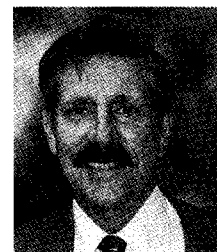


Academic Socialism Versus the Free Market

BY RICHARD M. EBELING



Academia has long been thought of as the “marketplace of ideas,” the arena where truth may be pursued through dispassionate discourse and openness to competing views. Yet higher education in America has moved a great distance from this ideal and its practice.

Too many of our colleges and universities have become cloistered “hothouses” of bias and intolerance—schools of closed-mindedness. Everywhere we look these institutions are dominated by “political correctness,” the common theme of which is disdain and disapproval of the American traditions of individualism, free enterprise, and constitutionally limited government.

No amount of criticism or doubt from outside those hallowed halls seems to affect either the professors or the administrators, who claim to be the stewards of the younger generation placed in their intellectual and moral care. Indeed, more often than not, they demonstrate contempt for those who challenge their entitlement to mentor and mold our sons and daughters as they think fit. Their conduct shows that they consider themselves answerable to no one but themselves.

This should not be surprising considering the special, indeed, unique environment in which they operate. The vast majority of America’s colleges and universities have become insular islands of “academic socialism.” They are either directly owned and operated by government, or if they are “private,” they have become so dependent on government loans, scholarships, and research grants that they have little real interaction with the wider society.

Regardless of the lack of intellectual merit or usefulness of what is often taught in fields such as history, political science, economics, sociology, and literature, the faculties at these schools are protected from any negative feedback. Their salaries at state institutions

are paid through tax dollars; their jobs are secured through lifetime tenure; and the content of their courses are judged as good or bad only by themselves. Any doubts about or dissent against how and what they teach is responded to with shouts of “academic freedom.” That phrase has become a mantra to ward off the demons: those of us who may not agree with the “wisdom” they wish to “share” with our children.

Government funding, of course, comes from tax dollars expropriated from the hard-earned income of the American citizenry. Parents are therefore left with fewer financial resources with which to send their children to educational institutions outside the net of state sponsorship and control. Further, the lure of less-expensive state-funded and state-subsidized colleges and universities creates a perverse incentive for parents to send their young to these politically funded schools.

The damage from all this goes far beyond wasting the taxpayers’ dollars in guaranteeing these academics their annual incomes. It means that the future of America is predominantly placed in their hands. The vast majority of young men and women pass through their educational processing. They mold how our sons and daughters see and think about politics, economics, history, moral philosophy, and social institutions.

To put it bluntly, they push our children through an intellectual sieve of collectivism; as a result, these young people leave college with no proper and vital understanding of freedom, self-responsibility, and the character and value of a free society. They enter adulthood unaware of the noble and courageous struggle that was carried on over the centuries in the Western world to establish the legacy of liberty and prosperity that too many of us take for granted.

What applies to government spending on higher

Richard Ebeling (rebeling@fee.org) is the president of FEE.

education of course applies no less to government spending on K–12 schooling as well. Indeed, it can be argued that government's influence at this level is even more disturbing, since these are the most impressionable years, when young minds are shaped by core ideas about their world. Whether it is sex education or conceptions about the environment or even the basic capacity to read and write, the grammar- and high-school years can leave a mark on young men and women for the rest of their lives.

It is not surprising, therefore, that public-school teachers and administrators are opposed to private competitive education during these formative years. Not only would it wrest from them near-monopoly control over the minds of America's youth, but a free market in education would also show the disastrous job the state system has done in preparing the next generation for earning a living in the global economy.

Compare that with the marketplace of everyday commerce, where the sellers of ideas and the products that embody them must demonstrate their value to the buying public. Sellers must prove that what is being offered is worth the price being asked. If they fail to do so, their clientele drifts away; their market share declines; and their incomes decrease. If a seller does not mend his ways, he will finally be driven out of business by those who more effectively serve consumers.

The private seller cannot shout "producer freedom" and claim the right to be protected from the disapproval of his customers. In the free market there is neither tenure nor government-guaranteed income. Every producer and seller is ultimately answerable to those he serves.

This is what makes competition a mechanism for fostering innovation and excellence. Every day, in every way, sellers must constantly try to stay ahead of their rivals in the marketplace. And they cannot forget that new entrants could come into their corner of the market, apply their creative abilities to better serve the consuming public, and earn some of the potential profits from doing so.


Ivory-Tower Existence

It is clear why so many teachers, professors, and administrators show such hostility to business and market competition. And it is no wonder that they despise the profit-and-loss system. To advocate a real marketplace of ideas would threaten their protected government-subsidized utopian, ivory-tower existence.

Defeating "academic socialism," as I call it, will require effort to escape the government's educational control. A growing number of parents in the United States are undertaking that effort, as demonstrated by the expanding attendance at private schools around the country and the increasing numbers of parents who incur the personal and family sacrifices to home-school their sons and daughters. Having lost all confidence in the government schooling system, they have taken more direct responsibility for their children's education.

But what is also needed is a broader understanding of why government should not be trusted with the education of America's youth—from kindergarten through the Ph.D. At the same time, this issue has to be put in a wider context, demonstrating why, in general, government should not be allowed to intrude into and control our personal, social, and economic affairs.

This is what the Foundation for Economic Education is all about. Our task is not simply to show why particular government regulations and programs fail or are counterproductive—though the articles in *The Freeman* do this issue after issue. In our publications, programs, and seminars, we analyze these particular policy questions as a means of providing a wider understanding of the moral, political, and economic principles of liberty without which a free society cannot survive in the long run.

FEE's purpose is to supply the philosophical and economic compass that points to that spot on the social and political horizon representing the free society of tomorrow. Unless we know where we want to go, we can never be sure if we have chosen the right path to get there. Only by knowing where we want to go can we avoid the pitfalls and false scents along the way that would lead us in wrong directions. 

THE FREEMAN

IDEAS ON LIBERTY

Published by

The Foundation for Economic Education
Irvington-on-Hudson, NY 10533
Phone: (914) 591-7230; E-mail: freeman@fee.org
www.fee.org

President	Richard M. Ebeling
Editor	Sheldon Richman
Managing Editor	Beth A. Hoffman
Editor Emeritus	Paul L. Poirot
Book Review Editor	George C. Leef

Columnists

Charles Baird	Robert Higgs
Donald J. Boudreaux	Lawrence W. Reed
Stephen Davies	Russell Roberts
Richard M. Ebeling	Thomas Szasz
Burton W. Folsom, Jr.	Walter E. Williams

Contributing Editors

Doug Bandow	Dwight R. Lee
Norman Barry	Wendy McElroy
Peter J. Boettke	Tibor Machan
James Bovard	Andrew P. Morriss
Thomas J. DiLorenzo	Ronald Nash
Joseph S. Fulda	James L. Payne
Bettina Bien Greaves	William H. Peterson
John Hospers	Jane S. Shaw
Raymond J. Keating	Richard H. Timberlake
Daniel B. Klein	Lawrence H. White

Foundation for Economic Education Board of Trustees, 2004-2005

David Humphreys, Chairman	
Henry M. Bonner	Kris A. Mauren
Sally von Behren	Paige K. Moore
Lloyd Buchanan	Tom G. Palmer
Frederick C. Foote	Roger Ream
Dan Grossman	Andrea Millen Rich
Walter LeCroy	Guillermo M. Yeatts



The Foundation for Economic Education (FEE) is a nonpolitical, nonprofit educational champion of individual liberty, private property, the free market, and constitutionally limited government.

The Freeman is published monthly, except for combined January-February and July-August issues. To receive a sample copy, or to have *The Freeman* come regularly to your door, call 800-960-4333, or e-mail bhoffman@fee.org

The Freeman is available on microfilm from University Microfilm International, 300 North Zeeb Road, Ann Arbor, MI 48106.

Copyright © 2005 Foundation for Economic Education. All rights reserved. Reproduction or use, without permission, of editorial or graphic content is prohibited.

Perspective

Creating Capitalists

Nothing is easier than thinking up ways to dispose of other people's money. Most politicians devote their lives to this activity, but there is a robust amateur division as well. It consists of pundits, professors, and think-tank fellows who focus their energies on turning out endless plans for transferring A's income to B. The details are sometimes simple, sometimes complex. The authors may invoke the latest "social science" theory or a hoary moral philosophy. Often no justification is given at all, as though the merits were self-evident.

Code words may shroud the nature of a transfer measure. The most popular code word today is "affordable," as in, "We must make health insurance (or prescription drugs or housing or any number of other things) affordable." Translated this means: "Some must pay for others."

The beneficiary of the transfer programs varies from plan to plan: the elderly, children, the poor, farmers, corporations, foreign governments, and so on. But the essence of each plan is identical. It calls for officers of the government to require us—under threat of violence if necessary—to surrender the fruits of our labor so that they may be given to someone else. You who have worked to create wealth will not be permitted to use a large portion of it. Your plans for yourself and your family are to be overridden by someone else's plan. It won't be by request. It will be by decree, backed up by force.

The typical advocate of a formal plan to dispose of other people's money isn't stupid. He knows the money will have to be taken from those who earned it, and he knows a threat of force must underlie his plan. He accepts it. Somehow he rationalizes it.

A recent example illustrates the point. David Brooks, the *New York Times* op-ed page's resident conservative, favors a plan in which "the government would open tax-deferred savings accounts for each American child, making a \$1,000 deposit at birth, and \$500 deposits in each of the next five years. That money could be invested in a limited number of mutual funds, but it couldn't be withdrawn until retirement" when, thanks to compound interest, "over \$100,000 [would be] waiting."