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Capitalism Counterpoint

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Letters

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cuse publicly sought to correct this unjust characterization. Mr. Bell was not part of that company; at the time, he was writing *The End of Ideology*. One final point: When Mr. Bell writes that "one should not let the childhood amnesia of a quondam infantile leftist rewrite history," does he mean that he feels called upon to answer me or that *Change Magazine* shouldn't have opened its pages to my views? His letter displays the self-righteous, willfully obtuse arrogance that marked the Columbia University administration a decade ago and helped provoke the 1968 strike.

Contrasting styles

Were the two university presidents (Sawhill and Hesburgh) in the May-June issue purposely chosen for their contrasting styles? (See "John Sawhill: Academe's Crisis Manager" and "The College Presidency: Life Between a Rock and a Hard Place," May-June 1979.) Sawhill and Hesburgh certainly appear to be two extremes of a continuum. University presidents apparently need to be either business machines or humanitarians. In the wake of Proposition 13 and predicted declining enrollments, I fear that Father Hesburgh may be one of a vanishing breed.

*Claud D. Sanders, Counselor
Eastern Illinois University
Charleston, Illinois*

New options in PTV

I liked your editorial on the Carnegie II report. (See "Public and Private Television," March 1979.) We obviously do agree on the issue—largely unaddressed—of "private" television and delivery systems. From my vantage point, "Should PTV deal with education?" has always been the wrong question, although it continues to be asked. My own experiences as a board member of the Public Service Satellite Consortium and now as its president suggest to me that the technologies are forcing us to consider the new options, which are both varied and exciting.

*Elizabeth L. Young, President
Public Service Satellite Consortium
Washington, D.C.*

R&D budget review

The article "R&D Budget, Carter-style" by Judith Randal ("Science Policy," March 1979) has been reviewed here with interest. The author's careful analysis of the administration's proposed budget for fiscal year 1980 is a thought-provoking presentation of the issues involving the financial operation of the federal government. However, it is necessary to point out that the Department of Energy's budget request for high energy physics is \$327 million rather than \$474 million as reported in the article. The \$327 million represents a 10 percent increase over the FY 1979 request in this area.

*David A. Mackin
Acting Deputy
Public Inquiries Branch
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U.S. Department of Energy
Washington, D.C.*

Equality versus excellence

Frank Wolf's viewpoint, "Democracy as Disease?" (April 1979), raises an old issue: open admissions versus high standards, or more generally in John Gardner's terms, equality versus excellence. Wolf argues that it is easier to maintain high standards by reserving higher education "for those of exceptional ability—by definition a minority of the population." Elsewhere I have argued that it is more expensive (used in the broadest sense of the term) to the country for its citizens not to seek a liberal education than for higher education to go to great effort to provide it. This is a proposition of faith based on deeply democratic assertions of the rightness of educating every person, not just because of his economic value or political influence, but because of his dignity as a human being and his rights as a citizen. This investment in human beings must take precedence over essentially elitist arguments. Human talent is one commodity which we cannot afford to waste.

*Louis Wildman, President
Institute for Quality in Human Life
Portland, Oregon*

Capitalism counterpoint

In "Capitalism in the Classroom," Robert Edward Brown says, "The famous Laffer curve was drawn to illustrate a fact of economic life: that above a certain rate of taxation, people just won't have the incentive to work, or business to invest capital." Brown then goes on to say Laffer "sketches in

algebraic terms the precise effect of government taxation" on the worker's choice between labor and leisure. Finally, Laffer is said to believe that U.S. taxation is prohibitive. Laffer drew his curve on a napkin in a D.C. restaurant. It should have stayed there where dinner conversation belongs.

Change and its readers should have no difficulty recognizing the superficiality of Laffer's analysis. Obviously there are reasons for working other than just money. There are reasons for investing capital other than the prospect of additional income. If money were the only incentive many of our readers would have chosen different occupations; and your magazine represents an investment of capital for a reason other than profit.

Laffer's "fact of economic life" is no fact because it does not take into account the various reasons people work. While the very rich complain about the prohibitive tax rate, in fact they are still busy working and investing. If Laffer were correct, *Forbes* magazine ought not to have a regular section on venture capital, nor wealthy columnists who warn against tax shelters which are not also good investments in their own right.

The point is, there are just too many variables involved and Laffer is treating monetary reward as if it were the only factor. We labor and invest for a variety of reasons: money, recognition, a sense of social obligation, to have time for our families; to stay away from our families, and more. Even with a tax rate of 100 percent, Laffer himself would probably still be lecturing at USC—but he might not be running around the country picking up extra dollars as a tax expert (which just might be the best argument for a 100 percent tax).

*Jon N. Torgerson, Chair
Department of Philosophy
Drake University
Des Moines, Iowa*

I want to applaud Robert Brown's article "Capitalism in the Classroom" (April 1979). I thought Mr. Brown did an admirable job of pulling together and describing the neoclassical economic movement occurring in the United States today.

*Arthur B. Laffer
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Business Economics
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Los Angeles*