Episode 1,077: Dissident Historians

Guest: Michael Douma

WOODS: It's been a long time since you and I have spoken, but I'm glad you're doing well in academia — I mean, the fact that you're in academia at all is a miracle given how tough the market is and given that we have somewhat unusual views. And you're doing great and I could not be happier about that. So I want to talk to you about — I just told people about your book and we definitely want to talk about that. Let's start off by talking about why you would need to write a book like this. What is it that's going on in academia — this is the fattest softball over the plate I think I have fed a guest in many a week. What is going on in academia that you would need to write a book about classical liberal history?

DOUMA: Well, of course, Tom, as you know, there's lots of problems with academia. And I won't get into all of them; I think I'll focus on the history discipline, which is a strong, very highly competitive discipline right now. Too many PhDs for the number of positions out there. And I wouldn't say the entire discipline is corrupt, but there are certain biases in the field.

WOODS: Right.

DOUMA: And I wanted to write a book that I felt brought history and historians back to some of their roots, to a lot of issues that were popular in the 19th century and to a tradition that I felt had been neglected. And so I think if you go to grad school, you learn that there's different schools of historical thought. You have Marxists that believe in certain things and progressives and conservatives, and you learn that history or the study of history, historiography changes over time and there's different schools and different views.

And in this, I felt like there was a tradition that was neglected, and that is what I identify with and what I saw as this classical liberal tradition.

WOODS: Now, you have been — I don't know. Let's see. When did I get to know you? You were at the Mises Institute, but it was like —

DOUMA: 2009, so it's been some eight years.

WOODS: Okay.

DOUMA: I spent a part of the summer there, yeah.

WOODS: And of course you were one of the relatively rare historians there. The pendulum has really swung back towards economists, big time, so I'm always interested in what a fellow historian is up to. So let me just ask you for a minute about your own work. Now, it's not that, to be a good historian from our point of view, you have to be talking about libertarianism 24 hours a day.

DOUMA: No, certainly not.

WOODS: But I am curious about the extent to which that way of looking at the world has informed your own work.

DOUMA: Yeah, certainly. I think there's a number of tools that economists have, and the average historian never bothers to learn these tools or pick them up. And a few of them are pretty profound and pretty useful. I mean, I look back and just learning about subjective value, recognizing that different people value things in different ways, that's an important economic lesson. And if you mention subjectivity with historians, they think about subjectivity of facts. They never think that there's subjective values, or they don't understand anything about price theory or even basic supply and demand. And so I would say there is a useful background in history and neoclassical economics, Austrian economics that can inform historical writing.

WOODS: I actually wrote an article, which I will link at the show notes page, which is TomWoods.com/1077, where we'll also be linking to your book — I'm going to link to an article I wrote years ago for the *Quarterly Journal of Austrian Economics* called "What Austrian Economics Can Teach Historians," because I thought that was a useful thing to tell historians about and also so that I could figure out an answer to the question of what makes you so special, how are you able to have these insights into history that you think other people don't have. Well, it's not because I'm special; it's because the analytical tools are special. It's because I had the good fortune to be exposed to these sorts of things.

You've been a European historian, is that right?

DOUMA: Certainly. Well, I'm an Americanist, but I also study the Netherlands, and so —

WOODS: That's what I recall you doing. Yeah, that's what was sticking in my mind.

DOUMA: So I'm both a Europeanist and an Americanist. And as a historian and as an academic as well, I've sort of put my eggs in different baskets. And so a lot of people, they study Thomas Jefferson, write books about Thomas Jefferson, they lecture about Thomas Jefferson, and if they get one of the ten positions in the country that allows them to do that, that's great.

WOODS: Right.

DOUMA: But I did some European, some American, some economic history; I've done business and legal history. And I think one of my talents is analytic ability to read in new fields and to try to make some contribution in a variety of fields. So I've published quite a few articles now, and this is my third book — I've got a fourth coming out as well — and just tried to remain prolific. And part of it, Tom, is with, like I say, tools.

And economics is one tool to help you analyzing the past, but also languages or life experiences. If you spend time as a plumber or something, you understand how these things are put together and if you ever come across a situation where you might need that knowledge to interpret something in the past, you're the only one that can do it. And so I've used economic tools, I've used Dutch and German language tools, and then just also a persistence of traveling and going to archives to do different types of research projects.

WOODS: How long have you been at the business school at Georgetown?

DOUMA: So this is my third year. I did four years of visiting positions at Illinois and in James Madison, and then I was hired here. I'm the director of what's called the Georgetown Institute for the Study of Markets and Ethics. And so I came in as an administrator. This is an administrative position, but I was given an assistant research professor title since I didn't stop publishing. And I think that's a lesson for a lot of people, is you don't have to be a professor to be a scholar. You can be a scholar anywhere in any job you have. And I wasn't publishing so that I could make tenure or so that I could impress people; I was doing it because I was interested in it, and it worked out to my benefit.

So primarily, I run this institute here at the business school which studies ethical questions of the marketplace. Think business ethics primarily. And we put on events and we bring in philosophers and we discuss topics like the minimum wage or health care, and not as a think-tank that publishes public policy materials, but as an institute to have an open discussion at the highest levels about these types of topics.

WOODS: Now, that is very interesting, because of course, as you I'm sure well know, business ethics is not an area where people like and me are very heavily represented. So presumably when you were hired, they knew full well the kind of events and topics you would want to be discussing, not to say that you're not going to welcome a diversity of opinion, but there are a lot of business ethics departments — even though I understand this is a center, but there are a lot of business ethics departments that aren't particularly keen on a diversity of viewpoints.

DOUMA: Yeah, and that's actually one of our views. We're a non-ideological institute. We essentially promote open debate, and we try to get different views. So when we hold a symposium — we have a big one every fall — or a conference, we don't try to pile on people from one discipline or perspective; we try to get lots of people together to have a real, open, interesting debate. And that's always been my view, as well. I mean, I'm a classical liberal in the John Stuart Mills sense, in that I think we get towards the truth if we're honest and open with each other and try to get as many perspectives as possible. So I have some power in determining events, but it's also the others associated with the institute that propose events, and I help put them on and run them. So anybody, even from the outside, if there's professors at other universities that have an idea for an event, we can potentially work with them and set something up.

WOODS: All right, let's get back to your project on what is classical liberal history. I've gone through it, but also just look at the table of contents, I see several people who have been guests on the show: David Beito, Anthony Gregory, Phil Magnus, who's your coeditor. And they're covering a wide range of topics here. Anthony Gregory is an expert on the history of civil liberties because of his book on habeas corpus, so he's covering that.

David Beito I think has been a very important and underrated scholar when it comes to filling in gaps in what we know and think we know particularly about the New Deal period and before. He's done tremendous work on the existence of fraternal societies as self-help organizations that preexisted the welfare state that we know today, and he's talked about just how robust they were. He's talked about tax revolts during the 1930s. Almost nobody knows about those, because the narrative is Franklin Roosevelt got in and everybody just loved him, so therefore, how could you fit this kind of story in? And likewise, he along with Bob Higgs, does not accept the argument that World War II got us out of the Great Depression. If you accept that, then you've more or less given in on — you've surrendered our whole position, because you're saying that huge spending gets you out of a big rut. How does that help us?

DOUMA: That's usually people that really haven't thought it through. I think it just becomes the standard version. And what we tried to do here with this book — So I asked every contributor to give me 8,000 words on a topic, and we determined what the topics were, and to tell me what the standard view in the field was, what the classical liberal or their view might be, and then how can we go forward working on this topic as sort of a guide for students sort of potentially thinking about dissertation projects or just the historical community in general.

And so instead of writing some sort of oppositional history, we wanted to say, look, we can work together — progressives, conservatives, Marxists, classical liberals — and that there's certain classical liberal insights like you mentioned — the GDP in the 1930s, for example. The return of soldiers doesn't make the country weaker economically; it's putting more people into the workforce. It should make it stronger. GDP should go up. These sort of insights are ones that are neglected and are the standard views that need to be overturned or at least reconsidered.

WOODS: I actually included a discussion of that in the article that I said that I'm going to put up there, because that is really one of the insights that very, very few historians have, although, once it's explained to you, you realize yeah, obviously there's something screwy about these figures. None of this makes any sense.

DOUMA: Yeah, and I don't work on that era or that field exactly, but I'm not sure if there are people that seriously write articles defending that. I think they just — that traditional view, I think they just assume it. And although many people have written to say, *Look, the war doesn't help the GDP; it creates a fake gross domestic product of government spending*, that's just the assumption is the opposite.

WOODS: What is it that classical liberal history is all about? There's an essay in here that kind of delves into that. Are we bringing a different method to the way we do history? Are we just talking about different topics from what other historians are talking about? Are we taking existing topics and giving a different spin on them? What exactly is the project?

DOUMA: Okay, good point, Tom. And one thing I should say first of all is what I've I guess defined here or made up this term, classical liberal history, is that it's something a little bit larger than libertarian history, is that it's something that goes back to the 19th century to roots in the historical profession, and that it's something that includes probably a larger percentage of people working in the field, even if they're really unaware that they're working in this field.

So I have four things I think that are really define classical liberal history. One is a focus on liberty as an important issue in history, liberty of individuals. And this might seem obvious to folks like you and I that this is something that we write about in history, but think about all of the history that's written in the world. A lot of it was written for justifying kings and queens or justifying the state, as in like history written in the Soviet Union or history today written in the dictatorships of Kyrgyzstan and Uzbekistan. It's not histories that are written about individuals. So if you're focusing on liberty and individuals, you're probably in the classical liberal camp in some way, some shape or form.

The next thing is — so a little particular here, but classical liberals have a methodology or a method, I should say, which is methodological individualism; in short, the idea that only individuals act. It's not groups. And so we really need to focus on individual choice in history, that it's the moments where people decide that we need to try to understand rather than the group actions in general.

And then lastly, real quickly, classical liberal history I think goes back to this 19th century emphasis on evidence and debate, openness. And so all of these things sound fairly general, and I think a lot of them are incorporated in the historical profession already, but are sometimes forgotten that these are important: that we need to focus on liberty, we need to really look at evidence, we really need to have open debate, and we need to focus on individuals and how they act.

WOODS: All right, we're going to talk about the ongoing study of capitalism after we thank our sponsor.

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All right, I want to talk about your friend Phil Magnus. It's impossible not to like this guy, I think. He's very prolific, as well. He's a bit more polemical, let's say, in his style than you are, so the two of you are an interesting combination. He has an interesting chapter in here about the ongoing study of capitalism as an area of study by historians. And he makes reference to an old essay by Hayek from the '50s, maybe 1954? I can't remember what year — or '57 — that that book, *Capitalism and the Historians* came out. But that was a book that featured an introduction by Hayek, which I think is one of the best — I think it's called "History and Politics." I think it's one of the best things Hayek ever wrote, was the introduction to that book. And it's a collection of historians whose work has been favorable to the Industrial Revolution, and it was I think a significant contribution to the ongoing debate that's known in the literature as the standard of living debate.

And what's being argued there and has been argued even more robustly since then is that the standard of living actually improved as a result of the Industrial Revolution, even for the poorest, or perhaps especially for the poorest, and that it would have improved even more if Britain hadn't been mired in war for a lot of the relevant period. But if you measure it through caloric intake or living space per capita or, let's say, life expectancy or all the sorts of questions you might want to ask, you find that things got better. The reason we're inclined to think that they got worse is that we have photographs or we have grizzly descriptions, let's say, before the introduction of the camera of what life was like, and we think, boy, that's much worse than what life is like now. But that's obviously a fallacy. The whole society was much poorer in those days.

So this kind of thing is still going on, even though the optimists in that debate seem to have more or less come out on top, because generally the question is now when did the standard of living improve, not so much did it or did it not as a result of the Industrial Revolution. And Magnus makes reference to Deirdre McCloskey's discussion of the Great Enrichment, which is the period of the last 200 years, which is maybe the most astonishing development in all of economic history anywhere in the world, this sustained and incredible increase in the per capita income of the world. We've never seen anything quite like it, and everybody's just sort of ho-hum about it and doesn't even know about it.

DOUMA: Yeah, I think this is particularly myopic, shortsighted, in that historians sometimes neglect this. I think writing from the present day, we forget how much has changed in the last 200 years. And we know that our standard of living is much higher today than it was 200 years ago, and yet, if you read a lot of textbooks or history books, they always have a section after there's a lot of economic growth, and there's always a line in there that says, "The rich got richer and the poor got poorer," or, "Things didn't get better for everybody." And I've always thought this is interesting.

Now, it's certainly true in the Industrial Revolution in England that there was a lot of poverty and there was a lot of struggle. There was a lot of poverty and struggle before the Industrial Revolution. But if you take all of these textbook examples of people saying things got worse and you line it up, I would almost like to write some sort of satirical article. I've talked about this before with others. The article would be called, "And Things Got Worse: A History of the Last 200 Years," proving from the textbooks that we're worse off now than we were in the past. I mean, it's completely illogical if you line these all up to do this.

But you're right, so Phil is reigniting or joining in to some of these debates that have been recently reignited in the history of capitalism. And it was my other contributor, Hans Eicholz, who a few years ago turned me on to some of these debates, the famous Thompson-Hartwell debate in England, which is now forgotten — do you know much about that? Do you remember that?

WOODS: Well, E.P. Thompson is the Marxist and R.M. or Max Hartwell is basically our guy, and I say Hartwell hands down, but of course, what else would I say?

DOUMA: Yeah, and I think what happened was — it was a long, drawn-out debate in I think primarily the 1960s. And you know, we can come at it from different angles and thing Hartwell wiped the floor with Thompson or Thompson wiped the floor with Hartwell or whatever, but after a while, Thompson had to admit that he was wrong about certain things. And E.P. Thompson became the hero of leftist historians, and I think he does some good things, bringing the focus back to common people rather than just elites and things like this, but what's strange about it all is how Hartwell is almost completely forgotten. So here's an example of what I'm talking about with this book. Thompson is taught in history programs all over the country and is issued as a standard book to read, and nobody's ever heard of Hartwell anymore. It's a shame.

WOODS: Which is interesting, and it's maybe interesting for students who are listening now. If you go out and get a book by Hartwell out of the library or you're reading one of his essays, you're going to be reading something that, chances are, there's a pretty darn good possibility your teacher or your professor will not have read, and maybe knows the name, but possibly not. In fact, I remember my junior year of college, we were doing a seminar that included the

topic of the Industrial Revolution, and I said, "I'd like to bring in a reading, please." And I don't know if I was allowed to do this copyright wise, but I photocopied the Hayek essay that we talked about, and I had everybody read that. Now, of course, you're not going to win points with your friends in class when you bring them extra reading to do, so I knew I was taking a risk by doing it, but I thought they're not even going to hear about this if I don't do it.

Now, you know what's also interesting about your book? The Jonathan Bean essay on civil rights I thought was interesting, because he reminds of how, again, non-cartoonish real history is. The cartoonish version is there were bad guys and good guys and we can easily distinguish who was who. Now, in some cases in history, obviously you clearly can. But like for example, when it comes to labor unions versus minorities, well, a progressive today would think those are all good guys. But when you look more closely, you realize that the labor unions in the United States and around the world were very often organizing and implementing policies whose express purpose was to push minorities out of competition with them and out of the market. Or we have evidence that the minimum wage was intended to have the same effect. Or we have evidence that occupational licensing was intended to have the same effect.

Now, I don't introduce that so we can then turn around and say Democrats are the real racists, because I don't find that persuasive. I think that's a dumb line of argument. But it just goes to show how rich and interesting history is. And it can also help people stop and think: wait a minute, maybe good intentions aren't enough, or just assuming that my heroes are just out there with capes on to make everybody better off is simplistic. And that can sometimes be the door that opens other doors to independent thinking.

DOUMA: Well, you're right, and I think there's a lot of even sort of more mainstream historians — I mean, we're in the mainstream. I'm trying to reclaim classical liberalism as the mainstream here, as the origin of the historical profession. But there's a lot of historians like — I'm thinking even like C. Vann Woodward way back in the '50s and '60s with his *Strange Career of Jim Crow* points to this tension between labor unions and African Americans. And the works of I think David Ruettiger, the labor historian, does some of this stuff as well. So it's not that it's not known; it's just not talked about, I think.

WOODS: I think it's not known by the general public. I think specialists will know about it. And that's true about so much. So much of the stuff that you and I talk about, it's not the case that the professors just don't know about it, although in a minority of cases it truly is that way.

For example, I've told this story before, but I remember sitting in graduate school. I was just auditing an undergrad course on 20th century America just to keep my brain refreshed for my oral exams. And the professor — whose name I won't give because he's a good guy and he was just misled — but he was talking about different explanations for the causes of the Great Depression. And naturally, you don't need me to tell you that he did not provide the Austrian explanation. And I thought, all right, look, I'm a grad student, so the kids here already hate me anyway, so it doesn't matter if I raise my hand and keep them in class three extra minutes. But I had to. I said, "Well, here's another one." And I used Hayek's name, because I knew the professor knew Hayek. And I explained the gist of it as best you can in three minutes. And he thanked me and moved on.

But that was legitimately a case — there's no way even an ivy league professor knows anything about the Austrian theory of the business cycle. Especially if the person's a historian, no way. But as you say, generally, they do know this stuff, and for one reason or another, it doesn't get conveyed or the general public never finds out about it.

DOUMA: Yeah, and I'm totally fine if people want to dismiss it, but you should at least know it —

WOODS: Of course.

DOUMA: — before you dismiss it. So this reminds me of — I don't know if you're familiar with the book called *1066 and All That*?

WOODS: Yes, I am.

DOUMA: Yeah, it's this satirical history of England as told by what the people of England remember. So it's sort of like compiling the high school test answers of history and seeing what the students know. And I had a similar experience that shows how big of a problem this is. I graded for the AP U.S. history test one time. You go to — at the time it was Louisville, Kentucky, and you go there for a week and you do nothing besides eight hours a day, read essays from bright high schoolers around the country that are taking the AP history test, and you grade them. And you have a sort of scheme, a schematic. You grade them 0 through 9 on their essays. And so for days, I was reading essays on the Gilded Age. And 90% of the essays are the same thing, and you start wondering, are all high school teachers across the country teaching the same interpretation of the Gilded Age? And most of the people grading the test are used to there being sort of one interpretation.

Well, days into grading this, I had an essay that I was reading that was the brightest student I think I've ever come across, some 17-year-old in 2011. And he wrote an anarchocapitalist interpretation of the Gilded Age that looked like he had been preparing it for months just for this exam. And so I took it up in my hand and I ran across the room to my friend that was there, who wasn't an anarchocapitalist. And I showed it to him and I'm like, "You will not believe what I just found. I mean, this is independent thinking, even if you disagree with it. Look at what this kid's done." But he didn't fulfill the scheme in the way that they had to, so I couldn't give him a 9. I had to give him like a 7 out of 9, so he probably would have passed the test anyway and gotten credits.

But what if another one of the graders in that room had seen his essays? They wouldn't have known what he was talking about. They would have failed this guy. It would have been completely out of left field, this kid's interpretation. It would have made no sense to somebody unfamiliar with that interpretation.

WOODS: Yeah, no kidding. That's an interesting experience. I know of a couple of other people who've graded AP exams, but I've never actually asked them what kind of interpretations are you hearing from the kids, partly because I wasn't sure they could answer, and partly because I don't think I want to know the answer, to be honest with you.

So suppose you've got the attention of — because maybe right now you do — a bunch of up-and coming, young historians in our tradition. Do you have any advice for them or a research program for them or anything you'd want to tell them?

DOUMA: Well, one thing, and I've mentioned this a few times here, is I don't find myself to be a confrontational historian. And I think there's room for that. I think we need to have people confronting each other and arguing. I've always tried to find some middle ground or to listen to both sides. And that itself is a liberal virtue. Openness to debate, that's what history is all about and that's what I'm trying to bring it back towards. So I would say, if you're marching into a graduate program and you have some clear ideology, don't go attacking everybody with it. Try to learn from others. And you still have to write some stuff that's mainstream and middle of the field.

And to my advantage, I've spent most of my career really as a cultural historian, a historian of immigration, and there's not a lot of — there's some political debates in that stuff. You know, current-day immigration policy and this and that. But when you're speaking about 19th century immigration history, it's not political in the same sense, and so I didn't have to worry about that kind of stuff. This book here, this *What Is Classical Liberal History?* is the first thing that I've really written that has any ideology or political connection. And like I say, I think it's a fairly middle-of-the-road position, although my boss here, my executive director John Hasnas sometimes gives a presentation called "Middle-of-the-Road Anarchism," so it all depends where you stand, what you think the middle-of-the-road position is.

WOODS: Well, I'm a big fan of John Hasnas. He's been a guest here a couple of times. He was one of the first people I got to know in this intellectual movement, because I was at an IHS seminar back in 1992 that he taught at. And I think at that time he was teaching that stuff about the myth of the rule of law. Have you ever read him on that?

DOUMA: Yep.

WOODS: And that, I told him when I finally had him on the show like over 20 years later, I said, "Let me tell you something. I was hopping mad at you as a kid. I just refused to believe what you were telling me, and it turned out you were totally right." Well, the book is *What Is Classical Liberal History?*, edited by our guest, Michael Douma, and Phil Magnus. Linking to it at TomWoods.com/1077. Well, continued good luck to you, Michael. Great to talk to you.

DOUMA: Great talking with you. See you around.