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The Not So Dismal Science: Humanitarians v. Economists

William McGurn

Vice President, News Corporation

WILLIAM McGURN is a vice president for News Corporation and writes the weekly "Main Street" column for *The Wall Street Journal*. From 2005 to 2008, he served as chief speechwriter for President George W. Bush. Prior to that he was the chief editorial writer for *The Wall Street Journal* and spent more than ten years in Europe and Asia for Dow Jones. He has written for a wide variety of publications, including *Esquire*, the *Washington Post*, the *Spectator of London* and the *National Catholic Register*. He holds a B.A. from the University of Notre Dame and a master's degree in communications from Boston University, and currently serves on the boards of Notre Dame's Center for Ethics and Culture and the website Ricochet.com.

The following is adapted from a speech delivered at Hillsdale College on March 3, 2011, during the author's two-week teaching residency as a distinguished visiting fellow in speech and journalism.

This evening I propose to take on one of the greatest libels in the English language: the description of economics as "the dismal science." I hold a different view—that when it comes to seeing the potential in even the most desperate citizens of this earth, our economists, business leaders, and champions of a commercial republic are often far ahead of our progressives, artists, and humanitarians. And therein lies my tale.

Hillsdale College is very much a part of this drama. For "dismal science" was born as an epithet meant to dismiss those arguing that slaves deserved their freedom. In fact, the first recorded mention of the phrase "dismal science" occurs in 1849—just five years after Hillsdale was founded. As the dates suggest, both Hillsdale's founding and the caricature "dismal science" were not unrelated to a great debate in England that in our nation would be resolved by civil war.

Tonight I hope to persuade you that to call economics the "dismal science" has it exactly backwards—that it is the economists and businessmen who hold the hopeful

view of life, and that far from being fundamentally opposed, the admirers of Adam Smith have more in common with the followers of the Good Book than we might suppose.

The Anti-Slavery Divide

Let's start with "dismal science" itself. Even those who know nothing about economics have heard the term. A few might even know that it was Thomas Carlyle who came up with it.

Very few know the salient point: Carlyle deployed the term in a magazine polemic entitled "An Occasional Discourse on the Negro Question." In that essay, Carlyle savaged the two groups who were leading the British fight against slavery: economists and evangelicals. The latter were sometimes abbreviated to "Exeter Hall"—a reference to the London building that served as the center of British evangelism and philanthropy.

Carlyle argued that if blacks were left to the laws of supply and demand—the way he saw a commercial society—they would be condemned to a life of misery. For their own and society's sake, what they needed was a "beneficent whip." We might not take this argument seriously today. But it was taken very seriously in 19th century Britain.

Carlyle's friend and later bête-noire was John Stuart Mill. When Carlyle attacked "the laws of supply and demand," he had in mind the views of the man who would become famous for his essay "On Liberty."

Nothing better illustrates the divide between these two men than their different reactions toward the brutal suppression of a rebellion in colonial Jamaica in 1865. The British governor, Edward Eye, had hundreds of Jamaicans killed or executed, hundreds more flogged, and even more homes and huts burnt down. Among those Governor Eye had executed was George Gordon, a mixed-race member of the Jamaican House of Assembly.

When the news reached Britain, prominent citizens organized a Jamaica Committee demanding that the governor be recalled and prosecuted for murder. The committee was an odd assortment of Christians and agnostics—with John Stuart Mill at the head. Other prominent members included Thomas Huxley, Charles Darwin, free-market champion John Bright, and Henry Fawcett, a professor of political economy at Cambridge.

On the opposing side defending the governor was another committee. This one was headed by Carlyle. On this committee were men who by any definition would be recognized as some of the leading humanitarians and literary figures of the day: Charles Dickens, John Ruskin, Alfred Tennyson, and Charles Kingsley.

The clash between these opposing forces—and the alliance between evangelicals and economists—is laid out in fascinating detail in a remarkable book by David Levy called *How the Dismal Science Got Its Name*. Those who saw freedom as the answer to slavery—people like Mill, John Bright, and

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Archbishop Richard Whately—generally believed that it was law and custom and not nature keeping black men and women in a degraded state.

Mill and Carlyle were squaring off in England after a similar debate here in America had been resolved by a war—a war whose dividing lines represented a similar alignment of forces.

As in England, many of the foot soldiers here in the fight against slavery were drawn from the ranks of Christians. These included men like Edmund Fairfield, who helped found both Hillsdale College and the Republican Party. These Christians were joined in the Republican Party by remnants of the old Whig party. These were men who might be described as Chamber of Commerce types. They were people who shared Lincoln's vision of a modern commercial republic. In such an economy, ordinary men and women could—as Lincoln did—rise in society with hard work and enterprise. They were generally neither as philosophical nor as pure on free trade as their counterparts on the other side of the Atlantic. Still, they appreciated that an economy based on slave labor was fundamentally incompatible with the kind of opportunity society encouraged by commercial exchange.

Eventually this coalition would propel a one-term member of the House of Representatives, Abraham Lincoln, to the White House. Theirs was not, however, an easy alliance. They had their differences, occupied different places in American society, and as a result spoke somewhat different languages.

Yet on the issue of the time, they were allied. They were the American version of the same alliance that Carlyle dismissed in his essay. He called it, "Exeter

Hall Philanthropy and the Dismal Science, led by the sacred cause of Black Emancipation." And precisely because their triumph was so sweeping and so complete, today we find it hard to imagine just how brave and eccentric their stand made them in their own day.

The Divide Over Babies

Slavery is not the only human issue where the economists have shown themselves to advantage. Throughout the 20th century and now into our own, we see a similar dynamic on another issue that pits the humanitarians and artists against the economists and the Christians. This is the call for population control.

Once again, the progressive argument is that human beings are by their nature a liability to poor societies. Once again, when people resist the obvious prescription—in this case, having fewer children—the so-called humanitarian solution turns out to require more and more government coercion. Once again, the economists offer a more hopeful way forward.

The idea that a growing population is bad for a nation has its roots in the writings of a British clergyman named Thomas Malthus. In 1798 Malthus wrote a now-famous essay contending that, left to our own devices, human beings will increase our numbers beyond the earth's ability to sustain us. In one way or another, all arguments for population control boil down to this proposition.

In the immediate years following World War II, population control was tainted by its association with Nazi eugenics. In the 1960s, however, it came back with a vengeance. By the end of that decade, among our enlightened class it had become a cherished orthodoxy that the greatest threat poor nations faced came from their own babies.

In good part this was the result of one man: Robert McNamara. In his maiden speeches as World Bank president in 1968 and 1969—including, I am sad to say, at Notre Dame—McNamara spoke in language soaked in the imagery of nuclear holocaust. Mankind, he said, was doomed if we didn't do everything we could to address what he called the "mushrooming cloud of the population explosion."

McNamara would later go on to suggest that population growth represented a graver threat than thermonuclear war. The reason? Because the decisions that led to growing populations—that is, to have babies or not—were "not in the exclusive control of a few governments but rather in the hands of literally hundreds of millions of individual parents."

He was not alone. Around the same time, Paul Ehrlich released his book *The Population Bomb*. It opened with this sunny sentence: "The battle to feed all humanity is over." Mr. Ehrlich, a biologist, was even less bashful about the logic than Mr. McNamara. "We must," he said, "have population control at home, hopefully through a system of incentives and penalties, but by compulsion if voluntary methods fail."

Anyone recall how popular the book was at the time? It sold three million copies, got Ehrlich on the *Tonight Show*, and won him a MacArthur Genius Award.

A few years later, an international group of experts meeting at David Rockefeller's estate in Italy came together to form the Club of Rome—and then issued a famous report called "Limits to Growth." Like Malthus and McNamara, this group argued that we live in a world of diminishing resources. This report also sold millions of copies in many different languages. And in much the same way that fears about global warming have inspired alarmist headlines in our day, the Club of Rome's predictions fed our press a sensationalist diet of doom and gloom.

So here's a question. What happens when you think that the cause of a nation's poverty is not too much government in the market but not enough government control over how many children a couple will have?

> In China it led to forced abortions

and a birth rate wildly skewed against baby girls.

> In India in the mid-1970s, it led to a mass campaign of assembly-line sterilizations. So brutal was the policy, it provoked a backlash that brought down Indira Gandhi's government the following year.

> In South Africa and Namibia, it led to policies that appeared to target the part of the population least able to defend itself. Young black women were given contraceptive injections without their consent—not infrequently right after the birth of their first child.

In short, from Peru to the Philippines, innocent men and women were subjected to outrages all based on the assumption that our new humanitarians shared with Mr. Carlyle: the need for a beneficent whip.

And who were the voices of protest? Who reminded the experts and self-styled humanitarians that human beings flourish in liberty and languish when they are treated like chattel? Who argued that the way to help the world's poor was not to tell them that their babies are a burden, but to tear down government barriers preventing them from taking their rightful place in the global economy?

The answer is: the economists.

Lord Peter Bauer of the London School of Economics was among the first. Early in the 1970s, he pointed to the absurdity behind the notion that the instant a calf is born in a country, national wealth is said to rise, while the instant a child is born, it is said to drop.

Likewise, Julian Simon would write a famous book called *The Ultimate Resource*. In that book, he demonstrated that most of the arguments pointing to catastrophe were based on faulty evidence—starting with the reigning assumption. As he put it, "the source of improvements in productivity is the human mind, and a human mind is seldom found unaccompanied by the human body."

Gary Becker would take this argument even further. Indeed, he would win a Nobel Prize for his work arguing that the most important resource for

economic advancement is "human capital"—the knowledge, skills, and habits that make people productive.

Fellow Nobel winner Amartya Sen once described the opposing view this way: "The tendency to see in population growth an explanation for every calamity that afflicts poor people is now fairly well established in some circles, and the message that gets transmitted constantly is the opposite of the old picture postcard: 'Wish you weren't here.'"

And so on. Like the John Stuart Mills and the John Brights who sided with the evangelicals fighting slavery in the 19th century, the economists who today take issue with population control are not necessarily personally religious. Yet in their fundamental insistence that a nation's people are its most precious resource, they offer a far more promising foundation for the humane society than those who continue to see men and women as rutting animals breeding to their own destruction.

They also have history on their side:

> In the two centuries since Malthus first predicted the apocalypse, the world population has risen sixfold—from one billion to more than six billion. Over the same time, average life expectancy has more than doubled—and average real income has risen ninefold.

> In the four decades since Paul Ehrlich declared the battle to feed humanity over, a Chinese people who saw millions of their fellow citizens perish from famine as recently as the early 1960s are now better fed than ever in memory.

> And in the years since Mr. McNamara predicted we could not sustain existing population levels, we have seen the greatest economic takeoff in East Asia—among nations with almost no natural resources and some of the largest and most crowded populations in the world.

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Not that the record counts for much. Time and again Malthus has been disproved—and Malthus himself seems to have revised his own thinking in later years. Advanced and comfortable societies, however, seem to have an appetite for the prophets of apocalypse. The jargon may change—Mr. McNamara's warnings about thermonuclear war have given way to ominous talk of carbon footprints, unsustainable growth, "Humanpox," and the like. Yet at the bottom of it all remains the same zero-sum approach that sees the human being as the enemy rather than the solution.

And the greatest irony of all? Many of the same nations that once tried so hard to push their birth rates down—Japan and Singapore, for example—are now frantically trying to encourage their people to have more children as they see the costs of a rapidly aging population. My own prediction is that within a few years China will join them, replacing its one-child policy with inducements to Chinese women to have more babies.

Am I suggesting, then, that we trade the Sermon on the Mount for *The Wealth of Nations*? Hardly. I do say that when it comes to the banquet of life, our economists have proved themselves more gracious hosts than our humanitarians; that a businessman who travels to a poor country and envisions a thriving factory has a more realistic assessment of human possibility than the U.N. aid worker who believes the answer is reducing the birth rate; and that the champions of liberty tend to do better by humanity than the champions of humanity do by either.

Morality and Markets

If I am right, there are promising implications for those of us who share a trust

in what free men and free women can accomplish for themselves. In one of the profiles on your college website, I came across a student who said that while on most campuses the debate is between Democrats and Republicans, here at Hillsdale political arguments usually occur between libertarians and conservatives.

That is a healthy debate. Each side has something vital to contribute. The free market cannot long survive without an appreciation that many of the virtues required for its successful operation are things that the market cannot itself produce. At the same time, a conservatism that lacks an appreciation for the dynamics of a free market—and its confidence in the ability of free men and free women to build a better future—can easily trend toward the brittle and resentful. We all know, for example, the wartime speeches of Winston Churchill. But his 1904 speech to the Free Trade League is worth reading for a reminder of the confidence in human potential that helped inject his conservatism with vigor and confidence.

On specific issues, of course—whether to legalize drugs, whether marriage should be extended to same-sex couples, what limits there ought to be on abortion, how far our security agencies might go in protecting us from threats—we will always have disagreements. The disagreements are real, serious, and can be contentious. Still, we ought not let these disagreements blind us to the larger sympathy between the conservative and libertarian schools of thought when it comes to the fulcrum of a free society: the unalienable dignity and matchless potential of every human life.

The book of Genesis tells us we possess this dignity because we have been fashioned in the image and likeness of our Creator. Adam Smith told us that we are equal because we share the same human nature. At a time when some races of men were thought inherently inferior, he put it this way: "The difference of natural talents in different men is, in reality, much less than we are aware of." In this age, the libertarian and conservative are different sides of the same coin—much as Smith himself was both a political economist and a distinguished professor of moral philosophy.

* * *

Let me close with a story. Nearly a decade ago, I attended a conference on globalization at the Vatican that brought together economists and leaders from various religious faiths. From the first, it was clear that each profession found the other's approach different from its own—and fascinating. As the conference developed, it became even clearer that while the language and approach of religion and economics differed, each was ultimately grounded in the same appreciation of individual human worth.

Gary Becker put it this way: "I am struck by the similarity between the church's view of the relationship between the family and the economy and the view of economists—arrived at by totally independent means. Economic science and spiritual concerns appear to point in the same direction."

So let others speak of a dismal science. We—the champions of human dignity and possibility—need to cheer and celebrate.

One does not have to be an economist to recognize that societies that open their markets are better fed, better housed, and offer better opportunities for upward mobility than societies that remain closed and bureaucratic. Nor does one have to be a religious believer to recognize that the source of all man's wealth has been just this: that he does not take the world as given, but uses his mind to find new and creative ways to take from the earth and add to its bounty.

If, however, we do believe, can we really be surprised that the Almighty who created us in His image also bequeathed to us a world where we are most prosperous when we are most free? ■