

The Real Questions You Should Ask Your Economics Professor

“Students are commonly told that Jesus was amenable to socialism because he favored the sharing of wealth. But in fact, he taught personal responsibility, voluntary charity, and doing good from the heart, not from someone else’s wallet.”

“The only thing new in the world,” President Harry Truman famously said, “is the history you do not know.” While there’s a bit of hyperbole in Truman’s words, the truth in them is also disturbingly common these days.

In my four decades of teaching and interacting with students on matters of economics and history, I’ve been routinely amazed by both how much they know and how little they know about the very same subjects. Allow me to choose four important topics to illuminate my point: child labor during the British Industrial Revolution, the Meat Inspection Act of 1906, the Great Depression of the 1930s, and the teachings of Jesus as they pertain to economics.

These topics routinely elicit from students the firmest of conclusions. They absolutely “know” that the birthplace of the Industrial Revolution, Great Britain, introduced widespread, horrible working conditions for children. They “know” that Upton Sinclair’s famous book, *The Jungle*, proved that Chicago meatpackers were deliberately harming their workers and poisoning their customers. They “know” that unfettered capitalism caused the Great Depression. And they are just as convinced that Jesus advocated socialism because he wanted to help the poor in their struggle against the greedy rich.

On each matter, they “know” that the perceived problem had one best fix, namely, corrective intervention by caring government

authorities. No need to question those authorities, their methods or outcomes, because those authorities are both compassionate and right.

When I offer a different perspective that suggests the perceived problem is a red herring and the corrective is a false cure, the most common response is “I never heard that before!” The more discerning, thoughtful students are upset and ask, “Why didn’t my teachers (or professors) tell me any of this?” They begin to sense that maybe what they had learned was less fact and more agenda, more bias than balance. Some get understandably angry—not so much at what their instructors told them but at what they didn’t tell them. They suddenly discover an age-old truth: The “conventional wisdom” may be conventional, but it’s often not wisdom.

The British Industrial Revolution

Seven times as many people lived in Great Britain in 1900 than when the Industrial Revolution began around 1750. In any other previous era or country in world history, such an explosive growth in the number of mouths to feed would have yielded mass starvation. Yet the average Brit in 1900 lived far better than the average of just five or six generations before. Over that period, infant mortality plummeted, and life spans lengthened by more than they had in the previous two thousand years. It was a triumph of entrepreneurship and markets liberated from centuries of life-crushing statism.

Vast numbers of high school and college students get a very different impression from their texts and teachers, however. They learn that this “capitalist” period ushered in new depths of misery and exploitation for the working classes, and that children, in particular, were among the most hapless victims. It’s as if British parents, and those by the hundreds of thousands who chose to emigrate to Britain from the continent, suddenly and mysteriously loved their children less than the

parents of pre-capitalist days.

In the minds of many students, the existence and conditions of 19th-century child labor seriously undermine any positive case for capitalism, if they don't negate it altogether.

In reality, child labor was ubiquitous and routinely harsh in the centuries before the Industrial Revolution. If children of all but royalty were lucky to live to the age of five (shockingly high numbers didn't), they went to work. And they did so out of necessity. In the absence of the capital, the tools and the investments that materialized later under capitalism, parents couldn't afford idle children at home. The kids went to work so the family could survive.

Certainly, there were hellish examples of cruelty in some places where children worked. Those places were often government-run poor houses for orphans, or early factories where government agencies assigned "parish-apprentice" orphans to work under no supervision. To blame capitalists and capitalism for what was frequently a government-created problem is outrageously unfair. Ultimately, it was capitalism and its ever-higher productivity that made it possible for parents to earn enough to feed the family and keep the children at home.

See my [essay](#), "Child Labor and the British Industrial Revolution" for more details.

Meat Inspection Act of 1906

Students are widely taught a simplistic, romanticized version of the history of this Progressive-era law. The inspiration for its passage, Upton Sinclair's novel titled *The Jungle* is often required reading in high-school and college classes. The one-sided message typically conveyed is this: unscrupulous capitalists were routinely tainting our meat, and the moral crusader Sinclair rallied the public and forced government to

shift from pusillanimous bystander to heroic do-gooder, valiantly disciplining the marketplace to protect its millions of victims.

“That’s news to me!” is the response I get when I inform students of what their teachers never told them: The Jungle was a novel, not a documentary. Sinclair was a propagandist with virtually no personal knowledge of meat-packing plants, not a dispassionate investigator. He was paid by fellow socialists to whip up hysteria against capitalism. Even Progressive Teddy Roosevelt wrote of him:

“I have an utter contempt for him. He is hysterical, unbalanced, and untruthful. Three-fourths of the things he said were absolute falsehoods. For some of the remainder, there was only a basis of truth.”

Impressionable young people are told that workers fell into vats of meat and were subsequently ground up into sausage and served to the public. Greedy capitalists just didn’t care. But wouldn’t you think somebody back then would have asked, “What happened to Bob?” Wouldn’t there be monuments today to honor the names and memories of those who were burger-ized? The fact is, there are neither names nor monuments because it didn’t happen.

Moreover, government meat inspection didn’t begin with the act of 1906. It existed before Sinclair’s book was ever published, which prompted discerning members of Congress to ask, “If Sinclair’s novelized allegations were true, then were government inspectors asleep at the switch?” If so, maybe government is less a solution than it is a part of the problem.

The meat-packers, far from opposing the 1906 act, were, in fact, supportive of it. The reason? It took them off the hook for the costs of meat inspection and shifted those costs to the taxpayer.

See my [essay](#), "Of Meat and Myth" for the facts.

The Great Depression of the 1930s

The conventional wisdom of this era asserts that government saved us from an economic calamity caused by laissez-faire capitalism. Nothing could be more remote from the truth.

From 1924 until 1929, the government's central bank (the Federal Reserve) drove interest rates to historic lows through a massive expansion of money and credit. The resulting, artificial boom went bust when the Fed reversed itself and presided over a massive contraction of money and credit from 1929 to 1933.

The allegedly non-interventionist Hoover administration jacked up tariffs in 1930, igniting a world-wide trade war. Then in 1932, the same "hands-off" administration doubled the income tax. When Franklin Roosevelt ran against Hoover in 1932, he assailed the incumbent for imposing "the greatest taxing and spending administration" in American history.

FDR's New Deal saved us, right? Wrong again. FDR's own Treasury Secretary, Henry Morgenthau, declared in 1939, "We have tried spending money. We are spending more than we have ever spent before and it does not work...I say after eight years of this Administration we have just as much unemployment as when we started, and an enormous debt to boot!"

World War II didn't end the Depression either. Unemployment fell dramatically in large part because 11 million men were removed from the labor force and shipped to Europe and the Pacific. But standards of living stagnated or fell during the war years. Recovery finally came when FDR was gone, government spending was drastically slashed, trade barriers began to come down and taxes on business income were reduced by more than half.

See my [essay](#), “Great Myths of the Great Depression” for the full, unadulterated story.

Jesus was a Socialist

This canard arises not so much in history or economics classes as it does in theology courses, but some version of it is pervasive across the educational community.

The fact is that you can scour the New Testament and not find even the most remote suggestion in the words of Jesus that he would endorse the forcible redistribution of wealth, the centralization of power, the political command of the economy or any other aspect of modern-day socialism.

When a man asked Jesus to get him a bigger share of an inheritance, Jesus rebuked him for his envy and asked, “Who made me a judge or divider over you?”

Jesus said he came to uphold the Mosaic Law, the Ten Commandments in particular. One of them warns against coveting what belongs to others. Another one says, “Thou shalt not steal.” It doesn’t say, “Thou shalt not steal unless the other guy has more than you do or if you can hire a politician to do it on your behalf.”

Jesus drove the money changers from a house of worship, but never from a bank or a marketplace. His “Parable of the Talents” ends by rewarding the man who invested and turned a profit and punishing the man who did nothing with his money. His “Parable of the Workers in the Vineyard” defends the right of an employer to pay a market wage to attract willing employees.

Students are commonly told that Jesus was amenable to socialism because he favored the sharing of wealth. But in fact, he taught personal responsibility, voluntary charity, and doing good from the heart, not from someone else’s wallet.

His “Good Samaritan” was good precisely because he helped a needy man himself; if he had simply urged the man to apply for a government program, he would be known today as the “Good-for-Nothing Samaritan.”

You can know the truth and the truth will set you free if you read my [essay](#), “Rendering Unto Caesar: Was Jesus a Socialist?”

When these issues were addressed in your classes, did you hear “the other side” as presented here? If you did, that’s great. Your teachers are to be commended. But if you didn’t, then I suggest you ask them why. Better yet, demand a refund.

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