

Moral Foundations of Capitalism
ETHICSOC 157 / 257

Winter 2012
Tuesdays and Thursdays 4:15–5:45
Room 60-119

Dr. John P. McCaskey
mailbox@johnmccaskey.com

SYLLABUS
(as of January 7, 2012)

Moral Foundations of Capitalism

An interdisciplinary examination of alternative—and largely incompatible—twentieth-century defenses of the morality of capitalism, with a concentration on economic, Objectivist, and Christian arguments, considered historically, economically, politically, and philosophically. Readings from Adam Smith, Karl Marx, authors for and against slavery, John Maynard Keynes, Woodrow Wilson, Herbert Hoover, Austrian School economists, Milton Friedman, Dinesh D'Souza, and George Gilder. A reading of Ayn Rand's *Atlas Shrugged*. A concluding application of studied theories to a few recent public policy issues. (5 units. GER: DB-Hum. Total enrollment limited to 16. Preference given to sophomores and juniors.)

American capitalism, at least as originally promulgated, presumed a moral foundation of selfish individualism. Critics of such a morality have consequently denigrated capitalism. But others have tried to defend it either by appealing to an alternate foundation or by defending the morality of selfish individualism. In this course, we will explore three such groups of defenders: free-market economists who have defended capitalism on social, economic, or collective grounds; theologians and conservatives who have defended capitalism using a religious or altruist foundation; and Ayn Rand, who has defended the morality of selfishness.

Primary sources will be the core of our study. We will read, for example, Thomas Jefferson, Karl Marx, Herbert Hoover, Friedrich Hayek, and Ayn Rand themselves, not what others said in summary of them. There will be a lot of reading, lively class meetings, three papers, and no final exam.

Course grade

Your course grade will be based as follows on class preparation and participation and on three papers. For all students the first paper must be 900 to 1000 words long. For those registered for 157, the other papers, too, must be 900 to 1100 words long. For those registered for 257, the other papers must be 1400 to 1600 words long; for these students, my expectations will be slightly higher across the board.

- 35% Class preparation and participation
- 15% Paper #1
- 25% Paper #2
- 25% Paper #3

I retain the discretion to put more weight on later work for students who improve significantly. You should be judged on what you know when you leave the course, not on what you know when you enter it.

The topic for the first paper will be assigned. You will have more freedom on the other two, but you and I need to agree on each topic before you write those two. The papers will not require any reading outside what you do for the classes, though such outside research will be welcome if your topic warrants it.

Grades

I do not consider it the mark of a good teacher when a significant number of the students fail to master the material. So I have no reservation about giving all As and in fact it is the grade most of my students in the past have earned. But in the past I often taught seminars with only four to eight students; I had plenty of time to spot a problem and help each student improve. This, however, is a larger class. I can't be as proactive with each student as I am in smaller seminars. If you want an A for the course and you are getting B or C interim grades, you'll have to take the initiative. Seek me out and find out what you can do to improve. If you are finding it hard to participate in class, ask me to call on you more often. If I give you criticism you do not understand, ask for more information.

The concepts in this course are not difficult. Wide and deep prior knowledge is not required. The reading will be heavy, and I demand critical thinking and well-argued writing, but any Stanford student interested in philosophy, economics, history or American politics, willing to budget the time to read carefully and write persuasively, and committed to coming to every class prepared can do well in this course.

Contacting me

I don't maintain regular on-campus office hours, but will make myself available as much as you need. I am nearly always on email. In class, I'll give you my home and cell phone numbers. You can use the second for texting me.

Class preparation and participation

When I say that 35% of your grade is for class preparation and participation, I'm serious. I do not mean class attendance, I mean preparation and participation. One of my goals is to help you practice thinking on your feet about complex and charged topics. Whatever career you choose, that is a skill you will want to have.

If you write all A papers but never engage in the class discussion, you could get a C for the course. But I am looking for quality of preparation not quantity of participation. You do not need to be a pushy big-mouth. You can be reserved and naturally quiet. But you need to show me you have read and thought about the assignments, and you must be ready to engage in scholarly discussion with me and your classmates. I will make sure everyone has the opportunity to do so.

Clearly, missing class will be a problem. But if you are sick, and you are contagious or coming to class interferes with getting better, don't come to class. If you must miss class for that or any other reason, let me know as soon as possible. Expect that I will ask you to find some way to make up what you missed.

Workload and Pace

This five-unit course will meet in class for only ninety minutes twice a week. There is a lot of reading and you must do it all. For each class, you'll need to read and come prepared to discuss twenty-five to forty pages of primary-source material. There will be no such reading on the classes when a paper is due. In addition, you have to read a 1069-page novel and finish almost all of it by the seventh week. So plan to read 150–200 pages of the novel each week starting right away, in addition to the sixty or seventy pages a week of assigned primary-source material. Budget two hours a day for this class (outside classroom time), six days a week. Really. Fortunately, the non-fiction material is not difficult and comes mostly in manageable chunks, and you will probably find the fiction engaging (and either thrilling or infuriating). So overall, the reading won't be difficult. There is just a lot of it and you need to do it all. The workload is heavier in the middle weeks and lighter the last couple. There is no final exam.

Books

You need to buy

- The course reader.
- Ayn Rand, *Atlas Shrugged*, preferably the 50th Anniversary Edition (Penguin, 1996; ISBN 9780451191144).
- Michael Harvey, *The Nuts and Bolts of College Writing* (Hackett, 2003).

Everything else will be in the course reader or online.

Plagiarism

Until I had a student turn in a paper that was copied nearly verbatim from an old journal article, I never thought I'd see a case of plagiarism at Stanford University. But now that I have, let all be forewarned. Some professors prefer to handle cases of plagiarism themselves, exercising their discretion and working the matter out with the student one on one. I don't. I prefer to avail myself of the procedures administered by Stanford's Office of Judicial Affairs. Doing so eliminates any arbitrariness by the professor and places decision-making authority in the hands of a panel composed primarily of a student's peers. And therein lies the warning: In cases of honest ignorance, there is nothing to fear, but in unambiguous and blatantly intentional cases of plagiarism, a panel of students judging other students is downright merciless.

For information on plagiarism, see www.stanford.edu/dept/vpsa/judicialaffairs/students/plagiarism.sources.htm. For sample cases, see www.stanford.edu/dept/vpsa/judicialaffairs/judicialprocess/samplecases.htm. (Note the frequency of the phrase "one-quarter suspension.") If you feel any uncertainty, ask me.

Students with Documented Disabilities

Students who may need an academic accommodation based on the impact of a disability must initiate the request with the Student Disability Resource Center (SDRC) located within the Office of Accessible Education (OAE). SDRC staff will evaluate the request with required documentation, recommend reasonable accommodations, and prepare an *Accommodation Letter* for faculty dated in the current quarter in which the request is being made. Students should contact the SDRC as soon as possible since timely notice is needed to coordinate accommodations. The OAE is located at 563 Salvatierra Walk (phone: 723-1066). I have had good experience working with staff at the SDRC and have no reservation about doing so again.

Finally

I consider past student evaluations of my courses and the comments posted at www.ratemyprofessors.com, courserank.stanford.edu, and www.johnmccaskey.com to be fair. If they are, you will find me supportive but demanding (especially in class engagement and in the quality of your writing), the readings thought-provoking, classroom meetings stimulating and fun, and the course overall very rewarding. I'll do all I can to ensure you do.

Assignments

In addition to the assignments below, you will read Ayn Rand's *Atlas Shrugged*. This novel is 1069 pages long, and you need to get at least through the chapter, "This is John Galt Speaking," no later than week 7. So plan to read 150-200 pages a week, while you are also doing the other assignments. In week 4, we'll spend a class ensuring everyone is making good progress.

For the course, I also want you to read Michael Harvey's *The Nuts and Bolts of College Writing*. In fact, I want you to read it repeatedly throughout your writing career. I do. It's only 85 pages. The wiser students will have read much of it before the first paper is due.

You must read the assigned material **before** classes. Come ready to discuss the material. There will be more reading that we can fully discuss in class. Expect to do much of your learning for this course on your own, reading, and considering the assignments.

Part I. The selfish individualism inherent in (or seemingly inherent in) America's founding.

Class 1: Tuesday, January 10. America's founding premises.

In class, we will read and consider the following short excerpts. I will bring copies.

- First four articles of the *Virginia Declaration of Rights*, June, 1776.
- Preamble of the *United States Declaration of Independence*, July, 1776.
- Part I, Articles I and II of the *Massachusetts Constitution*, 1780.
- Adam Smith, *Wealth of Nations*, I.2.2 on the baker's self-love and IV.2.9 on the invisible hand.
- Thomas Jefferson, excerpt from first inaugural address on the "sum of good government."
- Thomas Jefferson, excerpt from letter to Joseph Milligan, April 6, 1816, on taxation of the wealthy.

Part II. Reactions against selfish individualism as a moral justification for capitalism.

Class 2: Thursday, January 12. Socialism.

Before class, read and prepare to discuss:

- Karl Marx, "Review of *The Capacity of Today's Jews and Christians to Become Free.*" Course Reader, 1.
- Karl Marx and Friedrich Engels, *Manifesto of the Communist Party.* Course Reader, 2.
- Friedrich Engels, "On Morality." Course Reader, 3.

Class 3: Tuesday, January 17. Slavery.

Before class, read and prepare to discuss:

- George Fitzhugh, *Cannibals All! or Slaves Without Masters* (1857), preface, introduction, chapters 1, 2, 3, 4, 5, 26. Course Reader, 4.
- Abraham Lincoln's "All honor to Jefferson" letter of 1858 and the "Gettysburg Address." Course Reader, 5.

Class 4: Thursday, January 19. Progressivism.

Before class, read and prepare to discuss:

- Woodrow Wilson, "Liberation of a People's Vital Energy." Course Reader, 6.
- Herbert Hoover, *American Individualism.* Course Reader, 7.
- John Maynard Keynes, "The End of Laissez-Faire." Course Reader, 8.

Part III. Alternative defenses of capitalism: Economic, social, and collective.

Class 5: Tuesday, January 24. Ludwig von Mises.

Before class, read and prepare to discuss:

- Ludwig von Mises, "The Welfare Principle vs. the Market Principle," *Human Action.* Course Reader, 9.

Class 6: Thursday, January 26. Friedrich Hayek.

Before class, read and prepare to discuss:

- Friedrich A. Hayek, *Constitution of Liberty*, selected sub-chapters. Course Reader, 10.

Class 7: Tuesday, January 31. Milton Friedman.

Before class, read and prepare to discuss:

- Milton Friedman, "The Relation Between Economic Freedom and Political Freedom" and "The Role of Government in a Free Society." Course Reader, 11.

An Interregnum

Class 8: Thursday, February 2. **First paper is due.**

In the paper, compare and contrast something from *Atlas Shrugged* to something else we have read. In class, we will take stock of what we have covered and discuss what you have read of *Atlas Shrugged* so far. At this point, you should be half-way through the novel.

Part IV. Defenses of capitalism on religious grounds

Class 9: Tuesday, February 7. Christian Conservatives.

Before class, read and prepare to discuss:

- Hans Sennholz, "Economic Commandments." Course Reader, 12.
- John W. Robbins, "The *Sine Qua Non* of Enduring Freedom." Course Reader, 13.
- George Gilder, "The Moral Sources of Capitalism." Course Reader, 14.
- Dinesh D'Souza, "The Civilization of Selfishness," <http://dineshdsouza.com/articles/selfishness.html>.

Class 10: Thursday, February 9. Catholic Theology.

Before class, read and prepare to discuss:

- Pope John Paul II, "Centesimus Annus." Course Reader, 15.

Part V. Ayn Rand's defense of capitalism on grounds of a morality of selfish individualism

Class 11: Tuesday, February 14. Rand's politics.

Before class, read and prepare to discuss:

- Ayn Rand, "Conservatism: An Obituary." Course Reader, 16.
- Ayn Rand, "Man's Rights." http://www.aynrand.org/site/PageServer?pagename=ari_ayn_rand_man_rights

Class 12: Thursday, February 16. Rand's morality of selfish individualism.

Before class, read and prepare to discuss these parts of *The Virtue of Selfishness*:

- Ayn Rand, "Introduction," *The Virtue of Selfishness*. Course Reader, 17.
- Ayn Rand, "The Objectivist Ethics." http://www.aynrand.org/site/PageServer?pagename=ari_ayn_rand_the_objectivist_ethics

Classes 13, 14, and 15: February 21, 23 and 28.

Finish and prepare to discuss:

- Ayn Rand, *Atlas Shrugged*.

Part VI: Comparing, contrasting, and applying the theories studied.

Class 16: Thursday, March 1. Second paper is due.

We will discuss paper topics in the prior weeks. In class this day, we will begin a deeper comparing, contrasting, and applying of the theories we have studied, exploring where they are compatible and where they are in conflict.

Class 17, 18 and 19: March 6, 8, and 13. Public policy implications.

Read and prepare to discuss:

- Paul Krugman, "A Tale of Two Moralities," *New York Times*, January 13, 2011.
<http://www.nytimes.com/2011/01/14/opinion/14krugman.html>

Based on your interests and what is going on in the world, we will pick a few current public policy issues and assess them according to the standards of our studied theories. (Or, if everyone wants, we'll use one of the classes to explore deeper something we earlier covered.)

Class 20: Thursday, March 15. Conclusions, wrap-up, and reflections.

Final exam week: Third paper is due

There is no final exam.