciplinary program. The key thing is that it be available.

I'm a little leery about making things like this mandatory. Sometimes those on the conservative side say, "We should make it mandatory that they should have a course in this or that—American history, American founding, the basis of American capitalism, or whatever it is. Be careful what you wish for. Unless you control who's appointed to teach, you may do more harm than good. You may rue the day when you succeeded in making the course mandatory if the course is being taught in a way that's really counterproductive.

It's very important in these courses to teach debates within the community of scholars and others who share a commitment to the market, because you can share a commitment to the market but have very different understandings of its moral foundations or social foundations. Those are very important debates and worth having. Many people who support the market are strict libertarians; others are really not at all. Let's hear the students. Let's have the students hear how that debate goes so that they can sort out for themselves what they think.

Now, you're saying, "You're a utopian. You're crazy. You're never going to be able to get this. It's hard enough to get any perspective that's not on

the left represented and here you are running ahead wanting to expose students to debates within the conservative side.”

But you know what? We can do it. Part of the case to be made to university officials is that students are missing out in part because they don't hear the very interesting and important debates within the conservative side. The debates among, for example, supporters of the different perspectives of the free market. It's terribly important.

Now, we mustn't underestimate the power of 1) money, money does talk; and 2) shame, it stings when I tell my colleagues I practice what you preach. There's a place for shaming and persistence. Those of you who have read the New Testament know that story that Jesus tells about the woman before the unjust judge. The bible says there's an unjust judge who cares for neither God nor man, he only cares about himself. And there's a woman, a litigant before him and she comes and she says, "Give me justice in my cause." And the judge says, "Get out of here." And the woman just won't give up, she says, "Give me justice in my cause." And he's beginning to say, Wait a minute, this woman's a little crazy. "Give me justice in my cause," she says again. And finally the judge says to himself—I love the way the bible tells this story—I am an unjust judge who cares neither for God nor man but I'm going to give this woman justice in her cause because otherwise she may do me some harm.

Persistence pays off. Not in every case but in enough to make it worth remembering. Using your economic resources shrewdly, being willing to shame where it's necessary, where there's something shameful and disgraceful that's going on like students not getting a fair hearing when it comes to important issues within the domain of the universities mission and persistence—those things pay off also.

It's very important not to underestimate the good will that is there in universities. Are there some people who are just biased against the conservative side no matter what it is? Of course, you don't need me to tell you that. But maybe you do need me to tell you that in my experience there are many honorable liberals who are in fact open to students hear-

ing competing points of view. I wouldn't have been tenured were there not such people. I was totally out of the closet when I came up for tenure. I hadn't been hiding. They knew what I represented. Now I had to get a lot of liberal votes because frankly there were no conservatives. So the votes I got that got me through to tenure at Princeton had to be from liberals. The chair that I occupy—it may be causing one great liberal to spin in his grave, president Woodrow Wilson—I was appointed to that chair by an administration that didn't have any conservatives, by a university president who was not a conservative.

Honorable people. Find them. You can do business with them. They're open to the argument. Often they just haven't heard it. And if we are willing to raise money, if we are willing to do the work, they'll go along. That's how the Madison program came into existence.

It's very important that you find faculty members within institutions with whom to work. My advice is you can not do this exclusively from the outside. I think part of the reason that we were able to get the Madison program off the ground is that I was there. We had a professor with tenure on the inside to do the work that can only be done from the inside. If you put together the key ingredients—money and faculty members on the inside who know the lay of the land, who are committed and dedicated, who were willing to take the bruises, willing to take the attacks that will come without giving up—you can make things happen.

Having said that, it's also very important that the donors remain involved. Don't just set something up and trust it. By all means, if you're able to get something going, trust your faculty member, trust the administration that has worked with you to get it through, but remember Ronald Reagan's motto: Trust but verify. That's a very good motto to have when it comes to academic politics and especially for donors who are working with academic institutions. Trust but verify.

Thank you again for the opportunity to address this wonderful group.



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