DO PRINCETON GRADUATES MATCH THE MOMENT?
WILSON AWARD LECTURE

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Confession being good for the soul, let me start by admitting that I have been a less than avid, and therefore less than knowledgeable, alumnus. Oh, I have dutifully anted up when a classmate called for Alumni Giving, or the Class Foundation. But I have not previously attended an Alumni Day, and I can’t say that I have paid close attention to campus academic developments. I have made it to the major reunions but, at least when the Class of ’71 reunites, any deepened understanding of the intellectual climate on campus is a strictly accidental result.

So questions I bring with me this morning, about the readiness of today’s Princetonians for the nation’s service, may have quick and fully satisfactory answers. I’d like nothing more than to return to the Midwest enthused that schools like ours are sending out a next generation of leadership well prepared to master the challenges of a uniquely dangerous moment in our national life. But there are ample reasons to ask the questions.

One of the more provocative books of recent months bears the title Mismatch. It analyzes the sadly high failure rate of minority students recruited to colleges apparently one notch above the level for which they are academically equipped. I leave that important topic to another time and to those more expert, but I do want to borrow the title, and ponder a little about a different sort of mismatch, one that if anything should bother us even more. My concern this morning is about the degree of match between the preparation provided by an education at Princeton, or other elite schools, and the demands of public leadership in a time of genuine national peril.

One need not minimize the national security challenges our nation faces in a world of proliferating terrible weapons, some possessed by regimes undeterred by either counter-threats or any morality as we understand the concept, to believe that the gravest dangers to the American Experiment are internal. A nation held together not by ethnic identity or tribal loyalty or religious unity but only by the shared value of individual liberty, confirmed and sustained through the years by the promise of upward mobility for all, now sees that value eroded and that promise questioned as never before. One sees the most tangible manifestation of the erosion, and the largest source of danger to the promise, in the mortgaging of our national future.

We meet in a time of continued economic stagnation. Economic growth in 2012 was a depressing 1.5%, half the historic average, and the economy actually contracted in the 4th quarter. Three million fewer Americans are employed than when this so-called recovery began. The percentage of adults working is back to the levels of the stay-at-home mom. Economic inequality is growing, and unprecedented trillions in transfer payments have not reversed the trend. It was well said that “we need a recovery from this recovery.”
Worst of all, there is evidence for the first time that hope has been shaken. In even worse economic moments, Americans never lost their confidence in a better tomorrow, or their belief that the route to it was self-improvement and hard work. But today opinion pollsters routinely find unprecedented levels of discouragement about both personal economic prospects, and about the nation’s future. The December Gallup Poll found that, by 50% to 47%, more of us expected the future to be worse than the past, a first-time finding in decades of such measurements.

These fears are not irrational. On the contrary, they are based in the brute objectivity of arithmetic: we now owe more than a full year’s total national income in national debt, growing at $2 ½ million per minute, plus more than four years’ income in unfunded liabilities in the entitlement programs. No entity, large or small, public or private, can remain self-governing, let alone successful, so deeply in hock as that.

The organizers inquired whether I would like to use audio-visual equipment to augment this talk, but good news: I chose to spare you the ordeal of a parade of graphs and charts telling you what you already know. The stunning extent to which our national indebtedness, current and impending, so hopelessly outstrips any prospect of repayment, is surely well understood in this audience. So, I hope I can assume, are its implications: First, that through this Himalaya of debt we are ensuring a future of stunted economic growth, the kind that will ruin the American dream of opportunity and equality for all. Economic history is consistent and emphatic on this point. And second, that as a people we may no longer have the stuff of self-government. We may no longer have the self-discipline to limit ourselves to what is affordable, and responsible, but instead are comfortable and complacent about plundering our children.

One day, historians will marvel at our self-delusion. Noting that, year after year, we spent for current purposes more than a trillion dollars more than we collected in taxes, borrowed 35 cents of every dollar we spent, and eventually began printing paper dollars in order to “loan” it to ourselves, they will ask the question we ask about tulip manias and bizarre financial derivatives: “What the hell were they thinking?”

One leading public citizen, who by now would probably have won this award if only he’d had the good fortune to attend Princeton, has labeled what is coming “the most predictable crisis in our history.” Erskine Bowles, co-chair of a highly credible but so far ignored commission on our fiscal emergency, was correct, but he could have broadened his point. If the arithmetic of our debt makes some sort of crisis predictable, so too does our form of government make national ruin a matter of time. Or so have said a host of wise philosophers over the centuries, in which of course tyranny has been the norm and democracy the occasional aberration.

In a book I ventured on this subject, I included a short introductory chapter entitled “The Skeptics.” In a cursory and I hope properly modest fashion it attempted to summarize the long school of thought that holds that a democracy will eventually founder on one or both of two related reefs. Either it will spend itself destitute, after its politicians show a majority how it can vote itself increasing amounts from the public treasury, that is, from its fellow citizens; or, the character traits that give rise to free institutions – industriousness, self-reliance, personal responsibility, an insistence on liberty vs. the false security a government might promise - will atrophy away, in
large measure because of the very affluence that freedom makes possible. From Plato to Rousseau to Nietzsche to Oscar Wilde, history has been home to far more doubters than believers in the durability of self-government.

The American Founders worried incessantly about both dangers. Hamilton warned that the accumulation of debt was “the natural disease of all governments.” Adams gave the nation two generations before the necessary virtues withered away. De Tocqueville, while admiring the vitality of the new nation, also worried about its staying power, writing: “Republican government is fragile by nature. It relies only on a certain sentiment of order, virtue, and moderation on the part of the governed. The immoderate desires of parties...constantly threaten the existence of republics.” Labeling $4 trillion per year in federal spending, over a third of it borrowed, “immoderate” is surely a moderate characterization.

The American people have been led to believe things that are mathematically absurd, and conclude that we can continue hurtling toward a Niagara of debt and utterly impossible entitlement promises, without nation-altering consequences. In what its own authors candidly labeled “the noble lie”, they were given to understand that their Social Security and Medicare benefits were personal savings they had paid in for themselves, rather than subsidies paid to them by today’s workers, an arrangement that, as professors Ponzi and Madoff have demonstrated, works only so long as the base of the pyramid is much broader than its top.

In general, two viewpoints now contend in our national debates about how to move forward. Both can claim a Princeton provenance. One, now fully ascendant in the seats of national power, traces its lineage directly to Woodrow Wilson. It argues that a guided society, overseen by an elite of well-trained experts, is needed to shepherd and protect a general population that is simply not equipped to protect itself against a world of predators, or decide for itself in a world of great complexity.

The alternative view, of which James Madison can claim some paternity, has greater faith in the good sense of average people, and further believes that only a society which entrusts citizens with personal autonomy and personal responsibility can maintain economic vigor and sustain genuinely free institutions.

I’m among those who believe that the former viewpoint is leading us to a position of national danger and vulnerability unprecedented in our peacetime history. So I accept an award bearing President Wilson’s name with deep gratitude, but a strong sense of irony. Maybe Mr. Fraga and I should trade plaques after the ceremony.

It doesn’t require a Princeton math degree to calculate that the current structure of our welfare state programs is rigged for implosion. On the other hand, a Princeton education well-grounded in political theory and economic history could produce the sort of leaders the moment demands, leaders who could rally our fellow citizens to the decisions necessary to avoid cataclysm and renew the American promise.

Yet at the very moment when the nation needs empathetic, persuasive leaders who can untangle the public’s factual confusions, and foster a new unity around policies of national reconstruction,
there is evidence of a new estrangement between graduates of schools like ours and the broad mass of the American people.

The social scientist Charles Murray recently catalogued the alarming extent to which today’s “knowledge elite” is separating from society at large. Professionally, financially, residentially, and most important attitudinally, Princeton grads and those like them, have increasingly little in common with those less intellectually gifted and academically blessed.

Never has a society or its economy so favored cognitive skills as today. A strong back, skillful craftsmanship, or physical bravery were once some guarantee of a successful, self-reliant life, but much less so these days. And when the cognitively fortunate marry each other, work with each other, reside with each other, socialize and communicate primarily with each other, a troublesome gap appears. As Murray puts it, “It is not a problem if truck drivers cannot empathize with the priorities of Yale professors. It is a problem if Yale professors, or producers of network news programs, or CEOs of great corporations, or presidential advisers cannot empathize with the priorities of truck drivers.”

He could have said “Princeton” but he picked a run-of-the-mill university to generalize his point.

For the last eight years, I worked at the sufferance of the citizens of Indiana, as varied and typical a state as any I can think of, and I made it my business to know and be accessible to them as humanly possible. In and out of campaign season, I traveled the state relentlessly, quite intentionally emphasizing the “forgotten places”, our inner cities and most rural communities. I made hundreds of impromptu stops, in stores, diners, flea markets, and saloons. And I never stayed in a motel, but rather in the homes of Hoosiers, virtually none of them involved in politics or previously known to me.

125 overnights, in every kind of dwelling, with people from every walk and station of life. I slept in guest rooms, spare rooms, lots of kids’ rooms, and sometimes just the living room couch. I got lost running, got bitten by the family dog, and had to take my first bath since childhood when I couldn’t operate the basement shower.

I have met Amish kids in Hooter’s t-shirts, teenagers who milk cows and feed pigs at 4 AM every day, and learned why, when you take a nine-foot black bear as a domestic pet, you should never neuter him.

The common denominator I found in the diverse citizenry by whom I was employed was pride, and a sense of personal dignity. I feel myself on firm ground when I say that our nation is still made up primarily of people who want to lead their own lives, earn their own way, who see themselves as masters of their own fate.

For the more empirically minded, I can furnish harder data. Whenever possible, we tried to design public policy in Indiana to enable citizens to make basic life decisions for themselves. Every Hoosier family, regardless of income, now has a full range of choice to pick the public, charter, or private school the parents think best for their child. The rush to embrace these options
among low-income families proves that parental responsibility and sound decision making are not the exclusive province of the well-to-do.

When we raised tobacco taxes to fund a new program of health insurance, again targeted to those of modest means, we chose a design based on personal autonomy. Each participant in the Healthy Indiana Plan, or HIP, contributes an income-adjusted amount to an account they control, with taxpayers funding the rest. First-dollar costs come from this account, with true insurance protection provided against the rare catastrophic illness or injury.

Five years of results belie the paternalistic idea that health care choices are just too complicated for the ordinary person. Compared to wealthier people in traditional insurance plans or to those on Medicaid, HIP members make informed and smart decisions: they use generic drugs more often and go to the emergency room less often than their counterparts; they utilize preventive health measures such as annual physicals and appropriate diagnostic tests at greater rates; and, as a consequence of their individual consumerism, they cost less per patient by double-digit percentages. The same striking results have occurred among the 95% of state employees, whose average income is well below the state median, who are enrolled in similar self-directed plans. Meanwhile, some $53 million has accumulated in the accounts these folks control, as further protection for the future and theirs to keep if never needed for medical care.

We operate on the belief that our fellow Hoosiers are both deserving and capable of making for themselves the decisions most important in their lives. We believe that it disrespects their personhood profoundly to strip these decisions from them and transfer them to the clumsy and soulless agencies of government.

Today, both sides of our national debate either openly or implicitly denigrate the character of our people, the very traits without which freedom lapses back into tyranny. People on what we term the right point to the decline of family structure and civic literacy, and to today’s unprecedented levels of dependency on welfare payments. Those on the left condescendingly proffer program upon program, regulation upon regulation, all premised on the assumption that Americans are helpless victims, too dim-witted or too gullible to fend for themselves without the tender ministrations of their Benevolent Betters.

To confound the skeptics of history, and to restore an America of personal liberty and upward mobility, will require commitments by our leaders to solvency, dignity, and unity. We must begin making the mature fiscal decisions that place the future above the past, our children’s welfare above our own, and the national interest above any narrow or special interest. That in turn will require a view of our fellow citizens that assumes the best about them, believing that they are entirely capable of grasping the dangers of our current direction and of rising above the cheap politics of something for nothing.

The new leaders I hope are en route will respect the personhood and capacity of their fellow Americans. They will resist the self-congratulatory, self-aggrandizing instinct to assume the posture of Benevolent Betters who must make life’s decisions for the poor little dears out there. They will be leaders who see their countrymen as creatures of dignity, not objects of therapy, and seek to empower rather than patronize and condescend to them.
These leaders, finally, must speak the language of unity. They will recognize first of all that big change, of the dimension now necessary, requires big majorities, a new national consensus well beyond any we have seen recently. And secondly, that the vilification of any other American or group of them, is unwarranted and should be unacceptable. Purposeful division of our people, the pitting of group against group, is poisonous politics whenever it appears, but potentially fatal in a time as dangerous as this one.

Is Princeton truly preparing its graduates for the nation’s service in our era? Are they departing this place well versed in the history and philosophy undergirding free institutions? Have they noticed that self-government is not the natural order of things, not history’s rule but its exception? Have they read at least a little about the disaster that always awaits nations that spend vastly beyond their means on the assumption that “this time is different” or “it can’t happen here”?

Do they grasp the simple truth that, without a vibrant, growing private economy there is no hope for the poor to rise, or the young to live better than their parents, or for there ever to be enough revenue for whatever size government we choose? That a continuation of anti-growth policies may leave Princeton graduates in acceptable condition, but it will devastate the life prospects of the yet-to-haves who should be the central object of our national concern?

Most important, has it produced in them not merely a sympathy but a proper respect for those whom they will serve in public or influential private capacities? Did they learn that those on whose behalf they will soon be making decisions may not have had the SATs they did, but do have both the good sense and the God-given right to make life’s big decisions for themselves and to accept the consequences?

For all I know, they have. By definition, I know that today’s Princetonians have the talent they will need. I know they will have the networks and associations of influence through which effective public action becomes more likely. If they have developed also a commitment to solvency, to dignity, and to unity, then they will be well-matched to a time of rare and grave consequence.

If the nation ever needed leaders from this great university, it is now. We have been deeply divided, often on purpose, at the very moment when we need bold decisions of the kind that, at least in a democracy, only broad consensus makes possible. National survival – maybe not physical survival, at least immediately, but survival as a self-governing country of free men and women – is literally at risk. Remarkable public servants, possessed of the rare skills we once referred to as “statesmanship”, have never been more necessary.

As it has whenever the nation needed it most, I am confident Princeton will supply them.