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# McCloskey's 1988 Letter Responding to a Letter from the President of Penn State

[LINK TO ABSTRACT](#)

## Foreword

Deirdre McCloskey has permitted the reproduction here of a letter she wrote, dated 8 November 1988, which responds to a letter she had received—then, as Donald McCloskey, from the President of the Pennsylvania State University. We reproduce that letter as well, the writer of which sadly having passed away in 2016; Pennsylvania law makes such records public.<sup>1</sup> Thanks are due to Professor McCloskey, as well as to Rick Geddes for bringing the instructive and stimulating exchange to our attention, and to David Henderson, whose EconLog post about it ([link](#)) advanced this endeavor.

The initial letter presumes to prevail upon McCloskey regarding some words in McCloskey's microeconomics textbook *The Applied Theory of Price*, second edition (Macmillan, 1985). McCloskey has posted an electronic copy of that entire book online ([link](#)). The initial letter principally concerns words appearing on page 451, “assuming that blacks and whites are identical except for color.” The initial letter also raises concerns about discussion of the economics of slavery, but without referring to any particular words. An automated search of the book indicates that the words *slavery* or *slaves* appear on pp. 90, 126–130, 143, 148–149, 233, 282–283, 297, 301, 346, 481, 486, 526, 532–535, 561–564, and 588–589.

The words about blacks and whites being identical appear in an exercise about a labor market where employers discriminate, to varying degrees, against

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1. “Under the Right-To-Know Law, all records are presumed to be public records unless disclosure is barred by: (1) state or federal law or regulation; (2) judicial order; (3), privilege, e.g., attorney-client or doctor-patient; or (4) one of the exceptions in Section 708 of the Right-to-Know Law” ([link](#)).

blacks. Throughout the exercise, understand that all black workers are, from employers' perspective, strictly homogeneous ("identical"), and likewise all white workers are strictly homogeneous ("identical"), and that, as McCloskey puts it, "blacks and whites are identical except for color."

McCloskey presents the question, presents a brief answer to the question, and then provides further discussion in the text in reference to the exercise. The question and answer are as follows:

*Q:* If employers, to a varying degree, have a distaste for hiring black workers rather than white workers at the same wage, then a rise in the proportion of blacks to whites in a labor market will be accompanied by a fall in the relative wages of blacks.

*A:* As the proportion rises, the blacks must face more and more discriminatory employers. All blacks must be paid the same wages (assuming that blacks and whites are identical except for color), or else the low-wage person will undersell the high-wage one. So the black wage is determined by the wage differential that just compensates the most discriminatory employer hiring any black for hiring "the" marginal one. Therefore, true. (McCloskey 1985, 451)

In the further discussion in the text, McCloskey explains that racism is a taste that normally loses money, and that the more blacks there are, the more that firms without that distasteful taste will outcompete those with that distasteful taste, because their labor costs will be less than will be the labor costs of racist firms. McCloskey suggests that less-racist employers—in New York City, say—will expand, and with a more-proportionately black workforce. McCloskey writes: "It is said that the radical shifts in the racial composition of the work force in the New York garment trades is a result of this mechanism" (1985, 451).

McCloskey provides a diagram (Figure 22.2) with the following useful further explanation:

If there are few blacks in a labor market, then the least discriminatory employers will be able to hire them and in competing to hire them will keep their wages high. If the numbers increase, then more discriminatory employers will need to hire blacks, which they will only do if compensated by paying them lower wages than whites. For this reason the demand curve slopes downward. For the same reason a shift outward in the relative supply curve of blacks causes their wage to fall (it would not if blacks and whites were treated as identical by employers). (McCloskey 1985, 452)

McCloskey labels the Figure "The Economics of Discrimination" and cites pages in Gary Becker's *The Economics of Discrimination* (1971) and an article by William

Landes (1968).

The two letters follow. We have made basic corrections of typographical errors. The initial letter is on the Pennsylvania State University letterhead (and the CCs have been omitted), and the second is on the University of Iowa letterhead. After the second letter there appears a list of references that we have created.

Daniel B. Klein  
March 2023

## Letter from Jordan to McCloskey

October 21, 1988

Dr. Donald N. McCloskey  
Professor  
Economics Department  
University of Iowa  
Iowa City, Iowa 52242

Dear Dr. McCloskey:

I am writing on behalf of concerned students at Penn State who are distressed about certain language in your text, The Applied Theory of Price. I understand that Jim Rodgers, Head of Penn State's Department of Economics, has discussed these concerns with you in that phrases exist in the text that are perceived to be offensive to students of African-American descent. We refer specifically to page 451 of the text where it cites: "(assuming that blacks and whites are identical except for color)." It would be my hope that you would work with your editors to see that this particular passage is deleted from forthcoming editions of the text.

The discussion of slavery in economic terms is discomforting for our students as well. We, of course, recognize the scholarly work that you have done on this topic and would not suggest disregarding that. In future editions, however, we would encourage you to look at how that work is discussed in the text, with a particular eye toward the personal feelings of African-American students.

I raise these issues neither to encourage you to stifle academic analyses of the economics of slavery, nor to interfere with the rights guaranteed by the First Amendment to the Constitution and the academic freedom bestowed upon university faculty. I raise them because of the relationship they have with Penn

State's own efforts to increase the number and percentage of minority students, faculty, and staff. We have a major affirmative action/equal opportunity program under way at Penn State and the matter of "climate" both in and out of the classroom is an important component of that program. We are working hard at this University to be sensitive to these matters in the academic setting. Where problems are perceived to exist, we discuss them openly in an effort to clear the air and find resolution in a way which allows us to proceed in a positive fashion. Your book has been the focus of concern in this area and we believe that you would want to be aware of that so that you, in turn, could increase your own sensitivity to these issues.

Thank you for your consideration of our concerns. Should you have further questions, I would be happy to talk with you personally.

Sincerely yours,  
[signature]  
Bryce Jordan

## Letter from McCloskey to Jordan

November 8, 1988

Bryce Jordan  
President, Pennsylvania State University  
201 Old Main  
University Park, PA

Dear Mr. Jordan:

I have your letter of October 21. I spoke yesterday at some length with your assistant. You have put me to considerable inconvenience, wasting my time and emotional energy. I think you owe it to me to take very seriously what I have to say.

I could not believe at first that the letter was actually from the president of Penn State. I assumed from its clumsy form and astonishing content that it had been written by a student—and no shame there, since for a student production it is above average, and students are after all in training. When I found out that you were indeed the president of Penn State I called your assistant, as you should long ago have called me.

The politically astute reaction to your letter would be to let it lie, without answering. Lord knows there is excuse for that in the crush of mail these days

(a product of the word processor and the xerox machine). Doubtless you have achieved some sort of political purpose of your own internal to Penn State by writing to me this way. I have no reason to doubt that yours is a good purpose, and anyway I am not a member of the community in which you are taking up political attitudes, and so have no standing to speak. You are a Xerxes writing to a minor Athenian to complain about the effects on some Persians of his writings.

That would not however be the scholarly reaction. You have made a statement with the form of an argument, in parts; and I am supposed to be a professional thinker and teacher about arguments. Your external rhetoric, at least, agrees with such a viewpoint, inviting me to personal talk. (True, you did not carry out the promise by in fact calling me; and the students did not trouble to engage in personal talk when I visited Penn State last year, though informed of my visit and given time.) Let me share my thoughts.

You refer to p. 451, where I, old liberal socialist that I was raised to be, mention the assumption that blacks and whites are identical except for color. You do not articulate the concern, merely state that it exists, so it is hard for me to respond. But as I say, I'm paid to try.

By not explaining what offends you and the students in the sentence you suggest that it is easy to see what it is. I do not know what your disciplinary background is. Apparently it is not economics or, I would guess, the humanities. Most people talk as though reading were easy, a matter of what a sentence says right there on the page (page 451, for example). They think that meaning comes sentence-by-sentence. But of course it does not: that is one of the chief findings of the humanities. Meaning comes from the whole reading, from beginning to end. One doesn't understand the Gospels, say, by examining them as a book of sentences. They are a story, a characterization, a theology—all gotten by reading the whole, and reading each sentence in light of the whole.

I take it that you have not actually read the book. You appear to be relying on the readings of the students. What could an inexperienced reader make of that sentence sitting there by itself that might offend people of color?

*(1.) Insultingly Stating the Obvious: The author draws attention to what is obvious, and thereby puts the obvious in question.*

No. The assumption is necessary analytically for the economics: it says they are all identical, each white and black identical to a common type, homo sapiens. The reason it is necessary is to set aside the actual variation of ability between, say, me and Paul Samuelson or between you and Ted Williams. The phrase stresses therefore the arbitrary character of racial discrimination, a discrimination turning merely on skin color, and in no way related to actual ability. The demanders of labor in this market—the more or less discrimina-

tory employers—have a mere silly taste for white skin. The point of the question and answer is to show the consequences of a variable taste for white skin.

Blackness is not the point here, of course. On the same page, and in the context of the same problem, I speak also of discrimination by age (the Ross problem just before), by nativity, by ethnicity (the garment trade example), religion (Protestants), and gender. The last is worth noting. I am being accused of insensitivity to such matters. Yet I assign a male gender to the secretary on the page. If you trouble to read the book you will find literally hundreds of examples of this leaning against the racial and sexual and ethnic stereotypes of our age.

(2.) *Black Inferiority: The author is sneering at the assumption that blacks and whites are identical. He believes in fact that blacks and whites are different in more ways than their skin color, and indeed he believes that blacks are inferior.*

If you care, I should say that I certainly do not have these beliefs, which I regard as unscientific and immoral. I have been a self-conscious racial egalitarian from the day when I was five years old that my Irish-American father, a non-violent man, put me over his knee and spanked me in the middle of South Station in Boston for noticing that a porter did not have the same complexion as I did. Now that's nice, of course, but the issue is the text, not the man. My contention is that no reader of the book could assume that its author believed in the inferiority of blacks or wanted students to believe such a silly thing. I do assume that blacks and whites are identical except for color, and nothing in the book implies otherwise.

On the contrary, as I have said, throughout the book I carefully avoid stereotypes. It is my accusers who indulge in the mudslinging they are alleging I show.

(3.) *No Black Distinction: The author believes that black culture is insignificant, and that there are no worthy and admirable differences between, Irish-Americans and Afro-Americans.*

Again I can't resist saying that you mistake your man, and would do more good by inquiring into the places in University Park with real racists and real anti-blacks than to harass a pro-black professor in Iowa, a long-time civil rights advocate, a marcher in the 1960s, etc., etc. But the text, not the man, is at issue. Again a reading of the whole book, or even the chapter, or even the page, would not suggest that any disparagement of black culture was being taught. In a certain special sense the charge is justified; yet only in a sense that it is justified of every economics text. By this I mean that economists are professionally and scientifically committed to ignoring culture entirely. It is part of the famous "ceteris paribus" clause. But it is not "anti-culturalism," if

you see what I mean, not advocating this or that culture as superior to others, or taking a stand on whether or not there are important cultural differences.

Try as I may I can't think of any other misreadings of the sentence that would lead to concern.

I guess I conclude that the concerns are wholly unfounded. Why then all the fuss? I would guess there are two reasons.

First, my book is the toughest on the market. The professor who assigned it—who I salute as a brave person in the face of student McCarthyism—evidently wanted his students to know what actual economic thinking was like. The book attempts to teach students to think like economists. Thinking is painful. The book requires the students to think for themselves, to order a chaotic world, to learn to talk in a language that is more than a matter of new vocabulary. Students find it tough, and look for some reason to dismiss it, in order to retain their self-esteem in the face of this challenge—a subject that does not yield easily to the techniques of rote memorization that served them in highschool. We all do this to some degree when faced by similar failures of our usual techniques. The book has a candid style, startlingly different from most textbooks the student reads. The natural thing to react against is the style.

Second, the students probably felt uneasy when reading my discussions of race and slavery. The book is unique in treating these at some length. One might imagine that such a discussion would be welcomed by students of African ancestry, but of course one would be wrong. The students have become accustomed to finding in highschool textbooks the most conventional accounts: blacks are always good people set upon by circumstances, or else the textbook does not get adopted by the California textbook authority. I wonder why the black students do not find this sort of thing patronizing. Maybe some of them do, but their voices are drowned out by the shouters. I have no trouble understanding that the unease at real engagement with the issues of race and discrimination in our culture comes from unhappy experiences the students have in the rest of their reading. They are accustomed I know to finding with monotonous regularity actually racist remarks when a piece of writing is about blacks. I think I can understand, then, their misreaction to any discussion whatever of racial issues. Even I as a non-victim can see the racist assumptions in discussions of race (e.g. by Zora Neale Hurston in her anthropological work, by contrast with her fiction, which rises above her own racism). It makes me angry at the pervasive racism of our culture, which affects even black writers.

But it's my opinion that we do better to discuss slavery and racism and the rest openly. Since the book tries to teach people to think like economists, the openness is economic. I know it's shocking to talk about these matters in

economic terms, when one has become accustomed to the dishonest way that highschool texts and television programs have to treat such issues. But you and I are committed to providing our college students with a reality check. In the real world, after all, there was a time when Afro-Americans were treated as machines, and it behooves Americans of African ancestry to get the economics of it straight. (May I point out that the time was only a little more remote when the Irish peasants of my ancestry were treated similarly: we all come from slave backgrounds, which makes it all the more important to understand the economics of slavery.) It is true that blacks will earn lower wages if they are forced to seek employment from the most viciously racist employers. Ask a black student's father. (And ask my great grandfather, in the days of No Irish Need Apply.) A college education, for all the sneering that the ignorant are accustomed to indulge in about it, concerns realities. It is supposed to make people uncomfortable—not to offend them pointlessly or with evil intent or effect, but to make them uncomfortable with, say, the Bill Cosby level of moral and social discourse. It's the uneducated who live in the ivory tower, a comfortable place with a good TV in which nothing important is discussed honestly, candidly, or thoroughly. Look at the uneducated election campaign we've all just gone through, and reflect on its long-term effects on racial relations in the United States.

The other issue that you raise is what I should do about the concern. You try to get out of saying what you want in so many words, sprinkling your letter with "I hope" and similar words of apparent moderation. But what you want is not moderate at all. What you are asking for is the right to amend my work to suit your misunderstanding of its moral purposes.

Let me be perfectly clear that I am not going to accede to your demand. I would literally rather go to jail. I must resist of course any such request for censorship, however politely expressed—and yours is clumsily and insultingly expressed—or however influential the requestor—and you are very influential. I would have thought that the president of Penn State would know this, but these are bad times for free inquiry, when those who are supposed to defend it shirk. I won't. Your request for revision is politically motivated and wholly unreasoned, and I must resist it with all my tiny strength. I'm certainly not going to "work with [my] editors to see that this particular passage is deleted from forthcoming additions of the text." (Note the authoritarian language of this, the operative sentence in your letter: you do not say "work with editors *to see what might be done*"; you command, in legal terms.)

Enough on my work. You must rethink your own. Your letter is a pointedly threatening one. The students went to the chair of the Economics Department and tried to lean on him to drop the book. If they are successful it will be another victory for mediocre texts that do not teach economics and do not acknowledge



the existence of Americans of African ancestry. You say that my book has “been the focus of concern.” Visions of picketing. A sentence is to be “deleted from forthcoming editions.” You and I know what threat backs this up. The next step is to write to my publisher. Doubtless the students already have. Good job. Push and shove: that’s how you propose to reason.

It is highly presumptuous of you to “believe that [I]...could increase [my] own sensitivity to these issues.” What do you know about my sensitivity? By what right do you claim to instruct me in it? You have yourself exhibited gross insensitivity to the most important matter in academic life—free inquiry and expression. I exhibit on every page of my book, uniquely in an economics text, a sensitivity to the identities people have. Yet I am to be instructed in sensitivity. I am reminded of the reaction to Robert Fogel’s book *Time on the Cross*, attacked in similar terms as racist. The attackers had not bothered to ascertain that Fogel’s wife of 25 years was black and his two grown sons black, too.

Do you realize how frightening such a letter would be if received by some professor less sure of his rights than I am? A powerful and remote person assures him that he is not going to take away his academic freedom, but demands that he alter his books (by the way, you are misinformed: I have done no scholarly work on slavery; my field is British economic history). Can’t you imagine some unworldly person being terrified by such assurances backed with veiled threats? But you are not sensitive to this.

Your assistant wants me to assume that you are a man of good will. But you have made no such assumption about me. I would have helped you if you had come to me with your problem, by the phone call you so disingenuously promise. Instead, you drop this minatory and childish written letter on me. No outline is given of the procedures followed, or an explanation of how such an issue got to the level of the president’s office. I am not told of attempts to persuade the students of the plain truth, that I was stating explicitly, in a spirit of egalitarianism expressed repeatedly elsewhere in the book, an assumption that is necessary for the technical analysis and in itself is not only innocuous but commendable and morally right. Again the implication is that the sentence is patently offensive, and that I am on the face of it guilty of insensitivity.

I have to infer that you made the decision to write this appalling letter on grounds of political expediency. You judged that harassing, frightening, and attempting to coerce a professor in Iowa, and in the process abandoning your chief mission as a defender of truth, was worth getting the students off your back. You caved into the students without talking to me, without reading the book, without consulting other economists and economic historians on the book, and above all without thinking through the consequences for the values you claim to defend. You will forgive me if my opinion of the administration of Penn State is low. On my trip

last year I had acquired a high opinion of your faculty in accounting, economics, and the teaching of writing. It is not the first time that a faculty does not have the administration it deserves.

You talk of your concerns. Your letter raises concerns of my own, not the least the concern that a president of a major university would cave in to McCarthyism on his campus. You are presumably old enough to remember the cowardly way that most college presidents behaved when people expressed “concern” about the political opinions of faculty after the War. But you have calculated that it is worth the cost in damaging me to gain a political advantage at home. I urge you to think through what you have done.

I have wider concerns. My concern is that you represent a new breed of administrators with a feeble understanding of academic freedom (which is not “bestowed” by anyone; it is a fragile social custom, easily taken away, by such actions as yours). My concern is that you and your students have somehow gotten the idea that democratic life is a matter of making demands and issuing orders. My concern is that your rhetoric of “sensitivity” is a cover for attacking the most vulnerable parts of the society, the conversations of serious people. Most of all my concern is that we college professors are somehow not educating people to what real sensitivity to moral issues is about, something beyond Dr. Feelgood “concerns” unarticulated and backed by threats of boycott and uses of authority. But I can't threaten you in turn to get you to respond to my concerns. I can only reason with you.

Sincerely,

[Signature]

Donald N. McCloskey

John F. Murray Professor of Economics and Professor of History  
Chair, Search Committee for Academic Vice-President

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