

Rival Defenses of American Capitalism
POLS 1822P
Tuesdays 4:00pm–6:20pm

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as of September 7, 2014

Course Description

In the United States, the moral justification for laissez-faire capitalism widely accepted at the country's founding came under sustained attack from the time of debates about slavery in the mid nineteenth century to the rise of Progressivism in the early twentieth. This course examines four schools of thought that subsequently arose to defend capitalism: that of free-market economists such as Ludwig von Mises, Friedrich Hayek, and Milton Friedman; that of Protestants and Catholics who advanced a religiously grounded defense; that of Ayn Rand's followers, who used a morality of selfishness to defend the morality of capitalism; and libertarian theories. Our study will show that the differences and rivalries between these schools are as charged and as fundamental as any between capitalism and its critics. Primary sources will provide the bulk of the reading material. The course will conclude with an application of the rival theories to a few current public policy issues.

Course Goals

By the end of the course, you should be able to understand the historical background to twentieth-century attempts to defend laissez faire capitalism, understand the main four such attempts, critically evaluate them, and apply their principles to public policy issues. You should have gained significant practice in reading critically, thinking widely and deeply about the issues, and arguing persuasively, both in writing and in live discussions. You should have improved your skill in debating and discussing with peers contentious but important topics. You should have reached your own thoughtfully considered evaluations of which, if any, arguments do and which do not validly justify a morality of capitalism.

Course Material

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. You will not need to do outside research in order to write your papers, though you can if you want to. In the last couple weeks, we will bring in material about current or recent events, and you will need to do some outside research for these.

Course grade

Your course grade will be based as follows on class preparation and participation and on three papers of 900–1100 words each.

- $\frac{1}{3}$ Class preparation and participation
- $\frac{1}{6}$ Paper #1
- $\frac{1}{4}$ Paper #2
- $\frac{1}{4}$ 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 bounded. 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 an A is what most of my students get. On the other hand, I often teach smaller classes than this and so have more time to spot a problem and help each student improve. In a class this large I can't be as proactive with each student. 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 Brown student interested in politics, political theory, philosophy, economics, or American history, 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 live in New York City, but will find a way to make myself as available as you need. If my train is on time, I can be in my office at 8 Fones Alley from 1:30pm until class starts. I hurry out after class to catch a 7:25pm train back to the city. 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 $\frac{1}{3}$ 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 will not get an A in the course. But also, 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, *in every one of our meetings*, that you have read and thought about the assignments, and you must be ready, *in every one of our meetings*, to engage in analytical 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

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 in-depth sixty to eighty pages of primary-source material. In addition, you have to read a 1069-page novel and finish almost all of it by the eighth week. So plan to read 120–150 pages of the novel each week starting right away, in addition to the non-fiction material. 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 heaviest in the middle weeks and light the last few. There is no final exam.

Meetings

We will meet on the Tuesday before Thanksgiving. If you won't be here then, don't take the course. We will meet on December 9, during the reading period. There will be no assigned readings for the day but we will use the class for some important reflections.

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).
- Jason Brennan, *Libertarianism: What Everyone Needs to Know* (Oxford University Press, 2012)

This course reader is available at the Brown bookstore not at the Allegra Copy Shop. (Nearly all copyrighted material at Allegra, in the OCRA reserves, and on Canvas has been pirated. None of the material in this course reader has been.)

Finally

I consider past student evaluations of my courses and the comments available at www.ratemyprofessors.com 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 8. So plan to read 120–150 pages a week, while you are also doing the other assignments.

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.

The class will be conducted as a seminar, not a lecture. You must read the assigned material *before* classes. Come ready to discuss it. I and your fellow students will assume we can, without warning, ask you to jump into the conversation.

There will be more reading than we can fully discuss in class. Expect to do much of your learning for this course on your own, reading and considering the assignments.

Readings are in the course reader unless noted.

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

Class 1: Tuesday, September 9. America's founding premises

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

- John Locke, *Second Treatise of Government*, 1690, ch. 2, §4, 6, 7; ch. 6, §54.
- 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: Tuesday, September 16. Marx, Comte, Fitzhugh

Before class, read and prepare to discuss:

- Karl Marx, "Review of *The Capacity of Today's Jews and Christians to Become Free*" (1844).
- Auguste Comte, excerpts from the *Catechism* (1852, English 1858).
- George Fitzhugh, *Cannibals All! or Slaves Without Masters* (1857), preface, introduction, chapters 1, 2, 3, 4, 5, 26.
- Abraham Lincoln's "All honor to Jefferson" letter of 1858 and the "Gettysburg Address."
- John H. Oberly, Conclusion to *Fifty-Seventh Annual Report of the Commissioner of Indian Affairs* (1888). You can skim almost all of what is in the Course Reader. It is just the last page or two that are important for us.

Class 3: Tuesday, September 23. Progressives

Before class, read and prepare to discuss:

- Frank Johnson Goodnow, *The American Conception of Liberty and Government* (1916).
- Woodrow Wilson, "Liberation of a People's Vital Energy" (1913).
- Herbert Hoover, *American Individualism* (1922).
- John Maynard Keynes, "The End of Laissez-Faire" (1926).

Part III. Defenses of capitalism by free-market economists.

Class 4: Tuesday, September 30. Ludwig von Mises, Milton Friedman

Before class, read and prepare to discuss:

- Ludwig von Mises, "The Welfare Principle vs. the Market Principle," *Human Action*.
- Milton Friedman, "The Relation Between Economic Freedom and Political Freedom" and "The Role of Government in a Free Society."

This week is a little light. It's a good week to be thinking about your upcoming paper.

Class 5: Tuesday, October 7. Friedrich Hayek

Before class, read and prepare to discuss:

- Friedrich A. Hayek, *Constitution of Liberty*, sub-chapters 1.1, 1.7, 2.1, 2.4, 2.5, 2.8, 2.9, 4.9, 4.10, 5.5–5.7, 9.1, 9.5, 10.4–10.7, 15.1–15.4, 15.7 in course reader.

Friday, October 10: First paper is due.

Part IV. Defenses of capitalism on religious grounds

Class 6: Tuesday, October 14. Protestant.

Before class, read and prepare to discuss:

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

Class 7: Tuesday, October 21. Catholic.

Before class, read and prepare to discuss:

- Pope John Paul II, "Centesimus Annus," http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus_en.html. (I left it out of the course reader, because reproduction rights are very expensive and it's available online for free.)

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

We'll bring in material from the novel throughout the next two classes.

Class 8: Tuesday, October 28. Rand's politics.

Before class, read and prepare to discuss these parts of *Capitalism: The Unknown Ideal*:

- Ayn Rand, "Introduction."
- Ayn Rand, "Man's Rights."
- Ayn Rand, "Nature of Government."
- Ayn Rand, "Conservatism: An Obituary."

Class 9: Tuesday, November 4. Rand's morality of selfish individualism.

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

- Ayn Rand, "Introduction."
- Ayn Rand, "The Objectivist Ethics."

A Flex Week

Class 10: Tuesday, November 11. We'll fill in here based on how we are doing and how students' interests are developing.

Friday, November 14: Second paper is due.

Part VI: Some work by academic theorists.

Class 11: Tuesday, November 18. Rawls and Nozick.

We will not cover either thinker in depth. We'll merely evaluate their moral arguments using the framework emerging in the course.

Read these excerpts from Rawls:

- John Rawls, *A Theory of Justice*, §§1–4, 9, 11.

and prepare to discuss them in comparison with what Sennholz and Robbins said about the Commandments and with one of these Objectivist essays:

- Ayn Rand, "The 'Conflicts' of Men's Interests," in *The Virtue of Selfishness*, if you happen to have a copy; otherwise:
- Antonio Puglielli, "'Dog Benefits Dog': The Harmony of Rational Men's Interests." <http://www.theobjectivestandard.com/issues/2011-winter/essay-contest-winner.asp>

and:

- John P. McCaskey, "A Dog-Eat-Dog World: Rand vs. Rawls," <http://www.johnmccaskey.com/joomla/index.php/blog/68-rawls>

Read this excerpt from Nozick:

- Robert Nozick, "Equality, Envy, Exploitation, Etc.," *Anarchy, State, and Utopia*, ch. 8.

Class 12: Tuesday, November 25. Bleeding Heart Libertarianism

Before class, read and prepare to discuss:

- Jason Brennan, *Libertarianism: What Everyone Needs to Know* (Oxford University Press, 2012)
- John P. McCaskey, "New Libertarians: New Promoters of a Welfare State," <http://www.johnmccaskey.com/joomla/index.php/blog/71-new-libertarians>

Part VII: Application of the theories.

Class 13: Tuesday, December 2. 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 determine how each of the schools we have studied does, would have, or should evaluate the issues.

Class 14: Tuesday, December 9. Conclusions, wrap-up, and reflections.

No reading assignment.

When our final exam would be held: Third paper is due

There is no final exam.