

Free To Choose: Original 1980 Television Series

Volume 6 - What's Wrong with our Schools

Transcript:

Friedman: These youngsters are beginning another day at one of America's public schools, Hyde Park High School in Boston. What happens when they pass through those doors is a vivid illustration of some of the problems facing America's schools.

They have to pass through metal detectors. They are faced by security guards looking for hidden weapons. They are watched over by armed police. Isn't that awful. What a way for kids to have to go to school, through metal detectors and to be searched. What can they conceivably learn under such circumstances. Nobody is happy with this kind of education. The taxpayers surely aren't. This isn't cheap education. After all, those uniformed policemen, those metal detectors have to be paid for.

What about the broken windows, the torn school books, and the smashed school equipment. The teachers who teach here don't like this kind of situation. The students don't like to come here to go to school, and most of all, the parents ___ they are the ones who get the worst deal ___ they pay taxes like the rest of us and they are just as concerned about the kind of education that their kids get as the rest of us are. They know their kids are getting a bad education but they feel trapped. Many of them can see no alternative but to continue sending their kids to schools like this.

To go back to the beginning, it all started with the fine idea that every child should have a chance to learn his three R's. Sometimes in June when it gets hot, the kids come out in the yard to do their lessons, all 15 of them, ages 5 to 13, along with their teacher. This is the last one-room schoolhouse still operating in the state of Vermont. That is the way it used to be. Parental control, parents choosing the teacher, parents monitoring the schooling, parents even getting together and chipping in to paint the schoolhouse as they did here just a few weeks ago. Parental concern is still here as much in the slums of the big cities as in Bucolic, Vermont. But control by parents over the schooling of their children is today the exception, not the rule.

Increasingly, schools have come under the control of centralized administration, professional educators deciding what shall be taught, who shall do the teaching, and even what children shall go to what school. The people who lose most from this system are the poor and the disadvantaged in the large cities. They are simply stuck. They have no alternative.

Of course, if you are well off you do have a choice. You can send your child to a private school or you can move to an area where the public schools are excellent, as the parents of many of these students have done. These students are graduating from Weston High School in one of Boston's wealthier suburbs. Their parents pay taxes instead of tuition and they certainly get better value for their money than do the parents in Hyde Park. That is partly because they have kept a good deal of control over the local schools, and in the process, they have managed to retain many of the virtues of the one-room schoolhouse.

Students here, like Barbara King, get the equivalent of a private education. They have excellent recreational facilities. They have a teaching staff that is dedicated and responsive to parents and students. There is an atmosphere which encourages learning, yet the cost per pupil here is no higher than in many of our inner city schools. The difference is that at Weston, it all goes for education that the parents still retain a good deal of control.

Unfortunately, most parents have lost control over how their tax money is spent. Avabelle goes to Hyde Park High. Her parents too want her to have a good education, but many of the students here are not interested in schooling, and the teachers, however dedicated, soon lose heart in an atmosphere like this. Avabelle's parents are certainly not getting value for their tax money.

Caroline Bell, Parent: I think it is a shame, really, that parents are being ripped off like we are. I am talking about parents like me that work every day, scuffle to try to make ends meet. We send our kids to school hoping that they will receive something that will benefit them in the future for when they go out here and compete in the job market. Unfortunately, none of that is taking place at Hyde Park.

Friedman: Children like Ava are being shortchanged by a system that was designed to help. But there are ways to help give parents more say over their children's schooling.

This is a fundraising evening for a school supported by a voluntary organization, New York's Inner City Scholarship Fund. The prints that have brought people here have been loaned by wealthy Japanese industrialist. Events like this have helped raise two million dollars to finance Catholic parochial schools in New York. The people here are part of a long American tradition. The results of their private voluntary activities have been remarkable.

This is one of the poorest neighborhoods in New York City: the Bronx. Yet this parochial school, supported by the fund, is a joy to visit. The youngsters here from poor families are at Saint John Christians because their parents have picked this school and their parents are paying some of the costs from their own pockets. The children are well behaved, eager to learn, the teachers are dedicated. The cost per pupil here is far less than in the public schools, yet on the average the children are two grades ahead. That is because teachers and parents are free to choose how the children shall be taught. Private money has replaced the tax money and so control has been taken away from the bureaucrats and put back where it belongs.

This doesn't work just for younger children. In the 60's, Harlem was devastated by riots. It was a hot bed of trouble. Many teenagers dropped out of school. Groups of concerned parents and teachers decided to do something about it. They used private funds to take over empty stores and they set up what became known as store front schools. One of the first and most successful was Harlem Prep. It was designed to cater to students for whom conventional education had failed. Many of the teachers didn't have the right pieces of paper to qualify for employment in public schools. That didn't stop them from doing a good job here. A lot of the students had been misfits and dropouts. Here they found the sort of teaching they wanted. After all, they had made a deliberate choice to come to Harlem Prep. It was a very successful school. Many students went on to college and some to leading colleges.

But after some years, the school ran short of cash. The board of education offered Ed Carpenter, the head of the school and one of its founders, tax money, provided he would conform to their regulations. After a long battle to preserve independence, he finally gave in. The school was taken over by bureaucrats.

Ed Carpenter, Former Principal, Harlem Preparatory School: I felt that a school like Harlem Prep would certainly die and not prosper under the rigid bureaucracy of a board of education. We had to see what was going to happen. I didn't believe it was going to be good. I am right. What has happened since we have come to the board of education is not all good ___ it is not all bad ___ but it is more bad than good.

Friedman: The school may not look different yet, but 30 of the former teachers have gone. Ed Carpenter has resigned. The school is being moved to a traditional school building. No one, except maybe the bureaucrats, is very optimistic about its future.

Unfortunately, the strangling of successful experiments by bureaucrats is not unusual. The same thing happened in California, at a place called Alum Rock. For three years parents at this school could choose to send their children to any of several specially created mini-schools, each with a different curriculum. The experiment was designed to restore a choice to those who were most closely involved, the parents and the teachers.

Don Ayers, Former Principal, Millard McCollam Elementary School: Probably the most significant thing that happened was that the teachers, for the first time, had some power and they were able to build the curriculum to fit the needs of the children as they saw it. The state and local school board did not dictate the kind of curriculum that was used in the McCollam School. The parents became more involved in this school. They attended more meetings. They also had a power to pull their child out of that particular mini-school if they chose another mini-school

Friedman: Giving parents greater choice had a dramatic effect on educational quality. In terms of test scores, this school went from 13th to 2nd place among the schools in its district, but the experiment is now over. When school resumed after the summer vacation, this was just another public school, back in the hands of the bureaucrats.

Giving parents a choice is a good idea, yet it always meets with opposition from the educational establishment. This is Ashford, a town in the south of England. For four years, there have been efforts here to introduce an experiment in greater parental choice. Parents would be given vouchers covering the cost of schooling. They could use the voucher to send their child to any school of their choice. I have long believed that children, teachers, all of us, would benefit from a voucher system. But the head master here, who happens also to be secretary of the local teacher's union, has very different views about introducing vouchers.

Mr. Dennis Gee, Headmaster, Newtown Primary School: We see this as a barrier between us and the parent. This sticky little piece of paper in their hand, coming in and under due writ you will do this or else. We make our judgment because we believe it is in the best interest of every Willy and every little

Johnny that we have got, and not because someone is going to say, if you don't do it, we will do that. It is this sort of philosophy of the marketplace that we object to.

Friedman: In other words, Mr. Gee objects to giving the customer, in this case the parent, anything to say about the kind of schooling his child gets. Instead, the bureaucrats should decide.

Mr. Gee: We are answerable to parents and to our government bodies, through the inspectorate of the county council and through her Majesty's inspectorate to the secretary of state. These are professionals who are able to make professional judgments.

Friedman: But things look very different from the point of view of parents. Jason Walton's parents had to fight the bureaucracy, the professionals, for a year before they could get him into the school that they thought was best suited to his needs.

Maurice Walton, Parent: As the present system stands, I think virtually parents have got no freedom of choice whatsoever. They are told what is good for them by the teachers and are told that the teachers are doing a great job, and I just got no sign at all. If the voucher system were introduced, I think it would bring teachers and parents together, I think closer. A parent that is worried about his child would remove their child from the school that wasn't giving a good service and take it to one that was. And if a school is going to crumble because it's got nothing but vandalism, it is generally slack on discipline, and the children aren't learning well, then it is a good thing from my point of view.

Friedman: Even good schools like this would benefit from a voucher system. From having to shape up or see parents take children elsewhere, but that is not how it looks to the head master.

Gee: I am not sure that parents know what is best educationally for their children. They know what is best for them to eat, they know the best environment they can provide at home, but we've been trained to ascertain the problems of children, to detect their weaknesses, and put light in things that need putting light, and we want to do this freely, with the cooperation of parents, and not under any undue strains.

Walton: I can understand the teacher saying yes, it is a gun at my head, but they have got the same gun at the parents' head at the moment. The parent goes up to the teacher and says, well I am not satisfied with what you are doing, and the teacher can say, well tough, you can't take him away, you can't remove him, you can't do what you like so go away and stop bothering me. That can be the attitude of some teachers today ___ it often is. But now that the positions are being reversed and the roles are changed, I can only say tough on the teachers ___ let them pull their socks up and give us a better deal and let us participate more.

Friedman: In America there is one part of education where the market has had extensive scope, that is higher education. These students attend Dartmouth College, a private school founded in 1769. The college is supported entirely by private donations, income from endowment, and student fees. It has a high reputation and a fine record. Ninety-five percent of the students who enroll here complete their undergraduate course and get a degree.

The students here pay high fees, fees which cover most of the cost of the schooling which they get. Most of them get the money from their parents, but some are on scholarships provided either by Dartmouth or by outside sources. Still others take out loans to pay the costs of schooling, loans which they will have to pay back years later. Still others work either during the school year or during the summer to pay the costs. Many students work in the college's own hotel. This girl is helping to pay her own way which is pretty good evidence that she is serious about getting an education.

Parents of perspective students come here on shopping expeditions to check out the product before they buy.

What you have here is a private market in education and the college is selling schooling. The students are buying schooling. And as in most such markets, both sides have a strong incentive to serve one another.

For the college, it has a strong incentive to provide the kind of schooling that its students want. If it doesn't, they can simply pick up and go elsewhere. For the students, they want to get their money's worth. They are customers, and like every customer everywhere, they want to get full value for the money they are paying. And so much of the success here comes from the fact that students understand precisely the cost involved and they are determined to get their money's worth.

Regina Barreca, Student: . . .they send you sheets saying how much everything costs all the time, so that you know exactly, you can break it down per lecture. And when you see each lectures costing \$35, and you think of the other things you could be doing with the \$35, you're making very sure you're going to that lecture.

Friedman: Many of the buildings and facilities at Dartmouth have been donated by private individuals and foundations. Like other private universities, Dartmouth has combined the selling of monuments with the provision of education and the one activity reinforces the other.

The students, in effect, earn part of their keep by helping to solicit alumni for contributions, knowing full well that they will be solicited in their turn. It is another way in which the real value of education is brought home. This may not be the usual idea of an economic market, but it is nonetheless a marketplace where buyers can choose and sellers must compete for customers.

What happens when the educational market is distorted? Look at state colleges and universities. Their fees are generally very low, paying for only a small part of the cost of schooling. They attract serious students just as interested in their education as the students at Dartmouth or other private schools, but they also attract a great many others. Students who come because fees are low, residential housing is good, food is good, and above all there are lots of their peers, it's a pleasant interlude for them.

The University of California at Los Angeles ___ for those students who are here as a pleasant interlude, going to class is a price they pay to be here, not the product they are buying. Darrell Dearmone,

Lecturer: We frequently wind up with people who cannot compete favorably with even the average person here. There is a magnet here for everything. We have the best weather practically speaking, in the

country. Hollywood is here, Beverly Hills is here, the social scene, the television industry in this country is centered here.

Friedman: The justification for using tax money to support institutions like this is supposed to be so that every youngster, regardless of the income or wealth of his parents, can go to college. A few youngsters from poor families are here, but not very many. Most of these students are from middle and upper-income families, yet everybody, whatever his income, pays taxes to help support these institutions. That is a disgraceful situation. It is hardly what public education was all about. These students are being subsidized by people who will never go to college. That means that on the average people who will end up with higher income are being subsidized by people who will end up with lower income. And in addition, the quality of undergraduate education is poor. Undergraduate teaching is not what UCLA is famous for. Besides from its athletic team, UCLA's reputation is for graduate work and research.

Faculty members have every incentive to do research, that's the way to advance in their profession. They have much less to gain by good teaching.

Only about half of those who enroll in UCLA complete the undergraduate course. Compare that with the 95% at Dartmouth who finish the work for their degrees. What a waste of student time and what a waste of taxpayers' money.

What should we do about this disgraceful situation? We must not deny any young man or woman whose desires formal education. Everyone who has the capacity and the desire to have a higher education should be able to do so, provided they are willing to undertake the obligation to pay the cost of their schooling either currently or in later years out of the higher income that their education will make possible. We now have a governmental program of loans which is supposedly directed to this objective but it's a loan program in name only. The interest rate charged is well below the market rate. Many of these loans are never paid back. We must have a system under which those who are not able or do not go to college are not forced to pay for those who do.

As we have seen the market works in education. When people pay for what they get, they value what they get. The market works in higher education. It can also work at the level of primary and secondary education. Until we change the way we run our public schools, far too many children will end up without being able to read, write, or do arithmetic. That is not what any of us wants.

The system is not working and it is not working because it lacks a vital ingredient. The experts mean well, but a centralized system cannot possibly have that degree of personal concern for each individual child that we have as parents. The centralization produces deadening uniformity, it destroys the experimentation that is the fundamental source of progress. What we need to do is to enable parents, by vouchers or other means, to have more say about the school which their child goes to, a public school or a private school, whichever meets the need of the child best. That will inevitably give them also more say about what their children are taught, and how they are taught. Market competition is the surest way to improve the quality and promote innovation in education as in every other field.

DISCUSSION

Participants: Robert McKenzie, Moderator; Milton Friedman; Albert Shanker, President, American Federation of Teachers; Professor John Coons, Initiative for Family Choice in Education, California; Thomas A. Shannon, Executive Director, National School Boards Association; Gregory Anrig, Commissioner of Dept. of Education in Commonwealth of Massachusetts

McKENZIE: The distinguished guests tonight are all intimately concerned with the world of education; so lets find out how they react to Friedman's analysis.

SHANKER: I think it's very foolish to throw out something that you've got and that has some shortcomings, but is very, very good in order to try out someone's pet ideas.

McKENZIE: Well, before we ask Milton to reply to that, lets get other views on the same quotation, "Market competition is the surest way to improve the quality and promote innovation in education." John Coons.

COONS: Well, of course, there's enormous evidence that that is exactly right and we see it in the case in California that I observe every day of low income children whose families are making great sacrifices to go to schools that operate at a third of the cost of public education and are turning out kids who are performing and are learning and achieving at very high levels. On the other hand, I wouldn't want to suggest that unlimited competition is the answer to every problem. And, indeed, the whole definition of competition is very ambiguous. It seems to me that if one is truly interested in liberty, which I think is the ultimate value that Milton Friedman talks about, one has to be very careful how he structures the kinds of subsidies that are proposed for education so that you do not wind up with the poor in one kind of school and the rich all in the other, and very little liberty for low-income people left over, which is what is what I think he has in mind. That is, I don't think he has that result in mind. He has the hope in mind of liberty, but that it's going to need a certain kind of tailoring before it works that way.

SHANKER: I think your remarks about free competition are very unfair for a very simple reason. You cannot have free competition where one group of schools must accept every single student who comes along, no matter what his physical or emotional handicaps or other problems; whereas the very essence of a private school and your voucher school is that they're going to be able to keep out the students and the finest schools that you saw in that film were schools that deliberately kept out the most difficult students. Of course you can have a wonderful school if you pick students whose parents ___

(Several talking at once)

SHANKER: ___ no, no. Whose parents are so highly motivated that they're willing to spend more money and willing to go out of their way to do something like that. Now the public schools have to take the handicapped, must provide bilingual education, must engage in bussing or other programs in terms of integration, must do all of these things. Whereas the private school can come along and say, well if your

child has no problems, you know what we can do? We can offer you a school where you don't have to sit next a child with these other problems. We're gonna put you next to other children who are advantaged.

SHANNON: I think in the real world there is no competition between private schools and public schools because private schools, especially parochial schools, do not have to comply with Federal and State mandates and constitutional limitations and things of that sort.

McKENZIE: Dr. Anrig.

ANRIG: I think the part of the film that speaks to the greater parental involvement, I agree with very enthusiastically. However, I think the solution is the wrong solution for the problem that you identify. I think the role of public education in a democracy is not akin to that of the marketplace. The purpose for the common school is not the same as the purpose for the marketplace. We are trying in our public schools to create a democracy, to create an educated electorate. If you're going to do that, you have to have the common school.

McKENZIE: How far do you accept his analysis of the present condition of the public education system? A pretty drastic analysis.

ANRIG: Well, I think he's established three straw men that I think have to be challenged with all respect, Professor Friedman. The first is that there is a profession of education out there which has run amuck. We have the most decentralized system in the world in the American education. Sixteen thousand school districts that are governed not by the profession, but by elected citizen representatives, most of whom are parents. Secondly, you long, as I would, for the good old days of the one-room school in Vermont. That school served a small proportion of the youngsters for a short period of time, and those days will never come back. Third, you as an example of American education, a troubled high school in an urban center.

McKENZIE: In your bailiwick.

ANRIG: In my bailiwick, which is not typical of where the American student goes to school, first of all; and secondly is not typical of the City of Boston. And I do think it's important to point out that that particular school, at the time that you took filming there, or your production crew did, was in the middle of a desegregation process that was not anywhere remarked about in the film. So it was not a typical example either of education in America or of education in Boston.

McKENZIE: The one unsurprising thing about these comments is that all of the opposition to allowing the market work comes from people who have a very strong vested interest in the present public school system. I am not proposing, we are not proposing to destroy the public school system. We are only asking that the public school system should be free to compete, should be open to competition, if it is really as good as you people make it out to be, it has nothing to worry about. Now, in terms of your comment, of course there's a great deal of decentralization. We showed a very good school in this film as well as a very bad school. There are many good schools, and the more decentralized the control, in my opinion, the more satisfactory is the schooling. The real problem is concentrated in those areas where decentralization is broken down. Where you have moved to much greater centralization, much greater

control, and the main trouble areas are in the large cities. That's why we picked that school to show. In response to the question of the excellence of the schooling that's coming, I think there is nobody who can question the declining SAT scores, the declining scores on exams, the declining performance in the schools, the fact that there is widespread dissatisfaction, that many schools, not all schools, some schools, in urban areas are more accurately described as centers to keep people off the street than as educational institutions.

SHANKER: When you have a free market, there are dangers that go along with that market. Now, we know that there are people in our society who buy consumer's reports, and there are people who do a great deal of research before they buy something, and there are other people who are taken in by the Crest commercials and instant appeal to give them some sort of a gimmick with a thing. And I think that the evidence is pretty clear that if you take middle class and wealthier families they are gonna do a good deal of research. They may very well be able to invest some additional money of their own to take some inconvenience. And if you have an open system of this sort it may very well be that the poorest parents are gonna have to take what is most convenient for them. What is going to fit in with their own work schedules, what is not going to require additional sums of money. And there is no doubt in my mind that you set up a system of free choice of this sort, you're going to end up with the poor in one set of schools of their own on the basis of a good deal of gimmicks that will be offered to them.

COONS: They can't learn, right? They're ___

FRIEDMAN: Excuse me, Mr. Shanker. I want to ask you one question: How do you explain the fact that there is no area of the free market, no area of the private market, in which the poor people who live in the ghettos of our major cities are as disadvantaged as they are with respect to the kind of schooling they can get. I want you to name me any aspect in the kind of supermarkets they can go to. They're not as disadvantaged even in the kind of housing they can occupy as they are in respect of the kind of schooling their children can go to. How does ___

SHANKER: What's your evidence for that? I don't think you have any evidence for that.

COONS: But, they're trying to get out.

FRIEDMAN: They're trying desperately to get out. Families with very low incomes are trying to get into the parochial schools that you're talking about.

SHANKER: Exactly. And they're trying to get out of the slums, and they're trying to get into different neighborhoods ___

FRIEDMAN: They are trying to, sure.

SHANKER: ___ they're trying to do all sorts of things.

FRIEDMAN: They're doing better on that. They're doing better on that. And instead, in a free choice system you would have more heterogeneous schools in my opinion, far less segregation by social and economic class than you now have. Because ___

(Several talking at once.)

McKENZIE: Dr. Anrig.

ANRIG: It just doesn't hold up by the very examples he's used.

FRIEDMAN: Excuse me. It so happens that right now, the parochial schools are the only alternative really available to low-income people.

SHANKER: Do they take all the children who want to get in?

FRIEDMAN: And the reason for that is that it's very hard to sell something when other people are giving it away. Anybody who wants to send his child to a nonpublic school has to pay twice for it. Once in the form of taxes and once in the form of tuition. Under the kind of voucher scheme that Jack Coons and I would support, that difficulty would be eliminated. You would now have a situation in which the low-income people would have the kind of bargaining power, the kind of possibility of choice, that those of us who are in the upper-income groups have had all along. (Several talking at once.)

McKENZIE: I want to move ___ Jack Coons. Jack Coons, I want you to come in now. I know you're in principle advocating the voucher system. Could you give us the case as you see it. I know you've got your differences with Milton on it, but let's have the case.

COONS: What we are doing in California is establishing a form of change, possible change, proposing a change, in which lower-income people will get information along with the opportunity to go to any school of their choice and transportation to get there. Of course they need information. Anybody needs information in a market. And they need information from independent sources, not from the schools themselves, and that's the way the initiative is designed, to come from independent sources. Now, we believe that ordinary people can make the best judgments for their children about where they should go, if they're given good professional advice. And it also helps teachers because they can, for the first time, be professionals. They can act like real professionals, because they don't have a captive audience. They don't dominate their client, they respect their client, and they deal with them on the basis of a contract. What could be better for teachers than for the first time to become people who are dealing in a democratic and respectful way with clientele instead of with captives.

SHANNON: I am concerned that a voucher system will lead towards havens for white flight, will lead towards a dual school system in the sense that you have one school system operating under one set of rules, the other school system, public school system, operating under carefully articulated educational policy in any given state. And that's why I think it's ___

COONS: Exactly, in Los Angeles County the movement to private schools last year was less, a smaller percentage than in the statewide pattern.

SHANKER: You may have five or ten percent of the students ___

FRIEDMAN: Right, right.

SHANKER: ___ you have very severe problems and come from families with very severe problems, and those students take up 95 percent of the time of the teachers and the administrators and the other children aren't getting an education. Now, you're gonna set up your voucher school. Are your voucher schools going to accept these tough children?

COONS: You bet they are. (Several talking at once.)

COONS: May I answer the question?

SHANKER: If they accept those children, I'll tell you what's gonna happen.

COONS: Okay, you tell me and then I'll tell you.

SHANKER: What's gonna happen is that the parents of all the other children are gonna move right out and go to another school, because ultimately you're going to have to deal with hardcore problems___

McKENZIE: John Coons.

SHANKER: ___ whether it's in a private school or whether it's in a public school.

COONS: In other words, that kid isn't tough in the school that he's in because he's stuck there, he's just a rotten, tough kid.

SHANKER: He may be a kid with a lot of problems, not rotten, a kid with a lot of problems.

COONS: And it will never ___ you can't imagine a situation where if he were given choice, and allowed to go to a school that he liked, and to which he would connect emotionally that he would no longer be a troublemaker, but that he would like to stay in a place where he has chosen and would therefore do what is necessary to stay there and to learn.

SHANKER: You know, I don't think you've been near schools or classrooms for a heck of a long time.

COONS: Thanks a lot.

(Laughter and applause.)

COONS: I happen to have five kids who've done a lot of time in public and private schools both.

SHANKER: We're not talking about the problems of your children, though.

McKENZIE: Let's get around the table, I want to ___

FRIEDMAN: No, no. I have to get to this point, because I think it's a very crucial one. I don't think Mr. Shanker is saying that you should never use a doctor if you have cancer who hasn't himself had cancer.

SHANKER Oh, I didn't say that.

FRIEDMAN: Let's get rid of the idea that the only people who are competent to judge about whether a school is good or bad is a parent who at the moment has children in that school. The plain fact is that children are not born troublemakers. They do not emerge from the womb ___ some of them do, of course, but most of them do not. Most of the cases of the tough kids in the schools you're talking about are tough kids because they're lousy schools. Because the schools do not evoke their interest. Because the school does not ___

SHANKER: You're dead wrong. You're dead ___

(Several talking at once.)

McKENZIE: Now wait a minute now, Greg Anrig on this one. Milton, let ___

ANRIG: It's not often I have a chance to tell a professor he's wrong. With all respect, Professor, the problems that you see in the urban schools of this country are not problems of the schools, they are problems of poverty. And they are problems of what do you do when for demographic and sociological and economic reasons, in a country like ours, you begin to concentrate those people who are poor in the inner and older parts of the cities of our country. That's when the problem comes, and it's not just a problem with schools. It's a problem of housing, of jobs, of medical care, of social services, and the same problems crop up, and to say that the answer to that is take one part of that element and say, just set up a competitive marketplace, is not dealing with the problem. The problem is the problem of poverty.

FRIEDMAN: We've dealt with the problem ___

SHANNON: I am struck the anomaly. The anomaly that rises out of this discussion of the voucher system. The facts are that government support ___ call it subventions, call it direct aid, call it grants in aid, call it vouchers, call it anything, will lead ultimately to government control of the private schools, thus undercutting the alternative nature of private schooling and hurting it at its very source.

VOICE OFF SCREEN: Well, then you ought to look at our initiative.

FRIEDMAN: We've had long experience with that on the higher education level. You have the whole GI Bill. Did the GI Bill really lead, fundamentally, to control of all the schools. There's a fundamental difference between government giving money to an institution, to a school, that does lead to control directly, and government giving money to people to use, the food stamps don't determine what people buy with their food stamps. They may be a good or a bad program, that's not my point. My point is that don't underestimate the crucial difference between making money available to parents to spend as they choose to exercise their judgment, and making money available to institutions like schools, which they spend subject to all the conflicts which they have with school teachers and others.

ANRIG: You use Dartmouth as an example, and I think the concerns that I have about the voucher systems, the various ones proposed, is not with the one applicant that can get accepted to Dartmouth, but with the eight applicants that don't get accepted to Dartmouth. What's going to happen to those ___ or that group of youngsters. You can have a situation in the free marketplace where everybody takes the cream, but what about the youngster that doesn't measure up? What about the youngster that's a risk? It seems to me that some of the greatest leaders of this country were people that would have been rejected by Dartmouth, and most of the Ivy League schools.

McKENZIE: Let's get other views on this, then we'll come back to you, Milton.

FRIEDMAN: No, no. I just want to comment, because I have to comment on two points, the one he made earlier about poverty and this one. But on this one. Dartmouth is one of the best examples of the private schools. UCLA is one of the best examples of the state schools. That's why we chose it. There are many other private schools which are not as selective and do not ___ are not available to people who can't make the Dartmouth cut. There are many other public schools, state schools, that are less advanced than UCLA and the California system. There are all sorts of grades of schools. But the difference between the two is the same at lower levels. Now I do want to make one comment going back to your poverty thing; and that is that, first of all, other programs in this series deal with the issues you've raised. But, second, do not underestimate the role which bad schooling, provided by our present governmental mechanism has played in creating poverty. It's been a major source, particularly among black and white teenagers coming up in the slums, it's been a major source of their difficulties of getting out of the trap of poverty. So it's not a one-way relation between poverty and the schools, the schools themselves bear a great deal of responsibility.

SHANKER: Well, the reason the schools bear it, and it isn't the schools directly, it's that we don't put enough resources in for children who need special and additional help because they are not getting it in their homes or they're not getting the same sort of support in home and community as middle class kids do, and then we wait until the child is 16 or 17 and drops out, and then we provide a youth employment program for them where we spend between five and ten thousand dollars to try to undo what could have been undone in the first, second and third grade if we had a decent investment in the public schools.

FRIEDMAN: I have never yet known anybody who was trying to defend a government program who didn't say all it's evils came from the fact that it wasn't big enough. Now the facts are ___

SHANKER: Would you think the children with problems need the same amount of education ___

FRIEDMAN: No, no.

SHANKER: ___ the same amount as children who don't have special problems?

FRIEDMAN: No, but I just want to tell you some facts. The number of students in schools has been going down. The total expenditures on schools, allowance being made for inflation, after allowing for inflation has been going up. The number of pupils has been going down, the number of teachers have been going up, and by all accounts the quality has been going down.

SHANKER: But I have to explain ___

(Several talking at once)

McKENZIE: Milton, just a minute. I want to hold you ___ Mr. Shanker, Mr. Shanker. We got onto higher education and I don't want to leave it without getting the rest of Milton's thoughts on it. In particular, you seem to be coming to say at the end of the film that the right answer is a system of realistic loans where people, therefore, know what it's costing, rather than trying to hold down college fees and that kind of thing.

FRIEDMAN: Absolutely.

McKENZIE: Yeah. And ___

FRIEDMAN: I think that the higher education is the most disgraceful example on the record. I know of no governmental program that seem to me is so unfair and disgraceful in imposing costs on low income people to benefit high-income people. We in the upper and middle income classes have conned the poor in this country to supporting our children in going through college and university and we don't ___ and we scream to the treetops about how disinterested and how public-spirited we are. We ought to have a system under which everybody who wants to go to college can go there. He has to pay his own way, either now or later on, and the schemes I have in mind, if we developed them more fully, and as I have in other contexts in other areas, are along the line of the educational opportunity bank, that Professor Zacharias of MIT and a commission appointed by President Johnson came up with as a way of enabling students to finance their own higher education without facing the problem you raised of ending up with a large dollar debt.

ANRIG: I do think ___

McKENZIE: Dr. Anrig.

ANRIG: With some trepidation, Professor, I raise a question of taxation. That is that I agree that we need better loan systems than we have, but as I understand the American tax system in general, as a generality, it is a graduated system.

FRIEDMAN: Absolutely.

ANRIG: It is an equalizing system.

FRIEDMAN: Absolutely.

ANRIG: And to reach the conclusion that the ___

FRIEDMAN: No, no, it is not. It's on paper, but you've got to look at the facts.

McKENZIE: Let him make his point, yes.

ANRIG: Well, I'm trying to ___ it is a system which the wealthier get ___ or the middle class get taxed more than somebody who's making a lesser salary. To say then that the poor are funding ___

FRIEDMAN: That's true.

ANRIG: ___ public higher education, where middle class youngsters and by the way a lot of poor youngsters go as well, it doesn't fit with my understanding at least of the tax system. Now I'm not an economist, I admit it.

FRIEDMAN: Well, it turns out that there have been some very careful studies made of exactly what you're describing. There's one particularly careful one for California. There's one for Florida. These show ___ it's not a minor item, that if you take the total receipts from expenditures on higher education going to the lower classes, and the total taxes they pay that are used for higher education, the lower classes are paying more than they're getting, and the higher classes are getting more than they are paying for.

(Several talking at once.)

FRIEDMAN: Now I myself am a beneficiary of this subsidy. I'm one of the worst cases on record. I went to a state school, Rutgers University. I went on a state scholarship. The poor suckers in the State of New Jersey paid for my going to college. I personally think that was a good thing, there are many people who have different opinions about that. (Laughing)

FRIEDMAN: But I personally think it's a good thing. But I don't see that any reason whatsoever why I shouldn't have been required to pay back that money. Individuals pursuing their separate individual interests also provide public benefits. Of course I think that the public benefited from my getting an

education, but the primary beneficiary was me. I was the one who got the benefit from it. I was the one who had the higher income.

COONS: We know you benefited from it.

FRIEDMAN: I know I benefited, I don't know about the public.

McKENZIE: I'd like others of you to react to the idea of moving from state education at the higher level, which is based upon low fees in state universities, in favor of a loan system. This has been hotly debated in many other countries, too. What's your own feeling about that?

COONS: Being a tenured professor at a state university I suppose you've really put me on the spot. I hope none of my friends are listening. But I tend to agree in general with Milton Friedman that we ought to find a way to open up to all classes, all income classes the kinds of opportunities that the middle class have at my university. And I cannot give you ___ we don't have time to go through all of the kinds of ways in which we would do it, but I would just personally, it seems to me we ought to let people come free at the beginning and pay it back out of their income over their life span, so if they make a lot of money, they pay back a lot of money. Perhaps we can run the whole university in the future on their success, to which we contributed with our teaching. And if they don't make any money, they don't pay anything back, and that's okay too.

FRIEDMAN: And you ought to share in the losses if they don't.

SHANNON: I can't think of anything ___

COONS: Exactly.

SHANNON: I can't think of anything that would frighten poor people more than the thought at the end of the four years or six or seven or eight years of higher education, they have this albatross around their neck ___

COONS: Only if they're rich. Only if they become rich.

FRIEDMAN: There's no albatross ___ would you say the same thing about people in this country who start private businesses every year. Many of them lose money. Many of them make money. Would you say that nobody is gonna start a business because he might end up with an albatross? You ought to let people decide that for themselves. What I really want to know is a very different thing. How do you justify taxing the people in Watts, to send the children from Beverly Hills to college? That's a demagogic statement, but it happens to be empirically a correct statement. How do you justify it?

SHANKER: Well I don't know how we justify taxing all the people of this country to send the GI's under the GI Bill, but I'm very grateful that we did it. I don't know what this country would have done in a postwar period without a huge number of educated people in a whole bunch of fields that opened up

after that. I doubt very much that the GI's would have come back at the age that they were and everything else, and would have decided that now they're gonna take out loans in order to go to college.

VOICE OFF SCREEN: And a lot of them were poor.

SHANKER: Yes, they were poor, and they went because they had government support to go, and because basically there were a lot of state-supported low-tuition schools, and if you didn't have the state schools, and if you didn't have the government support we wouldn't ___ we would have been without those people, and I don't know what would have happened either to our strength or to our economy.

FRIEDMAN: The history of this country goes back a little bit before 1945. It goes back 200 years. The state schools, universities, were a minor part of the total higher educational system for a long time. That educational system did generate a great many educated and schooled people, a great many people who made great contribution to this country.

SHANKER: What percentage of people went to college before World War II in this country?

FRIEDMAN: The percentage that was going to college was going up and rising. You know ___ let me tell you one ___ another statistic ___ I hate to introduce statistics. But let me tell you one more. Do you know that the percentage of the students at private universities who come from low-income classes is higher than the percentage of students at state universities, at government universities that come from the lowest income families.

SHANKER: Because they are there with government assistance.

FRIEDMAN: Most cases they are there with ___

SHANKER: They are there with government assistance which in many cases favors the private as against the public schools.

FRIEDMAN: In most cases they are there with private scholarships that have been contributed by people ___

SHANKER: Some of them, some of them, yes.

FRIEDMAN: ___ which is all to the good.

McKENZIE: Dr. Anrig on this.

ANRIG: We come back to the point that I tried to make earlier with Dartmouth, the reason the public higher education system developed, the reason that you have the UCLA's and others is not simple that government went amuck or bureaucrats went that way; but because eight of those students were not getting into Dartmouth, and there was not a place for them. And it was public higher education that

opened up its doors to those students. Those are the youngsters that now have an opportunity they wouldn't have had before. I think on the issue of loans that it's as with all complex human tasks, it's not an either/or situation. You need a mix of strategies on the issue of alternatives for youngsters in schools. I think you can have, as indeed you do have, alternatives within public school systems. I think you can have alternatives within schools. I think you can have competition through open enrollment kinds of arrangements. I am fearful, however, always for those eight youngsters than can't get in to something which is basically selective and exclusive. If you can assure us ___

FRIEDMAN: Well, let's go back ___

ANRIG: ___ that those eight youngsters all will be provided with equal attention, equal opportunity and equal rights. Then I would begin to be more interested in the alternative.

FRIEDMAN: But I want to suggest to you that we're not proposing, neither Jack Coons nor I, to dismantle anything. We're only saying, put up or shut up. Either show that you can produce the kind of education people are willing to go and get, or reduce your size, go out of business. We are only proposing that there be a wider range of alternatives. Now, it is not true ___ let me put a different point to you. There are a small minority of people who are problems. Is it desirable to impose a straightjacket on a hundred percent of the people, or ninety percent of the people, in order to provide special assistance or special help to four or five or ten percent of the people? Not at all. I think that there's a big difference between two kinds of systems. One kind of system in which the great bulk of parents have effective freedom to choose the kind of schools their children go to, whether it's the lower or the higher level. And there are programs and provisions for a small minority. That's one kind of a system. That isn't what we have now. What people in the public school system, people like yourselves do, they do not want to give up the monopoly of the public school system any more than the Post Office want to give up the monopoly of delivering mail.

ANRIG: I think you attribute the monopoly desire to the bureaucrat. And I don't think that's right. The concern of the public school is for being sure that every youngster in this country gets access to a public education.

FRIEDMAN: Excuse me. You have had an attempt to introduce voucher experiments around the country. Every one of those attempts, as at Alamrock (phonics) and elsewhere, has been prevented by the opposition of the educational bureaucracy.

ANRIG: Oh, but, no, no, you can't ___ that's a glittering generality.

FRIEDMAN: That was true in New Hampshire, it was true in Connecticut.

SHANKER: It was not true in Alamrock (phonics) because Alamrock was not what you might call a voucher system, it was a kind of a system of free choice within public schools.

FRIEDMAN: I agree, I agree.

SHANKER: And whether one school did better in its scores, others did worse, and when you measured the whole system when it was all over, the scores were exactly the same as they were before, except that some students had moved to other schools and the grades were better in one school as against another. We do very strongly oppose a voucher system which will end up with public schools being abandoned and thereby destroyed. largely. They will become the schools for those who can't get in anywhere else, or who are expelled elsewhere.

VOICE OFF SCREEN: So if you had a voucher system ___

SHANKER: Because if you compel public schools to educate all children, including the most difficult, and if you have other schools, that have _

FRIEDMAN: It isn't compelling public schools, it's compelling parents _

SHANKER: No, no, it's public schools. The public school cannot say to a parent, "Your child is very difficult. Your child throws things. Your child screams & yells. Your child takes all the attention of the teacher, therefore, get out and go find a private school." On the other hand, you have hundreds of private schools in this country where when they get a very disturbed child, out that child goes. And where does that child go? The public schools must take him.

FRIEDMAN: But look at ___

SHANKER: And that's what we have. We have one system of schools which cream, and which throw out the most difficult ___ you know, it would be like the hospital throwing out all the sick patients and keeping the healthy ones.

McKENZIE: Well, there we leave this week's discussion. We hope you'll join us for the next episode of Free to Choose.

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