

# MANHATTAN REPORT

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## Thomas Sowell



Earlier this Fall, Manhattan Institute organized a tour for Hoover Institution economist Thomas Sowell designed to coincide with the publication of the Manhattan Institute-sponsored book, *Markets and Minorities* (Basic Books). His schedule for this tour included the following: two lectures — one in New York and one in Washington, co-sponsored by the Heritage Foundation — before journalists and public policy officials; a New York reception attended by the nation's leading publishers and editors; a scheduled presentation before the Congressional Joint Economic Committee; and an appearance on "Meet the Press." These appearances and presentations led to a great outpouring of articles describing Sowell and his work. Though some articles appeared in the form of ad hominem attacks, Sowell's appearances were so widespread — and his rebukes of anticipated attacks so well formulated — that few of his critics were taken seriously.

Thomas Sowell made a deep and lasting impression on all those who heard him speak during his East Coast tour. The following edited transcript is a compilation of his remarks made during the tour. We have also included an edited transcript of his appearance on "Meet the Press," which appears on pages six and seven.

**William M. H. Hammett**—I would like to welcome everybody to this lunch and thank you for coming. I'll introduce the moderator of today's talk, Mr. Leo Rosten. We're very privileged to have Leo introduce Tom Sowell and moderate the session. Leo is a man of both the academic and the entertainment worlds. He's been a screenwriter and author and is a very interesting gentleman. His credentials in the world of ethnicity and matters of that nature are attested to by his book, *The Joys of Yiddish*, among many other accomplishments. Mr. Leo Rosten.

**Leo Rosten**—Professor Sowell is 51 years old. He was born in North Carolina and came to Chicago and Harlem at an early age. He dropped out of high school; he went back to college after being in the Marine Corps under the G.I. Bill and ultimately ended up at the University of Chicago, where he got a Ph.D. in economics.

Professor Sowell has taught at UCLA. He worked in the Department of Labor. It is not a secret that he was offered the post of Secretary of Education, and it is not a secret that he was seriously thought of as Chairman of the Council of Economic Advisers. He is currently a Senior Fellow at the Hoover Institution. He has written almost a dozen books including: *Knowledge and Decisions*, *Ethnic America*, *Classical Economics Reconsidered*, *Pink and Brown People* and, most recently, *Markets & Minorities*, about which he will talk today. He is certainly a man whose work commands great respect. It impresses me because of the ferocity of his documentation. One chapter in *Ethnic America* has 358 footnotes. It appalls me. But it is one way of trying desperately to make a point by that most neglected of

methods today—data. Just facts. I am sure that Professor Sowell is a rising star in the world of economics and public policy. I am sure he will be heard from in the future. In fact, he'll be heard from right now. Tom Sowell.

**Thomas Sowell**—Thank you very much. I think I'll talk a little bit about *Markets and Minorities*, what its purpose is, and some general idea of what it's about. The central purpose of this book, and perhaps of other books I've done, is to be "anti-foregone conclusion." I'm always amazed, and usually appalled, at how many foregone conclusions shape our thinking and even our policies at the highest level; how many people regard facts as impediments at best and "red herrings" at worst. What I try to do in *Markets and Minorities* is to change foregone conclusions into testable hypotheses.

### Challenging Foregone Conclusions

For instance, very often you read that people no longer live in rags as they did in the 19th century because we are now humane and will not accept those kinds of conditions. However, one must recall that there was a man named Singer who invented something called the sewing machine. Before Singer came along, most ordinary people did not buy brand-new, ready-made clothes, because they could not afford to. They either had homespun clothes or second-hand clothes. Second-hand clothes were so widely used that they spread diseases throughout the whole society.

Another foregone conclusion is that slum clearance is a good thing. Slum clearance, of

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"I do not have faith in the market. I have evidence about the market." — Thomas Sowell



Photo by Craig Terry

### Thomas Sowell addresses the forum

course, is very good from the point of view of the observers of slums. But the people who lived in those slums always had the option to live somewhere else if they were willing to reduce their already low standards of living. All that slum clearance does is force them to do that which they had not chosen to do beforehand. The reason people are no longer packed into slums today, to even a fraction of the extent they were a hundred years ago, is because modern transportation allowed people to get to and from work without having to be within walking distance of the job.

Yet another notion which has become a foregone conclusion for a generation now is the assumption that separate schools are inherently inferior. I was appalled in looking through the literature to find that there really is no documentation for that argument in *Brown v. Board*. I think the argument for desegregating society—for ending the Jim Crow laws—rests on a much firmer foundation than the presumption that black kids are sitting in the schools not able to learn because there are no white kids there. As I read *Brown v. Board* after all these years and see the assertions, I, at least, think back to my old childhood in the South when I grew up and went to school—a segregated school, obviously. I can't think of a single time that we ever thought about white kids. I can't remember anybody asking why they weren't there. We would have wondered what the hell they were doing there if they were. And the idea that we were wringing our hands and unable to do our work because they weren't there somewhat boggles the mind.

### Minorities in Markets

Markets aren't magic any more than government is magic. The nature of the market matters. In various places I try to talk about different kinds of markets—why in some kinds of markets you chronically find more discrimina-

tion than in other kinds of markets, and what that implies about public policy.

If you look at protected markets—the regulated utilities, the nonprofit organizations, universities, or government itself—these have historically been the places with the greatest amount of discrimination. Back in the 1930s there was a grand total of three black Ph.D.s teaching at all the non-black universities in the country combined. At the very same time, there were more than 300 chemists alone employed in private industry. Of course, the chemical industry was a lot more competitive than the academic world. Foundations, including many of those which are full of moral pronouncements today, were places where blacks were not hired—even foundations whose avowed purpose was the advancement of blacks.

The government also went through a very long period of retrogression in the hiring of blacks. There were fewer blacks in high positions in the government in 1930 than there were in World War I. In the military, blacks were eliminated from the navy. When I say eliminated, I mean totally eliminated, whereas, for example, back in the time of John Paul Jones, one-fourth of his crew was black.

Today's reverse discrimination is also prevalent in these protected markets, and I argue that preferences and discrimination are the exact same action expressed in different words. If you have preferences for *a*, *b*, and *c*, then you are discriminating against *x*, *y*, and *z*.

### Costs of Discrimination

One of the points I try to get across in *Markets and Minorities* is the cost of discrimination. By the cost of discrimination I include the cost to the person who is discriminating, because he loses many opportunities for profit and for advantages when he discriminates. It's this cost which is highest in a competitive market.

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*"If a black kid graduates first in his class at Harvard, he is still thought of as someone who got his degree because of affirmative action." — Thomas Sowell*

Some years ago the Washington Redskins had a "white only" policy in their hiring. At that time integration was a very controversial thing in the South and the Washington Redskins were the surrogate home team for all the Southern states, there not being any Southern football teams at the time. One sportswriter wrote that the new quarterback for the Redskins "faced the whitest huddle and the darkest future of any quarterback in the NFL." And it was precisely under the most racist ownership in the history of the club that they finally hired their first black halfback. They could no longer afford the cost of discrimination.

Many people say to me that I have faith in the market. I do not have faith in the market. I have evidence about the market. One of the gross misconceptions made about the market and about market economists is that we are assuming good will on the part of the people in the market. When I teach the history of economic thought, I usually make an offer on the first day of class that I will give an "A" to the student who can find a single favorable reference to



Photo by Craig Terry

Gerald Footlick, *Newsweek* and George Gilder

a businessman anywhere in the 900 pages of *The Wealth of Nations* by Adam Smith. No student has ever gotten an "A" that way. Few have gotten them any other way. You will find more denunciations of businessmen in *The Wealth of Nations* than you will find in any other book that I know of, with the possible—and I say this advisedly—exception of *Das Kapital* by Karl Marx.

### Historical and International Examples

Nothing has strengthened my belief that competitive conditions do more to reduce discrimination than other conditions than an international study I am now engaged in.

South Africa is an area where I think we may safely assume that there is extremely little racial good will. And yet, in studying the history of South Africa, what I find is that prior to the

Nationalist government taking power (first in the early '20s in a coalition, and then in 1948), blacks were rising in South African industry and, indeed, it was the rise of blacks which provoked a series of political responses which culminated ultimately in apartheid. Businessmen, operating under the profit motive, found that the cost of indulging their discrimination was simply too high.

In the early part of the 20th century, there were massive strikes against the mining companies in South Africa, precisely because blacks were slowly but surely rising up through the ranks. When, finally, the white miners refused to work with blacks, the employers simply started firing white miners and hiring more black miners. At this point the political reaction set in: the Nationalists came to power, and they then made it a matter of law how many blacks could be hired. That was when preferential treatment and quotas for Europeans were ushered in. And since then, particularly after the apartheid policies, the Nationalists have had to enormously expand the role of government—the bureaucracy and the detailed regulation—in order to sustain that policy. They discovered the hard way that what they wanted to achieve could not, in fact, be achieved through the market. The South African government—the Nationalist Party—has traditionally been an anti-market party. The first color bar in South Africa was put in with the support of left-wing unions, including socialists and Marxists. The Nationalists in South Africa speak of advancement of blacks as one of the *abuses* of capitalism—one of the "abuses" overlooked by Jane Fonda.

Another example of discrimination which has not led to poverty comes from Southeast Asia. I find that throughout Southeast Asia the Chinese are hated like poison. Among other reasons, they have far more entrepreneurship and far more skills than the native peoples of these lands. They have created whole industries and introduced new crops. No country in Southeast Asia allows the Chinese to have equal rights, so one doesn't have to speculate about whether or not there is anti-Chinese feeling. It is all there in black and white on the statute books—not only regarding jobs in the government, but jobs at the university, admission to the university, and ability to work in certain industries. The fact is, however, that the Chinese in Southeast Asia are among the most prosperous people there. In some countries, they earn up to double the income of the native people who are oppressing them. Those who argue that the Chinese have gotten this by exploiting the natives could test this out by looking at places where there are only Chinese residents, such as, for example,

"I am not the 'Dear Abby' of black people. Advice to black people is in abundant supply."  
— Thomas Sowell

Singapore or Hong Kong. In Hong Kong, 98 percent of the population is Chinese. They have the highest standard of living in Southeast Asia. If they're getting it by exploitation, they must be exploiting those other two percent something awful—the other two percent being the British, who run the colony.

When the Japanese first came to the United States at the beginning of the 20th Century, they were paid lower wages than the white workers. Of course, they were more productive than the white workers, and 20 years later they were being paid more than the white workers. No one paid these workers more out of good will. They did it out of self-preservation.

In the initial period after the Civil War, all sorts of discriminatory practices were engaged in. For instance, there were some blacks who were not told about the Emancipation Proclamation, so that a free year's labor could be gotten out of them. But by the second year, things began to change. As one black writer said in 1865, "They may be able to cheat poor blacks out of one year's work, but in spite of them, the black laborer will get one year's experience." And so, those employers who had the worst conditions suddenly found there was nobody lined up for their jobs the following spring. And those who had been a little more decent found that they had a very large pool of people to draw upon; they could hire the best workers and get their crops planted first. That type of pressure, over a period of years, had drastic effects on the Southern labor market. So the costs of discrimination are inherent in competitive markets.

People often say that I'm denying that there's racism. On the contrary, racism exists everywhere, around the world, down through history. That's one of the reasons it's hard to use it as an empirical explanation for anything. In the United States, for example, Puerto Ricans have lower incomes than blacks. I don't know of anyone who believes Puerto Ricans encounter more discrimination than blacks. Obviously, there must be something else involved besides this discrimination.

One of the things I do in *Markets and Minorities* is break groups down into internal groups about which the general society is unaware. For example, among Chinese Americans you'll find some of the most prosperous people in the United States and some of the most poverty-stricken in the United States. Chinese Americans as a group have more education than whites, but they have higher percentages of illiteracy than blacks. The reason is that there are profound internal differences among the Chinese Americans.

The first wave of Chinese immigrants, those

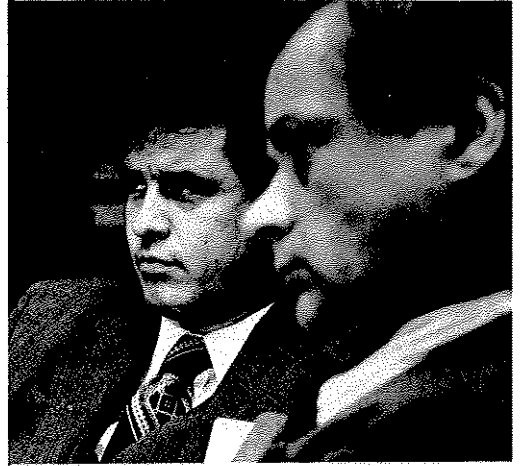


Photo. by Craig Terry

Joseph Sobran, *National Review* (1) and Tom Bethell, *Harper's*

who arrived before World War I, came from only one of 98 districts in one province of China! Those people are enormously prosperous. Those who have come here more recently, especially from Hong Kong, are the people who are in the sweatshops, in the Chinatown restaurants, and who are crowded into the slum dwellings in those areas. Now, to the average American employer and landlord there's no way of distinguishing among these different groups of Chinese. Many are even unaware that such differences exist. Therefore, you cannot explain, on the basis of discrimination, why one segment of this group has income well below the national average, because the people who might be doing the discriminating don't even know the difference. You could have gone back to the 19th century and made the same statement about the German Jews and the Eastern European Jews. You could have made the same statement about the Italians from the north of Italy and those from the south of Italy. And you could make similar kinds of statements about native blacks and about blacks who came here from the West Indies.

Perhaps other evidence or other tests might be more appropriate than some of those I've used in *Markets and Minorities*, but the main point is that there should be a testing of hypotheses rather than reasoning by foregone conclusions. Thank you.

**Daniel Oliver**, *Department of Education*—Is there any evidence that black political leaders in this country are beginning to accept more of your thinking?

**Thomas Sowell**—Not a speck.

(Continued on page 8)

# THOMAS SOWELL on MEET THE PRESS

When Thomas Sowell was interviewed by the panel of NBC's "Meet the Press," one immediately realized how little attention has been given to his pathbreaking economic research on minorities. Repeatedly, Sowell was forced to correct questions based on false premises and foregone conclusions, to repeat answers stripped of popular rhetoric, and to tolerate charges that he has a vested interest in his findings. So precise and demanding were Sowell's responses to questions during taping of "Meet the Press" that a producer in the control room commented: "You know, this is the first time the guest has moderated the show."

Sowell's appearance on "Meet the Press" was a graphic illustration of how much more work must be done to bring market-oriented research to the attention of those who cover economic affairs for the nation.

## PANEL:

**Bill Monroe**—NBC News

**Emery King**—NBC News

**William J. Eaton**—Los Angeles Times

**Marvin Kalb**—NBC News

**Mr. Monroe**—What response do you have to the specific attack of black civil rights leaders who say that the President has turned his back on black Americans by pulling back from busing, affirmative action, and other such social programs, who say that the President is beginning an era of retrogression for blacks?

**Mr. Sowell**—I think that those civil rights leaders

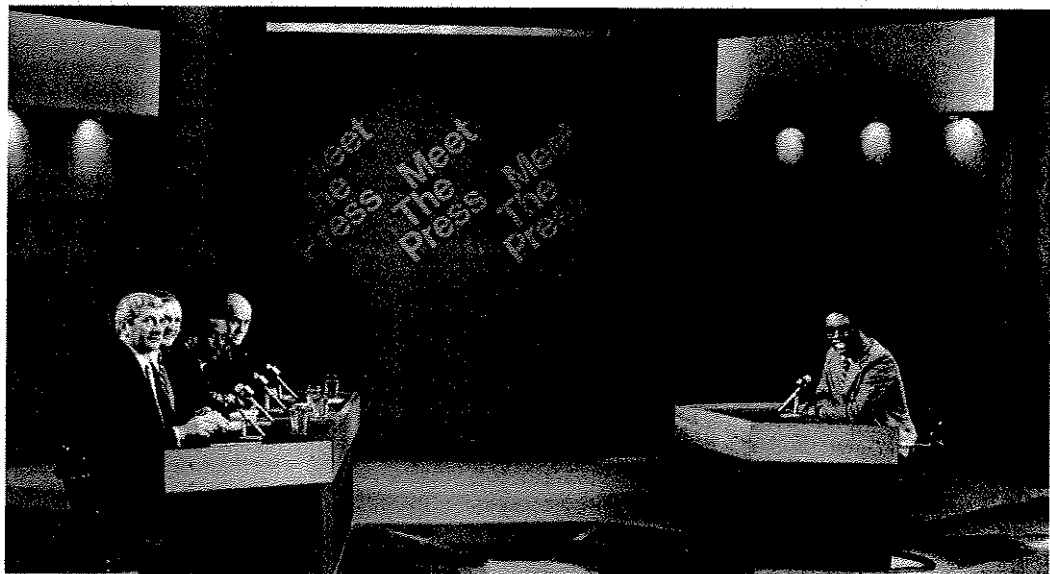
have unfortunately, in recent years, themselves turned their backs on blacks. They are promoting things which, as I see in the polls, most blacks are not supporting; for example, quotas and busing. They're following what the white liberals are saying and not what the black community is saying.

**Mr. King**—A recent NBC News documentary showed that black people nationwide are extremely concerned about the effects the nation's cutbacks in certain social programs will have on their lives, and in some cases their very ability to survive. Would you convince them in any way to be more trusting in a program that seems designed to benefit the rich at the expense of the poor?

**Mr. Sowell**—Well, I wouldn't accept that characterization of the program because I wouldn't have even such small association with it as I do if I thought of it in those terms. I think that if you're going to take away anything from anybody anywhere in the whole society, they're going to be apprehensive about it, because they see immediately what they're losing. What they don't see is how this is going to help the economy and therefore help them as part of that economy.

**Mr. King**—Blacks have made more progress in the last 17 years than at any other time in history—progress that came about largely as a result of the government's social programs during that period, among them affirmative action. What do you propose or would you propose as substitutes as we see the Administration going about the business of dismantling some of these programs?

**Mr. Sowell**—I would disagree with you entirely on your facts. As I've looked at affirmative action, I do not see blacks or Hispanics rising relative to the general population under affirmative action. I think there are a lot of assertions and foregone conclusions that are stated over and over again, but repetition is



Thomas Sowell and the Meet the Press panel

Photos by David Asman

*"One enormous difference between me and the other black civil rights leaders is that I have no financial stake in what I say."*

not a substitute for facts. The fact is that under affirmative action Puerto Rican income, for example, has fallen from 60 percent of the national average to 50 percent of the national average. Mexican-American income has fallen from 76 percent to 73 percent of the national average. Black income has fluctuated right about where it was before affirmative action.

When you break down the figures further, what you find is that those blacks who have education, who have years of experience on the job, are rising absolutely and relative to whites, but that those who are average and who don't have that level of education, they are falling relative to whites, so they are falling behind from before.

**Mr. Kalb**—I'm curious about one thing, sir. You have criticized the press on this broadcast so far, the leadership of the black community, and white liberals by saying that all of these people apparently have been talking inaccurately about the effect of Reagan's cutbacks on the black community. But there are statistics put out by the government which talk about incredible figures, like more than 50 percent of black teenagers who are out of work now.

**Mr. Sowell**—Yes.

**Mr. Kalb**—Who's right and who's wrong? I mean that statistic is rather shattering.

**Mr. Sowell**—Of course it's shattering, and it's more shattering if you look at the history behind it. Back around 1950 that percentage was perhaps a fifth of what it has reached in the 1970s, and the reason that unemployment has risen, in my judgment and the judgment of a number of other people, has been that the minimum wage coverage has expanded greatly, as well as the minimum wage level itself rising, so that you've simply priced people out of a job.

Many people think it's wonderful to raise people's salaries, but you can't raise their salaries. All you do is prevent them from working below a certain wage level, and if the employer doesn't agree to pay that level, they simply lose their jobs, and you're not making them better off; you're making them worse off.

**Mr. Kalb**—Do you feel that the press is generally misreporting or distorting the reality of black America?

**Mr. Sowell**—Yes.

**Mr. Kalb**—In what ways, could you tell me, and why? How does that arise?

**Mr. Sowell**—One, simply in having a relatively small group of people who are taken as the spokesmen for the black population. I see, as I have said, people on the air saying things which are not only opposite to what I have seen in the black community, but opposite to what the Gallup organization and other pollsters have found as black opinion. Again, as with such things as crime control, the traditional black organizations are taking a much more liberal stand on that—as regards turning criminals loose and fighting against the death penalty—than I find in the black community, again, either by my observation or by the polls that I've seen.

**Mr. Monroe**—What would you say is the chief difference in approach between you and the standard civil rights leaders we're accustomed to, the Vernon



Jordans, the Benjamin Hooks and others?

**Mr. Sowell**—I would say one enormous difference is that I have no financial stake in what I say. If you're going to cut government spending and you're going to cut large sums of money that go to these organizations, they have a very large institutional stake in these programs, regardless of whether those programs do any good for blacks and, indeed, regardless of whether they cause harm to blacks. That's one big difference.

**Mr. King**—Mr. Sowell, would you agree that history has shown us that when government failed to take on those responsibilities of providing for upward black mobility and equality and justice that no one did?

**Mr. Sowell**—No, I would say just the opposite. The government has been quite active in suppressing the advancement of blacks in the United States, as well as in some other countries. The great achievement of the civil rights organizations has been getting the government off the backs of blacks, notably in the South with the Jim Crow laws, but in other parts of the country with other kinds of laws and other kinds of practices. When these civil rights groups tried to get government to play a positive role, so-called, that's where they've not only failed but where they've had counter-productive results.

**Mr. Eaton**—Mr. Sowell, you have written that Social Security is the longest-running fraud in America, and I wonder if you feel that the Social Security program should be curtailed or abolished?

**Mr. Sowell**—No, it's a fraud in the sense that politicians promised old people money that they would get when they retired, without providing the money to actually be paid to them. It's like writing a check when you don't have the funds to cover it. The problem is that people are now out on the limb and some way has to be found to rescue them. So I'm not saying you should abolish the program; I'm simply saying that you can't continue indefinitely to pay out a dollar

*(Continued on back cover)*

"What opportunities have you sought to present your message to black Americans?"—Horace Morris

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**Daniel Oliver**—Why not?

**Thomas Sowell**—I feel very embarrassed to come before a group of people and tell them to go against their institutional self-interests. Just as the NEA has institutional self-interests in keeping things in education the way they are for the benefit of their members, so do civil rights organizations have every incentive to keep the money coming into the civil rights organizations. Now, of course, I think that the policies which I recommend would be much better for blacks, but we're talking about the institutional



Photo by Craig Terry

**Horace Morris**, New York Urban League

incentives of the civil rights organizations. I don't know how I'm going to come before some civil rights organization and tell them they ought to follow policies which would do away with half the federal revenues they're getting. I tend to be optimistic sometimes, but seldom that optimistic.

**Henry F. Allen**, *Washington Post*—Relevant to the last question, is there any substitute evidence reflecting a shift in the constituency of the so-called leadership of the black civil rights movement?

**Thomas Sowell**—Their constituency remains what it has always been. It has been the white press and the white philanthropic community. Their leadership rests on their access to the press and to money. It does not consist of leading blacks.

**Hugh Price**, *New York Times*—I have read that you raise questions about the effectiveness of affirmative action for people who are marginally skilled and extremely poor, and that's a proposition I have absolutely no quarrel with. But you've also suggested, I think, that affirmative action benefits those who would progress anyway because of skills, and you use as an example the progression of blacks in academe,

among other places. My sense was that the progression of blacks in academe, in part at least, was attributable to the pressure of affirmative action, the pressure on universities to bring in more minorities. If that's not the case, I'd be interested in what you might have to say.

**Thomas Sowell**—One problem is timing. Affirmative action has had many meanings from the beginning. In fact, some of the meanings today are the opposite of what they were originally. It's very interesting to find people who were promoting affirmative action in the 1960s and see some of their reactions to what it has evolved into over a period of about 2 years. By affirmative action I mean what it has come to mean now, namely, so-called goals and timetables or "quotas," in plain English. That can be dated from December, 1971, when goals and timetables were promulgated by the Office of the Federal Contract Compliance in the Labor Department. The breaking down of academic barriers which were, indeed, quite severe is in accordance exactly with the point I make in *Markets and Minorities*. That is, in nonmarket situations, like universities and foundations—and, ironically, even foundations set up to advance blacks which would not hire blacks—there has been much more severe discrimination than in the market organizations. That barrier had broken down well before December, 1971, and there's very little evidence that progress has been accelerated in any way whatsoever since then.

**R. Randolph Richardson**, *Smith Richardson Foundation*—Dr. Sowell, it seems to me that there is some possibility that the present manifestation of affirmative action that you described in your book is going to be a sort of a boobytrap and a problem for those blacks who have moved up who are qualified and are talented. In other words, their white confreres and peers are going to say, "I got there through hard work, but you got there through affirmative action."

**Thomas Sowell**—Oh, yes. There is an enormous amount of that and it implies that if a black kid graduates first in his class at Harvard, he is still going to be thought of as someone who got his degree because of affirmative action. You have something else happening, something which George Gilder has pointed out in his book *Wealth and Poverty*. Affirmative action has become a goody to pass out to various groups, and that has happened in other countries as well as this one. In India, for example, there is a big fight for the coveted title of "backward caste," because that entitles you to various government benefits. We have the same thing in the United States. According to George Gilder's estimate, 70% of the American population, controlling

*"Isn't there evidence that there can be effective schools with management improvements that don't necessarily require a free market?" — Hugh Price*

75% of the American wealth, is covered by affirmative action. What that means is that blacks are now lost in a sea of other people, and you must now be able to justify your hiring practices to third parties on the basis of so-called "objective criteria," academic credentials of one sort or another, which may not make one a better worker. Blacks, having fewer credentials, obviously would be disadvantaged by this particular effect of affirmative action.

Very often I hear people say, "How can you attack affirmative action when you yourself have benefited from it?" That has a certain surface plausibility the first time around, as many things do. But as I look back over my career, I can't think of a single thing that I have done professionally that was not done by other blacks before me, including many long before me and, therefore, long before affirmative action.

**Horace Morris, New York Urban League**—Dr. Sowell, it would seem that your message has a particular meaning for black people in America. You're suggesting that there is a certain way in which they should go about their business. What opportunities have you sought to present this message to black America, to the black church, to black economic development groups such as the Bedford Stuyvesant Restoration Corporation or the Harlem Commonwealth Council?

**Thomas Sowell**—I think your initial premise is wrong. I am not acting as advisor, telling black people what to do. I am not the "Dear Abby" of black people. The problem that black people have is not in having too little advice. I would say that advice to black people is in abundant supply—perhaps overabundant supply. Obviously, one would not enter a market where one's product is already being oversupplied. What black people do need are more options to exercise their own discretion. One of the things I have been advocating for a number of years, for example, has been a voucher system in education, so that black parents may choose where to send their kids, as many upper-class parents do already. Once black people have that option, it will not be necessary for me or anyone else to tell them how to exercise it, because I think they have enough responsibility and concern for their children to exercise it themselves. Indeed, I suspect that the bitter opposition by the labor unions is based precisely on their belief that black people will exercise that option in ways that will cost labor unions members.

**Hugh Price, New York Times**—Is the voucher system pegged to the true cost of educating every child?

**Thomas Sowell**—No, it isn't.

**Hugh Price**—Well, some children cost more to

educate than others because of supportive circumstances that you need in remedial programs. If the voucher is pegged to the mean, then it's not going to be economically practical for a private school to accept children who cost more than is available with the voucher.

**Thomas Sowell**—What you seem to be saying is that there'll be a "sorting out" of people under vouchers to a greater extent, perhaps, than there is in the public school today. That may well be. However, I know of no reason to believe that the current mixture of people is facilitating quality education. In fact, as I look at the education available to blacks—and I still have relatives living in Harlem and the South Bronx—I find it inconceivable that things could get worse. I find it inconceivable!

**Hugh Price**—But isn't there evidence which suggests that there can be effective schools with management improvements that don't necessarily require a free market solution?

**Thomas Sowell**—I don't have any doubt that under every conceivable form of education there will be better and worse schools. But I'm not sure whether that's an argument against vouchers versus compelling people to go a particular monopoly.

**Blanche Bernstein, New School for Social Research**—Why are public schools bad? I can't blame it all on the teachers or the system. Kids aren't in school; they're not attending classes.



*Photo by Craig Terry*

**Hugh Price, New York Times**

Parents aren't seeing to it that they do. So I think you've got to go further than the voucher system. The idea that the voucher system is the solution for educating blacks and other minority children has always seemed to me a bit absurd, and I think you have indicated that it's absurd. The private schools will simply become as bad as the public schools.

**Thomas Sowell**—I have delivered many diatribes against the word "solution," and I hate to do it after lunch. I don't look for solutions; I look for trade-offs. I think the person who asks, "What is the solution to this problem?" has a fundamental misconception of the way the world works. We have trade-offs, and that's all we have.

**Blanche Bernstein**—The American people want solutions and the blacks want solutions.

**Thomas Sowell**—I'm not sure how many blacks have elected you to say that. I don't believe that by transferring students from public to private schools we will end up with private schools turning into public schools. The public and private domains operate differently in every other aspect of human life—from garbage collection to providing guard services.

**Brian Summers, *Foundation for Economic Education***—In some of your books you speak of the choices that people face. If government somehow subsidizes private schools, could that not lead to other government control and, therefore, create a private school system with fewer choices?

**Thomas Sowell**—I think that is a much more realistic fear about what may happen through vouchers. Private schools might be treated much more like public schools on the grounds that they are receiving public money. That, I think, is a very real danger, and there would have to be some way of dealing with that. Again, from the standpoint of those people who are at the bottom of the pile, it is inconceivable to me that the education is going to get worse for them. So I think that, given that education may be their one way out of poverty, that I think is a chance that's worth taking. But, you're right. It is a chance.

**Colin Campbell, *New York Times***—In the realm of economic trade-offs, how would you rate what might be called a trade-off—spending less money, as the administration is planning to do, on social programs and more money on military expenditures?

**Thomas Sowell**—I am not one of those people who regard military expenditure as waste. I do not regard survival as optional. I do not think that there is anything that gives us any security other than our ability to retaliate. It would be wonderful if human beings were different, but

since they've been the way they have been for a few thousand years now, I'm not terribly optimistic about any quick changes. I know of no evidence that when we allow our military to run down that the other side will allow theirs to run down. That theory was tried out for most of the decade of the 1930s, and it led to the worst carnage in all of human history. I don't particularly care for theories that have been tested that way.

**Charles H. Brunie, *Oppenheimer Capital Corp.***—Do you have any comments on the decriminalization of personal crimes, relative to prostitution, drug use, etc.?

**Thomas Sowell**—Personal crimes. Well, I tend to take a very dim view of trying to regulate behavior that really does not impinge upon some other person. I would extend this all the way into things like drugs, particularly drugs which don't happen to impinge on other people—or, to put it differently, which impinge on other people much more markedly when the government intervenes, thus driving up the price and, therefore, encouraging criminal activity as a means of paying that price.

**Allan C. Brownfeld, *Accuracy in Media***—You have stated in a number of your books that various groups advance at different rates because of the internal value structure those groups brought to the society, and you make this point in particular with regard to the West Indian blacks and native blacks. My question is, if you have a particular group in society that does not seem to have the internal value structure that permits rapid advancement, how is it that this structure can be altered? Isn't that the major question we're left with?

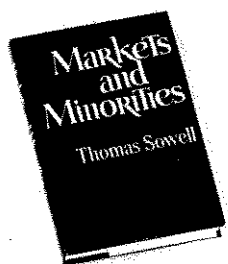
**Thomas Sowell**—I'm a little more optimistic than that. As I look at the direction of black income relative to white income, it's striking to me that among those blacks who have a certain amount of job experience and a certain amount of education, incomes are rising absolutely and relative to whites. Those at the bottom of the ladder are falling relative to whites. And so you have very different kinds of trends going on in the same group over exactly the same span of time. Those at the bottom are prevented from getting on the ladder because of minimum wage laws and terrible education. You can also list licensing practices and things of that sort as limiting options. So I don't think that it's a matter of creating incentives. When the doors are open, people will walk through them. There'll be some who will not do it, but, of course, when they see that their neighbor is doing better than they are—and a lot better—then they have an incentive to take advantage of options. Thank you very much. □

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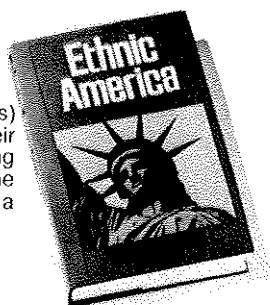
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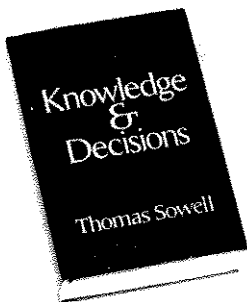
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# Meet the Press

(Continued from page 7)

and collect 95 cents, which is where we are today.

**Mr. Eaton**—But so far no one has been denied a check that they're entitled to.

**Mr. Sowell**—That's always true right up to the moment the system goes bankrupt.

**Mr. Kalb**—Excuse me. I'm curious about the assertion that the best thing at this point is for everybody to have freedom and, in effect, the implication is just get the government off everybody's back and freedom, in and of itself, is going to get people food and jobs, and probably—

**Mr. Sowell**—No, people are going to get their own food and jobs because they have every incentive to do that, and they've done that. When you look at the history of blacks in the United States, prior to 1930, blacks were in the labor force to a higher percentage than whites. So the notion that the government has to figure out some way to drag blacks kicking and screaming into the labor force just will not stand up to history.

**Mr. Monroe**—Mr. Sowell, you deal in your writings with gaps between black I.Q.s and white I.Q.s, between black income and white income, and you seem to have a considerable expectation that those will disappear in the next several decades, particularly if government leaves the situation alone. Why do you think those gaps now exist, and what makes you think they will disappear?

**Mr. Sowell**—Well, I.Q. gaps have declined for most of the groups that I've studied, once they began to rise economically and socially. There are groups who, back at the time of World War I, had I.Q.s as low as or

lower than the I.Q.s of blacks today. As those groups found their way into the mainstream of American life, their I.Q.s rose. At one time, Jews in the United States had lower scores on mental tests than the American population as a whole. That clearly is not the case today.

**Mr. King**—Some suggest that you and other so-called black conservatives are being used, perhaps, by the Administration to de-emphasize the importance of race in America. How would you respond to that?

**Mr. Sowell**—I have been saying what I'm saying for 20 years, and I don't think that I'm a good enough political predictor to have predicted 20 years ago that the Reagan Administration would be in office today.

**Mr. King**—Are you saying that if these government programs are cut back, that racism will just—won't play a factor in any of the problems—

**Mr. Sowell**—Racism exists. I have no reason to expect racism to disappear, any more than I expect oxygen to disappear from the atmosphere. The question is not whether it exists; the question is how much does it explain of the income differences that we're talking about? I find racism throughout the world and down through history. What I do not find throughout the world and down through history is that the groups that are discriminated against are at the bottom of the economic pile. In many cases, the people that are discriminated against are further up the economic ladder than those who are doing the discriminating.

**Mr. Monroe**—Thank you, Mr. Sowell, for being with us today on MEET THE PRESS. □

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