McLemore, Deanna

From:	messages@schooldeskmail3.net
Sent:	Friday, October 26, 2018 5:10 PM
To:	McLemore, Deanna
Subject:	Curriculum Review

Curriculum Review Form

Which curriulum are your providing feedback on?	PPEL 101: Philosophy 101
Your primary role with TUSD:	Community Member
Your rating of this material:	0
Comments:	There are many legit publishers of intro econ courses where there is careful review and editing. This book lacks both. It is published out of Johnson and Schmidtz's home. It has little on macroeconomics, nothing on major events such a Great Recession, little on mainstream economics. It is highly biased toward libertarian views. Many unsubstantiated and strange statements about anthropology. Ethics is in title but it omits climate change and inequality, 2 of the biggest ethical issues of our time. It represents poor scholarship.

McLemore, Deanna

From: messages@schooldeskmail3.net
Sent: Saturday, October 27, 2018 3:02 PM
To: McLemore, Deanna
Subject: Curriculum Review

PPEL

Curriculum Review Form

Which curriulum are your providing feedback on?	~~The High School Economics eTextbook~~
Your primary role with TUSD:	Community Member
Your rating of this material:	0
Comments:	Review of Ethics, Economy & Entrepreneurship (Cathleen Johnson, Robert Lusch and David Schmidtz: Sagent Labs, 2016) by Dee Maitland, B.B.A. with editorial assistance from Patrick Diehl, Ph.D., and Victoria Woodard, M.A. I have had firsthand experience with the economic and ethical realities of our times. I earned a BBA degree with High Honors and a major in Economics; worked in commercial banking for over 30 years; and assisted the FDIC in the closure of 22 banks after the 2008 crash. I have no idea what practical experience or academic training in economics or ethics the authors of this textbook have. Their backgrounds are not given, and there are no PhDs after their names. This is a deeply flawed book. Most of the declarations in it are unattributed and lack any supporting evidence or arguments. In many cases, the examples given could lead to different or opposite conclusions. In citing only the pros and never the cons of our capitalist economic system, they leave students with no understanding of how we have gotten where we are now or how to arrive at solutions for the problems we face. The over-the-top celebration of the successful entrepreneur could leave students feeling like failures if they do not become entrepreneurs. The book is a celebration of the wealthy; a hymn to the "wisdom" of the markets; an attack on the poor as failures; and a false portrait of government as always corrupt or incapable. Since the book is such a mess, the best I can do is list some of the false, misleading or inaccurate items and statements in it. I begin with "economics," followed by "entrepreneurship," "ethics," and "oddities." Economics: 1) The strangest feature of this book is the economists the authors have chosen to cite. Most wrote in the 1700s and 1800s in a world much different from ours. Of the 79 Nobel Prize laureates in Economics since 1969, they cite only two, F.A. Hayek and James Buchanan, and fail to mention two of the most influential and controversial: Milton Friedman of the Chicago School and John Maynard Keynes. 2) Their exclusion of economist John Maynard Keynes demonstrates an antigovernment bias.

History has shown repeatedly that in times of depressions, recessions and crashes, only government is big enough and has the legal underpinnings to deal with the crisis. There is a big difference between a centrally controlled economy like the former Soviet one and a regulated economy. The authors are unwilling or unable to make this distinction. This is probably why they fail to mention the 1929 or 2008 financial disasters in the book. When the 2008 crash happened, there was a scramble to find economists with an understanding of Keynesian economic theory because it was out of favor in university economics departments (see 13 Bankers: The Wall Street Takeover and the Next Financial Meltdown, by Simon Johnson and James Kwak [Pantheon, 2010]). 3) To date, there is no single economic theory that works all the time. The book fails to mention devastating failures in applying a single economic theory such as Marx's socialism or the Chicago School's monetarism in Chile. Budding economists need to understand all the theories if they are going to solve the economic problems in the future. 4) The authors cite a famous passage from Marx and Engels in praise of the "productive forces" unleashed by the "bourgeoisie" [pg 71], but pass over their still more famous description of the inhumane abuse of labor during the industrial revolution, which poses major ethical issues. One may question Marx' and Engels' solutions for this problem, but abuse of human capital (workers) is a continuing byproduct of capitalism. 5) In celebrating the industrial revolution [e.g., pg 101], the authors ignore its "negative externalities," such as increased poverty and severe pollution. The industrial revolution is often used as an example of the drawbacks of monetizing everything. When the poor were on farms, they could raise food, gather firewood for heat, and share labor with neighbors for building, producing clothes, nursing the sick, and teaching children. When you move the poor into cities, their wages must pay for all these things. Understanding externalities is relevant today, given the push for school vouchers, private prisons and toll roads. 6) On page 72, the authors state that during the industrial revolution, "Friendly societies would spring up in America, England, Australia and all over the world to provide health insurance and other services to immigrants, migrant workers, and urban populations in general." No evidence is given for this statement, and nothing is said about how well or poorly such services met the needs of society; nor is there any discussion of when or why these "friendly societies" ceased to exist. 7) You cannot talk about the creation of the Federal Reserve System [pg 213f] without talking about why it was formed. The authors are silent about the decades of market booms and busts that repeatedly wiped out the savings of ordinary citizens and damaged our economy. A cursory review of the financial history of the 19th and 20th centuries reveals 10 panics, 5 crises, 4 recessions, 3 depressions, and 2 bubbles. To economists, the Federal Reserve System and the Federal Deposit Insurance Corporation (FDIC) are two of the pillars of our modern economy, providing stability and trust for the banking system. Thanks to the New Deal and the Glass-Steagall Act, this country enjoyed a period of economic security, prosperity and equality that began with the end of World War II and lasted into the early 1970s. 8) The authors select the period 1961-2003 for their chart on deficits and surpluses [pp 233-35]. Since this textbook was published in 2016, data from the Congressional Budget Office would have been available through 2014. The only reason not to include the data for 2004-2014 would be to avoid explaining the devastating results of the Bush tax cuts, the war in Iraq, and the financial crisis of 2008. 9) I dispute the author's contention that monopolies are benign because, if they overprice their goods, competitors will enter the market [pg 202]. Do they really not know that monopolies often own all the means of production: mines, land, airport gates, rails, patents and politicians? Monopolies put up barriers to entry into the markets. They should have been discussing the ethics of greed and the benefits of anti-trust regulations. 10) No discussion of monopolies is complete without mention of oligarchies. An oligarchy is a small group having major control and applies to governments, organizations and businesses. With 1% of the US population holding 40% of the wealth, and fewer and fewer competitors in major markets, oligarchies play a very real part in the economics of the United States. 11) The authors' belief that there is no economic benefit from government is at its most ridiculous when they state that it is "fun to think about" wars and natural disasters creating jobs [pg 53-58], but go on to use the Hurricane Katrina recovery as proof that government cannot create jobs or wealth. They nonsensically use Bastiat's belief that government should only protect life, liberty and property to support their argument, while ignoring that during and after Hurricane Katrina government did protect and rebuild property. It is interesting that they also do not mention any of the many industries that create jobs and profits from wars. 12) If the authors were being fair and balanced in their discussion of government, they would have included a discussion of the Works Progress Administration (WPA) created in 1935. This government program employed millions of desperately unemployed workers and artisans at the height of the Great Depression, saving them from starvation and homelessness, and left almost every community within the United States better off by the construction of public buildings, bridges and airports. 13) I question the presence of lengthy arguments against guilds [pg 74] and communes [pp 168-171] in an introduction to economics and economic institutions. The authors' one-sided presentation seems intended to denigrate trade unions and cooperatives. 14) The authors come out against public roads: "Those surfaces require the use of scarce resources…that generally are paid for . . . with tax money that could have been spent on schools or hospitals" [page 34]. They include no further discussion of a topic that can have a number of meanings. Since toll roads have been around and controversial for millennia, the authors could have discussed private landowners impeding trade with high tolls. They could have discussed how commerce expanded due to the Interstate Highway system. They could have talked about tolls to benefit the construction of new and better roads or to alleviate traffic. Or they could have discussed the idea of tolls as an example of regressive taxation. They fail to indicate how government benefits businesses by providing free roads for transportation of goods, free public schools which educate the workforce, and government funded research and development that is later used by businesses for profit. And they miss the controversy over private management of toll collection, which can add up to a third more to the cost because of the need for profit. Entrepreneurship: 15) Throughout the book, the authors insist that economics is a science and entrepreneurs are scientists. (See, for instance, the statement that "capitalism and science advance society in fundamentally the same way, they enable the failure of theories and their hypotheses and thus advance our knowledge" [pg 241].) If economics were truly science, the models used by Wall Street and the advice of economists would have prevented the 2008 crash; most entrepreneurs would not fail; and right-wing economists would have to admit that "trickle-down economics" does not work based on the evidence. 16) Having worked with entrepreneurs for over 30 years, I can confirm they are not scientists. They are energetic, visionary and driven, but they are also single-focused, don't play well with others and, for the most part, can't stand the day-to-day requirements of maintaining a business. They are very much the exception, not the rule, and not any more remarkable than a good mechanic or a software engineer. 17) It is particularly cruel to tell high school students that the only worthy life-goal is to become a successful entrepreneur. While the authors indicate that there is risk they gloss over it by making it a badge of honor to fail than pick up, brush off and start again. They unethically fail to mention that 20% of all startup companies succeed the 1st year; only ½ of those companies make it 5 years; and about 7% of all startup companies make it to 10 years. They also fail to mention the devastating financial and emotional costs of those failures on family, friends and investors. 18) The following is characteristic of the authors' obvious contempt for workers versus captains of industry and entrepreneurs: "Laborers who work overtime for trinkets make our world a better place even as they squander opportunities to spend their earnings in more thoughtful, creative, self-fulfilling ways" [pg 63]. Ethics: 19) The only consistent source material listed in this textbook is other books by Mr. Schmidtz. This doesn't seem ethical or up to scholarly standards. The book contains no footnotes or index so that students can find further information or verify the information given. 20) Throughout the book the authors contend that capitalism is the best of all possible economic systems. They repeatedly state that any problem that came up was resolved, such as the poverty and pollution of the industrial revolution or the corrupting effects of monopoly. This contention in itself is unethical because it is untrue. History is replete with examples of the degradation of natural resources, labor abuses, manipulations of markets, financial crises that devastated millions, and wars started to benefit an industry. The omission of any discussion of the Great Depression or the 2007-2009 multiple financial crises indicates either no understanding of important economic events, or intentional avoidance of presenting some of the downsides of unregulated or under-regulated capitalism. 21) In their discussion of ethics and progress, the authors use the headers, "Politics can be corrupted" and "Souls can be corrupted" [pg 61], but conclude that capitalism isn't corruptible or corrupt: "What makes market society unique is not that it makes alienation inevitable but that it raises the frontier of human possibility so high it becomes possible to lament people being less than the market society enables them to be" [pg 63]. The contention appears to be that there are no intrinsic failures of capitalism, just complaints from people who don't get rich. 22) The authors seem to imply that greed is good when they say: "We make movies about greed and other forms of the vice of wanting too much, but we do not say enough about the terrible thing it can be to want too little" [pg 9]. This isn't even true: look at the many versions of "The Christmas Carol" and all the mushy movies about pursuing your dream. 23) Is it a useful ethical argument to say there is a need for gossip because with it came the possibility of having a reputation [pg 2]? 24) Where is the evidence to support this statement: "Commercial societies tend to be tolerant societies" [pg 73]? The authors miss very real examples of intolerance by neglecting the fascism of Germany and Italy in World War II, and the cruel treatment of indigenous people even today in the acquisition of oil, lumber and diamonds. 25) A perfect place to talk about ethics would have been when the authors mention fractional reserve banking [pg 221]. By weakly explaining the money multiplier effect, they miss the opportunity to explain the extreme importance of trust in banks that for decades has been preserved by regulation. When that trust is broken you have sudden and devastating shrinking of the economy due to runs on banks as happened in 1929 prior to the Banking Act of 1933 (repealed in 1999); or withdrawal of funds from markets as in 2008 prior to the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act. 26) Throughout the book, the authors drop names and introduce terms without explanation or source. A student would have trouble distinguishing the poets from the economists. The best example of how far they will go to find a quotation that suits their prejudices is this passage from Greg Easterbrook: "Four generations ago, the poor were lean as fence posts, their arms bony and faces gaunt. To our recent ancestors, the idea that the poor eat too much might be harder to fathom than a jetliner rising from the runway" [pg 70]. The readers are not told that Mr. Easterbrook is an "author and journalist" best known for sports writing. There are living economists, sociologists and historians who have a better grasp of the issues of poverty and whose insights the authors could have cited instead. Oddities: 27) Why does the presentation on trade and markets begin with the extraordinary assertion that the Neanderthals became extinct because "[they] weren't entrepreneurs" [pg 24]? So far as I can determine, this theory is unknown to paleoanthropology. 28) The authors' account of trade and markets that starts in 40,000 BCE (the "prehistory of technology"), jumps to the first use of coins

(7th century BCE) [pg 26], and then jumps again to Adam Smith is absurdly sketchy. What about the accounting system developed by the Medici that remains a marvel and in use today? The trading practices of Venice are worthy of note, as well as the financing of Columbus and other well-known topics like the expansion of the West, the rise of the middle class, etc. 29) Why is it necessary to claim that cities preceded the development of agriculture [pg 25]? There is good evidence that plants and animals were domesticated around 12,500 BCE, but that the earliest cities did not appear until about 8,000 BCE. It is true that some think cities may have arisen without agriculture, such as around fishing, but this is a controversial theory, and there is no need to bring it up in a discussion of the benefits of trade. 30) The authors use the failure of our first colony, Jamestown, as an example of lazy people failing and private land ownership succeeding [pp 180ff]. The story is much more complicated. It could be used as an example of bad planning, such as arriving in fall with no time to plant, combined with a lack of basic agricultural skills on the part of most colonists. Or of the problems of a colonial scheme that demanded the production of crops for export instead of food. Or hubris and the failure to successfully negotiate with the Indians for assistance, which was offered. 31) The discussion of the American bison in the "Unregulated Commons" section is grossly inaccurate and a gratuitous swipe at indigenous peoples: "There are places where Native American tribes hunted bison by stampeding whole herds over the cliff. The Blackfoot name for one such place translates as 'head-smashed-in-buffalo-jump.' Some tribes put principles of environmental conservation into effective practice. Some did not. With them, too, institutions matter" [pg 176]. In 1800 there were perhaps 30 million bison, despite millennia of Native American's hunting practices. In 1869, when the Transcontinental Railroad was completed, there were an estimated 5.5 million bison. Ten years later there were 395,000, and soon there were only hundreds. The decimation of the species was not due to an increase in tribes running them off cliffs. What was needed to save the bison was action by federal institutions to rein in, i.e. regulate, the effects of Western expansion with its entrepreneurial bison hunters, land speculators and railroad moguls. 32) To advance their anti-government message, the authors claim that all government-subsidized railroads have failed. Government-subsidized railroads have not failed; in fact, Amtrak runs right through Tucson. Railroads were eclipsed in this country in part due to technological change (the invention and economics of cars, trucks, and airplanes; the construction of the Interstate highway system). State-subsidized railroads still play a large role in European countries and other countries around the world. 33) Since the authors have no obvious background in psychology, it was strange to use the Milgram experiment [pp 9-11] to make a point about blind obedience and group behavior. Examples of blind investor behavior resulting in Dot-Com and housing bubbles would have been more relevant and current. 34) Was the Biosphere used as an example [pp 184ff] to make the textbook more locally relevant or to be able to discuss the favorite food of teenagers? The Biosphere was not set up as economic research and credible analyses of Biosphere II do not include the economics of pizza making. 35) The authors' analysis of the music industry is particularly strange: "…the market produces Britney Spears – but also Mozart, Beethoven, and your ten favorite artists" [pg 73]. It is hard to tell if this is an effort to appeal to their young audience or looking-down-the-nose. Mozart was "produced" by the old system of aristocratic patronage of composers. Whether or not the market "produced" one's "ten favorite artists" would depend on when and where they lived. 36) The textbook contains many sentences that make no apparent sense. One example is, "Money is a form of cooperation; it helps people to make themselves useful" [pg 45]. These should be enough examples to discredit this book. I will leave you with one wise quote from John Maynard Keynes on the ethics of wealth: "When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us for two hundred years, by which we have exalted some of the most distasteful of human qualities into the position of the highest virtues. We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession — as distinguished from the love of money as a means to the enjoyments and realities of life — will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease." [from "Economic Possibilities for Our Grandchildren," 1930, published in The Nation and Athenaeum – see Keynes, Collected Works, vol 9, pg 329]

October 23, 2018

To: PPEL Textbook Review Committee and TUSD Governing Board

From: Ek Buys, Community Member* (ek@thebuys.us, 520-928-476-1774)

Re: PPEL 101 Textbook and Course -- Ethics, Economics, and Entrepreneurship

I have taught high school introduction to economics and on a college level been a philosophy instructor and I have worked in business and industry. I am now retired, have been following the discussion regarding TUSD's PPEL 101, availed myself of the opportunity to examine the text (***Ethics, Economics, and Entrepreneurship*** -- henceforth "EEE") in the Educational Materials Center for several hours and acquainted myself with the authors of the text and issues related to its subject matter online. I respectfully and, as will be evident, straightforwardly offer my views regarding the textbook and the course via the comments which follow.

How and why was the course created and the text selected? That I am not clear about. Did an economics teacher, a community group, or some other entity propose adding an economics course as followup to the standard high school introduction to economics? What were/are the objectives of the course? The Educational Materials Center was not able to provide me with objectives or a course outline, or a list of supplementary resources. May I assume, given the structure of the textbook, that a course was suggested, something to allow students to further their knowledge of economics by studying one or more theories of capitalism, philosophical foundations which accompany one or more theories of capitalism, and vocational applications of that/those theories. Are the objectives listed in the textbook also serving as a complete set of course objectives? Were several theories and textbooks considered and EEE selected as the one most likely to be appropriate given the objectives of the course? What was the process?

Whatever the process, the result was the selection of a textbook which lacks a bibliograpy, an index, and suggestions for additional readings except for a citation here or there within the body of the text. (Perhaps the online version of the text -- not made available to me -- remedies those deficiencies.) Of greater concern is that the textbook is at the same time very narrow and very broad. It is narrow because it is not an economics textbook; it is a capitalism textbook. And it is apparently presenting theories consonant with the Austrian School of capitalism or one of its offshoots. Actually it is even more narrowly focussed than that; it reflects the theoretical views primarily of one person, David Schmidtz. Why is TUSD considering a textbook with such a narrow focus? Why not evolutionary or Keynesian or institutional or any of a number of other approaches to capitalism? Or for that matter, why not offer and economics course with an economics textbook, one that offers students introductions to and critiques of competing economic theories?

Why not acquaint students with theories that are taken very seriously by millions of people around the world? The world shrinks more every day. Can we afford to ignore approaches to economics which are used by other nations, even if it is only to "know your enemy"? Or, perhaps more to the point, how do we justify ignoring a study of socialism which like capitalism comes in many styles? In fact tens of millions of people in the United States find socialism (Not to be confused with its conflation with communism in the 19th century.) in some form attractive; ethical socialism and Christian socialism are examples. Are children of proponents of socialism to be offered only capitalism as a subject of study in public schools? TUSD's standard introduction to economics course is a capitalism course. Now to "build on" that course, students are to be offered another capitalism course and a very narrowly focussed one at that?

One might think that a textbook with such a narrow theoretical focus could not at the same time be far too broad, but EEE is. This textbook is designed to teach philosophy (not just "ethics"), a specific kind of capitalism, and how these views work in a business setting. An occupational course too! Where in the world would one find a teacher with say a philosopher minor, an economics major, and a smattering of business courses? PPEL 101 is not the kind of course that one would prepare to teach properly with a couple courses here and there and/or a workshop or two. It requires expertise in three different areas of practice and study -- philosophy, economics, and business. That is why it has three authors, one in each area, although of course there is overlap. I have a Ph.D. in education with a specialization in philosophy, have taught high school economics and was raised in an entrepreneurial family (investment banking), have worked in business and industry, and have read both *Das Kapital* and *Wealth of Nations* and a variety of other relevant sources related thereto. I have lived and studied in other countries with disparate approaches to economics. And yet, I would not feel qualifed to teach PPEL 101. Frankly, I would not expect any of the three authors (one, sadly, recently deceased) to be qualified to teach the course alone. If it is to be adopted and taught with EEE as the text, the only way I can envision that it could be competently taught would be if it were team taught.

The authors of EEE, David Schmidtz, Cathleen Johnson, and Robert Lusch are, in my judgment, very bright, well-meaning people whose views deserve a hearing but they have produced a textbook that unfortunately is both too broad and too narrow to be used for a high school economics course.

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Libertarian economist Paul Mueller introduces a series of essays on a libertarian Web site with this paragraph:

"What sort of ethics suit a free society? Should they be based upon consequences, fundamental rights, or natural law? Should they be utilitarian?

Should they be axiomatic? **These are tough questions over which many intelligent and well-meaning people disagree**. And the disagreement is not limited to the left-right political divide. It is sometimes starkest among libertarians. Some libertarians advocate natural rights arguments as propounded by Rand or Rothbard. Other libertarians follow the consequentialist arguments of Hayek and Friedman. Or still others fall in line with the scholastic natural law tradition." (My emphasis.) https://www.libertarianism.org/columns/adam-smiths-ethics-ethics-free-society

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Should Ethics, Economics, and Entrepreneurship become a course with the textbook by the same title, perhaps one or more of these sources would provide a more balanced and nuanced experience for students:

1. *Introducing Capitalism: A Graphic Guide* by Dan Cryan and Sharron Shatil and
Illustrated by Piero. [Light, fun read. Both authors are philosophers and capitalists.];

2. *The Worldly Philosophers: The Lives, Times And Ideas Of The Great Economic
Thinkers*, Seventh Edition by Robert L. Heilbroner [A classic.]

3. *23 Things They Don't Tell You About Capitalism* by Ha-Joon Chang. [Faculty of Economics of the University of Cambridge, South Korean by birth. Short,
readable chapters sure to spark discussion. A critique of "capitalism" by a capitalist.]

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***More about me**, although as a TUSD Board member pointed out during a public meeting, an evaluation of the textbook in question should be able to stand on its own two feet, not be granted or denied credence based on the proponent's or opponent's degrees and personal experience. I agree.

My academic credentials include a B.A. in political science from Hope College (Holland, Michigan), a M.A. from the University of Michigan in education and social science, a Ph.D. from Arizona State University in the foundations of education with a specialization in philosophy, and post-doctoral studies at the public University of Guadalajara (Escuela de Filosopfía y Letras) where I concentrated on philosophy and also did research on the system of education in México.

As a young man I was exposed to the challenges and rewards of a business career via my family's investment banking business and have maintained an interest in business through my son, an investment advisor with a B.A. in economics, and two grandsons, both business majors in college. Two years ago I read from cover-to-cover *The Wealth of Nations* by Adam Smith while discussing my reading with a grandson who this year completed a finance degree (M.S.) at Johns Hopkins. The first two volumes of *Das Kapital by* Karl Marx I read and studied while at the University of Guadalajara. Since my retirement I have become interested in behavioral economics and neuroeconomics, two fields of study which are proving to challenge long-held beliefs about how human beings make economic decisions.