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✓ A successful saleslady explains the advantages of great expectations

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✓ On the other hand, suggests Rochester University's President Wallis, so-called apathetic students often are more constructive than those who act thoughtlessly and irresponsibly p. 5

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Anyone wishing to communicate with authors may send first-class mail in care of THE FREEMAN for forwarding.



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LEONARD E. READ	President, Foundation for
	Economic Education
PAUL L. POIROT	Managing Editor

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IF YOU'RE FAMILIAR with English detective stories, you know that "hello" is much more than a salutation. It's a surprise!

It's what every good English detective says when he stumbles upon a previously overlooked, wonderful, important, delightful little clue that is sure to unravel the whole mystery.

That's why "hello" is such a fine greeting — whether to a stranger or an old friend. It's the expectation of discovery. The anticipation of some new and wonderful revelation ... or some new meaning in something long familiar.

Freedom is the only philosophy that treats life realistically -as a mystery that will unravel surprise by surprise.

Only freedom can accommodate the day-to-day surprises that arise from truth and error, wisdom and

Miss Wilke is an advertising writer.

folly, the simple and complex, the limited and limitless.

It allows for disappointments and failures as well as success.

Everyone benefits freely (and willingly!) from success when it happens, but no one is forced to share another's failure unless all futures are bound up through a collective. So freedom magnifies and spreads success and minimizes and confines failure. Collectivism does just the opposite.

Freedom offers no pat answers to pat problems because it always anticipates some new discovery or variation.

Collectivism proudly asserts it has the answers, and concretizes them into laws, thereby perpetuating the old and obstructing the new.

Freedom treats life as a process, not a thing. A continuous happening, not something that happened. So it is an invitation to life, not an encroachment on it. It is a beckoning, not a coercive force. It recognizes life as a series of beginnings.

All forms of materialistic collectivism treat life as though it's over, in the sense that it is predictable. It is so preoccupied with the present that it rejects the past and considers the future a projection of the present.

It worships "change" but, being oriented to the current situation, considers change simply a rearrangement of existing conditions, intellectually contrived and politically manipulated. It never anticipates real change...only repetition of existing conditions.

In limiting life to its own predictions, it necessarily brings about the conditions it predicted, since life only repeats itself when restricted.

Freedom recognizes that life's secrets already exist and lie undiscovered, waiting to be stumbled upon in a series of delighted "hellos." Collectivism drearily limits itself to the idea that what is discovered is what exists, so it mechanically distributes the accumulated surprises of the past without allowing for the continuing surprise of new discovery. Freedom is nourished by expectation.

Collectivism cannot survive without fears . . real or imaginary . . grouped together and therefore exchanged and exaggerated in such hand-holding gatherings as unions and pressure groups or any combination formed for the force that will allay its fears.

The future is determined largely by the choice individuals make between expecting the best or the worst.

Whereas fear paralyzes, expectation energizes.

The most remarkable person I know . . . and the freest . . . always seems to have this air of anticipation about him. When he comes through a door or around a corner, he has the manner of one who has heard a firecracker go off and has come to see what the celebration is all about. He's in a state of perpetual "hello!" With his attitude, I doubt that he's ever disappointed, because he would see the most ordinary thing with extraordinary delight.

His attitude strikes me as that which is most appropriate for a free man. Commitment Concern and Apathy

ONE of the special privileges of a university president is the opportunity to hear, or to hear about, a large number of speeches on academic subjects or directed to academic audiences.

Sometimes a group of things has a pattern that is not revealed by any one of the things alone. Thus, an animated sign in Times Square may be interesting or informative in ways that would never be suspected by watching just a single one of its bulbs blinking on and off. So also with speeches. A group of speeches on similar occasions (perhaps award dinners), or a group of speeches by similar speakers (university presidents, for example), or a group of speeches to similar audiences (businessmen, possibly), may be far more illuminating than any one speech alone.

W. ALLEN WALLIS

An illustration: About a decade ago, I read accounts of nearly a hundred commencement speeches given that June. They were given in different parts of the country by different kinds of speakers at different kinds of institutions. Through all this diversity that is one of the glories of American higher education ran one binding thread to which even the most individualistic commencement speakers conformed. Every speaker advised the graduates to be nonconformists. Some came close to recommending that the Federal government establish standards of nonconformity, and that conformity to those standards be enforced by the Bureau of Standards or even by a new Bureau of Nonstandards.

Had I not surveyed the whole set of speeches, I would not have realized what a group of conformists – parrots, almost – those commencement speakers were. To

Allen Wallis is President of the University of Rochester. This article is from his address of September 21, 1967, before the National Conference of Christians and Jews in New York City.

conform to his own advice to be a nonconformist, a speaker would have had to urge the graduates to be conformists.

Mischievous Madness

Last spring I noticed an interesting similarity among a good many commencement addresses, though I did not document it statistically. Many speakers made the point that the students who have disrupted or attempted to disrupt universities or have focussed attention on themselves off-campus are only a tiny fraction – under 5 per cent – of all students.

Often this point was accompanied by criticism of the press for giving disproportionate attention to the tiny minority – an interesting approach to journalism, which seems to imply that on the day of a spectacular airplane crash those who were safely on other planes, or not flying at all, should get almost all the space in the newspapers.

One or two speeches that I heard or read last spring did make the valid point about news coverage that most of the student events reported had no independent existence in the real world but were only what Daniel Boorstin has called "pseudo-events." That is, the events came about only because "someone planned, planted, or incited" them "for the immediate purpose of being reported or reproduced," arranging them "for the convenience of the reporting or reproducing media" and measuring their success by how widely they were reported. As President Perkins of Cornell put it, "our communications systems . . . are sometimes inclined to forget the distinction between distributing news and manufacturing it."

Having pointed out that the disorderly students are a negligible minority to whom the journalists give too much attention. last spring's typical commencement speaker proceeded to devote most of his talk to those same students. There was variety in the explanations, evaluations, and prognostications offered by the speakers. Nearly every speaker, however, made an assertion to the effect that when all is said and done. it is a fine, noble, inspiring thing that today's young people are "concerned" and "committed," not "apathetic" like earlier generations of students.

I have no doubt that you have all heard this assertion. In fact, I have little doubt that many of you have asserted it yourselves. Even if you have not heard it applied to students, surely you have heard it applied to ministers.

I disagree with that assertion. In fact – to quote from a source

particularly appropriate at this National Conference of Christians and Jews, namely the book of the Old Testament called *Ecclesiastes*, the thirteenth verse of the tenth chapter – this "talk is mischievous madness." I intend to devote the rest of my time with you this evening to explaining why I disagree.

Minor and Major Objections

First. I will dismiss a couple of objections that, while valid, do not seem to me weighty. The first objection is that the assertion is patronizing and belittling. (This is even more true when it is applied to ministers than when it is applied to students.) It is the kind of statement one makes about a child who, being unable to steer his bicycle or even to balance it, destroys a flower bed, knocks down an old lady carrying a bag of eggs, and skins his own knees and elbows. "Isn't the little tyke cute! He means so well and tries so hard. How admirable that the small fellow is so concerned about his bicycle - so committed to it, too!"

The second insubstantial objection is that it is at best grasping at straws to base hope for a whole generation on a group which is conceded to be a negligible fraction of that generation.

My more serious objection to

claiming that today's activist students and ministers are concerned and committed, rather than apathetic, is summarized in two lines of a poem by Thomas Hood:

Evil is wrought by want of Thought As well as want of Heart.

The problems about which the activist students and ministers believe themselves to be concerned and committed are war, poverty. injustice, and limitations of freedom. These are problems about which others have been and are concerned, to the amelioration of which others have been and are committed. No sure paths to universal peace, prosperity, justice. and freedom have been discovered. But a large amount of information, analysis, experience, and wisdom about these problems has been accumulated and recorded through the ages.

Rush Rhees Library, on the George Eastman Quadrangle at the University of Rochester, bears on either side of its main portals two inscriptions from which generations of students have drawn inspiration. The inscription to the left of the library doors reads:

Here is the history of human ignorance, error, superstition, folly, war, and waste, recorded by human intelligence for the admonition of wiser ages still to come. The other inscription reads:

Here is the history of man's hunger for truth, goodness, and beauty, leading him slowly on through flesh to spirit, from bondage to freedom, from war to peace.

Inside that library, as inside thousands of libraries all over America, much can be learned about ignorance, error, superstition, folly, war, and waste; and much can be learned about truth, goodness, beauty, the human spirit, freedom, and peace.

There are, to be sure, important things that cannot be learned in libraries, or elsewhere in universities. Some of them can be learned only on battlefields, in hospitals, in slums, in artists' studios, in factories, banks, and stores, or from the experience of life itself; and some important truths cannot be grasped at all in youth. But in our libraries and elsewhere in our colleges and universities much knowledge and wisdom can be acquired that is not likely to be acquired elsewhere.

Problems Merit More Study

War, poverty, injustice, and limitations of freedom are enormously complex problems. Yet the history of the past decade, the past generation, the past century, and longer shows that progress has occurred on all these problems - not uninterrupted progress, perhaps; not sufficient progress, surely; but enough progress over long enough periods to demonstrate that it can happen.

That social change can occur is far more obvious than that man can bring about social change, or guide it in desirable directions. There is a great chasm, often overlooked, between demonstrating that things can change and demonstrating that things can be changed. The weather is a good example: we all know it can change, but we all know that so far it cannot be changed. Even if it were proved that things can be changed, we would be a long way from proving that we can change things in desirable ways. or even that we can specify what changes would be desirable

But we are not totally ignorant and helpless: The social sciences. especially economics. do contain bodies of tested knowledge that are substantial, even though inadequate for what we would like to accomplish. There is much to be learned from the social and behavioral sciences, from history, and from philosophy that will enhance the effectiveness of anyone concerned about social problems and committed to their amelioration. Certainly there is far more to be learned than can be assimilated in the four years of college.

A person truly concerned about

social problems and committed to improving society would, if he were so fortunate as to attend college, devote all his time and all his energy during those years to utilizing the college's academic resources — preparing himself to make his most effective contribution. José Ortega has made the point in these words:

It is easy to say and even to think that you are resolved upon something; but it is extremely difficult to be resolved in the true sense.

For this means resolving upon all the things which are necessary as intermediate steps; it means, for one thing, providing [y]ourselves with the qualities that are requisite for the undertaking. Anything short of this is no real resolution, it is simply wishing. . . . It is not so easy to maintain that sort of fire which is both critical and creative, that incandescence so supplied with thermal energy that it will not be cooled when the two coldest things in the world come to lodge within it: cool logic and an iron will. The vulgar, false, impotent sort of passion shrinks in terror from the proximity of reflective thought, for it senses that at such a chilly contact it will be frozen out of existence . . . High creative passion . . . is fire supported with the constancy of clear understanding and a calm will.

What passes for commitment and concern too often is simply ignorance and arrogance, aggravated by apathy. Student activists have opportunities to study and to learn, yet they are too apathetic toward their responsibilities to humanity to make the personal effort and sacrifice necessary to take full advantage of their opportunities. Their contribution to social problems too often will be like the contribution of those who cared for George Washington in his final illness, and are said to have bled him to death with leeches.

An illustration of an important failure to understand social phenomena is found in the explanations widely given for the current turmoil among a few of our Negro fellow-citizens. A common explanation is that it is due to desperation at their sad circumstances. Often it is even implied that their circumstances are worsening. In fact, of course, their circumstances have been improving for a quarter of a century at a rate which no one but a wishful-thinker would have ventured to predict 25 years ago.

Furthermore, improvement is a more likely cause of such turmoil than is desperation. On this point, Eric Hoffer wrote more than 15 years ago:

Discontent is likely to be highest when misery is bearable; when conditions have so improved that an ideal state seems almost within reach. A grievance is most poignant when almost redressed. De Tocqueville in his researches into the state of society in France before the revolution was struck by the discovery that "in no one of the periods which have followed the Revolution of 1789 has the national prosperity of France augmented more rapidly than it did in the twenty years preceding that event." He is forced to conclude that "the French found their position the more intolerable the better it became.". . . It is not actual suffering but the taste of better things which excites people to revolt.

I trust that it is not necessary for me to point out that I am not suggesting that Negroes are sufficiently well-off, or that nothing should be done for them, any more than a physician who asserts that a diagnosis is incorrect needs to point out that he admits the patient's illness and favors treating it if there is a suitable treatment. An erroneous diagnosis, in social as in medical matters, can lead to treatment that is worse than useless.

Legislated Unemployment

An example of the evil that "can be wrought by want of thought" is the minimum wage law, which is as anti-Negro in its effects as its advocates are pro-Negro in their intentions. Very few workers in the United States are affected by our minimum wage laws. A disproportionately large number of the few who are affected are Negroes. Some of the Negroes who are affected are receiving higher wages than they otherwise would. Many, however, are unemployed because of the minimum wage laws.

Among the effects of minimum wage laws that are harmful to Negroes is a tendency to induce an artificial degree of automation, thereby transferring employment from, for example, low-paid elevator operators to the high-paid engineers and craftsmen who make, install, and maintain automatic elevators. In some cases. minimum wages force up product prices, inducing consumers to shift some of their purchasing away from those products, thereby reducing employment. As a matter of fact, some economists have pointed out that properly designed maximum limits to wages would be more helpful to Negroes than minima, because maxima could induce whites to leave the regulated employment.

Even those who support minimum wage laws in a mistaken belief that they help the poor seem to have a vague, uneasy feeling that their argument has limitations. Otherwise, why do they not urge a minimum wage of, say, \$3 per hour? Surely they cannot believe that at \$1.50 per hour-about \$3,000 per year – a man could support a family of even average size in New York City, or that \$6,000 per year would lead to decadent luxury. Perhaps they sense that at a \$3 minimum too many incomes would be not \$6,000 but zero.

Self-Interest Serves Others, Too

Economists who have studied discrimination have concluded generally that the greater the degree to which an economy is governed by pecuniary motives alone. the better off will be those who are discriminated against. Armen Alchian and Reuben Kessel conclude that "strong, unrestrained profit incentives serve the interests of the relatively unpopular. unorthodox, and individualistic members of society," and they remark that there is "an inconsistency in the views of those who argue that profit incentives bring out the worst in people and at the same time believe that discrimination in terms of race, creed, or color is socially undesirable."

Many will find this conclusion so repugnant that they will simply refuse to think about it enough to risk finding truth in it. To those who are curious about the analysis, I will offer a hint.

People's motives are both pecuniary and nonpecuniary. Pecu-

niary motives are satisfied in a simple way, by money, and money is all alike. Nonpecuniary motives include what we call taste and preference when we approve, or discrimination and prejudice when we disapprove. A man who is not motivated by purely pecuniary considerations may hire a beautiful secretary instead of an ugly one who is an equally good worker and gets the same wage. That would show taste. He may also hire a white secretary instead of a That Negro who is her equal. would show discrimination.

To the extent that the employer is susceptible to pecuniary considerations, the nonpreferred worker can tempt him by a lower wage rate, or by greater efficiency, and thus gain employment. Then the employer finds his unit costs lower than his competitors'. Being now in a position to increase his total profit by tempting customers away from his competitors by offering the customers a share of the saving in unit costs, and being a man governed by pecuniary motives, he does so. With the increased business, he employs more people, naturally looking to the nonpreferred group for them.

Unfortunately for this first employer of the nonpreferred workers, but fortunately for them, the other employers eventually find that they must hire nonpreferred workers or see their businesses wither away. The resulting competition from other employers bids up the wages of the nonpreferred. and eventually the first employer no longer has an advantage. When things settle down in the industry. the nonpreferred group will have more jobs and higher wages; the consumers will be paying no more and perhaps a little less; and the employers' profits will be about the same as before, though they will have suffered temporary financial penalties to the extent that they delayed in hiring the nonpreferred.

The other employers do, however, have a way to protect themselves against the first employer's starting all this. They can get a law passed setting a minimum wage, so that the nonpreferred workers are not allowed to offer the first employer a pecuniary incentive to hire them. In that case, the first employer will be guided by nonpecuniary considerations in deciding which workers to hire. He might still hire the nonpreferred, motivated by charity, tolerance, or his opinions about social welfare; but if it were usual for people to behave that way, the whole problem of discrimination would not have come up.

At any rate, anyone committed and concerned about the welfare of minority groups is exceedingly irresponsible if he is not thoroughly familiar with this kind of analysis, and with much, much more. Otherwise, with the best of intentions, he is likely to find himself in the same category as those who applied leeches to George Washington. Having miscalculated the effect of the minimum wage laws, he will advocate them in good faith. Then when he the Negro unemployment sees that results, he will diagnose its cause incorrectly, and quite probably advocate remedies for it that cause still further harm.

The Role of Education

Universities constitute our greatest resource in the age-long struggle for peace, prosperity, justice, and freedom. Their proper and effective use is in accumulating knowledge and wisdom and passing it on. Those who are truly concerned about their fellow man. and truly committed to reforming society, will devote their years in college to study and reflection. just as the budding physician devotes his time in medical school to study instead of to answering ambulance calls.

A business executive cannot cope with the problems of his company with anything less than the best and most advanced education, nor without years of apprenticeship and constant re-education and study. A physicist cannot make contributions that are meaningful and worthwhile without prolonged dedication to research, study, and training at the highest levels of current knowledge. It takes eight to ten years of education before the medical internist is prepared to open his own office.

Yet, the problems of business, the mysteries of the nucleus, and the ailments of the body are simple when compared to the problems of war, poverty, injustice, and limitations of freedom.

If there are to be activists and others who purport to have answers to social problems, let them spend at least as much time and effort in learning what man already knows and has already tried as do those who would be executives or physicists or physicians.

The activists are the students who are truly apathetic. It is among the students so often called apathetic that we find those who are truly concerned and truly committed. It is to this great majority of truly concerned and truly committed students, of whom the public rarely hears during their college years - unquestionably the finest people (as well as the brainiest) that we have ever had in our colleges - that we may confidently look for future leaders who have, in Ortega's words, "high creative passion . . . with the constancy of clear understanding and a calm will." ۲

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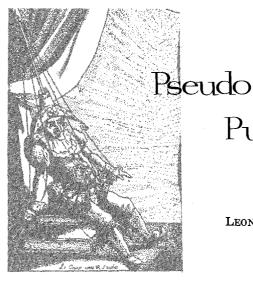
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Puppeteers

LEONARD E. READ

WE THINK of a puppeteer as an unseen person who manipulates and sometimes supplies voices for small figures of people or animals on a miniature stage.

Puppetry goes back to at least 500 B.C. The art, often highly developed, has occupied and entertained millions of people all over this earth.

A first-rate puppeteer excites our admiration. His is a singular skill made manifest through small, *inanimate*, man-created characters. The uniqueness portrayed by the small figures is transmitted to them by the God-created character, the puppeteer. And we marvel at what is seen and heard precisely as we stand in awe of inanimate paint and canvas given form and beauty by a God-created Raphael. Unworthy of admiration are the pseudo puppeteers, among us by the millions. These persons, for the most part, have no demonstrated competency to give form and beauty even to inanimate objects. Yet, undaunted, they proceed to impose their notions of form and beauty on other human beings. They dangle and pull the strings, not of inanimate little figures, but of living individuals. And they'll throw in the dialogue at no extra charge!

Pseudo puppeteering is easy to identify but to refer to a person as a pseudo puppeteer may be the truth one day and a falsehood the next. The explanation for this variation is that pseudo puppeteering is the will to power over others, an urge that rises and falls. On occasion an individual's will to power lies dormant; at times it rages. In some persons it rages most of the time; in others it rarely flares up. But none of us seems to be wholly immune to the urge, convinced as we are of our own goodness: "Why can't you be like me?" Unfortunately, there is a bit of the pseudo puppeteer in everyone who cares at all about what goes on around him.

Ruled by Inferiors

My hypothesis is that this tendency or nagging proclivity-the will to power over others -inwhomever it shows forth, is no more than an unconscious, nonrational assertion of ignorance or. to be more charitable, a blindness as to the nature of a human being, regardless of how lowly his position on life's totem pole. In brief, I am suggesting that those who would pull the strings of other human beings are-by virtue of this fact alone, if for no othermentally and morally unfitted to the task. The pseudo puppeteer, when putting on his act, is intellectually inferior, not superior, to his human puppets.

"Do you mean to suggest, Mr. Read, that the head of state or his appointees, when dictating wages, hours, rents, prices, and other terms and conditions relating to the peaceful and nondestructive aspects of ownership and trade, are inferior intellectually to those who are the objects of this regimentation $?^1$

"Just a minute, Sir! Are you claiming that a wealthy plantation owner, when dictating the activities of his slaves, was manifesting a greater blindness than theirs? That the same can be said of the great Plato and his slaves? That Stalin, when relegating a Muscovite to dishwashing, regardless of how lowly that fellow may have been, was nonetheless his inferior?

"Why, if your hypothesis is valid, the business leader who serves on the Board of the local chamber of commerce and votes for the hometown plaza at the expense of taxpayers all over the nation is displaying an ignorance greater than the millions whose pittances gratify his wishes. This would even be true of the clergyman who preaches or the academician who teaches this doctrine. You can't possibly mean all of this!"

Incredible as it seems, this is precisely what I mean!

Such charges cannot be leveled against the true puppeteer, the one who controls man-created, inanimate objects. His ignorance could not possibly match that of his wholly unintelligent and life-

 $^{^1}$ Livelihood is an extension of life. The control of another's livelihood is thus the control of another's life.

less marionettes. But it is possible for the greatest intellect ever born to have a blind spot, an area of ignorance more pronounced than to be found in a slave.

Think about this pseudo puppeteer. Regardless of how great his attainments relative to the rest of us, he really knows next to nothing. This is especially true if he is unaware of how little he knows. No living person has more than a superficial knowledge of himself; he knows even less about his intimate acquaintances; and still less about those he does not know.

Each Man's Emergence Depends Upon Himself

Consider next the individual, any one of the several billion human beings who, in one way or another, dangles as a marionette to the pleasure of the pseudo puppeteers.

While all of us, in varying degrees, are victims of puppeteering, let us not pose a Socrates or some other brilliant notable in the role of puppet; that would make it too easy to prove the inferiority of the puppeteer. Instead, let us take someone far down the scale in our rating systems, a Negro slave, for instance-no schooling, unable to read or write or even to talk intelligibly. My claim is that any puppeteer, when performing his act, is inferior even to this lowly fellow.

This slave is a human being! He is neither inanimate nor animal. Examined physically, genetically, chemically, atomistically, there is nothing to distinguish him from Booker T. Washington. Or from your own ancestors a short while ago. Doubtless, his brain is as large as yours and has as many nerve cells.

I am only trying to establish the point that this slave is as much a human being as you or I; like us, he is endowed with unrealized potentialities. To say that his potentialities have not as yet been realized to the same degree as yours and mine and, therefore, he would be better off were he our puppet, is to assume not only that we have it made but, far worse, that there is no such thing as human progress, emergence, evolution.

The realization of potentialities is man's purpose; this is human destiny. And the human being, as complex in one stage of development as another, can grow, emerge, "hatch," only as he is free to do so. The developmental forces and mechanisms—the soul, psyche, call the generative processes what you will—are within him, and his germinal forces are not to be found in any other person. It is stressing the obvious to insist that I cannot manage these forces in you, for you are unique, extraordinary, and unlike me in every respect.² This claim can safely be generalized.

I am not the Creator. Failing to realize that no one of us can mastermind the creative release and growth of another is an utter blindness. And no matter how slight the intellectual attainments of the manipulated human being, the ignorance of the pseudo puppeteer, when puppeteering, is greater than that of the puppet. The puppet, no matter how dim his glimmer, sees more than can a blind puppeteer.

Is there any remedy for man imposing his will by force on other men? Can we curb this puppeteerpuppet relationship?

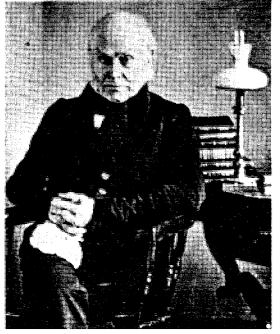
Pseudo puppeteering might diminish with a realization that it is nothing more than an assertion of ignorance. This is a shunned, not a sought-after, category. Resistance to puppeteering might increase with the realization that most of us are being used as puppets. What self-respecting person wants to be someone else's marionette?

And the whole nonsensical relationship would evaporate were enough of us (1) to evaluate properly the uniqueness of the individual, (2) to understand that the germinal forces for individual growth are exclusively self-possessed, and (3) to appreciate that these forces can do their work only when free to function, not when on either end of a string or a chain.

Whenever any of us feel the puppeteering urge coming on, we should heed the counsel, "Mind your own business." And whenever we sense that others are using us as puppets, we should make it plain that we are not of the slave mentality by simply demonstrating that we can think and speak for ourselves.



² See You Are Extraordinary by Roger J. Williams (New York: Random House, Inc., 1967).



John Quincy Adams

1767-1848

ROBERT M. THORNTON

Bettmann Archive

IN 1831 John Quincy Adams, age 64, was elected to the House of Representative from his district in Massachusetts. His lifelong political motto-never to seek office and never to refuse one-explains his willingness to serve the public in this relatively minor position for a man who had been a U. S. Senator, Minister in The Netherlands, Berlin, St. Petersburg, and London, Secretary of State in the Administration of James Monroe, and President of the United States, 1825-1829. But he made it perfectly clear to his constituents that he would be his own man in Washington, not a mere errand boy or mouthpiece for any party or section. This, evidently, was good enough for the farmers of Plymouth, because Adams was reelected every term until his death in office in 1848.

The independent stand of John Quincy Adams contrasts sharply with the promises of many of today's candidates and officeholders to be guided almost exclusively by the majority—or the strong and vocal minority that gives the impression of being a majority. The

Mr. Thornton is a businessman in Covington, Kentucky.

politician of today is concerned not with doing what he believes is right but with doing what the majority of those who elected him want him to do, be it right or wrong. Consequently, he devotes much of his time to nose-counting instead of hard thinking and prayerful meditation.

The most successful political leaders of the future will not necessarily be men of intelligence. wisdom, experience, knowledge, honor, character, and integrity. Rather, they will be the men-or women-with the most sophisticated polling and computing system; the man, that is, who before committing himself on any question, can guickly and accurately determine the majority opinion among his constituents. There is no room in such a situation for a John Quincy Adams with his broad experience, wide learning, and strong character. In fact, the situation calls for no man at all, least of all a man of integrity; a machine can "count noses."

When comparing the politicians of today with John Quincy Adams, we must recognize the idea implicit in each position. The political leaders in our time believe, or in return for votes pretend to believe, the voice of the people is the voice of God-vox populi, vox dei. Men like John Quincy Adams, on the other hand, do not believe such nonsense. Nor do they believe that any party or nation has a monopoly on the truth. Truth is not found by the expedient of counting noses. Very often the majority can be dead wrong; it is a few wise individuals-the *natural* aristocracy-who lead them on the right path away from disaster. We need men in office like John Quincy Adams who believe their duty is always to seek what is right, whose allegiance is not to a party or section or nation but to the Truth. ۲

IDEAS ON LIBERTY

Essential Justice

FOR THERE is but one essential justice which cements society, and one law which establishes this justice. This law is right reason, which is the true rule of all commandments and prohibitions. Whoever neglects this law, whether written or unwritten, is necessarily unjust and wicked.



WILLIAM HENRY CHAMBERLIN

Two FAMILIAR left-wing clichés that are too often allowed to pass unexamined and unrefuted are that freedom under capitalism is freedom to starve and that human rights are superior to property rights. The implications are that people are most likely to go hungry under a system of free enterprise and private ownership and that there is a basic antagonism between human rights and property rights. Both assumptions are completely false and misleading.

Where have the great famines of the twentieth century occurred? There have been two in the Soviet Union, each costing millions of human lives, in 1921-22 and in 1932-33. Capitalism obviously cannot be blamed for either of these. The first was the product of a number of causes, drought, transportation breakdowns after years of fierce civil war, and last, but by no means least, the Soviet system of so-called war communism. Under this system the value of money was virtually abolished; the government requisitioned all the peasants' "surplus" produce and, in theory, gave him what he needed in clothing, machinery, and manufactured goods. But this theory was seldom translated into fact: what actually happened was that requisitioning bands armed scoured the villages, confiscating any food stocks they found and giving nothing in return. Under these circumstances there was an understandable unwillingness of the peasant to raise more than he required for his own subsistence.

At least the Soviet Government admitted the fact of this famine and welcomed foreign aid from the American Relief Agency, head-

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ed by Herbert Hoover, and various foreign religious and charitable organizations. Its responsibility for the second great famine, in 1932-33, is far more unmistakable and undivided. This famine, which devastated what are normally the most fertile areas of European Russia, the Ukraine, and the North Caucasus, was primarily political in character.

Stalin was bringing all possible pressure to force the peasants to give up their individual holdings and accept regimentation in socalled collective farms, where they were completely under state control as regards what they should plant, how much they must surrender to the government, what prices they should receive. Weather conditions had been unfavorable and the peasants' will to produce had been paralyzed. Yields were naturally low and I still recall, from a trip in rural areas, the striking number of weeds in the collective farm fields. The Soviet authorities easily could have coped with the food shortage by drawing on reserve stocks or importing food from abroad. Instead, heavy requisitions were imposed and the peasants were left to starve, as several millions of them did. Foreign relief was not permitted; honest reporting of the famine, its background and causes. was not permitted.

Industrial Taj Mahals

Famine has also occurred in recent years in communist China and in India. In India, socialist state planning led to systematic neglect of agriculture in favor of building big new factories, which a prominent Indian economist. B. R. Shenoy, has called "industrial Taj Mahals," out of proportion to the needs and absorption capacities of the country. There can be no serious suggestion that capitalism is responsible for starvation in India. For the disastrous famines that have occurred in the Soviet Union, China, and India there is no parallel in any country with an economy based on private property relations.

There is an intermediate phase between the stark horror of downright famine, with thousands of human beings perishing from lack of food and the diseases that malnutrition always brings, and the contented satisfaction of needs enjoyed by shoppers in an American supermarket. In this phase people are not acutely hungry but are condemned to a drab, unappetizing diet, either because of rationing or because foodstuffs which they may desire are not available in the stores. This is the present situation in Russia and in the communist-ruled areas of Central and Eastern Europe. There has been nothing of the kind in the strongholds of free enterprise and private property, in North America and Western Europe-at least, not since Great Britain got rid of rationing, prolonged by Labor governments after it had been dropped on the continent and finally abolished by the Conservatives in the fifties.

So much for the old wheeze about "freedom to starve" under free enterprise. It is the overwhelming testimony of experience that anyone who wishes to eat as much as he wishes and as wide a variety of foods as he wishes should stay away from communist and socialist states.

Property Rights Are Human Rights

And the supposed antithesis between "human" rights and "property" rights is quite nonexistent. For the right to own property and use it in lawful ways is a very basic human right and when this right disappears, others also swiftly vanish. What are, after all, basic human freedoms? Security against arbitrary arrest, imprisonment, and execution is surely prominent on the list. So is the right, through an uncoerced vote. to exercise some share of control in government decisions. And the right to state one's views, in speech or writing, as an individual or in association with others. And to choose one's form of work and occupation, without external coercion. And to travel freely to foreign countries, and, if one chooses, to quit one's native country for residence in another. And to be secure against having letters opened and telephone conversations reported by snooping government agents. And to give up a job, or to change jobs without let or hindrance. And to publish newspapers and books, operate radio broadcasts, and generally communicate with one's fellows without official censorship.

Call the roll of this list of elementary human rights and liberties and examine how it stands up under various social and economic systems. No form of government or society is perfect; but by and large the above mentioned liberties are pretty well observed in countries where the rights of private property are most scrupulously respected. Most or all are disregarded under any form of dictatorship. But the denial of every one of these human rights is most complete, systematic, and irrevocable under the dictatorships which have gone furthest in abolishing the right to own and utilize private property.

The regimes that are now in power in the Soviet Union, in mainland China, and in Cuba grew out of revolutions that took place under differing circumstances and against differing national backgrounds. But all these tyrannies, as also those in East Germany, Poland, Hungary, Czechoslovakia, Romania, Yugoslavia, and Albania, have one negative trait in common. They recognize for the individual *no* right which the state may not arbitrarily withhold or deny.

Liberty is the first casualty after the wholesale nationalization and confiscation of property. This rule has been proven so often under so many circumstances in so many countries with such varied backgrounds that there can be no reasonable doubt as to its universal application.

The Communist Purge

Russia fifty years ago was the scene of the most thoroughgoing smashing of property rights ever witnessed. Land, factories, mines, banks, houses, stores, every imaginable form of tangible property, was taken over by the state. Such intangibles as stocks and bonds automatically became worthless, and this was also true as regards the prerevolutionary currency.

And along with this process went the systematic destruction of all the human rights and liberties that had been solemnly affirmed after the overthrow of the czarist regime a few months before. A secret police was set up with unlimited powers of arrest, sentence, and execution. This agency has several times changed its name and has operated sometimes more ruthlessly than at others; but it remains the ultimate sanction of Soviet dictatorship.

Voting became a farce, with only one set of candidates, handpicked by the ruling Communist Party, to vote for. Fifty years after the inauguration of the communist system there is not one organ of opinion in the Soviet Union that is free from state censorship and control. No meetings may be held, no clubs or societies formed, without official approval. To leave the country for travel abroad, a right casually exercised every year by millions of Americans and West Europeans, is for the Soviet citizen a rarely granted privilege. Foreigners resident in Moscow have long become accustomed to receiving letters which have quite obviously been opened. Foreign embassies take every precaution against the constant bugging of conversation within their walls and no Russian in his right mind speaks freely over the telephone.

Forced labor has been a prominent feature of the Soviet system, varying from the barbarous cruelty of concentration camps where millions of men and women were overworked and underfed in the

Arctic climate of Northern Russia and Northern Siberia. to the milder constraint put upon university graduates in medicine, engineering, and teaching to accept assignment to remote localities for two years after graduation. And this same pattern of recognizing no inherent rights of the citizen, of treating him merely as a tool and chattel of an all-powerful state, has reappeared in China and in Castro's Cuba. During the last decade bitter hostility has developed between the Soviet and Chinese communist regimes. There have been instances of more or less suppressed friction between Moscow and its east European satellites. Fidel Castro as the first totalitarian ruler in Latin America has not operated under the same conditions, human and material, as Lenin, Stalin, and Mao Tse-tung.

And communism takes on differing national colorations, depending on the people on whom it is imposed. All the more significant, therefore, is the universal common trait of every communist regime, in Europe, in Asia, in Latin America. This is the denial of every basic individual liberty for the individual.

Locke: "Life, Liberty, and Property"

When England, after half a century of turmoil, civil war, religious and political persecution and proscriptions, reached its great compromise in the establishment of constitutional monarchy under William III in 1688. the greatest exponent of the new mood was the political scientist and philosopher, John Locke. By nature broad-minded and tolerant. Locke worked out a theoretical scheme well calculated to satisfy a people sick of the excesses of roval despotism, on one side, and of Puritan rule, embodied in Cromwell's personal dictatorship. on the other.

Locke, whose thought influenced the Founding Fathers of the American Republic as much as the leaders of his native England. strongly vindicated the rights of the individual citizen as against the state. For the old-fashioned theory of an anointed king ruling by divine right he substituted the conception of society as a body of individuals living together for mutual convenience and conferring on government only certain limited and specifically defined powers. He emphasized the "natural right of life, liberty, and property," properly regarding all three as closely associated. It was perhaps an accident that the Declaration of Independence did not restate Locke's formula, substituting for property the rather meaningless phrase: "pursuit of

happiness." Property, in Locke's opinion, is "the great and chief end of men's uniting into commonwealths."

Progress in guarantied individual liberty has marched side by side with assured guaranties of the right of the individual to accumulate and enjoy property. Great principles of ordered liberty were symbolized in John Hampden's resistance to the payment of "ship money," a tax imposed for a phony purpose by the arbitrary power of King Charles I, and in the actions of Hampden's successors, the rebellious colonists, in refusing to pay taxes on stamps and tea levied without American representation by the British Parliament.

It was because men like Hampden were prepared to stand up for their rights (including their property rights) that England until recent times was a lightly taxed country. And, of course, the conflicts over the stamp and tea taxes were the overture to the establishment of the American Republic.

Eternal Vigilance

Freedom in all its forms, including not least economic freedom, must always be defended, although the enemy changes with changing times. Absolute kings and emperors have disappeared into the archives of history and no longer constitute a threat. The principal threat to freedom now is the adoption of measures that in some countries have led and in others might lead to the modern-style demagogic dictatorship, which, in the name of abolishing exploitation, sets up a superstate with unrivaled powers for exploiting its subjects and invariably strikes down every other freedom as a sequel to eliminating economic freedom.

The surest brake on the tendency of government to exceed its proper functions and degenerate into tyranny is a strong propertied middle class. It was the emergence of such a class that sounded the death knell of absolutist monarchs and feudal barons. The destruction of such a class is the invariable first objective of the totalitarian communist revolution that exploits discontent, justified or unjustified, in order to set up a tyranny far worse than anvthing against which it rebelled.

One may paraphrase a famous oratorical climax of Daniel Webster, himself a stout defender of economic freedom, and sum up as follows the lesson to be drawn from all historical experience, past and present:

Liberty and Property. One and Inseparable. Now and Forever.



To Be Different –and Free

BEN MOREELL

EACH of us begins life with certain inherited physical, mental, and moral characteristics, some of which are as unique as one's fingerprints. As we grow older, the variations at birth are expanded by differences in environment. education. training, associations, and experiences, and by the influence of our studies. meditations. and such Divine guidance as we are able to invoke. These diversities bring about differences in material possessions and in the status achieved in the professions, the arts, and other areas of human endeavor.

All this is the natural resultant of the law of human variation, a law of such transcendent importance to the progress and wellbeing of mankind that it must surely be Divinely authored! "The God who gave us life gave us liberty at the same time," Jefferson observed. I would presume to add, "And He made us all different, each one from every other one."

With such a powerful force acting to induce diverse judgments, it is truly remarkable that we can achieve pragmatic working agreement on most of the crucial issues which confront our nation. We do so only as we develop a broad tolerance for the opinions of others, a tolerance essential for arriving at workable solutions which attract the support of public opinion.

Alexander Hamilton advanced this thought in a plea for ratifi-

From remarks by Admiral Moreell among friends gathered on his seventy-fifth birthday, in 1967, "to rejoice in his rich and full years of service to God and Country."

cation of the Constitution. He wrote, in the first *Federalist Paper*, "So numerous, indeed, and so powerful are the causes which serve to give a false bias to the judgment, that we see . . . wise and good men on the wrong as well as on the right side of questions of the first magnitude to society. This circumstance, if duly attended to, would furnish a lesson of moderation to those who are ever so much persuaded of their being in the right in any controversy."

It is in light of the foregoing that, over the years, I have tried earnestly, but not always with success, to avoid impugning the motives, the patriotism, or the integrity of those with whom I have differed on important questions....

Freedom of Choice Essential to Individual Growth and Development

In order that each person might have full scope for the development and use of his talents, he must have maximum freedom of choice which should be limited only by the requirement that he may not thereby impair the freedoms of any other person. This requires a free market for goods, services, and ideas into which government would intrude only to perform the functions allocated to it specifically by the Constitution.

Under this system, each person

may use his dollars as ballots to promote those goods and services which satisfy his wants best. This is the essence of the world's most productive economy, our own free market system, which offers incentives to venture, rewards for success, and penalties for failure, all commensurate with the values delivered to the market place as these are determined by willing buyers and willing sellers.

To deprive a person of his rights is to violate a natural law. This will call forth its own penalties, as does defiance of any natural law, moral or physical. If I jump from a high building, I am defying the law of gravity; and I am penalized. In like manner, when we defy the law of human variation by trying to equalize the social, economic, or cultural status of individuals by resort to the coercive force of government, thus restricting free choice and impeding creative energies, we suffer the penalties.

A corollary is that there is no moral sanction for any man to impair the rights of his posterity. Just as he may not sell them into slavery, so may he not deprive them of their economic or political freedom. Jefferson held that the act of deferring payment on the public debt, thus imposing this burden on future generations, is tantamount to enslaving them....

Inner Restraints — Law and Order

In 1776, George Mason wrote this statement into the Virginia Declaration of Rights:

No free government or the blessings of liberty can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles.

What principles did he have in mind? They were, broadly speaking, religious principles; not the doctrines and creeds which set off one group from another but rather the belief in a just and merciful God which they share. It was a basic American principle to separate church and state. not because of any hostility to religion: quite the contrary. The state was to be secular in order that religion might be free to teach our people the inner restraints of self-discipline. The latter, in turn, would reduce or eliminate those infringements on individual rights which so often accompany forceful measures taken by government to establish and maintain public order.

Edmund Burke said:

Society cannot exist unless a controlling power on the will and appetite is placed somewhere; and the less there is within, the more there must be of it without. The American tradition holds that a free society is possible only if it consists, predominantly, of spiritually conscious, self-disciplined individuals. This is evident in both the Declaration of Independence and the Constitution. The framers of those documents believed they were transcribing "the laws of Nature and of Nature's God." The supremacy of the Constitution was believed to stem from its correspondence to a law superior to the will of human rulers.

Utopian Lures

In recent decades we have veered away from that design for a great and devout nation, whose basic tenet was an economically independent citizenry, supporting a government and controlling which is the servant of the people, not their master! Instead, we have moved sharply toward the seductive idea of a socialist "utopia." which reverses the American pattern, enslaving the people by having the government support them! This is the same false "utopia" from which many of our people, or their forebears, escaped in order to seek freedom and opportunity in America!

To know the ailment is the first step toward finding the cure. We can escape from our current confusion; but it will not be by political legerdemain. Rather, it will be by a rehabilitation of those spiritual and moral values which made our nation great!

America and Moral Leadership

I am no prophet of doom. While I hold that disaster lies ahead unless we change course, I believe that the world is now on the threshold of what could be such a dynamic expansion of spiritual understanding and material productivity as to tax the capacities of all mankind! The world looks to America for moral leadership. The great French philosopher, Jacques Maritain, said: What the world expects from America is that she keep alive, in human history, a fraternal recognition of the dignity of man . . . the terrestrial hope of men in the Gospel!

We can provide that moral leadership if each of us will dedicate himself to "justice, moderation, temperance, frugality, and virtue, and frequent recurrence to fundamental principles." This task must be undertaken by each one, acting individually. Our success will then be evidenced by the wise actions of our elected lawmakers—and by those who execute the laws they enact. This is the way we can make our liberty secure!

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OTHER PEOPLE'S MONEY

ONE of the shorter definitions we know is precisely this: *politics* is other people's money.

We quote it here as an aid to voters who, their senses numbed by party propaganda and the promises of politicians, are starting to wonder just what a democratic election is about. Because, dear voter, this, like most other elections, is concerned with one thing and one thing only -your

OLE-JACOB HOFF

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This article by co-editor Ole-Jacob Hoff is from the September 23, 1967 issue of the Norwegian weekly, *Farmand*, published by Dr. Trygve J. B. Hoff.

While written with a view to the current local elections in Norway, its content may apply to other countries and other elections as well.

money, and who is to spend it - you or the politicians.

Every party has its magic formula designed to convince you, the voter, of the wonders that will be wrought with your money, if only that particular party's politicians are empowered to conjure with it. "Planning and Controls" are what the Labour Party wants, while "Rural Development" is the universal incantation intoned by them all. But - as voters will already have perceived - these catch phrases are rehashes of the ageold assertion that by investing your money via a multitude of bureaucrats you will benefit more than if you invest it yourself.

Is the politicians' claim justified? Obviously it is not. Neither is it true. The high standard of living presently enjoyed by the Norwegian people has not been brought about by the efforts of politicians or the government. It is attributable solely to the profitable activities of private businessmen. What is more, such benefits as have accrued to the people of Norway would probably have been far greater had not the state and the authorities intervened as extremely expensive middlemen.

Admittedly, the politician's lot is not an easy one: in a modern democracy like Norway politicians are compelled to bid at auction for public support. This explains why they strive to outbid one another, and frequently make promises they are unable to redeem.

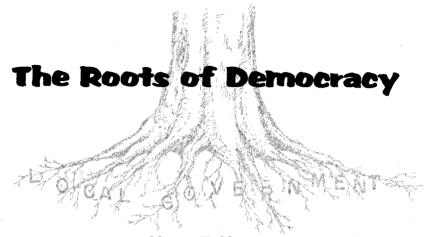
Don't let them confuse you, dear voter. Their magic formulas are no more effective in the rarefied atmosphere of political promises than they are at the earthly level of private enterprise. The real point at issue is to what extent you are willing to put yourself under the tutelage of the authorities.

Nevertheless-listen carefully to what the politicians have to say. If you happen to hear of someone who, instead of wanting to do conjuring tricks with your money, is prepared to take a chance on you - private citizen and taxpayer, the man politicians and authorities live on (and off) - then, but only then, you may heed the dictates of your heart and reason:

Vote for him.

The Duty of Private Judgment

FOR NOTHING is more incongruous than for an advocate of liberty to tyrannize over his neighbors.



MILTON H. MATER

SINCE the Committee for Economic Development released its highly critical report on local governments in July, 1966, and suggested that the existing 80,000 local governments in the United States be reduced by at least 80 per cent, the cry for consolidating small local governments into larger units has reached new heights. Even the U.S. Chamber of Commerce has come out for eliminating local governments on the basis of greater efficiency.

Of course, I do not mean to defend inefficiency or corruption in any government, no matter how small, yet to hope for a government to become more perfect and "responsive" just because it is large, is to fly in the face of our own current experience with the confusing blandness of the overpowering bureaucracy which characterizes our oversized and everexpanding Federal government.

The attack on local government has become so much a part of modern intellectual life that even the conservative Wall Street Journal in an "inverted think" editorial on July 27, 1967, blames too much local government for the race riots of the summer of 1967.

"This sorry situation," the editorial says, "of course reflects a breakdown in America's system of government. Local governments,

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close to the people, are supposed to be alert and responsive to their needs. What has gone wrong?"

-As if the big city governments of Detroit, Newark, and New York, where the racial conflict was most violent and destructive, could be called "local governments"!

Later in the editorial, a questionable "average" statistic is introduced to prove the point:

One sizable difficulty is that there are simply too many local governments, an average of one for every 2,500 Americans. Most of these units are so small that they cannot hope to apply modern methods to current and future responsibilities.

If indeed every 2,500 citizens in Detroit were represented in the government, I doubt that the riots would have occurred. The government would have been too responsive to local control to permit such a breakdown of law and order. Where in the modern United States have we had a riot in a town of 2,500 or less that hasn't been caused by an influx of outside agitators?

Rather than one government for every 2,500 people, the millions in New York, Newark, and Detroit have only a handful of representatives, in governments dominated by a strong, politically powerful mayor who shapes the flow of city news to newspapers, radio, and television. Each mayor controls the programs for the expenditure of millions of dollars of city. state. and Federal funds. with hardly a by-your-leave from his city council. Each city council member represents several hundred thousand people-not 2.500! Does such a city government even faintly represent an "average" of one government for 2,500 people? What kind of rapport can the people feel with a government so distant, so unrepresentative and-because of the extravagant election promises and claims of the big city politiciansso lacking in credibility?

Democracy in Turkey

The political pressure and editorials for more dilution of local control and for the removal of government still further from the people who must pay for it, bring to mind a thought-provoking incident which occurred in 1962 when I was taking my two weeks of Active Duty as an Army Reserve Officer. I was assigned to an installation at Redstone Arsenal at Huntsville, Alabama. During this time I was fortunate enough to share an apartment in the Bachelor Officer's Quarters with a young Turkish Officer who was with a group attending classes on our American missiles. After a week of breakfast chats during which he learned that I

was an American businessman during the other 50 weeks of the year, he became quite informally friendly and discussed Turkish political problems which were in a particularly hectic state at that time.

One evening Gursel came in with two of his Turkish friends and asked if they could speak with me seriously for a little while. These were well-educated men and, I gathered, members of important Turkish families with connections in government and industry. When I nodded, he asked me quite bluntly, "How can we make democracy work in Turkey?"

The question took me aback. How could I, an American, with practically no knowledge of his country, advise him on a vitally important subject such as this?

I knew from previous conversations that he was looking for some new formula of parliamentary representation that would prevent the turmoil which periodically shook the very foundations of the Turkish political system. I had no advice or comments on parliamentary democracy which I felt would be helpful.

However, as I sat back and pondered my answer, the thought came to me to find out just how deep the roots of Turkish democracy went. I mused over the beginnings of our own democracy which sprang nearly full grown from our English heritage. I thought of the "Mayflower Compact" and our own sturdy New England and Eastern Colonial experience and the states which grew out of it. What kind of democratic heritage did the Turks have, I wondered?

"Let me ask you some questions about the political life of your country outside of your great cities," I began. "How do you govern yourselves in your small provincial towns and villages? For instance, are your policemen local men, hired and paid for by the town?"

The answer was, "No. They are sent to the town from Ankara, the capital of Turkey."

"What about your judges?" I asked. "Are they elected by the local citizens of a town or of a geographical area like our county?" (I showed them the county boundaries on an Alabama roadmap.)

The answer was, "Oh no, no, no!"

I then asked, "How are your tax collectors appointed? Are they elected by the people of the village?"

This was an even more shocking thought. "Oh no," they answered, "they are sent from Ankara. If they were elected by the people of the village they could never collect any taxes. The people would not pay them. They would have no respect for them."

Freedom to Vote "Yes"

It turned out that the same was true for all officials whom we regard as essentially local people, elected by their peers to carry out the laws of the land. It also turned out that the only semblance of democracy which they had was a vote for the President and a vote for a representative in parliament who was chosen for them by a political party and whose election was by some kind of proportional representation system, so that the people hardly knew who their own parliamentary representative was.

I then explained to them how our towns and counties operate on a strong local control basis. I explained that democracy existed on the principle of electing officials at the lowest level, as well as at the highest, and then giving these local officials even more respect and cooperation than we give to a Federally appointed official from a distant capital.

I suggested that they spend some of their time in the United States visiting small-town city halls and county courthouses to observe how our democracy works. Perhaps they could take these American ideals of local democracy back to Turkey with them and start what we call a "grass roots" movement toward local control.

The Case for Home Rule

I think of my discussion with these earnest young Turks when I read of the C.E.D. report calling for the abolishment of our county units in favor of consolidated supragovernmental units; I think of it when I read of proposals in my own state of Oregon to permit the Governor to appoint judges rather than elect them on a local level; it is brought to mind when I contemplate the activities of the Internal Revenue Service which sends mysterious men from one area of the United States to other far-off areas, to make sure that we send our money to Washington for local redistribution by other faceless men-men empowered to haul us, under arrest by nonlocal law officers, into tax courts ruled over by judges for whom we never voted.

Are we moving closer to the unworkable Turkish system of nonlocal government?

I am concerned over whether or not our democracy can stand up under these assaults on local selfrule by prestigious groups who seem to confuse bigness with efficiency and efficiency with democracy. If we permit these assaults to succeed, can our democracy truly exist in workable form without a strong commitment in the minds and hearts of our people and can such a commitment be maintained when the people are moved still further away from control of their government? A recent news story told of a national poll which disclosed that only 54 per cent of the people questioned knew who their congressman was. If our town and county "units" are trimmed down by 80 per cent. as has been suggested, these "units" would be even fewer and further away from us than our 435 congressmen are today. What an invitation to a computerized. dehumanized rule by faceless technicians who would see nothing but "improved efficiency" in a George Orwellian "big brother is watching you" type of society!

As for me, I'd rather pay in money for the bumbling inefficiency of our overlapping, responsive local governments close to home than pay in loss of freedom to some far off, "highly efficient computer" to which I would be just another punch card to be used or discarded - for the "good of the State." ۲

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LAWRENCE FERTIG

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A TRIP ABROAD for discussions with economists from various parts of the world (as well as some incidental sight-seeing and research) has a therapeutic value. It acts as kind of brainwash - not, of a course, the kind that Governor Romney talks about. Distance from the U.S. gives one perspective on events and trends, which is sorely needed in this hectic world.

We all know that the U.S. has a very advanced technology and a vigorous enterprise system, but only by talking to foreign observ-

Mr. Fertig is an economic columnist. This article appears by permission of Columbia Features, Inc.

ers can we grasp the great respect, amounting almost to awe, with which they regard the sheer dynamism of the American economy. The fact of American dynamism is more forcibly impressed as one travels about Europe and observes how business is done. Although American methods are often imitated, the tremendous drive which characterizes American operations is largely lacking.

This contrast is noted by European economists. They express tremendous confidence in the economic future of the U.S. Despite sensational stories in the foreign press about race riots in our major cities, shrewd Europeans understand that our political structure is quite solid. Anyway, they ask, if one is not to trust investments in the U.S., where in the world is it possible to commit capital funds with safety?

Equilibrium Is Unstable

The dynamism of the American economy was brought to mind by a brilliant theoretical paper delivered at the Mont Pelerin Society conference at Vichy, France, by Professor Israel Kirzner of New York University. The point he made was that economic analysis, until recently, always stressed the importance of "equilibrium" - the balance of economic forces. But the idea accented by the eminent Dr. Ludwig von Mises and by Dr. Friedrich Hayek (who represent the "Austrian" school of thought) gives pre-eminence to the millions of individual decisions which create "disequilibrium," or change.

They emphasize change and movement in the economy as the important ingredient. "Equilibrium" is, to be sure, a theoretical objective, but this delicate balance is shattered in a dynamic economy the instant it is reached. The Mises theory, as Kirzner explains it, points to the fact that individuals are always "seeking out the best course of action, venturing, exploring, innovating, searching. They are constantly testing the nature of the constraints which circumscribe them." It is this questing and dynamism which changes the relationship of economic factors every day and every hour. Old methods and old businesses often die in the process and new ones are created. The late Professor Joseph Schumpeter of Harvard aptly called this process "creative destruction."

Restraints That Destroy

Governments are always seeking to create some kind of equilibrium by imposing restraints on people's actions — restrictions which they believe will give the desired result. They order wage-price controls, investment controls, exchange controls, etc., etc., in an attempt to achieve their objective. But these government controls are like the weight of a dead hand. Individuals always try to find ways of circumventing government regulations which place the free market in a strait jacket. The free market permits human inventiveness and energy to express itself, and any attempt to control these creative factors is self-defeating and harmful.

One way in which governments seek to achieve their objective is by monetary manipulation. In the main, this means inflation. Under certain depressed conditions and for a time, such a policy seems to be successful. As the inflation continues, a new equilibrium is reached at some higher level of industrial activity. Then the forces of change undermine the new balance. When necessary adjustments begin to take place, governments try to preserve the old balance. and this leads to a new inflation. Thus, the inflationary process becomes perpetual and so does the depreciation of paper money.

In this month [October, 1967] the U.S. economy is trying to adjust – as it has been trying for many months – to a new set of conditions. It is adjusting to one of the strongest infusions \mathbf{of} money and credit into the economic bloodstream that has ever occurred in so short a time. The immediate consequence of this inflation is becoming evident in expanded activity and higher prices. The long-term consequence is another matter. It may not be so pleasant.

"You are a very powerful, dynamic nation," said a distinguished European economist to me during the conference at Vichy. "But you do foolish things, especially in monetary and fiscal policies." Then he paused, and thoughtfully said. "But you probably can continue such actions quite a time to come. They may not be fatal now. But it is tragic to see a nation as rich and powerful as yours sapping its strength and undermining its foundations. In the long run, such policies have always been disastrous" ۲



Civil Liberty

I WOULD CHOOSE to call civil liberty that power over their own actions which the members of the state reserve to themselves, and which their officers must not infringe.

Demand Deposit Inflation Anthony M. REINACH

SUPPOSE that yours is a small community which, before automobiles, would have been referred to as a "one-horse" town. Today it might be called a "one-gasoline-station" town. Its government is centered in a mayor who has promised to render generous services on a parsimonious budget. Actually, the mayor seems to be achieving his contradictory objectives. In truth, however, he has prevailed upon the proprietor of the town's only gasoline station to mix his gas with water and share with the town government the profits generated by the dilution. The exposure of this knavery triggers a campaign to justify it as "government policy in the interest of the people." Notwithstanding, I suspect that righteous indignation will still be aroused in even the town's most benign citizens.

Although such knavery is, of course, ludicrous, it is just as ludicrous that citizens, in respect to their money, passively permit their Federal government to victimize them by essentially the same fraud as described above. The fact that this fraud, monetary in flation, will uncontestably perpetrate more injustice in the next decade than did the Spanish Inquisition at its height suggests that there are precious few individuals who really understance monetary inflation.

Technologically. monev has taken three basic forms: commodity, paper, and checking account funds. Collaterally, monetary inflation has evolved from coin debasement, to printing press, to the creation of spurious demand deposits. Because demand deposits are the monetary tools employed in over 90 per cent of America's financial transactions, it is demand inflation that is destined to make history's most notorious swindles look like Tootsie Roll thefts by comparison.

Mr. Reinach, an occasional contributor to THE FREEMAN, is a New York businessman, freelance writer, and monetary economist.

Recipe for Inflation

To understand how demand deposit inflation works, imagine vourself in the role of a drugstore owner. The name of your drugstore is Fiscal Pharmacy, and you operate it with one employee. Samuel. You wish to remodel your store at a cost of \$10,000, but all your funds are being used for other purposes and you have already stretched your credit to just about the last penny. It seems that you will have to abandon, or at least postpone, your remodeling program. But then you get an idea!

You go to your local printer and instruct him to print up \$10,000 worth of 30-year bonds on Fiscal Pharmacy, to yield 3½ per cent. In addition, you instruct your printer to make up a checkbook for "The Samuel Trust Company." A few days later, armed with the freshly printed bonds and checkbook, you summon Samuel to inform him of a proprietary position with which you are about to reward him for his loyalty:

You. I have decided to remodel Fiscal Pharmacy. It will take \$10,000.

Samuel. That's a lot of potatoes.

You. Yes, and I haven't been able to raise the first dollar.

Samuel. Maybe you should cut your personal living expenses.

You. And have my wife throw me out?

Samuel. So what do you propose? You. Here's my plan. From now on, you will function not only as a clerk, but also as the private banker for Fiscal Pharmacy.

Samuel. But I haven't got \$10,000. You. You won't need it. In fact, you won't need any of it. Samuel. No?

Samuel. No?

You. No. Here's \$10,000 worth of bonds on Fiscal Pharmacy and a checkbook for "The Samuel Trust Company." Your bank now owns the bonds, so please pay for them by issuing a \$10,000 check to Fiscal Pharmacy.

Having deposited this check with a conventional bank-conventional, that is, except for its naivety - you now have the wherewithal for your remodeling program.

The funds you subsequently transfer to your contractor will soon be transferred by him to his own creditors and others, and so forth. Thus begins the process by which the \$10,000 you and Samuel conspired to create become diffused throughout America's entire commercial banking system. However, the atomized dispersion of that \$10,000 will in no way diminish its impact on the nation's money supply.

Because banks are permitted by

law to lend out roughly 80 per cent of their deposits, and because banks, since World War II, have been vigorously lending out virtually every dollar allowed by law, an additional \$8,000 (80 per cent of \$10,000) of loans - or investments in credit instruments, which is the same thing-will be promptly made.

These new loans will be promptly returned to the banking system as new demand deposits and will, in turn, enable the banks to lend out another \$6,400 (80 per cent of \$8,000), which will likewise be deposited and generate the additional lending of \$5,120, et cetera, et cetera, et cetera. The result will be \$40,000 of derivative demand deposits spawned from the initial bogus \$10,000 demand deposit, for a grand total of \$50,000.

The Government Procedure That Triggers Inflation

Fictitious? Yes. Fantastic? No. With one major modification, the conspiratorial procedure by which you and Samuel created the initial bogus \$10,000 is essentially the same procedure by which government triggers monetary inflation. How such money mushrooms into five times its original amount is not even privileged information; indeed, it is publicized by the government itself.

Monetary inflation begins with

the Federal budget which, let us suppose, is \$150 billion. To raise this money, the government can tax, borrow, or inflate. Let us further suppose that the government taxes \$100 billion and borrows \$40 billion, still leaving it \$10 billion short. At this point, were my drugstore analogy procedurally accurate, the U.S. Treasury would enter in the role of Fiscal Pharmacy's owner, and the Federal Reserve would enter in the role of Samuel, Fiscal Pharmacy's private banker:

Treasury. Our expenses this year are \$150 billion.

Fed. That's a lot of potatoes.

Treasury. We were able to tax only \$100 billion.

Fed. Maybe you should raise taxes by 50 per cent.

Treasury. And get voted out of office?

Fed. Well, how much were you able to borrow?

Treasury. \$40 billion.

Fed. That still leaves you \$10 billion short.

Treasury. Yes, so here's \$10 billion worth of bonds. Please issue a check in payment for them.

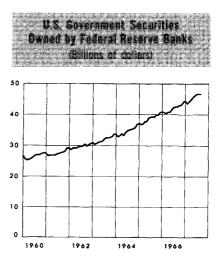
If the actual procedure were this brazen, the naked chicanery of monetary inflation would be too fully exposed. Consequently, the Treasury rarely sells government bonds directly to the Fed. Instead, the Treasury simply notifies the Fed when it has unsold bonds. The Fed, in turn, starts buying government bonds in the open market with the exclusive purpose of creating the very market-place climate required by the Treasury to liquidate its sticky inventory. The final result, of course, is the same as if the Treasury had sold the bonds directly to the Fed in the first place. In fact, the net result may be even more inflationary: it is quite possible that the Fed might have to buy \$11 billion worth of bonds in the market to enable the Treasury to dispose of \$10 billion.

The Fed claims to have three weapons of direct control over monetary inflation. But this claim would be valid only under circumstances which would make the weapons unnecessary: (a) when the government is balancing its budget, or (b) when the government, having failed to balance its budget, is willing to sell its bonds on a free market basis. When situation prevails. neither the Fed's alleged weapons are rendered impotent and simply serve as disguises for monetary inflation. Those three weapons are:

- 1. Open Market Operations
- 2. Reserve Requirements
- 3. Discount Rate (or Rediscount Rate)

Open Market Operations

Open market operations are simply the buying and selling of government bonds by the Fed. One side of the open market operation coin has already been demonstrated - the buying of government bonds to help the Treasury sell its own. In theory, after the Treasury is rid of its bonds, the Fed turns around and starts merchandizing its own recent purchases. In practice, regrettably, the Treasury is rarely without bonds for sale, at least these days. As a result, the Fed's ownership of government bonds has increased from \$26 billion to \$48 billion on the past 7 years, and that is the launching pad destined to rocket prices in the forthcoming decade.



Reserve Requirements Tend Toward Zero

As already stated, banks are permitted by law to lend out roughly 80 per cent of their deposits. The figure today is nearer 85 per cent but 80 per cent illustrates the point and is easy to figure. The difference between 80 per cent and 100 - 20 per cent is, correspondingly, the figure commonly used as the average reserve requirement for the three categories of commerical banks which are members of the Federal Reserve System. This means that these member banks must deposit with the Fed 20 per cent of their total demand deposits. By raising reserve requirements, the Fed would deter part or all the inflationary impact threatened by its government bond purchases. This, however, would "tighten money", which would cause higher interest rates, and would thereby make it more difficult for the subsequent sales of government bonds at "favorable" rates of interest. As a result, reserve requirements for city banks have not been raised in over 15 years. (On November 24. 1960, the reserve requirement for country banks was raised from 11 to 12 per cent.)

The discount rate is the interest rate member banks must pay the Fed for borrowing money from it. When a bank becomes temporarily "under-reserved" (has more than 80 per cent of its demand deposits out on loan, which is the same as having less than 20 per cent of its demand deposits available for deposit with the Fed), it has a choice of either borrowing from the Fed or liquidating some of its loans. In theory, the second course of action will counter inflation whereas borrowing from the Fed will not. Therefore, to carry the theory further, raising the discount rate will discourage borrowing and thereby counter inflation, and lowering the discount rate will encourage borrowing and thereby stimulate inflation Ironically, this theory more ofter than not operates in reverse Prompted by a costly discount rate to counter inflation through the liquidation of loans, commercial banks usually begin by selling some of their government bonds This, in turn, will cause consternation in U.S. Treasury circles which will instigate telephone calls to the Fed, which will trigger open market purchases, which will add more fuel to the inflationary fire than was initially withdrawn by raising the discount rate. For this reason, the discount rate is useless as a weapon to combat inflation.

Prime Commercial Paper is America's most valued interestbearing credit instrument, and its

interest rates are the most sensitive to shifts in financial sentiment. Since World War I. there have been 24 trend reversals in the Federal Reserve discount rate. Without exception, these trend reversals were preceded by trend reversals in Commercial Paper interest rates. In other words, and notwithstanding the lofty pronouncements of "positive constructive action" that attended many of these 24 trend reversals. the Federal Reserve discount rate for half a century has been tagging after the Prime Commercial Paper rate like an obedient puppy.

Change in Discount Rate A Powerless Weapon

Twice, in 1926 and again in 1927, when stock market speculation rather than monetary inflation was the object of "summit" control, the Fed reversed the discount rate trend by reducing it half a percentage point. In total disregard of prior reductions in Commercial Paper rates, an entire generation of monetary intellectuals has been placing part of the blame for the subsequent stock market boom and bust on one or both of those two discount rate reductions. Even the Fed's own documents make it abundantly evident that the discount rate is just as powerless to combat the current generation's inflation as it was to

combat the last generation's stock market boom.

Over the years, the Fed also has enlisted gold to minify the threat of inflation. Until the early 1960's: "Gold [was] the basis of Reserve Bank credit because . . . the power of the Reserve Banks to create money through adding to their deposits or issuing Federal Reserve notes is limited by the requirement of a 25 per cent reserve in gold certificates against both kinds of liabilities. That is to say, the total of Federal Reserve notes and deposits must not exceed four times the amount of gold certificates held by the Reserve Banks. Thus, the ultimate limit on Federal Reserve credit expansion is set by gold." Yet, on the preceding page in the same publication, the Fed confesses that when circumstances in 1945 "threatened to impinge upon the Federal Reserve's freedom of policy action ..., Congress deemed it wise to reduce the reserve requirement of the Reserve Banks from 40 per cent for Federal Reserve notes and 35 per cent for deposits to 25 per cent for each kind of liability."1

In 1963, Dean Russell concluded: "Whenever the technical cutoff relationship between gold and 'money' has been approached in the

¹ The Federal Reserve System, Purposes and Functions, 3rd edition, sixth printing, 1959, pp. 96 and 97.

past, Congress has modified it—and will unquestionably do so in the future, even to the point of abolishing the technical requirement altogether."² Was Dean being a prophet, or just a realist?

Or perhaps Dean was simply taking the Fed at its word for, by 1963, it was no longer terming "gold...the basis of Reserve Bank credit . . .", but was saying instead: ". . . reserves in gold constitute a statutory base for Reserve Bank power to create Federal Reserve credit." Then, two years later, came the dismantling of that "statutory base": "The law determining the minimum holdings of gold certificates required as reserves against the Federal Reserve Banks' liabilities was changed on March 3, 1965. The Reserve Banks are no longer required to hold 25 per cent reserves against their deposit liabilities, but they are still required to hold gold certificates equal to at least 25 per cent of their note liabilities." Was Dean's predicted reason correct, that "the technical cutoff relationship between gold and 'money' (was being) approached"? Letting the Fed speak for itself: "If the change had not been made, the amount of 'free' gold certificates on March 31. 1965, would have been [down to] \$1.0 billion."³

Monetary and Other Factors Affect Impact of Inflation

There are many minor monetary factors constantly influencing the impact of inflation. One of the more important is the conversior of demand deposits into cash, and vice versa. For example, the with drawal of \$100 from your checking account not only immediately reduces demand deposits by \$100 but also ultimately extinguishes an additional \$400 of derivative demand deposits. Consequently money is customarily "tight" just before Christmas—when the demand for cash is at its height.

There are also many "non-monetary" factors constantly influencing the impact of inflation. The standard here is productivity Thus, the most aggravating factor is war, and the most moderating factors are technological advances and industrial expansion. Labor strikes, because they curb production, aggravate the impact of inflation. Labor contracts that result in the curtailment of labor saving devices also aggravate the impact of inflation, but labor contracts that merely call for the es-

² Dean Russell, "Money, Banking, Debt and Inflation," unpublished paper, 1963.

³ The Federal Reserve System, Pur poses and Functions, 5th edition, 1s printing, 1963; 2nd printing, 1965; pp 165 and 175.

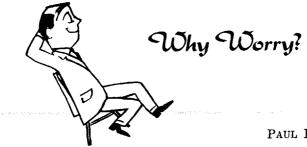
calation of wages do not. A population increase of productive citizens moderates inflation's impact, but a population increase of nonproductive citizens or a population decrease of productive citizens aggravates it. England's "brain drain" must aggravate the impact of that nation's inflation. but will moderate the impact of America's inflation to the extent that we inherit those "brains." The flight of capital to foreign countries is an aggravating factor whereas the influx of foreign capital is a moderating factor. In a related vein. a so-called "favorable balance of trade" is an aggravating factor whereas an "unfavorable balance of trade" has a moderating effect.

Assessing the Consequences

Some factors which seem to counter the impact of inflation actually intensify it, and vice versa. For example, credit and price controls, inflation's two most inevitable corollaries after rising prices, put sand in the gears of production. Both, thereby, intensify the impact of inflation. On the other hand, increases in the velocity of money (its change-of-hands frequency) are inflationary in theory, but, in reality, counter the impact of inflation. The reason is that most money velocity increases are attended by and generate even greater production increases.

Far more crucial than the factors influencing the impact of inflation are and will be its withering consequences on American life. Historically, every nation government resorted to whose monetary inflation suffered unremitting demotions of its "general welfare." Nor has any government ever abandoned an entrenched policy of monetary inflation. Therefore, barring the revocation of the lessons of history. one need not be a prophet to chart America's economic future.

For 2,500 years, man has been given but two grim choices in respect to his money: "managed" and "convertible gold standard." Chronic monetary inflation goes with a "managed" money system just as chronic money panics go with a "convertible gold standard" money system. The 19 or more money panics that afflicted America in her 170 "convertible gold standard" years negate "convertible gold standard" money as a rational alternative to "managed" money. The only remaining alternative is free enterprise money. This, of course, would require the elimination of government from the money business. ۵



WHEN CHARLES STEVENSON questioned "How Secure Is Your Social Security?" in the October, 1967, *Reader's Digest*, he might have anticipated official response. Wilbur J. Cohen, Under Secretary of Health, Education, and Welfare, promptly obliged in the *Congressional Record* of September 27, 1967.

What Mr. Stevenson could scarcely have predicted is that Washington's answer would substantiate the view that "social security insurance is in trouble." Not that Mr. Cohen said so directly, but what he said leads to that sad conclusion.

In co-sponsoring the Social Security Amendments of 1967 in the House, Congressman John W. Byrnes had testified:

I personally do not feel that the burdens imposed by this bill are greater than the taxpayers will be willing to pay. After all, today's taxpayer is tomorrow's beneficiary.

PAUL L. POIROT

Apparently, the 24 (out of 25) members of the House Wavs and Means Committee who signed the report on H.R. 12080 felt the same way. And so did other congressmen, as indicated by the overwhelming 415-3 House approval of the bill. All of this, implies Mr. Cohen, attests to the "actuarial soundness" of the social security program. The political pulse has been measured by experts and a taxpayer revolt is not anticipated. So, social security is as sound as the dollar, if that's any consolation to anyone over 30 who has seen the dollar lose 60 per cent of its purchasing power within his lifetime.

To the complaint that the social security program puts a squeeze on the young, Mr. Cohen replies that it is not so: "Young workers as a group will get social security protection worth 20 to 25 per cent more than they will pay in social security contributions."

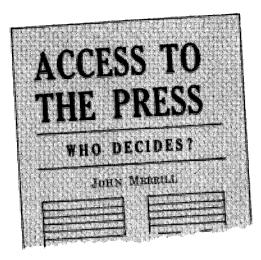
What Mr. Cohen fails to men-

tion is that the "20 to 25 per cent more" is a possibility only because he has not counted the matching half of the social security "contributions" employers are compelled to pay. Even so, with just his own half of the tax, a young worker could have bought a government bond that yields a 33¹/₃ per cent return in about seven years, or put his money in a savings account at 41/4 per cent, where it would double in dollars every $16\frac{1}{2}$ years. The harsh fact is that a young worker can hope to get back from social security about 40 per cent fewer actual dollars than he and his employer paid into it on his account. His tax dollars are spent as received and earn no interest for him at all.

When Mr. Cohen says, "Young workers could not buy comparable insurance protection from private insurance companies ...," the reason ought to be plain: It's against the law to operate a private insurance company that way. Not that the chain-letter fraud of paying off early entries from the contributions of latter-day-suckers hasn't been tried by Ponzi and numerous other schemers. But, so far as is known, every so-called insurance company that has tried to operate without reserves - levying against remaining policyholders to pay off each current claim - eventually has reached the point of no return and has failed. That the social security program has survived for 30 years in the United States may be explained by the fact that new entrants are continuously drafted, with no dropouts allowed. Each taxpayer is drafted into the program for the duration of his productive and taxable lifetime.

Mr. Cohen is quite right, of course, when he says that a compulsory social security program of this type, with prior claim to everyone's future earnings, does not need and should not be expected to build up \$350 billion or more of reserves. And he adds, "The 350 billion referred to is the amount that would be needed — if social security were a private, voluntary insurance program — to pay off all obligations on the assumption that there would be no new entrants into the system."

In other words, the \$350 billion referred to is that part of the obligations to those presently covered by social security which will have to be paid by those "joining" later. That makes it reasonably clear why new entrants could not be counted on if they had any choice in the matter. The "soundness" of social security rests upon its compulsory nature. Anyone who endorses compulsion as the best policy, despite Mr. Cohen's assurances, well might worry about what will happen to him in his old age. ۲



A GROWING ASSORTMENT of individuals in the United States. strange as it may seem calling themselves *liberals* or *libertarians*. are insisting that not enough viewpoints and opinions are making their way into the American press. They are convinced that minority opinions are not getting their fair and proper hearing, and they feel that if the country's newspapers will not act responsibly in this area. they should be forced to do so. Many of them, spouting the platitudes of the Hutchins Commission Report of 1947, advocate judicial and legislative stimulants to their kind of pluralistic press.

One of this number, Jerome A. Barron, an associate professor of

law at George Washington University, has proposed (*Harvard Law Review*, June, 1967) an interpretation of the First Amendment which imposes upon the press an affirmative responsibility to publish minority views, and he would, for example, support legislation which would force newspapers to print letters-to-the-editor from minorities. Professor Barron is rather typical of the new breed of "press directors" acting in the name of social responsibility.

If one looks at this complex issue as having to do only with assuring minority opinions a fair hearing, it is little wonder that a proposal like Professor Barron's would be considered salutary and long overdue.

This, however, is not where the

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problem ends. If such a proposal were taken seriously by enough powerful people in the United States to bring it into practice, a whole bag of new troubles would be opened to plague the person concerned about protecting the free press. Even as "freedom of the press" implies to many the freedom to be heard—a freedom for the consumer, we must not forget that it also implies the freedom to print or not to print—a freedom for the publisher.

The First Amendment provides that the government will not pass anu laws which abridge press freedom. Although press freedom is not defined in the Bill of Rights, an explicit concern with not passing laws which might diminish press freedom appears to be quite clear. When any group-even government seeking to remedy certain ills which it believes it detectstells a publisher what he must print, it is taking upon itself an omnipotence and paternalism which is not far removed from authoritarianism. It is restricting press freedom in the name of freedom to read. The next step is to tell the publisher what he shall not print.

This paradox (in confusing press freedom with freedom to read) is one of the chief causes for the continuing controversy. It is my belief that "freedom of the press" is not the same thing as "freedom of information." It is obvious that the press can have freedom to print anything it desires without making available to the reader everything it has available to print. Its freedom, in other words, imposes an implicit restriction on the reader's freedom to have access to every bit of information or point of view.

Looking at it in this way, it is not difficult to see that press freedom does not imply freedom of information. The latter term refers to the right of the reader to have all material available for reading, while the former term denotes the right of the publisher to publish or not to publish without external compulsion.

The Publisher's Freedom

"Freedom of the press" obviously means many things. Its meaning is determined by the particular context and by the particular person using it. The publisher, for example, stresses the freedom of the press concept, while the reader, seeking in vain for his viewpoint or orientation in certain newspapers, stresses the freedom of information concept. The government official who attempts to keep certain information from press has his own definition: the newspaper has a right to print something if it can get it-a kind of "freedom to print" but not necessarily a "freedom to get" concept.

Perhaps we try to make the term "freedom of the press" cover too much-to include all the above concepts and others besides. If we were to understand it narrowly. in the sense clearly indicated by its syntax, we would emphasize the press and its freedom to determine what it will and will not print and to make this determination without interference. This would appear to be at the heart of the term, and those who talk of readers' opinions and viewpoints being ignored or understressed would seem to be referring to something other than "freedom of the press."

I like to think about press freedom as freedom belonging to the press. Other types of freedom are important, too, but let us stick to the press's freedom when we are talking about "press freedom." The press alone, in this view, would be in the position of determining what it would or would not print. The press would have no prior restrictions on its editorial prerogatives; this would be *press* freedom.

Those who favor an interpretation of the First Amendment that protects "freedom of information" or some right of the people "to know" will not like this definition, of course, for they see it as too narrow. They should be reminded however, that the First Amendment covers their territory of interest also with its provisions of free speech, free assembly, free religious worship, and the like.

But where, someone will ask, is the right of people to read and to hear? If "freedom of the press" implies the right of the people to read what they want to read, "freedom of speech" must also imply the right of the people to listen to what they want to listen to. Since there is "freedom of speech," I therefore have a "right" to have available to my ears all viewpoints from all possible minorities. Absurd! How can anyone seriously believe that one kind of *freedom* assumes another kind of right?

Rule by Minority

The vision of a better journalistic world through coercive publishing rests mainly on the assumption that important minority viewpoints are not being made known in the United States, and that this is deleterious to a democratic society. Although this main premise is not systematically challenged in this article, it seems incumbent on those who advocate controlled access to name some of the important minority positions that are not being publicized by the American press. The assumption appears to be always floating around that the American public is not getting to know about important information and ideas of the utmost importance. The press, of course, is generally the villain. I have the feeling, contrary to the above assumption, that most Americans get far more from their newspapers and magazines than they want.

The person who is concerned about what is not in the press does not appear to be primarily concerned about the freedom of the press; rather he seems disturbed that every possible bit of information is not available everywhere for everybody. His concern, while perhaps "noble" in itself, is fabulously unrealistic and naive. In addition, this person must certainly recognize that his position is potentially authoritarian, just as the existing freedom of the press to discriminate (which he bemoans) is potentially restrictive.

The Good to Society vs. Social Responsibility

He who would compel publication justifies his position by using terms such as "social responsibility of the press" and "the reader's inherent right to know." He, in other words, puts what he considers the good to society above what the individual publisher considers to be his right of editorial self-determination.

Few sincere and concerned persons would quarrel with the position that "the good to society" or "social responsibility" are laudable concepts which should be served by the press. However, trouble comes when these theoretical concepts are applied to the actual workings of the press in society. The what of the concept presents considerable difficulty: What, for instance, is the best way to do the most good to society. and what is the best way to be socially responsible? There are many who would feel very strongly that forcing minority opinions (especially "certain" ones) into a newspaper would be very harmful to the "social good," and that this would be the epitome of social irresponsibility.

Who Shall Decide?

The how of the concept adds further complications. How will decisions be made about what shall or shall not be printed? What would be a rational manner of making such determinations if we are to take them out of the hands of individual publishers and editors? A Federal court? A Federal ombudsman? An FPA (Federal Press Agency) organized on the lines of the Federal Communications Commission?

From among all the "minority" positions in a given community or in the nation, which ones would have a "right" to be published and which ones would not? Which spokesman for any one "minority" would be published as representative of the whole minority? Or would all of them - or many of them - be published, since undoubtedly there is a pluralism in minority opinions even on a single issue? These are basic and important questions-questions which would certainly plague the authoritu which would have to make such decisions.

Minority viewpoints which one authoritative body would deem valuable and thus worthy of publication might, to another authoritative body that is equally sincere and perspicacious, seem inane, irrational, or otherwise lacking in value. Undoubtedly, even among the stanchest advocates of minority rights, there is preference for some minorities over others. Some persons, for instance, would find the views of the Congress of Racial Equality more to their liking than, say, those of the John Birch Society or the Ku Klux Klan. Presumably, if persons with such preferences were members of the determining body, the minority views of the latter two "minority" groups would find it rather difficult to get "equal" treatment.

Beyond this, there is another rather perplexing and closely related problem. What emphasis should various minority views receive in the press, or even in a single newspaper? Would this be decided by the proportion of the total population which the "minority" under consideration comprises? Would it be decided on the basis of the "worth" or "intrinsic value to society" of the viewpoint espoused? If so, how would such worth be ascertained? Would it be decided on the basis of the economic political pressure or which a particular "minority" group might bring to bear on the power structure? One is tempted to suspect that this would probably be the case.

What View Shall Prevail?

This brings us to another ques tion. To some it may not appear to be important, but it certainly would cry out very quickly for an answer under a coercive-print ing system. This is the question of defining a "minority" group or a "minority" viewpoint. Just wha is a minority in the sense of seriously considering the forced pub lication of its opinions or posi tions? Just as the majority is composed of many minorities there are minorities within mi norities. How does one determine which of these minorities should

be heard? Or are they all to be heard with equal force? Or, said in another way, just how do we get at *the* minority opinion?

Many persons will reply that these are unimportant and theoretical questions that should not be permitted to interfere with the serious consideration of a forcedpublication system. Sure, they will say, there will be problems and weaknesses, but let us not be reactionary; let us push on in spite of obstacles toward a New Journalism in which all opinions receive equal and just airing and no minority group can feel slighted by the treatment it receives in the press. This is a beautiful and idealistic aim, indeed, but one which only the most detached and naive person could possibly envision as being achieved.

In conclusion, it seems safe to say that a forced-publishing system will take root only when our society has proceeded much farther along the road toward Orwell's 1984, wherein a paternalistic and omnipotent Power Structure makes our individual decisions for us. And, even then in that wonderland of equality where all opinions will blend deliciously into one big View-Stew, I wouldn't be surprised if there is not at least one "minority" fretting away somewhere on the sidelines – misunderstood and fighting fiercely to get a greater voice in social affairs. But, then, perhaps it won't really matter since minorities will not exist and there will only be one surprisingly harmonious and fair *majority* babbling its one message in a number of interesting ways. ۲

IDEAS ON LIBERTY

To Speak, or Not

THIS is true liberty, when free-born men, Having to advise the public, may speak free, Which he who can, and will, deserves high praise; Who neither can nor will, may hold his peace; What can be juster in a State than this?

EURIPIDES, The Suppliants



GEORGE WINDER

"CAVEAT EMPTOR" is a principle of law older than Christianity. It came to us from ancient Rome and must have been in common use long before Justinian prepared his famous code.

I first realized its importance many years ago in Australia when I heard it expounded by a country Magistrate. It seemed a long way from Rome to that tiny, sun-baked town in the Australian back country; but the Magistrate decided the case and quoted the same Latin tag with the same confidence his counterpart might have shown two thousand years ago in ancient Rome.

Caveat emptor – let the buyer beware – has terminated the hopes of many thousands of litigants and will decide many legal actions again before paternal governments throw it into the discard along with much else that belongs essentially to a people trained to be responsible for their own actions.

In this Australian case some young ex-service men had rented a threshing machine and undertaker. contracts to thresh wheat. The machine had not worked satisfactorily and had finally broken down Whereupon, the young men suec the owner for the loss they had sustained by reason of the defective machine. There was much sympathy for the young men, and most people in the little town thought they were bound to win their case They told the Magistrate how in good faith they had rented this machine to do a job of threshing for which it had been built, but it had let them down. To their surprise the Magistrate, although most sym-

Mr. Winder, formerly a Solicitor of the Supreme Court in New Zealand, is now farming in England. He has written widely on law, agriculture, and economics.

pathetic, pronounced the fatal words "Caveat emptor," of which they had never heard, and gave the case to the defendant.

The good people who had listened to the case were inclined to agree that "the law was an ass" and to hope that they might never be subject to court action.

Eventually, it appeared that the law was right. The thresher had been used with a very powerful engine entirely unsuited for the job and this had caused the breakdown. This fact had not been known to the Magistrate but, by accepting the principle, "Caveat emptor," he had reached the right verdict. The young men should have known that the thresher would not work with such an engine and should not have hired it. Having done so, they were not entitled to claim damages against the owner when the machine failed them.

The Rule of Law

For just such occasions the law, over a period of more than two thousand years, has evolved the rule "Caveat emptor"; and if we but think of it, this rule in the vast majority of cases applies with justice.

The Court cannot find out exactly the rights and wrongs of every case that comes before it but must have definite rules on which its judgments are formed. In this case it has evolved a rule which throws responsibility upon the buyer. It casts on him the responsibility of looking after his own interest, and any man who cannot do this is unlikely to succeed in a society where business is to be done under contracts freely entered. He must see that the goods he buys or hires are suitable for the purposes for which he procures them, for it is not the duty of the seller or owner to do so.

If a man, after having accepted an article, could plead before the courts that it was not up to his expectations and require that it be suitably replaced, then thousands of transactions would never be completed and the work of the courts would be endless.

Although the law must be bound by certain rules, it tries wherever it can to make them as just as possible. "Caveat emptor" does not apply when there is the least misrepresentation involved in a contract, or if, as in the case quoted, the owner of the threshing machine had definitely stated that it was strong enough to be used with such an engine. In such an event, the responsibility for proper performance would be his and the Courts would enforce judgment against him accordingly.

One of the troublesome areas

for applying the rule of "Caveat emptor" concerns the sale of goods which come into the market in weights or quantities not easily ascertained. In the case of drinks and packaged goods, the makers have long been compelled to describe with accuracy the contents of their containers, and fines are inflicted on those who do not.

Doubt often arises about fruits and vegetables which come onto the market bagged or in crates; but in most Western nations the rule of "Caveat emptor" still applies. Most wholesalers have a reputation to uphold and will see to it that their goods are of a uniform quality that buyers may trust. Sellers whose goods are defective also gain a reputation and their goods are discounted accordingly.

What Is a Cabbage?

It appears that in Britain this is to be changed. The Labor Government recently employed numerous men who, after being trained, will be placed in every wholesale market to see that fruits and vegetables arrive in measured weights and size and in uniform crates so that the buyer will no longer have to beware. The responsibility will be taken from him by government inspection.

For example, cauliflower heads must measure within a fraction of an inch of the diameter at which they are marked for sale. In the chill of the morning as he harvests his cauliflower for market, the grower must measure each head accurately and see that it exactly satisfies the statutory require ments. It will no longer be left to the customer to determine that they are of the weight, size, and freshness required. If the sellen does the job carefully, he may miss the day's market and thus the bloom of freshness the customer seeks in cauliflower.

It might be thought that the customers could rely on the reputation of the sellers to give them a fair deal or could examine the produce themselves before they bought; but apparently the people of the future are not to be credited with that amount of intelligence.

The ancient rule of law, "Caveat emptor," goes back into the dim past of history. This is a sufficient reason for a socialist government, which believes in advancement but not in tradition, to think that such laws are obsolete.

"Caveat emptor" belongs to the "bad old days" when men were presumed to be self-responsible. Such a rule may be expected to disappear as individuality diminishes and the state comes to be held responsible for everything.

"CAPTAIN EDDIE"

Rickenbacker (Prentice-Hall, \$7.95), the autobiography of Eddie-or Edward V.-Rickenbacker, has been hailed as a modern Alger story. Though Eddie, who never went to high school (indeed. he never finished the seventh grade), was certainly a poor boy who made good, the Alger description doesn't quite fill the bill. In the Alger stories, as I remember them, luck was as important as pluck, and there was usually some kindly benefactor present to push a willing boy along. Captain Eddie certainly had more than his share of the luck when it came to outwitting death on automobile race tracks, in the skies, or on the sea. But he never married the boss's daughter, and in his various professional careers he had to fight for every last break he ever got.

Eddie's book makes mincemeat of practically every shibboleth that governs our Great Society

age. He came from the wrong side of the tracks, he was left fatherless at the age of thirteen, he was a school dropout, he spoke German at home and had an atrocious English accent, he was a member of a gang that specialized in breaking globes on gas-burning street lights, and his first fulltime job was with a glass factory that worked him from six in the evening till six in the morning in complete defiance of the child labor laws. If the crude "environmental" theory which stresses the societal impact on children were true. Eddie would surely have taken to crime. But in his case the "family" - which can provide its own environment even in a slum prevailed.

His father, a Swiss German who had emigrated to Columbus, Ohio, was a scrabbler who saved enough out of working as a railroad laborer to buy a small lot on which he built his own house. There was no electricity in the house, no running water, and the only heat came from the kitchen stove. Eddie's mother, a Swiss of French origin, was devoutly religious. The father corrected Eddie's youthful gang escapades with the switch; the mother sent him at kindergarten age into the backvard to plant potato eyes. There was nothing permissive about life in the Rickenbacker household, but Eddie's six brothers and sisters made things happy and interesting. Eddie looks back on his grammar school days with nostalgia, even though he was called "Dutchy" and "Kraut" and had to fight his way into school in the morning and out again in the afternoon.

His Start in Auto Racing

Eddie went to work in 1904 to help support the family. He had a hankering to understand any machinery that was related to transportation. The times were propitious, for the Wright brothers had flown their first plane the year before, and Henry Ford had just started the Ford Motor Company. Eddie kept changing his jobs until he had landed one with a garage. He sneaked an electric car out one night to get the hang of driving. Realizing there was more to mechanics and electricity than simple repair work, he started a course with the Internationa Correspondence School in mechan ical engineering. He discovered that a man named Lee Frayer was actually making horseless carriages right in Columbus When Frayer turned him down for a job, he slipped into the Frayer shop the next morning and swept it clean as a token of whahe could do if he were hired Frayer broke down and hired him

Lee Frayer deserves a spot in industrial history, for he was the first man to make an American car with a left-hand drive. He liked to race, and he soon had Eddie sitting beside him as his mechanic. Eddie proved to have a sixth sense about engine perform ance, and it wasn't long before he was racing himself. This was the automotive pioneer's way of prac ticing public relations to increase sales. Eddie saw good men killed and he had dangerous skidding accidents himself; his car rolled over three times on one occasion tossing him about under the cow and dislocating his collarbone.

World War I Ace

His miraculous escapes as a racing driver led him to believe that Somebody Upstairs was pro tecting him, saving him for some unique destiny. When World Wa I broke out, Eddie just had to become an aviator. His luck tool

him to France despite the story spread in England that he was a German spy, a Prussian nobleman who was really the Baron Edward Von Rickenbacher. A lie about his age got him into primary flying school. He picked up pointers from the famous French-American Rauol Lufbery of the Lafayette Escadrille, and he made his first flight over the German lines in an unarmed plane before he had had any gunnery training. Eventually, the Americans were provided with guns, and Eddie developed the aerial marksmanship that made him the "ace of aces," with twenty-six "kills" to his credit.

Eddie's wartime reputation was his only capital when he came home in 1919, but it was good enough to land him in the automobile manufacturing business as vice-president and director of sales of the Rickenbacker Motor Company. The firm's product was of Eddie's own designs, but he went broke trying to establish the superiority of four-wheel brakes. The prevalent theory in the middle nineteen twenties was that four-wheel brakes would cause a car to skid rather than grip the road. Eddie lived to see the fourwheel braking system accepted, but by then he was out of the automobile manufacturing business with a debt of \$250,000.

Characteristically, he refused to declare himself a bankrupt. On his reputation he raised the \$700,-000 that was needed to get control of the Indianapolis Speedway.

Evidently the old excuse for horse racing - that it "improves the breed" – actually holds true when it is adapted to automobile racing. Eddie's experience as the Speedway's entrepreneur convinced him that the grueling five hundred miles of the Indianapolis Memorial Day race "are equal to one hundred thousand or more miles of ordinary driving on the highways and byways of America." It would require ten or fifteen years of routine testing, he says, to equal the job done on the Speedway in one day. Thus, without the Indianapolis race, "your new automobile would be no better in many ways than a ten-tofifteen-year-old car." The newer disc brake, the hydraulic shock absorber, and the low-slung frame all came out of the Indianapolis race, and so did the thirty-thousand-mile rubber tire.

Eastern Airlines and World War II

Eddie couldn't compete as an automotive designer and manufacturer against General Motors, Ford, and Chrysler, but Detroit's loss here was the airline business's gain. As the genius who put Eastern Air Lines together in the thirties. Eddie proved to his own satisfaction that it is possible to run an airline profitably without continuing government subsidy. As the leading air transportation man in the nation. Eddie still had Somebody Upstairs looking after him. He survived a terrible crash near Atlanta. Georgia, in 1941. A year or so later he took off on a wartime mission over the Pacific. His plane missed its Canton Island stop, ran out of gas, and had to be ditched in a lonely stretch of sea that was beyond SOS radio reach of any American station.

The story that Eddie tells about his twenty-four-day ordeal on a rubber life raft, with only a captured sea gull, a rubbery shark, and a few fish to eat and an occasional bit of drinking water from a rain squall, is one of the classic true adventure sagas of the century. Eddie, who had faced death before, knew how to nerve his fellow castaways to the point of wanting to live until help came. Again Somebody Upstairs was with Eddie. Six out of seven survived the twenty-four days, and when they were finally rescued, there wasn't an atheist among them.

Eddie's book is pleasurable as sheer narrative. It is also bone and marrow of our automotive and aviation history, and everyone who aspires to understand the first two-thirds of the twentietl century will have to consult it.

▶ YOU ARE EXTRAORDINARY by Roger J. Williams (New York Random House, 1967), 242 pp \$5.95. (Copies also available fror F.E.E.)

Reviewed by George Charle Roche III

"IN OUR CROWDED WORLD is civilization moving ahead toward th time when tombstones can b mass-produced on an assembly lin - all bearing the same epitaph?

HERE LIE THE REMAINS OF # NORMALIZED STATISTIC"

Dr. Roger J. Williams, professo of biochemistry at the Universit of Texas and a distinguished re search scientist with a long recor of scientific achievement and pro fessional recognition, thus frame a question of increasing concer to all thoughtful men in the mic twentieth century. The answe which Dr. Williams provides i You Are Extraordinary is rea: suring: "If you are concerne about the real and lasting signif cance of individuals, if it all seen hopeless and you are pessimist about the 'inevitable trend' towar doing away with individuals. have good news for you from the scientific front. There is no abundant evidence - I have assen

bled a conclusive assortment in this book — that on our arrival as newborn babies each of us brings along a host of highly distinctive inborn characteristics. This raises us to such a level that we as individuals cannot be averaged with other people. Inborn individuality is a highly significant factor in all our lives — as inescapable as the fact that we are human. Individuality can never be obliterated."

Our Distinctive Minds

You Are Extraordinary is not only heartening news for those who value the individual; it is also fascinating reading. In terms comprehensible to any layman, the author brings to light a wealth of information and speculation concerning the rare and widely differing facets displayed by individual human beings. "If normal facial features varied as much as gastric juices do, some of our noses would be about the size of navy beans while others would be the size of twenty-pound watermelons." The reader is taken on a tour of human physiology to demonstrate how different from our fellows each of us actually is. These tremendous physiological differences, the author goes on to show, still are small when compared with the most important phase of individuality: the highly distinctive mind each of us possesses.

Dr. Williams approaches the subject of the individual's mind in a variety of ways. His chapter on the differences among individual nervous systems is not only an excellent demonstration of his thesis but is a highly interesting collection of scientific information concerning what makes you and me tick. In addition to his neurological evidence, the author also stresses the wide differences in personal preference displayed by individuals in virtually every aspect of their lives. He takes time to give graphic examples concerning the varying amounts and patterns of sleep, exercise, and sport required by individuals.

One of the most penetrating of the author's demonstrations of individual difference is the connection which he makes between sensory perception and the interpretation of that sensory information made by the individual's brain. Dr. Williams emphasizes that not only do our senses provide us with different information from individual to individual, but that the really distinctive part of human perception lies in the widely varying interpretation which the individual's brain places upon the sensorv information which it receives.

You Are Extraordinary makes hash of the "statistical average" approach to the "Science of Man." He points out that all too much of

modern social thought is premised upon an "average" man who in fact has never existed. Why do social sciences persist in generalizing about "man," when in fact only men, only individuals, make up society? Dr. Williams has a devastating answer: "One of the underlying reasons why 'man' is of great interest to academic people-more so than to those who deal in a more practical way with people - is the desire to develop generalizations. This, to many, is the equivalent of developing a science. Students of society have tended to envy the physical, chemical, and biological sciences because of the marvelous progress that has been made in these areas. These sciences have been eminently successful in establishing generalizations: it is but natural that social science should emulate them. and try also to develop generalizations. What generalization could be more attractive as a starter than 'All men are alike.' It seems to be in line with the Declaration of Independence, and to foster brotherhood."

A Scientific View of Man

In the mistaken attempt to make the social sciences more "scientific," concepts of heredity and individuality have been excluded. Now, at last, a distinguished scientist himself comes forward to

point out that attempts to divorce individual difference from the study of man have been hopelessly unscientific, since the findings of modern science actually indicate the widest possible individual differences among men. Removing the reins of control from the hands of the social planner, Dr. Williams poses the question of social progress in truly meaningful terms "Each of us is born with distinc tive equipment - more equipmen than we learn to use. Each of u has the responsibility of living hit own life, and making the best us of the equipment he has. Everyon can accept as a challenge his own individuality and the freedom witl which he is endowed. With wha we have, how can we do the most?

How indeed can man "do th most"? The author of You Ar Extraordinary insists that me: can hope to understand their sc ciety only as they come to under stand the real people who make i up. He indicts modern educatio for attempting to train people i uniform patterns, frequently wit irreparable damage to the individ ual and a loss to society of that ir dividual's productive and creativ capacity. He indicts the group at proach to human beings as one c the great barriers to improve race relations, making the exce lent point that a man cannot k viewed as an individual unless h

is considered apart from the attributes of race.

The Individual in Society

In area after area of what are today regarded as "social problems," Dr. Williams directs a penetrating analysis which emphasizes the importance of the individual if society is to function: "The need that society has for individuals is most real: it encompasses every part of life and will continue as long as society lasts. There are thousands of kinds of day-to-day jobs as well as more inspiring ones that need to be done, and a multitude of special gifts must be possessed by individuals if these jobs are to be done well. . . ."

You Are Extraordinary thus stresses both the physiological and psychological importance of the concept of individuality and speculates upon the revolutionary impact of such a new scientific doctrine for virtually all fields of human endeavor. Dr. Williams insists that these ideas will revolutionize psychology, philosophy, and most other disciplines touching upon social organization. He holds forth the exciting promise that great vistas of further discoveries still lie ahead, once men fully appreciate that the study of the *individual* is the proper key, the only key, to a meaningful study of mankind and its problems.

No prisoner of scientism, Dr. Williams calls for an *enlargement* of science to deal with "beauty, love, and religious worship." As a scientist, the author barely enters the area of political economy. He does, however, point the way for a scientific view of the individual which will add a new and vital dimension to the political, economic, and moral case for freedom

▶ THE GLORIOUS QUEST, by James R. Evans (Chicago, Chas. Hallberg & Co., 1967), 127 pp., \$4.95.

Reviewed by Norman S. Ream

WHEN a city fire department held a disaster drill, which included evacuating a large office building, the fire chief was asked about the results. He replied, "We emptied the place in six minutes. We thought that was pretty good, but at five o'clock when the quitting bell rang everyone got out in three minutes."

Freedom versus coercion! Illustrations of how the former outproduces the latter are available on all sides, but innumerable people who assent to the idea with their lips continually deny it with their deeds. That, of course, is why we must continually use reason, persuasion, and example to make our case.

The Glorious Quest offers us

seven principles by which to judge an economic system. These principles are aimed at measuring every idea on the basis of whether it encourages the utilization of free creative human energy.

Ideas, even false ideas, as Richard Weaver pointed out some years ago, do have consequences; and the ideas which encourage men to display the highest standards of moral and ethical behavior are those ideas which create an environment demanding individual responsibility. *The Glorious Quest* is a living commentary on what ideas can do. The author, a young businessman, was himself captivated by ideas shared with him by another young businessman. Those ideas led him into a vast reading program which finally culminated in the present book.

Here is an excellent introduction to the free enterprise philosophy based on sound fundamental ideas drawn from many sources. Radio commentator Paul Harvey has suggested that the seven principles laid down in the book provide an excellent standard against which every aspiring politician and lawmaker should measure himself. Beyond that, however, they provide a measurement by which each citizen can measure his own political and social ideas.



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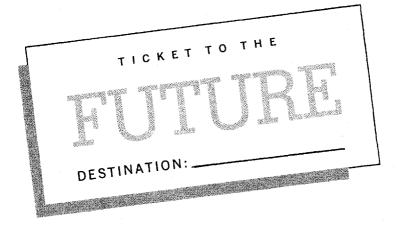
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RALPH BRADFORD

TODAY we are writing the ticket to the future. We have been doing that all our lives, to be sure. Each generation does. But now it is a new ticket, and calls for passage over strange and dangerous roads not traveled by us before.

The course of our history, the prosperity and welfare of our people, the stability of our economy, the safety of our savings, and, in the long run, the survival of our political and personal freedom all these are wrapped up in the decisions being made by the Americans who live today. That is the ticket we are writing — the ticket to the future. In politics, in economics, in fiscal affairs, in law enforcement, in crime detection, in the attitude of our nation toward the rest of the world – in all this, and also in the fundamental matter of personal morality, we have been writing, and continue to write, a ticket that is in sharp contradiction of our experience, a reversal of our long-held convictions, and a denial of the principles of government which, with varying degrees of faithfulness and failure, we have professed and tried to live by.

Of late years we have seen old landmarks of safety and beacons of stability disappear. At a time of unprecedented economic activity, with our combined energies producing nationally at an all-time

Mr. Bradford is well known as a writer, speaker, and business organization consultant. He now lives in Ocala, Florida.

high, we are plagued with debt and with a continued shrinking of our personal assets, due in large measure to mismanagement of our national finances.

Theories of the New School

It is fair to say at this point that not everyone will agree with that appraisal. There is a considerable school of economists. especially of the academic order. who see little wrong with the statist course we have been pursuing. These hopeful scholars feel secure because the Gross National Product is double the amount of our debt; and they also postulate that in order to provide employment (which some of them mistakenly assume to be the reason for industrial and commercial enterprise) the economy must be kept at what they call "high velocity," and that very extensive spending by the "public sector" (i.e., the government) is necessary to attain and maintain that velocity.

Actually (they say), it doesn't matter whether our staggering national debt is *ever* paid, so long as there is high employment, and so long as the dollars paid in wages and salaries increase in the same ratio as the cost of living. This means that if an item formerly sold at a dollar and now costs six, the increase is of no consequence so long as the purchaser now receives six times as many dollars for his labor or other services.¹

Suppose we see if we can state this spend-and-borrow theory in the simple terms of a certain family man, John Doe. As a junior industrial executive. he has a pretty good salary, lives well, and saves some money. But if the familv becomes extravagant, and John begins to spend more than he takes in, what happens? Nothing at all, for a year or two, because his credit is good and he can borrow to cover his deficit. But after a while the word gets around that the Does are "living beyond their means" - and credit begins to get tighter. Before long, it is denied altogether. Holders of notes close in. The car is repossessed. When John defaults on his house pavments for several months, the holder of the mortgage has no choice but to foreclose. In a short time the Does are bankrupt, if not destitute.

¹ In "What's Going on Here?" in the November 1967 FREEMAN, I showed that this argument is fallacious, because the GNP does not belong to the government but to the people and cannot, without seizure, be hypothecated to secure the debt. The increase-in-number-of-dollars theory takes no account of what inflation has done to all bonds, insurance, pensions, annuities, and other fixedincome investments which the average person has made in an effort to provide for his own security.

Isn't that the way things would eventually work out for such an improvident family? And can you figure out how it could be other-

wise? Ah. but the devotees of deficit financing look with scorn on any such homely analogy. They say the two things have no relation to each other. The credit of an individual is necessarily limited by his ability to earn and pay; but the government, being sovereign, can go on spending indefinitely, without regard to its income. It is immune to such things as garnishments and other legal attachments. Nobody can foreclose on the United States. The government can't go bankrupt. For one thing, look at its resources - over two and a half trillion dollars worth of them. Maybe three trillion !2 And besides, it has the power to issue more money whenever needed.

The proper analogy, they say, is that of the huge corporation any one of a dozen that come quickly to mind. These gigantic outfits are *always* in debt. They borrow hundreds of millions of dollars on which to operate. They never intend to get out of debt. By their vast borrowings they are able to turn out their products, make a profit, pay dividends, and provide employment. The financing of such debts is simply part of the cost of doing business. If these great capitalistic enterprises can go along with more or less permanent debts in the interest of production and profit, why criticize the Federal government for doing the same thing in order to provide services and security for the people?

Some Vital Differences

All this ignores two fundamental differences between such corporations and the government. The first difference is that even the biggest corporation in the country could not obtain such loans if the lenders did not know that the corporation possessed the assets to secure them and would be able on demand or at maturity to pay them off. The government, on the other hand. does not have such collateral assets. All the talk of its multitrillion dollar resources is so much wishful thinking. Those assets belong to the people, not to the government: and they can be properly cited as offsets to the debt only if and when the government is prepared to seize them without compensation to their owners.

The other difference is that such borrowings of corporations do not affect the value of our money. Borrowings and lendings among

 $^{^2}$ By this, they mean all the wealth of this country.

corporate enterprises, like most of those among individuals, are simply part of the economic process of production and exchange. If a lender (probably a bank or other large corporate structure) is foolish enough to loan a manufacturing company more than the latter can repay, the worst that can happen is that the debtor company may be thrown into bankruptcy. with loss to its creditors and investors, transitional unemployment for some of its workers, and with perhaps some adverse but not devastating impact upon the economy. It will be a disaster to those involved, but it will not cause inflation or otherwise lessen or destroy the value of our money. The government, on the other hand, by its borrowings creates credit which in turn becomes the basis for more borrowings. This can be kept within manageable bounds only if the government demonstrates that it can and will pay off its creditors (the holders of its bonds) without first cheapening their money and thus reducing or destroying the value of their bonds. When this is not done. more and more money is printed. metal coinage is debased, excess dollars help create demand for more goods, prices rise-and all fixed-income investments are either seriously impaired in value or are wiped out altogether.

Inflation in Two Countries

Let us take two examples of how this works, in one case mildly, in the other devastatingly. Twenty vears ago Richard Roe bought some U. S. Government "E" Bonds. Each hundred dollar bond cost \$75.00 and matured in ten years at face value. At maturity, bond holders were urged to leave the bonds at interest, and Mr. Roe did so. Today each bond is worth \$140.00. a paper profit of \$65.00 on the original \$75.00 investment. This looks pretty impressive, until you figure what has happened to the dollar. Recent government figures reveal that the value of the dollar has shrunk by one-third in the past 20 years. So, the \$75.00 investment. after 20 years. is worth only \$93.33 in terms of those original dollars.

The other example is from Argentina. I first visited that interesting country - so like our own in many respects - in 1947. At that time the peso was fairly strong at 4 to the dollar. Perón was in power, but the country had not vet really begun to feel the impact of his big-spend, everything-for-the-descamisados program. Four years later I returned, and in that short time the peso had shrunk 80 per cent-down to 20 to the dollar. And today? It is now quoted at 350 to the dollar – a dollar which also has shrunk by one-third in the same period. The peso is now worth less than one per cent of its former purchasing value. Now suppose Ricardo Hernandez had saved some money and twenty years ago had bought an Argentine bond with a face value of 400 pesos (\$100.00 at that time). It has now matured. He cashes it, and he gets his 400 pesos, all right – but they are worth in current dollars only \$1.14! Of his 400 pesos, 397 have been wiped out by inflation.

This problem of inflation and its dangers is one of the ghastly unrealities of our present situation - not the inflation itself. which is already at work and creeping more and more dangerously high, but the general inertia with which it is regarded, the bland and blind indifference to the destruction of values, both financial and moral. At high government levels, in many academic circles, among certain businessmen and even some bankers the doctrine of the bigger-and-biggerand-never-to-be-paid debt is being accepted as normal and natural and necessary.

Thus, we write the ticket to the future by denying the dictates of common sense and the experience of history. Nobody has yet given me a satisfactory answer to this question: by what logic do we assume that somehow, miraculously, and contrary to all human experience, we of all earth's people shall escape the day of reckoning?

A National Guilt Complex

Our confusion about matters financial is on a par with our uncertainties concerning other things that are now being written into that ticket to the future. We talk about that future rather hopefully at times, but without actually relating it to the present. We ignore (because we do not understand) the inexorable laws of cause and effect. Partly as a result of this. we seem to have no firm sense of our national destiny, nor even a clearly defined idea of what we want our country to be. Participation in two world wars and two "police actions" has taught us little. We are still fascinated with the idea that it is our mission to "save" the world. We also suffer from a kind of guilt complex, engendered, no doubt, by the ceaseless propaganda of highly-placed leftists, who equate material success with social wickedness.

Mea culpa – God forgive me, I am guilty! Of what? Well, I am a citizen of a rich and powerful country. Moreover, by dint of luck and some foresight, I myself am not a candidate for public relief. Therefore, I'm guilty, and ought also to do penance. Our nation, too, is guilty, for the same reason, and must do penance. And since universal flagellation is impracticable, the way to absolution is to slice off large portions of our wealth through taxation and hand it over to certain "underprivileged" or "emerging" nations. They may or may not deserve it. In all likelihood most of it will go into the pockets of the upstart adventurers who are running most of those nations; and in any event it is a safe bet that they hate us. and will continue to do so. But no matter. We are rich and they are not; therefore, we owe them a handout - a ten- or forty- or twohundred-million-dollar handout!

We also suffer, domestically, from a species of moral and economic schizophrenia. For generations we have taught and been taught that it is a worthy thing to work hard and save money, partly for the sake of accomplishment, partly as a hedge against the hazards of old age. Now we are not so sure, and our uncertainty is being articulated by some highly placed "liberal" spokesmen. Just now a well-known professor at a university, leading who also writes books and dabbles in politics (and who represents a considerable body of "liberal" opinion) is worried because the country is too affluent. He wants a new industrial system. He wants a few wise men in Washington (or at Harvard?) to decide what portion of our earnings should be spent for our own subsistence. comfort, pleasure, development, security, and how much and should be taken away from us to be expended on public improvements and facilities, and especially on things of esthetic value (as determined by whom? A liberal elite, maybe?) He would, of course, do all this by compulsion of law, because he understands that the average person, not knowing what is good for him, will resist such a program. Yet, so weak is our understanding of the meaning of freedom, that many who would on principle strongly oppose these particular exactions. will not hesitate to invoke compulsion to force you and me and others to pay for their favorite political nostrums!

Hidden Consequences

It would seem, however, that these Galbraithian proposals are somewhat more than slightly *ex post facto*. For over 30 years we have been subjecting ourselves to just such a bleeding process by electing persons and parties committed to essentially the same kind of Big Brotherism, except that we have seldom understood until too late that Big Brother may distribute largesse, but that he also collects taxes to cover the

outlay – and that he demands obedience! For light on this phase of our aberration it is helpful to talk with some of the "beneficiaries" of slum clearance projects, or with farmers who are "aided" under allotment programs, or with stockholders in motel properties that have been by-passed by Federally financed highways. Despite all disillusionment, Big Brotherism still has its devotees, who believe firmly that there is nothing wrong with the country or the world that seven, fifteen, or sixty billion American dollars won't cure! In the furious annual debates in Congress on the national Budget (which nine times out of ten is a deficit one) there has seldom been a year when the termination of a few worse-thanuseless foreign aid grants would not have balanced the books. Yet, we have continued, under both major political parties, to pour out billions, often to our avowed enemies, or to states that do not even pretend to be our friends - states that criticize and ridicule us at every opportunity, and that would not stand with us for a moment in any showdown with the communist powers.

Confusion? Say rather, lack of direction. Somewhere along the line we got off the track. Was it occasioned by the permissiveness that seems to dominate education

as well as the morals and the discipline of family life? Was it the long-continued propaganda of influential socialists in the political. educational, and religious fields? Why does a nation of intelligent people drift into and persist in a policy of general self-deception leading to self-destruction? Who knows? Some blame attaches to all those conditions and circumstances, no doubt: but it should be assessed finally against all of us – against every person who understands the blessings - and the demands - of freedom, but who sells out for advantage, or expediency, or who "goes along" because he just doesn't care, or because he doesn't understand that he, too, is writing the ticket to the future.

A Heritage of Disaster

If, as we profess, we want for our children a society that nurtures freedom, we shall have to begin *now* to think and talk in terms of freedom, rather than in the shackling clichés of statism, for the one concept utterly negates the other. We cannot think and act today as collectivists and expect to avoid tomorrow the mounting tyrannies of rampant bureaucracy and supergovernmentalism. It is useless to talk hopefully of a golden future, with everybody happy and prosperous in a great society, if by our decisions *now* we are undermining the only foundations upon which such a future can be based.

Some of our collectivists are most probably men of evil purpose, linked more or less directly to a world conspiracy that would destroy us. But they are few, and would be impotent in their designs, were they not upheld, with good intent and clear conscience, by a much larger number who are people of good will and charitable. if mistaken, attitude. What the conspirators think is no concern of ours, in this article or at any time. They know their goal, and will not be deterred from its wicked accomplishment. But the others, the men and women of fuzzy good will, should reflect (as a starter) that if inflation is not stopped by the exercise, finally, of fiscal prudence, and is allowed to reach avalanche velocity (as it has done in many countries, both anciently and of late) then the first to suffer loss and want and destitution will be the people of small means and limited income, over whose status certain types of politicians and left-wing "philosophers" now shed tears.

At about this point, some adherent of collectivism and compulsion is due to rise up and demand whether one is aware that by such advocacy of prudence and solvency one is opposing real economic progress as well as social betterment.

Such questions, and their implication that solvency is an enemy to progress, are without foundation. There is no precedent in human experience to warrant the assumption that a permanent governmental debt is a prerequisite for economic growth. On the contrary, it works the other way around. (Ask the British.) Bankruptcy has never been a safe foundation for either material or social progress. Lessening or destroving the value of a nation's money in order to liquidate its debt without seeming to repudiate it - this has always brought disaster rather than prosperity.

The best way to make an economy secure is to safeguard the national credit and preserve the value of its currency. The best way to encourage a "high velocity" economy is to maintain conditions under which men can create and venture without fear of being penalized either through excessive taxation or the debasement of their money. The surest way to bring on a "static" economy is to deny those conditions.

Yet, that is what we are doing. This is the ticket we are writing - the ticket to the future.

How far will it take us?

And to what destination?

One of the manel-discussion sensions of the 1967 Mont Pelerin Society meeting in Viena, France, was devoted to "the practical ways of affirming liberalism" - liberalism in the gense of personal freedom and limited possenment. Mr. Powell's cummary paper, as presented there, is reprinted by permission. J. ENOUR POWELL, formerly Professor of Greek at Durham University, has been a Momber of Partiament since 1950, was Minister of Houlth in the Macmillon government, and presently sorves as spokesman on defense in the "Shadow Cabinet" of the Conservative Party.

The Practical Liberal

I ASSUME that in this context "liberalism" means the use or advocacy of market processes to determine the application of effort and resources, wherever the objects in view are economic in character.

The definition embraces more than may at first sight appear, because the market process requires private ownership, including private ownership of capital, and is inconsistent with arbitrary interference with, or specific regulation of, the economic choices of the citizen.

The way to affirm this principle is, quite simply, to affirm it, and go on affirming it, and be seen to go on affirming it, which includes explaining and defining its meaning and the manner in which it works in practice.

In most actual societies there exist institutions and laws which are inconsistent with this principle - ranging from nationalized industries to specific controls on hire purchase [buying on credit]. The nonpolitician can and must denounce these. The politician, meaning thereby a person who is or, by the nature of his situation, may in the future be, in political authority, must in the first place not approve them. This is the great essential.

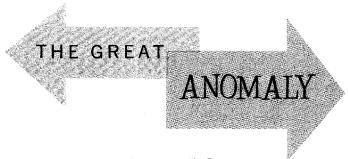
In politics it is frequently

neither possible, nor necessary, nor even right, to volunteer the truth. What never is right or necessary is to speak untruth; that is, to make statements inconsistent with one's belief and opinion. It may be, and often is, unavoidable to tolerate and even administer institutions and laws repugnant to liberalism. A liberal does not have to refuse office as Minister of Power on grounds that he will then be responsible for nationalized power industries. What he may not do is to show approval of the principle or speak or behave in such a way as implies such approval.

So long as we do not estop ourselves by express or implicit approval of what we do not believe in, it remains possible to contemplate an alternative in theory, and to bring forward proposals for change in practice, when the opportunity is propitious.

One can never know when opportunity will ripen. Frequently, it does so for reasons which are fortuitous or even undiscoverable. The opportunity, however, cannot be taken when it comes if the principle has meanwhile been conceded to one's opponents. Two cases in recent British politics are subsidized and controlled houserents and the legal privileges of trade unions. After decades in which both principles were unquestioned and apparently unquestionable, it has suddenly in the last two years become possible for practicing politicians to denounce them publicly, even though we still shrink from practical proposals of a radical character to reverse them. Both parts of the operation, however, are unavailable for those who have admitted these principles in the past, whether *ex animo* or with mental reservations.

There is thus a division of function between the politicians (as defined) and the nonpoliti-The politician may, and cians. often does, have to take a view upon what is "politically practicable," though only for the immediate future: he must beware of the vulgar error of supposing that there are acts or propositions which are permanently, necessarily, and inherently "politically impracticable." On the other hand, the nonpolitician has no business at all with judging what is "politically practicable." He has neither competence, responsibility, nor motivation for doing so. It is a tragedy, though one not infrequently enacted, when the nonpoliticians withhold opinions, affirmations, or arguments, because they fancy them "politically impracticable," and thus make it difficult, if not impossible, for the politicians to espouse and act upon them. ۲



LEONARD E. READ

PROGRESS and regress occurring simultaneously!

A modern Dickens might well describe ours as "the best of times . . . the worst of times." Our standard of living soars as opportunities for employment multiply in pace with the quantity and quality of goods and services available. Yet, at the same time, we experience on an unprecedented scale the reckless waste of work stoppages, political controls, and other restraints upon freedom.

This is the great anomaly, so pronounced on both counts and so hand-in-hand that many persons believe the destructive actions are really causing the creative outburst! This is perfectly illustrated when, on hearing a criticism of the growing governmental interventionism, many Americans reply, "We've never had it so good." Such mistaken correlation will persist unless we understand and explain why depredation cannot bring about economic well-being.

The paradox of increasing prosperity with more extensive interventions is not new. In The History of England (1839)¹, Lord Macaulay observed: "It has often been found that profuse expendiheavy taxation. tures. absurd commercial restrictions, corrupt tribunals, disastrous wars, seditions, persecutions, conflagrations, inundations, have not been able to destroy capital so fast as the exertions of private citizens have been able to create it."

Brazilian entrepreneurs have another way of explaining their simultaneous progress and regress: "We get things done while the politicians sleep."

If the notion that regressive measures cause the progress becomes a firm and general conviction then, assuredly, the regressive forces will overtake, consume, and eventually destroy the progressive

¹ See Chapter 3.

forces. For example, should we become convinced that a minimum wage law is a means of raising wages and then base all facets of the economy on similar illusions, the American miracle will have ended. So, it is of the utmost importance that we dissect this anomaly and divest it of its mystery.

The explanation is quite simple: exchange has been multiplying more rapidly than restraints on exchange. Consistent with this answer is the fact that authoritarianism, so far, has lagged behind the release of creative energy; bureaucratic dictation has failed to keep pace with entrepreneurial ingenuity; capital has been formed faster than destroyed; citizens in pursuing their own interests have accomplished much while the political gods have been sleeping.

Changing Patterns of Wealth: Specialization and Trade

A systematic understanding of the importance of specialization and trade (exchange) is of recent origin.

Prior to the time of Adam Smith's Wealth of Nations, less than 200 years ago, wealth was concentrated in few hands and was reckoned mostly in inventories: precious metals, jewels, slaves, acres of land, size of manor or castle, and so on.

Then, with the advent of spe-

cialization which Adam Smith understood and explained so admirably, a new concept of wealth came into being. Instead of idle inventories possessed by feudal dukes and lords of the manor, wealth in the form of useful goods and services spread to the masses whose skills were needed to activate and operate the tools of industry. So marked has been this change that today's American laborer is wealthier in the variety of things he enjoys than the legendary Midas, Croesus, or any medieval king.

However, a shift from a near self-subsistence economy – foraging and the like – to a specialized economy presupposes not only the accumulation of savings and capital but also freedom to exchange.

Were a people to specialize and not exchange, there would be no wealth; indeed, all would perish. As the absence of exchange results in poverty, so does the proliferation of willing exchanges result in increased wealth.

That wealth increases through the process of willing exchange is understandable once we apprehend the subjective nature of gain.² To illustrate: I produce shoes; you produce sweaters. If I cannot sell my shoes, and if you cannot sell

² For a more detailed explanation of the subjective theory of value see "Freedom's Theory of Value." THE FREEMAN, October, 1967.

your sweaters, is it likely that either of us would keep on producing these things? So, without exchange, there would be no further increase in wealth. But, should we willingly exchange, each gains. I value the sweater more than the shoes, and you value the shoes more than the sweater-two increases in value, as each of us judges value. Were this not the case, there would be no willing exchange between us, no increase in wealth, no further production. Clearly, willing exchange is the key to increased wealth and increased production.

Willing exchanges are incalculably more numerous now than in the days of Adam Smith, even than in the days of my grandparents. This is apparent to any observant person. But what most of us overlook is the enormous proliferation of exchanges during the past three or four decades; the increase takes on the nature of an explosion. Try to reckon the number of exchanges you engage in daily; they are so numerous that you are scarcely conscious of them. This is our economic progress.

During this period of exploding exchanges, we have also witnessed governmental intervention in the market, restrictions on willing exchanges literally by the thousands. This is our regress. But the regress has not-to date, anyway-kept pace with the progress. In this fact lies the explanation of the great anomaly.

The Source of Progress

It is doubtful if anyone can more than casually account for the explosion in exchanges. Quickened transportation and communication -some of it at the speed of lightning-assuredly plays an important role. Inventiveness, resulting in fantastic technological breakthroughs, must be included. Perguestionable motivations haps have had a hand in the phenomenon; for instance, a raging passion for material affluence, as if this were the highest object of life. While too complex to pursue, some of the restraints-obstacles-have doubtless generated the ingenuity to hurdle them and, thus, have accounted partially for the progress. Necessity is, on occasion, the mother of invention. However, my purpose here is only to set forth a fact; I haven't the effrontery to attempt a complete explanation for the exchange explosion.

Nor am I bold enough to posit all that lies at the root of our regress. Why does authoritarianism grow? Why do so many wish to lord it over the rest of us, that is, why do they behave as gods, not as men? We may never know; we can only reflect as has Lionel Trilling: "We must beware of the dangers that lie in our most generous wishes. Some paradox of our nature leads us, when once we have made our fellow men the objects of our enlightened interest, to go on to make them the objects of our pity, then of our wisdom, ultimately of our coercion."³

But of one thing I feel reason-³ Quoted in The American Scholar, Autumn, 1965. ably certain: we should bring sharply into question the absurd notion that the regressive forces are the cause of our progress. Failure to do this may soon result in the end of progress. There are signs of this! At the very least, let us be aware that such progress as we have achieved is in spite of and not because of the regress. Thus, we may see through the great anomaly!



The Division of Labor

IT IS the great multiplication of the productions of all the different arts, in consequence of the division of labor, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. Every workman has a great quantity of his own work to dispose of beyond what he himself has occasion for; and every other workman being exactly in the same situation, he is enabled to exchange a great quantity of his own goods for a great quantity, or, what comes to the same thing, for the price of a great quantity of theirs. He supplies them abundantly with what they have occasion for, and they accommodate him as amply with what he has occasion for, and a general plenty diffuses itself through all the different ranks of the society.

ADAM SMITH, The Wealth of Nations

THE THEORY OF

Political Escalation

WALTER J. WESSELS

THE "MAJORITY WILL" or "consensus" is a smoke screen for many of the false theories and harmful practices of the welfare state. The majority rarely favors any particular feature, let alone the welfare program as a whole. But somewhere in the program individuals or small groups may find something appealing to their special interest. And the combination of special interests forms the "majority will." But rarely is any group concerned about the overall effect of the entire program, to which all groups might well be opposed. Each sees only the tiny fraction that seems to favor its own interest.

The result of such pursuit of special interests might be referred to as "political escalation." Escalation of a war is the process by

which one adversary attacks another, provoking a counterattack of greater ferocity, and so on until both are involved beyond their expectations. The process is similar in the political sphere. Each group seeks its own gain through government taxation and spending at the expense of others. But the others, in turn, seek similar gains, and so on until the net effect is detrimental to everyone involved. Perhaps no particular group would have triggered the process had the result been foreseen - the political escalation that leads to self-destruction.

In the free market of open competition, each individual may know and weigh the benefits and costs to him of a particular action or choice. But when government intervenes to separate the benefits from the costs, the relationship is blurred for the individual. Others

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share the costs of the benefit he derives, and there is no clear correlation between his own tax bill and the benefits he has sought. How much higher or lower will his taxes be if he personally seeks or rejects a given benefit? The temptation always is to seek the personal benefit for which all taxpayers are obliged to help pay. So it is that everyone has his special lobby in Congress for his own pet project, while there is little if any organized and effective opposition to the over-all burden of taxes. Thus. we get "government by pressure groups."

This process of political escalation tends to feed upon itself if government intervention is not opposed. Not only are those who seek to gain at others' expense benefited and encouraged; those who want no part of "somethingfor-nothing" are punished with heavier taxation. Thus, the process is pushed both by those who actively seek government aid and by those who merely seek compensation for their heavy tax burden.

Unilateral self-responsibility may seem a lonely and unpopular course of action, somewhat like unilateral action for peace when military escalation is rampant. But if there is to be political deescalation from the increasing burdens of the welfare state. someone will have to make that break. And if he will stand firmly on principle for the right of the individual to live for his own sake. eventually he may find support from others disillusioned by the false promises and mounting costs of socialism. As their numbers increase, a time will come when some candidate for political office has the courage to campaign for a tax reduction that is soundly based on the elimination of government give-away programs.

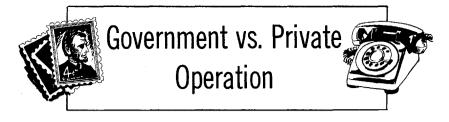
Political escalation is a process of self-destruction. To seek something-for-nothing from others makes bums of those who try it and also victimizes those who would assume their own responsibilities. It thus behooves every responsible person to unalterably oppose all the programs of the welfare state and the political escalation by which mankind is led to destruction.

IDEAS ON LIBERTY

Unfit to Serve

THE MAN who is aware of his inability to stand competition scorns "this mad competitive system." He who is unfit to serve his fellow citizens wants to rule them.

LUDWIG VON MISES, Bureaucracy



DAVID L. BABSON

IT HAS become the fashion — especially among politicians, union bosses, and businessmen — to call more and more on the government for action. The extent to which its share of the economy has mushroomed over the years is shown below:

FEDERAL. STATE. AND LOCAL GOVERNMENT ACTIVITY

Year	Employment (Millions)	% of Total Employment	Expenditures (Billions)	% of Gross National Product		
Current	11.7	15.7%	\$243	30.8%		
1963	9.5	13.8	171	29.2		
1960	8.5	12.8	137	27.2		
1955	6.9	11.0	99	24.8		
1947	5.5	9.5	44	18.7		
1940	4.2	8.8	18	18.4		
1935	3.5	8.2	13	18.4		
1929	3.1	6.4	10	9.8		

Note that the public share of employment has been rising faster since 1947 than it did during New Deal days. Also observe that 15.7 per cent of all workers (one out of six) are now on public payrolls compared with 6.4 per cent (one out of sixteen) in 1929.

The preceding table shows that the public sector now accounts for close to one-third of total economic activity against less than onetenth in 1929. Our Federal government is the biggest employer, borrower, lender, and spender in the world. One out of nearly every three dollars of personal and business income now goes to a tax collector somewhere.

Particularly disturbing is the fact that this speed-up in public spending has been taking place during a period of record economic prosperity. In the past decade,

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nondefense outlays in the Federal budget have shot up by \$37 billion or nearly 150 per cent while those of state and local entities have gone up another \$59 billion or 135 per cent.

Just in the past four years, total Federal expenditures have jumped \$44 billion, or by nearly twofifths. Of this amount, \$25 billion or more than one-half has been for nondefense activities. It seems incredible, but this increase in civilian outlays is over twice as much as the U.S. government paid out for all purposes in any year prior to World War II.

Moreover, Washington is constantly pressing, or being urged, into new fields – education, hospital care, credit, housing. Problems that are essentially local in nature – such as mass transit, traffic, urban decay – are now being passed on to Federal bureaus. So the public sector grows and grows.

A question that puzzles us is why anyone should think that such spheres of activity can be conducted more effectively under public than private management. Does anyone conceive that Federal administrators have greater talents than private business managers or local civic leaders?

A good illustration of the striking differences in public vs. private management is afforded by a comparison of the two giants of the communications field – the U. S. Post Office and American Telephone & Telegraph. It is interesting to observe how these two organizations have affected us as consumers and taxpayers over the years. As a starting point let us take a look at the trend of postal rates since the early 1930's:

FIRST CLASS POSTAGE, 1-0Z. LETTER

	Regular	Air Mail
Proposed	$6\mathbf{\phi}$	10¢
1963	5ϕ	8ϕ
1958	4ϕ	7ϕ
1957	3ϕ	6ϕ
1947	3ϕ	5ϕ
1933	$3 \mathbf{\phi}$	6ϕ
1932	2ϕ	5ϕ

In recent years various public commissions, congressional committees, and the White House have investigated and criticized the "inflationary" pricing policies of private business. Yet, it is a matter of record that during the past ten years, while the cost of living has gone up about 20 per cent and the industrial price index has increased 7 per cent, the Post Office has hiked its rates by 65 per cent to 100 per cent.

Now let's see how prices of the privately-operated telephone system have fared over the past thirty years. The rates for threeminute toll calls between Boston and other major cities are shown below:

	New York		Chicago		San Francisco	
Year	Day	Night	Day	Night	Day	Night
Current 1963 1955 1947 1939 1932	$\begin{array}{r} \hline \$0.75 \\ 0.75 \\ 0.75 \\ 0.75 \\ 0.75 \\ 0.80 \\ 1.00 \end{array}$	\$0.55 0.55 0.55 0.45 0.50 0.60	$\begin{array}{r} \$1.40 \\ 1.50 \\ 1.60 \\ 1.65 \\ 2.50 \\ 3.25 \end{array}$	$\begin{array}{r} \$0.70\\ 1.20\\ 1.30\\ 1.25\\ 1.50\\ 1.75\end{array}$	\$1.75 2.25 2.50 2.50 6.75 9.50	\$1.00 1.75 2.00 2.00 4.50 5.75
% Decline 1932-1967	- 25%	- 8%	- 57%	- 60%	- 82%	- 83%

STATION-TO-STATION TOLL RATES FROM BOSTON*

*Excludes Federal excise taxes

Reduced tariffs for calls made after 12 P.M. went into effect this month as follows: Chicago, 60¢: San Francisco, 75¢. While toll rates have declined substantially over the years, the cost of local telephone service has been trending upward. But even here, the rise since 1932 has been less than half that of the consumer price index and only one-third as much as the increase in postal charges for regular mail over the same period.

Thus, it is obvious that as consumers we have fared much better pricewise with the privatelyoperated organization than with the publicly-run one. This is largely a reflection of the degree to which each of the two systems has been able to lift its efficiency or "productivity." Here again, the public operation makes an unfavorable comparison:

EMPLOYEES		Volum	E HANDLED	PER EMPLOYEE $(1930 = 100)$		
Year	$\frac{1n}{P.O.}$	ousands) Bell Co.	Pieces of Mail	Daily Con- versations	<u>P.O.</u>	$\frac{0-100}{\text{Bell Co.}}$
1966	675.4	650.8	75.6 Bil.	295.7 Mil.	136	225
1963	587.2	571.4	67.9 "	251.4 "	140	218
1962	588.5	563.9	66.5 "	242.4 "	137	214
1961	582.4	566.6	64.9 "	226.4 "	135	199
1957	521.2	640.9	59.1 "	188.3 "	137	146
1950	500.6	523.3	45.1 "	140.8 "	109	134
1940	353.2	275.3	27.7 "	79.3 "	95	141
1930	339.5	318.1	27.9 "	64.0 "	100	100
% Increas	е					
1930-1966	+99%	+105%	+171%	+362%	+36%	+125%

Note that over the past 36 years the postal service has managed to increase the number of pieces of mail handled per employee by 36 per cent, but the Bell System takes care of well over twice as many conversations per worker as it did then. Since 1957, the P. O. has added employees slightly faster than its volume has grown, whereas the rising efficiency of the Bell System has permitted it to handle three-fifths more traffic with only 1 per cent more help.

Quality of service is, of course, much harder to measure than cost. But even without benefit of statistics, it is apparent that postal service has been going downhill for years despite the sharp increase in its rates. In the early part of the period under review we received two daily postal deliveries at home, four at the office. Now we are supposed to get one at home and three at the office.

Despite fast planes and express

highways, business mail from New York frequently fails to arrive here until the second day – even though it is less than an hour's flight and a five-hour train or truck trip. In contrast, a dial connection to almost any station in the country takes but a few seconds – a fraction of the time it did thirty years ago.

Now what effect have these two systems had upon us as taxpayers? The following table shows the postal deficit and the taxes paid by the Bell Telephone Companies, both annually and on a cumulative basis.

Public operation makes a strikingly poor showing here. Even though as consumers we pay much higher postal rates than ever before, we are even worse off as taxpayers. We now contribute nearly one billion dollars a year to make up the deficit between postal receipts and expenses, or fifteen times as much as when the letter rate was only 2 cents.

	DEFICIT	r of Post Office Dept. (Millions)	TAXES PAID BY BELL COMPANIES (Millions)		
Year	Annual	Cumulative from 1932	Annual	Cumulative from 1932	
1966	<i>\$943</i>	\$12,843	\$2,718	\$30,045	
1963	819	10,454	2,246	22,301	
196 1	826	8,860	1,972	17,952	
1958	891	6,832	1,483	12,442	
1950	545	2,233	499	4,472	
1940	41	687	185	1,090	
1935	66	428	94	352	

In contrast, note that while the Post Office Department has drained off \$13 billion from our tax revenues since 1932, the Bell Companies have, over the same period, put \$30 billion into public coffers through tax payments. And this figure does not include the many billions in excise taxes paid by Bell customers (\$753 million in 1966 alone).

Moreover, the Bell Companies have millions of stockholders – American Telephone itself has 3.1 million, including colleges, churches, and other institutions as well as individuals. This week's increase in AT&T's dividend rate lifts its annual shareholder payments to \$1,295 million vs. \$248 million in 1950 and \$39 million in 1930. These disbursements create personal income taxes that help finance the postal deficit.

Altogether the contrast in the results of these two organizations is a striking one. We wish some of those who are preaching the bigger "public service" doctrine would go a little slower in downgrading the system whose merits are so clearly shown by the above comparisons.

IDEAS ON LIBERTY

Government in Business

IT IS NOT the business of governments to go into business, and when they do, they do not do it well. Their proneness to display, and their comparative indifference to costs, markets, or innovation, lead them to dissipate the energies of their peoples in spectacular and comparatively unproductive ventures.

Many economically fastidious governments, for ideological or political reasons, mind the business of their citizens to a degree that cuts down energy in both national and international circuits.

The efforts of "welfare" governments, in particular, to protect certain interests and discourage others, often work against the prosperity of both their own and other nations.



or Selfish ?

BEN MOREELL

"POLITICAL CHARITY" is a contradiction in terms. "Charity" in the biblical sense means "love." "Political charity" is coercive. It forces people to "do good" (as defined by political administrators) under threat of punishment for failure to comply.

The great sums donated voluntarily to church and charitable institutions each year show that, if left free to make their own choices, our people need not be coerced to "love thy neighbor."

The "general welfare" clauses in the Preamble of the Constitution, and in paragraph 1 of Article I, Section 8, have been grossly misinterpreted and abused. In the *Federalist Papers*, Madison made clear the intent of those clauses. He was replying to a charge that the clauses could and would be abused, as has actually occurred. They were never intended to give "carte blanche" to government to do what it pleased with the people's property, under the pretext that it is "promoting the general welfare."

In discussions of "political charity" we often hear explanations of the debilitating effects of unearned benefits on the recipients, who usually know that the quid pro quo they are obligated to deliver are their votes at the next election. But we seldom hear discussions of what happens to the person who might have been a voluntary donor, if left free to choose, but who is now forcibly deprived of his money which will be distributed by political administrators, largely to achieve political objectives. He becomes bitter: and he hates - not only the politicians but the poor who have provided the vehicle for the politicians' thievery, in many instances through no fault of their own.

It has been said that venal politicians have a vested interest in maintaining the poor in a state of poverty. For, if the poor should become affluent, the politician would be deprived of a plausible reason for appropriating huge sums of tax monies for "wars on poverty" which will be conducted under his "command"!

Excerpts from a recent letter to a friend by Admiral Ben Moreell.

The Roots of

LEFTISM

in Christendom

ERIK VON KUEHNELT-LEDDIHN

THE TITLE of this essay perhaps requires some specification. By "Christendom" we mean the body of authentic Christians who accept the fundamental tenets of the Christian Faith: the Holy Trinity. the divinity of Christ which it implies, salvation through the Redeemer, the immortality of the soul and, needless to say, the message of the Bible. It might conceivably be argued that Christendom extends beyond the community of baptized believers; the Christian Faith has its "fellow travelers," persons who wholeheartedly accept the basic Christian ethos without subscribing to its concrete tenets. However, we are here primarily concerned with the strange phenomenon of Christians of the

Left, especially Catholics who represent such a large share of the Christian world.

Left and Right

In our Western civilization. originally inspired by Christianity, "left" has a pejorative implication. "Left" and "wrong" are the opposites of "right." Already in antiquity the left implied misfortune. The New Testament says that on Judgment Day the Just will be on the right, the Damned on the left of the Lord. In French gauche (like linkisch in German) means clumsy, awkward (for which the French have another word: maladroit-bad-to-the-right). In Italian, sinistro means left, dark, and also mishap, accident. Damnation seems to fascinate the Left. "Rise Ye. Damned of the Earth" are the opening words of the "Interna-

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tional." "Right," on the other hand, has a positive connotation everywhere. It also stands for the Latin *ius*, for rightness, rectitude, justice, honesty, correctness – in German, *Recht, Rechtlichkeit, Gerechtigkeit, Redlichkeit, Richtigkeit.*

In politics the Left was first identified with the opposition but later, in ideological parlance, it assumed a more definite meaning. In our highly confused civilization the semantic chaos has produced such statements as: "We reject communism and Nazism which are very much alike. Extreme right and extreme left are almost identical. No wonder – extremes always meet." Communism and Nazism are indeed very much alike but only because they both belong to the extreme Left. Extremes, needless to say, never meet. Hot and cold, big and small obviously never meet, nor do they become alike or identical.

The Rightist ideal postulates that everybody has his own proper rights, Ulpian's suum cuique – which does not imply equality, or sameness or identity, but plurality and diversity. The true Right stands for freedom, personality, decentralization, local rights, the principle of subsidiarity, free enterprise, spirituality, mixed government; the Left for centralization, equality and identity, collectivism, state omnipotence, socialism, materialism, and absolutism, whether of a democratic or monarchic order. (Absolute monarchy, as Ludwig von Gerlach said, is "the revolution from above.")

Leftism, Chronolatry, and Manichaeism

How, then, did it happen that Leftism made such deep inroads into Christian thinking, be it private or official? Is it not obvious at first glance that Leftism and Christianity are poles apart? Yet, the unfortunate and seemingly impossible synthesis has occurred and this for good reasons. Leading among these is chronolatry, the worship of the spirit of the times, the desire to be "up to date" and thus also to take the wind out of the sails of the enemies of Christianity. Yet, the end can never sanctify the means (a principle the Jesuits never promulgated) and the task of Christianity (or the Church) is certainly not to assimilate herself to trends and fashions but, rather, to inspire and to form them. This is surely the reason why the term aggior-(updating) has been namento quietly dropped by Rome in favor of rinovamento (renewal) and ressourcement (going back to the sources). "If you can't lick them, join them" may be a maxim appropriate for rough-and-tumble

politics but not for the Church the Lord has founded on the Rock to last through the ages.

Chronolatry, however, is not the only explanation for the Leftist escalation inside the Church. Very definite misinterpretations and misreadings of the New Testament are at work, theories using errors for very specific purposes, wrong and distorted views concerning the entire development of Christianity and, finally, the curious phenomenon I have called monasticism (as an "ism"), the dangerous secularization of the monastic concept. (See my essay "El Monasticismo" in Revista de Occidente. Madrid, November, 1965.) Some of these notions can be traced in early church history, but most of them are of a more recent date: they are Medieval or even modern.

Ancient Christianity was menaced by Manichaeism, a dualistic concept of pagan origin which considered only the spiritual world as God's creation and the material one as the Devil's. This heresy had not only temporary but also lasting effects. Through the Bogomiles and Patarines it fathered the Albigensian heresy, one of the most terrifying aberrations \mathbf{of} Christianity, and reappeared. strongly modified, as Jansenism. It constitutes, perhaps, a permanent intellectual temptation for Christianity (by no means for the

Catholic Church only) and favors asceticism for all, not only for a select few with a specific vocation. The idea that wealth (or power) *automatically* enslaves is definitely Manichaean. The fact that a rich man can attain inner freedom from his riches (and be a pauper in spirit), while a poor man might desperately crave and even immorally try to acquire property, is hardly envisaged.

Who Was Christ?

In the early Middle Ages much was made of the concept of Christ the King though his feast was only decreed by Pius XI. Representations of Christ on the Cross. triumphant and wearing a roval crown, disappeared with the High Middle Ages and the rise of the new mendicant orders (Franciscans and Dominicans) rivaling the and Augustinians. Benedictines At that time a low-class and lowbrow image of the origins of Christianity became popular. Yet, Christ was definitely not the son of a humble carpenter, his disciples not naive and uneducated fisherman, nor did he found a religion for the slaves and outcasts of the decaying Roman Empire. This version, however, became more and more widespread as time went on. and reached its climax in our age. As a matter of fact, one finds it. with minor adaptations, in the

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Bolshaya Sovyetskaya Entsiklopediya. It would be interesting to know just when the final breakthrough of this imagery occurred, but it is not yet to be found (in such a concrete manner) in either the Renaissance or Baroque period.

The hard facts are quite different. In the eves of the Jews Christ was a natural pretender to the Judaic throne since he was of royal blood, a descendant of King David. Joseph is addressed as "Son of David" by the Angel Gabriel and the prominence given to the pedigree of Jesus underlines this fact. Hence, also, the repeated emphasis on the part of Christ that his kingdom was not of this world; hence, also, the not so ironical inscription "King of the Jews" on the Cross which apparently had terminated the drama.

From Biblical accounts it is also evident that his mother belonged, at least partly, to a priestly (Aaronite) family since Elizabeth was her cousin or aunt. Thus, Christ's family background is highly aristocratic; and whether Joseph was a carpenter is a very moot question. *Technón* could just as well be translated as "architect" or "building contractor." Christ's birth in a stable was accidental (a Prince, too, could be born in a gas station). And when the Magi came to worship the Child Jesus, they found him not in a stable —as art will have it but "in the house of Joseph" who must have owned real estate in Bethlehem; otherwise, he would not have been compelled to return from Nazareth to David's town. (Whether the family was poor or not is sociologically an unimportant question; wealth and "nobility," especially in the Holy Land, were, and still are, separate attributes.)

Christ moved much among the wealthy: he brought no message for a new social order (he exhorted us to be charitable, not to engage in social engineering). His disciples were by no means "humble folk," but minor entrepreneurs like Peter, or first-rate intellectuals like John. One need only study the names and backgrounds of the Saints in the Roman Missal to discover that a very large percentage (a majority even) belonged to the higher and highest ranks of Roman society. Neither were the early Church Fathers "proletarians" or mental simpletons; they were people of certain means and. above all, original thinkers. Christianity came to the Roman Empire through the Jewish communities who had socially superior contacts, largely with the world of commerce and politics. There is nothing to indicate that the urban proletariate was particularly drawn to Christianity; we know for certain that the peasantry opposed it assiduously.

"Monasticism"

The rise of the mendicant orders in the Middle Ages put poverty, so to say, into the limelight. Nevertheless, we have to bear in mind that this new trend had nothing to do with the modern crv for "social justice" which certainlv does not praise indigence but wants to abolish it by expropriating the wealthy. Still, monasticism, gaining ground in the High Middle Ages, had interesting and lasting psychological effects. The observation of St. Thomas that "corruption of good is the worst evil" can indeed be applied to the "image" of the monastery.

Now, it must be borne in mind that the monastery consists of men or women with a very special and rather rare vocation. They make a true sacrifice of their God-given liberty to their Creator whom they are willing to serve in an exclusive way. The vows of poverty, obedience, and chastity, which in Catholic theology figure as Counsels of Perfection (or Evangelical Counsels), are the very premises of monastic life. At all times there have been people who, though not themselves members of an order. have envied the monks and nuns their "secure and peaceful existence" while, on the other hand, men and women in orders have preached the monastic way of life to those "in the world."

It should not be overlooked either that, guite accidentally, of course, the monastery is the prefiguration of several "modern" institutions: the boarding school. the barracks, the factory, and, in a sense, the hospital. The monasterv stands for discipline, collective work, identical clothing, strict schedules (a keen sense of time). subordination of the personality to the community, all, however, on the basis of a voluntary decision. An element of coercion, on the other hand, dominates all secular, pseudo monasteries. The monk is relieved of all material anxieties and worries to give him the freedom he needs for his spiritual adventure. Material security within an order, however, is never an end in itself. We all have heard the following quip: "Where can a man be sure of his daily bread, a roof over his head, employment, spiritual and mental care, peace from the other sex, and a decent funeral? In a monastery or in jail!" The difference between the two. however, lies primarily in the presence or absence of free choice. And this difference is all-important.

Before we go one step further, we ought to recall that the medieval monastery had a strong and far-reaching radiation. The monk. Joachim de Floris, originally a Cistercian. developed a socialist. utopian, visionary theory according to which all men and women would finally become monks and nuns. He was the harbinger of more radical and voluntary collectivistic ideologies to come. But at an even earlier stage the Irish monks, swarming all over the Continent, had begun to inject monastic ideals into the Catholic Church at large. (One can read more about this in A. Mirgeler's Rückblick auf das Abendländische Christentum. Mainz, 1961.) Their rigorism left its imprint on the Catholic Church adopted many monastic which ideas and institutions for the laity and the secular clergy. Celibacy for the priesthood was one of these.

Effects of the Reformation

The Reformation, initiated by Martin Luther, a friar of the Order of Augustinian Hermits, resulted in what Alexander Rüstow called "the socialization of the monastery." The ex-Dominican Sebastian Franck remarked in the early sixteenth century that it would be wrong to assume that he had escaped the monastery; in fact, monastic ideas were spreading in every direction. And though Max Weber's thesis about the Calvinistic roots of capitalism still stands (especially after the publication of Alfred Müller-Armack's work on the subject), it is equally true that the Reformation – in its essence a revolt against Humanism and the hedonism of the Renaissance – ushered in an age of sobriety, team spirit, puritanism, state omnipotence, and punctuality. (The foundations of the Swiss watch industry were laid by Huguenot refugees from France.)

In the meantime, the Catholic world (to this day far more indebted to Renaissance and Baroque than to the Middle Ages) developed nonmonastic orders: the Jesuits, the Salesians, the Redemptorists. To devout followers of Reformed doctrines, Catholic notions appeared individualistic and heathenish. Yet, all through the fifteenth, sixteenth, and seventeenth centuries in the northwest of Europe, untold radical sects arose which combined distorted Christian doctrines with notions of extreme social reform. Equality, collectivism, the enforced sharing of earthly goods, an iron discipline, and totalitarian measures provided them with the dynamics of aggression. The Taborites, Adamites, Anabaptists, Diggers, and Levellers are the best known among them.

At a later period the utopian socialists in France as well as in

England and the United States established communities of a distinctly monastic character. And wherever Marxian socialism was transformed into a living reality. monastic forms inevitably made their appearance. When, during my last stay in the Soviet Union, I was asked about my reactions. I used to reply that this creation of Marx. Lenin, and Stalin seemed to me essentially a "godless monastery" upon whose population the Counsels of Perfection were *imposed*: poverty, obedience, and, though not chastity, at least a puritanical life. It is certainly no coincidence that communist parties proliferated in countries where monastic ideals and traditions are well rooted: Russia. China, Italy, France, and Greece.

The Procommunist Nostalgia

Christian ethical ideals are constantly proclaimed, taught, and propagandized by the Soviets. As a matter of fact, from billboards, television screens, loudspeakers, magazine covers, and newspapers the people are subjected to a constant barrage of Christian moralizing. They are exhorted to behave like Christians, but not to adhere to Christian religions – all of which creates a dichotomy of mind not sufficiently realized by Western analysts of the USSR. All this dull preaching without a higher appeal naturally cannot stop or diminish the enormous crime rate of the Soviet Union.

Conversely, one encounters dedicated Christians who, though in a very theoretical manner, have a moral admiration for the Soviet System. They are apt to remark that "if the communists only were to admit religion and let their system be baptized - it would be perfect: it would be ideal." Needless to say that people arguing in these terms are an easy target for Soviet propaganda. They only need to be persuaded (and usually they are subconsciously happy to hear and to accept the Glad Message) that there is no religious persecution in the USSR and, therefore, opposition against the system is really baseless. ("After all, the Soviets only apply the American principle of separation of State and Church! Just a little further liberalization and everything will be all right!")

Such reasoning, however, is entirely wrong. The "godless monastery" with a tyrannical, atheistic abbot is a bad enough caricature of the original Christian institution; but a religious communism — in other words, a coercive monastery with vocationless (in many cases married) monks and nuns, born into it — would be utterly diabolic. At the bottom of all these erroneous and perverted

vistas lies a great deal of Rousseau's optimism. From Calvin's pessimism people have switched blindly to Rousseau's optimism concerning human nature. This truly "Genevan" tragedy. affecting all Western civilization, reminds one of Pascal's word that man is neither beast nor angel and that he who wants to make him forcibly an angel will turn him into a beast. And while we are quoting, we might also recall that Romano Guardini (in Das der Neuzeit, Würzburg, Ende 1950) said that while the Christian is bound, he must be bound in freedom.

It is precisely the "monastic heresy" within the Catholic Church during such a large part of her second millennium that fostered the spirit of coercion. It has now decidedly come to an endecclesiastically at least. But we can see Catholics (and other Christians) who have transferred their monastic fixations to worldly ideologies. And here lies a truly internal, psychological root of Christian leftism which derives false inspirations either from real monasticism or from its "socialization" in the Reformation period. Under Calvin and Farrell the city of Geneva (so well described by Kampschulte) was no less a monastery than was Massachusetts at the time of the Puritan settlement and, though in an entirely secular way, the many communist experimental communities in nineteenth century America. None of which means, however, that the original, manifestly religious monastery does not have its legitimate place in Christendom, not only in the Catholic and Eastern Orthodox, but also in the Anglican and Reformed context, as illustrated by the tremendous success of the Presbyterian monastery of Taizé in France.

Christian Masochism

Certainly not all "drives" toward Leftism within Christianity are due to purely endogenous forces and internal misinterpretations. Very often we encounter combined errors-extraneous ideas being given "religious" backing, a natural result of the desire to be "in the swim," to ride the wave of the future. Little is it realized that these notions earn not the admiration but the utter contempt of the secular world, above all of the Marxist forces to whom these often desperate efforts to agree with or borrow shamelessly from their ideologies are nothing but confirmations of their own theories. (We are also apt to applaud prematurely the smallest indication of an apparent readiness to compromise in the course of the Soviet Union's opportunistic policies, Lenin's zigzagnaya politika.)

Christendom is in the grip of a terrible fear that we might have missed the bus - as, indeed, we usually do. In trying desperately to keep up with the times, to run after them, we Christians shall always resemble the dog who barks up a tree after the cat is gone. We then have made fools of ourselves and pay the fine for having disregarded Chesterton's warning: "The Church is the only thing which protects us from the degrading servitude of becoming a Child of our Times." To take up immediately every modern fad. would destroy Christianity in no time at all.

Leftist ideas trying to "tie in" with genuinely Christian thought have thus plagued us for some time: Why did the Church not give her full support to the French Revolution? Why not to democracy? Why not to socialism? Why has the Church always sided with the rich? Are not all men equal at least in the eyes of God? Is it not understandable that the Church has lost the working class? When the Church was powerful. she used the secular arm to impose her will on the poor and the exploited. Would she not be wise to ally herself with the "rising powers," to "ride the wave of the future" by allying herself with trade unions, UN Secretaries, specific psychiatric schools, "emerging nations" and their "national-socialist" bosses?

In these questions and statements we perceive a whole maze of misunderstandings, old, die-hard legends and basic misconceptions, most of them originating with the critics of Christianity. As "wrong but clear ideas," they have succeeded in worrying ecclesiastics of all denominations to the point where they meekly accepted them and now they are deeply influencing even top leaders in their policymaking.

Clichés Examined

Let us have a closer look at these items. The Church's partiality for the rich is an already petrified legend securely embedded in the modern mind to the extent that it is hardly discussed. If one demanded supporting evidence, this would cause surprise and indignation - followed by enraged silence. True, there are a few rich countries where the Church is, let us say, at ease financially (though usually up to her ears in debt). Given her enormous commitments, however, the Church nowhere can be called really rich, and in many countries she is incredibly indigent. Most contributions come from middleincome and poor people. (The very

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wealthy, plagued by a bad conscience, more often than not masochistically support leftist causes.) The priesthood is rarely recruited from the ranks of the well-to-do; in fact, three of the last six Popes had lower-class backgrounds.

In the ministry of the Reformation Churches, too, men who can claim an upper crust origin are exceedingly rare. In most countries contacts between the clergy on one side and high finance or big business on the other are almost nonexistent.

Still, we are haunted by this ubiquitous pseudo commonplace which has never been properly examined, never confirmed, and yet creates needless nightmares in the minds of churchmen, high and low, some good theologians, some amateur sociologists, but in most cases men of an abysmal ignorance about the laws of economics. To talk economics without moral principles and soundly based psychology is as disastrous as the claptrap of theologians without economic training who pontificate vociferously on economic matters and thereby unwittingly become demagogues bombinantes in vacuo. Collaboration between the theologians and biologists leaves much to be desired, but even rarer is the intellectual exchange between theologians and economists, the result being "Social Romanticism."

In a number of countries a fierce competition in social demagoguery is raging between Marxists and Christians, a strange battle in which the opponents keep quoting each other. A brilliant, unsigned article in the (London) Catholic weekly, *The Tablet* (July 23, 1966), pointed out that the old, now so heavily condemned triumphalism in the Catholic Church has been replaced by a new mood based on the Social Gospel. But the Church, being a newcomer at this game, will hardly score.

The New Mythology

There may be remote and backward areas where social reform is utterly necessary and would really raise the general level of living. In an address to the Vienna Katholikentag in 1952 Pius XII called "deproletarization" through social reforms a closed matter except in isolated retarded regions. Contrary to a popular belief. Latin America is not one of these; the problem there is the lack of a work ethos (what the Spaniards call la gana de trabajar), as Professor Frederick B. Pike (Notre Dame) clearly proved in his essay in the July, 1964, issue of the Review of Politics. (This excellent article presents in a new light the dangers, the suicidal consequences of a political commitment to the Left on the part of the Church.)

In Latin America the social pyramid has a very broad base but shrinks suddenly, ending in a thin needle. (See also my Lateinamerika – Geschichte eines Scheiterns? Osnabrück, 1967). The cubic content of this needle is so small that its "redistribution." while doing away with envy, would not improve the lot of the indigent but hardly laborious masses. Their natural virtues, as Professor Pike points out, were never sufficiently cultivated by the Catholic Church. In Germany even. where the social pyramid is far better equilibrated, an income ceiling of 1,000 DM (250 dollars) per month and an equal distribution of the "jackpot" would, in 1956, have yielded an extra 3.5 cents a day for each poor citizen. Similar experiments in Peru or Bolivia would be even less encouraging.

It is significant, however, that the churches today very rarely preach against *envy* which, after all, has been the dynamic force in every totalitarian movement for the last 200 years. By 1917 large landownership in Russia had dwindled (partly thanks to P. Stolypin's reforms) to a provisional 22 per cent of the arable land, yet in the civil war the peasants largely supported the Red Army. In Germany anti-Semitism would never have become

a political factor if the Jews had remained as poor as the gypsies. (Who cared in 1933 whether the Jews had been collectively guilty of the Crucifixion?) There are theologians who know very well that radical social engineering (in Latin America, for instance) would be "for the birds," yet they are ready to advocate it because it might eliminate or at least diminish envy. And envy is bad, very bad. To one of these men I replied with a parable: Isabel and Heloise are sisters. Isabel is a beauty, Heloise an ugly duckling who cries into her pillow every night. Should one take a knife and disfigure Isabel? The good theologian raised his hands in horror.

Looking back at the questions we asked earlier, it certainly seems that the Church could hardly have sided with the French Revolution. with de Sade, Danton, Robespierre, Marat, and Saint-Just amidst the forest of guillotines. Nor with democracy, a régime of numbers, of equality and majority rule, whereas justice and equity might well be on the side of unpopular minorities. Nor should Christianity's rejection of Marxism be construed as partiality toward the rich; Marxism made a frontal attack on all religions since it stands for materialism and against spirituality. The

Church had no choice whatsoever. Marxism, moreover, advocated the dictatorship of the proletariat in an omnipotent state. Every Church instinctively dislikes the omnipotent State (regardless of what a few ecclesiastic opportunists might have said in public). The Church never used the State but was always - especially during the Middle Ages - overshadowed by it. Her "power" was always a "lunar" derivative from a "solar" government. Canossa? It ended with Pope Gregory's bitter death in exile, to be followed much later by the Babylonian captivity in Avignon. The Church was always "poor and without means." (St. Augustine). And did she really lose the workers or was not. rather, the working class a brandnew element crystallizing outside her orbit? Are not the 2,000 years of church history a continued, desperate, vet miraculously not fatal battle for survival?

The New Temptation

Today Leftism is the great tempter approaching the Church from the outside while various errors are proliferating inside her. In our strictly nonpluralistic age, menaced by the Great Leftist Conformities, sameness and equality are the favorite battlecries. Yet, people are unequal not only physically and intellectually. They are also spiritually unequal. Ac-Christian cording to doctrine there is no equality either on earth or in Heaven. (Possibly it exists in Hell, though.) Liberty, freedom, figures in the New Testament. equality never. Here we clearly observe an intrusion of political thought into theology. We are not equal in the eyes of God. If Judas Iscariot and St. John were equals, the Church could close shop. The trick of introducing adverbial equality will not do either. We have equally immortal souls as we might equally have bank accounts, but they are certainly not alike. Of course, who is superior to whom. God only knows.

One of Christianity's main problems is to maintain an equilibrium between the temporal and the spiritual. A pure, otherworldly spirituality might lead to great difficulties and make us lose touch with everyday life. Christianity as a geocentric faith devoted to chronolatry and the quest for popularity would altogether cease to be Christianity. This particular temptation of our times, the grossest and at the same time subtlest of them all, has not presented itself quite so directly since the day when Satan offered to Christ all the treasures and kingdoms of this earth ۲

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God Bless Our Ancestors

REBEKAH DEAL OLIVER

HISTORY is the record of things done by men, or their failure to do them; the response to each act or its absence, by other men; and the impact of these accumulating responses on future generations of men, all individuals, each in his own time.

Though the fruits of one's time can be stolen or taxed, time itself cannot be taken from one to give to another; and no matter how many are using time, no one is deprived because of another's use. Within the span of each one's life he has all the time there is.

However, what is done with this freely given and equally distributed commodity is an individual matter. This has been true through the ages, qualified by the degree of each man's freedom, his heredity, environment, geography, religion, ambition, needs, conscience, and other pressures which have always separated the individual from the masses. That which has determined the character of each person has been his response to the circumstances of his life and the use he has made of the time allotted him, that measure of being plucked from eternity for him alone.

Being human, we think of time prosaically as "my time" or "my lifetime." And indeed, the accomplishments of history are the accumulation of the thoughts and acts of individual lives. The progress of civilization has developed from the discoveries, the inven-

Mrs. Oliver is a Kansas housewife "mostly interested in husband, children, grandchildren, the nation, community, neighbors, and friends."

tions, the research, and the inspirations of these lives. Music must be composed before it can be sung; a building, a bridge, a road must be designed before it is built; a voyage must first be charted; and strategy employed before a battle. And, though any modern production is usually completed through the joint efforts of many, still each effort is an individual one. While there is time, each person lives his life and makes his contribution, whatever it may be, to history.

There are some people in this world, in this country, with the power of government, or claiming to represent the corporate church. or articulate with some assumed authority, who keep busy telling us what to do - or not to do. Where we are not coerced either by the threat of force or by the mental gymnastics of authoritarian propagandists, we may do as we please. Taking these exceptions into consideration, each person's time is his own, as God-given as the other rights claimed by our forefathers in the Declaration of Independence. Time to invest according to one's judgment and conscience; time in which to play, to work; time to waste, throw away, give away; time in which to be glad, to be sad; time to build, to tear down; time to think, to choose, and to act.

Keeping the Record

One often hears it said that the important thing is what you are, not who your ancestors were. Nevertheless, people have always thought it necessary to record for posterity the past and passing family history. When immigrants came to this country, from the Mayflower Company on, they continued to keep records. In the theocratic New England colonies the government and church records were usually the same. A man could not vote unless he was a church member. When he was accepted as a church member, he was known as a freeman, not before; and the record was kept. Detailed records of town meetings were made and in places where these are extant data can be found about otherwise unknown early Americans.

These records reveal more than mere names, dates, and places, They reveal the character of the people-the rich, bare bones of our heritage. These ancestors were a religious people and they took time to actively practice their religion. Ingrained in their blood from old Scottish Covenanters. French Huguenots, German Palatines, English Puritans, and William Penn's Quakers, to name a few, they founded their lives and their institutions upon religion. Church records made note of each member's activities; the church was the center of the community and took second place in their lives only to the family. As settlement moved westward, the church followed as fast as it could, but did not retain quite the authority it had in the contained settlements of the eastern seaboard; the ministry could not keep up with the rapid expansion of the country. Many localities depended entirely upon the circuit rider and their own family devotions for their spiritual guidance.

Acquisition of land and personal property was the aim of the American settler. Materialistic? Perhaps, but from the dawn of civilization, ownership had been the requisite of freedom. The settler was jealous of his possessions and land boundaries. Early records abound in lawsuits over what might seem trivial matters today. Some historians criticize the Puritans for their emphasis on property, work, and frugality: but without this industry and the incentive for it the Massachusetts Bay colonies would never have survived. Their recourse to law instead of to other means of action is no doubt also responsible for the fact that law and order prevailed throughout many times of stress in the early days of this country and eventually won out in the west where the law, as well as the

church, had trouble keeping up with the frontier. Higher education also must have gotten its early boost from the fact that colleges were needed to train preachers and lawyers.

American Traditions and Their Preservation

Our ancestors were a political people. Wherever they settled, indeed even in the caravan, they set up a form of government. Before leaving their ship, the Mavflower Company set up a compact. So, from the beginning in this country every man was jealous of his right to his "say" and of his vote. They ran for office, high and low; and as the United States became an independent nation, they were jealous of the rights guaranteed them by the United States Constitution. They built court houses and worked to have each territory quickly admitted to the Union. They were constructive, building what was needed to make and expand a great nation. Bred into their bones, Americans have taken their political rights for granted, sometimes overlooking that they must be guarded against infringement.

Our ancestors were patriotic. Until the present generation, Americans have never failed to answer with enthusiasm their country's call to arms in time of war. Their flag and their country was their stronghold against tyranny. Freedom was worth dying for.

Our ancestors were family men. They took their women with them when they went to conquer the wilderness, and they raised large families to populate it. For their welfare they fought the Indian, the wild beast, the elements - any enemy; they worked hard at all things to provide a better living. worth-while life - churches. а roads, schools, law, order, good government. The aged were a part of the family group and the young learned tolerance, kindness, and the art of sharing - and the rewards of love. Our ancestors were socially conscious. A stated reason for the Jamestown expedition was the conversion of the heathen Indian. One hundred and fifty years ago they started supporting foreign missionaries. Neighbors were mutually helpful to one another and none were allowed to suffer want, though welfare as practiced today would have left them shocked, scandalized, and insulted. Charity was for the church and individuals and, later, also for private and publicly supported voluntary organizations. Government was contained within its Constitutional purposes of maintaining the peace and of protecting the country from its enemies.

course, there were Of some scoundrels. black sheep. horse thieves, atheists, cowards. and traitors scattered among the proud, the industrious, the law abiding, the God-fearing, and the patriotic. Yet those failures stand out so lonesomely among the multitude of the stalwart that we can include them when we say with grateful hearts, "God bless our ancestors and the way they spent the time allotted them." ۲

IDEAS ON LIBERTY

Regular Government

I WISH, sir, for a regular government, in order to secure and protect those honest citizens who have been distinguished – I mean the *industrious* farmer and planter. I wish them to be protected in the enjoyment of their honestly and industriously acquired property. I wish commerce to be fully protected and encouraged, that the people may have an opportunity of disposing of their crops at market, and of procuring such supplies as they may be in want of. I presume that there can be no political happiness, unless industry be cherished and protected, and property secured.

EDMUND PENDLETON (Speech before the Virginia Convention to consider adoption of the Constitution)



The Forgotten Man

WILLIAM HENRY CHAMBERLIN

"WEALTH comes only from production, and all that the wrangling grabbers, loafers, and jobbers get to deal with comes from somebody's toil and sacrifice. Who, then, is he who provides it all? The Forgotten Man. . . . delving away in patient industry, supporting his family, casting his vote, supporting the church and the school . . . but he is the only one for whom there is no provision in the great scramble and the big divide. Such is the Forgotten Man. He works, he votes, generally he prays-but he always pays. . . All the burdens fall on him, or on her, for the Forgotten Man is not seldom a woman."

This 1883 declaration by economist and sociologist William

Graham Sumner, a professor at Yale. is the first use of the expression, "Forgotten Man," which Franklin D. Roosevelt employed in a much more demagogic context fifty years later. What Sumner had to say on this subject looms larger as prophecy than as a description of the economist's own time. For in 1883 there was no Federal income tax; the United States had not assumed military and economic burdens all around the world and Big Government, in the sinister modern sense, with its enormous demands on the resources of the taxpayers, did not exist.

If Sumner were alive, he would probably be the first to recognize that the plight of his Forgotten Man is far worse today than it was when he first used the expression. Here a little definition is in order. The Forgotten Man

Mr. Chamberlin is a skilled observer and reporter of economic and political conditions at home and abroad. In addition to writing a number of books, he has lectured widely and is a contributor to *The Wall Street Journal* and numerous magazines.

is the rare and discouraged breed of citizen who wants to pay his own way in the world, without benefit of any crutches in the way of government aid.

He receives no handouts, but is required to help finance innumerable handouts to others, at home and abroad. Rapacious tax collectors, Federal, state. local. always have their hands in his pockets. He is saddled with an ever-increasing load of exactions, a load that, if present trends are not sharply reversed, will one day break his back, with incalculable consequences for American society and economy. He is a producer, not a consumer of so-called social security. The Forgotten Man does not riot or demonstrate or strike. As his principal exploiters are bureaucrats at various levels. armed with the authority of governmental power, he could not, unless he were willing to go to jail, employ the strike weapon so beloved of industrial workers organized in monopolistic unions, of "welfare" dispensers, teachers. even, incredible as it sounds, of "welfare" recipients.

Forget the Controls

The Forgotten Man only wishes that the state would forget him to the extent of permitting him to contract out of its cumbersome, incredibly mismanaged bureau-

cratic nightmare of "social security" and let him provide for his own rent. medical care. and retirement needs. But this is a vain desire, as the steady and growing compulsory deductions from his income prove. No matter how diligent he may be in his work or profession, tax laws, especially on the Federal level, are calculated to frustrate his effort to build up a competence for his old age and his family. One need only think of the steeply graduated character of the Federal income tax and of such inequities as the double taxation (as individual and as corporation income) of earnings from dividends. Many states, in their income taxation, have copied the method of steep graduation.

The witty and perceptive French economist. Frederic Bastiat. defined the state as "the great fiction, by which everyone hopes to live at the expense of everyone else." Today there might be a substitute definition: "an engine for pillaging the thrifty for the supposed benefit of the thriftless." And the worst, for the Forgotten Man, is probably still to come. The present raids on his pocketbook and gouges at his bank account, onerous though they are, would seem mild in retrospect if such schemes for dividing up the wealth as the guaranteed annual income, the so-called negative income tax, or the various proposals for paying tens of billions of "compensation" to a certain ethnic group in the population should go into effect.

Direct and Indirect Taxes

The Forgotten Man is caught between the hammer of inexorably rising taxation (with state and local grabs outpacing the Federal) and the anvil of visible inflation. As a concrete example of the continuous encroachments of state and local tax authorities on the earnings and savings of citizens, consider the situation in the state where I live, the Commonwealth of Massachusetts, widely rechristened Taxachusetts by its disgruntled taxpayers.

Corruption, mismanagement, and extravagance are old characteristics of the state administration, especially under such notorious political bosses as the twicejailed James Michael Curley, amusingly portrayed as "Skeffington" in Edwin O'Connor's novel, *The Last Hurrah*. The regime of a more recent Governor, Foster Furcolo, produced a rich crop of scandals.

Matters seemed to take a turn for the better with the election of a businessman, John A. Volpe, as Governor. There was substantial support for Volpe among the harassed taxpayers when he pressed for the raising of additional funds through a sales tax, decidedly preferable, from the individual taxpayer's standpoint, to the introduction of a graduated income tax. Volpe fought off such proposals and was vindicated in a referendum and by a smashing majority when he ran last year for re-election.

Many of the people who supported Volpe on the referendum and at the polls believed that he would be satisfied with tapping one important new source of revenue. They were also attracted by the frequent assertion, during the campaign for the sales tax, that its enactment would make it possible to reduce the extremely high rates of personal property tax throughout the state. ("Taxachusetts" is a leader among states in this form of exaction.)

On both counts they have been sorely disappointed. Volpe has proved himself only a politician, after all, with the politician's uncontrollable yen for spending taxpayers' money. Safely re-elected for a four year term, he has come to the legislature with a request for about \$100 million dollars in additional revenue, to be financed through increases of the already high rates of state income tax. This burden is aggravated for anyone with investment savings because income from investment is taxed at about two and a half times the rate levied on salaries and wages.

Instead of the sales tax as an alternative to higher income taxes. Massachusetts taxpayers are hit fore and aft by increases in both. They have also been hit amidships. The promised reduction in the rate of property tax has proved a cruel hoax, at least in Cambridge, the town where I live, and in some other communities as well. A cabal in the Cambridge city council ousted an admirable city manager who had combined efficient administration with а stable tax rate and installed a successor who could not restrain his eagerness to pile up the burden on Cambridge home owners. Whereas the former city manager had kept the tax rate unchanged without a share in the receipts of the sales tax, which had not gone into effect during his administration, his successor pushed through tax increases of 6 per cent and 15 per cent, while also enjoying the increment of a share in the proceeds of the sales tax.

So "Taxachusetts" runs true to form, and its unfortunate taxpayers and home owners get three simultaneous solar plexus blows, through the sales tax, the increase in income tax (unless sufficient pressure can be brought on the legislature to vote this down), and through property taxes that have risen, not fallen, since the enactment of the state sales tax. It does not stand alone; the same pattern, with differing details, may be observed throughout the nation.

The Meek Inherit Burdens

Part of the blame for the steady chipping away and erosion of the taxpayers' income and standard of living rests with the undue meekness of the Forgotten Man. He is a law-abiding citizen and his impulse, on getting an increased bill from the tax collector, is to pay up without even marching to city hall and hanging the mayor and members of the council in effigy.

Indeed, it is a problem for a psychologist why organized union groups will sometimes commit every crime in the book, assault and battery, willful destruction of property, mayhem, even murder, in order to extort a higher income while the taxpayer meekly accepts dose after dose of diminished income. The latter is surely a more serious grievance and one wonders what explosion would follow if an employer proposed the same work at reduced wages. That is what the state, through one agency or another, is continually imposing on the Forgotten Man, the taxpayer whom the politician despises as a cow to be milked dry, a sheer to be shorn.

How different was the reaction of early Americans to the imposition of what seem, in comparison with the present exactions, quite trivial taxes on tea and stamps! One of the grievances of the colonists against King George III is phrased as follows in the old-fashioned, grave, and dignified language of the Declaration of Independence:

He has erected a multitude of new Offices, and sent hither swarms of Officers to harass our People and eat out their substance.

There is enough lawless violence in the United States now, without recommending violent extralegal forms of protest to the oppressed, pillaged, and exploited taxpayers. Besides, the Forgotten Man, as described by Sumner, is a sober, responsible citizen with a high regard for public order. However, there are eminently legal forms of protest and resistance which have not been called into effect as often as they should have been.

"Don't Tread on Me"

One obvious reason why taxpayers are treated with contempt by free-spending politicians, eager to buy this or that bloc of votes at the price of other people's money, is that they are completely unorganized. A very healthy change would come over the picture if taxpayers in states and communities would organize and study with microscopic closeness the spending records of elected officials and legislators.

Then they could punish at the polls every executive, every administrator, every legislator on the Federal, state, or local level who is identified with unnecessary high spending programs that involve higher taxes. Let them develop an elephant's memory and permanently blacklist every man and woman in public office who has been in the habit of raiding their pocketbooks with impunity. Let this strategy be applied consistently, ruthlessly, implacably, and the politician's instinct for self-preservation will come into operation and bring about a sudden saving vision of the virtues of public economy.

Unless the Forgotten Men who never get any government handouts but finance a good many to others, who are providers but not consumers of security, take some measures of financial self-defense and self-preservation, unless present trends toward reckless spending at Federal, state, and local levels are checked, the taxpayer, more heavily loaded than any camel in a caravan, will find that he has no more earnings, or savings, to be taxed away.

The Forgotten Man, who is so old-fashioned as to believe in the

resultant government spending and inflation to forestall unemployment. Another cause of the rising cost of living and another blow at the taxpayer's pocketbook is the elaborate system devised for paying farmers more for producing less, or producing nothing at all.

Another obvious cause of inflation is the persistent refusal of either the legislative branch or the executive branch of the Federal government, despite much lip service to the ideal, to make any serious attempt to practice economy in public spending. Most private individuals could cheerfully spend a good deal more than they earn, but are obliged to adjust their spending to their incomes.

Unbounded Government

The root cause of many of our difficulties is that public administration, at the Federal, state, and municipal level, is under no such restraint. All too often public budgets are framed on the basis of spending without limit, and making up the difference by inflationary borrowing or by dipping into the pocket of the taxpayer for a new grab.

That the high cost of government is a matter of concern not only to the well-to-do but to people in the lower brackets is evident from an item recently published in

merit of thrift, is hard hit by inflation. During the nineteenth century the United States dollar. although it experienced ups and downs in purchasing power, remained basically stable, buying approximately as much in 1900 as in 1800. This is emphatically not true as regards America's currency in the twentieth century; and the end of this story is not yet. In very recent experience, items large and small, newspapers, concert tickets, shoeshines, haircuts, doctors' charges, hospital costs, food, furniture, have been changing in cost more or less rapidly, and always in one direction, upward.

The result has been very much that of clipping the coinage, a favorite inflationary device in the Middle Ages. Holders of bankbooks and insurance policies have seen the real value of their holdings shrink. This development is not surprising, because politics has more and more dominated financial policy, and all political pressures are inflationary.

Legislation giving privileged status to trade unions has taken the risk out of striking. (Has anyone heard of a major strike lost in recent years?) As might have been expected, some unions have abused this new-found power to extort wage settlements quite out of line with increased productivity, with the San Francisco Examiner. A part-time typist, Mrs. Helen Burch, submitted the following breakdown of her earnings and taxes for the years 1958 and 1966:

Salary (gross) Real property taxes Income tax withheld	<i>1958</i> \$2,521 340 102	<i>1966</i> \$3,414 681 521
Social security tax withheld Total taxes Salary (net)	56 498 2,023	144 1,346 2,068

Considering the decline in the purchasing power of the dollar, Mrs. Burch has evidently been running fast without even being able to stay in the same place. Even worse is the plight of elderly retired persons who cannot report a gain in gross salary.

Reversing the Trend

The plight of the Forgotten Man who would like to stand on his own feet economically is bleak today and will be bleaker tomorrow, unless the merry-go-round of everhigher public spending and everhigher taxation can be stopped or thrown into reverse. Perhaps there is consolation in the thought that, when an evil becomes intolerable, reform, brought on by public indignation, cannot be far away.

There is also cause for encouragement in the eminently sound economic resolutions adopted at the recent congress of Young Americans for Freedom. These young Americans, who stand for integral freedom and realize that economic freedom is not the least important element in this ideal, came out for abolishing the graduated element in the Federal income tax, for dropping the minimum wage and for making participation in social security optional. And they gave cogent, detailed reasons for each of these stands.

They characterized taxing of income at different rates as a violation of the laws of justice and "an economic attack on the initiative of individuals to use their own income as capital for maximization of future income and a penalty on those who are industrious and able." They rightly see in the minimum wage "a major cause of unemployment among the young. especially among minority groups." And they show that a 22-year-old worker, earning \$6,600 or more will have paid the government \$63,894 in social security taxes by the time he is 65 and could earn a much higher income than his social security pittance by investing this sum with normal prudence.

The evils of excessive and everincreasing appropriation of the fruits of individual labor by the state and of inflation have reached crisis proportions. If the Forgotten Man does not wish to become the Extinct Man, he should bestir himself for remedial action.



WILLIAM PENN PATRICK

SOVEREIGNTY is a very important word to us in *Holiday Magic*. The word is often misunderstood or forgotten completely by many of us today.

In our business, sovereignty means being separate, yet attracted to one another by mutual interests.

We are separate and sovereign business people. We are, as I once called it, "independent contractors."

Measure your independence against the salaried employee of any company. Compare your growth, your income, and your opportunities with their "security."

Would you like to be limited to a salaried security and menial mediocrity? I doubt it.

Our method of marketing proves the reality of the American Dream as shown by independent, enterprising people attending to their own welfare and success.

Your attachment to this company is cemented in mutually accepted rules binding both our common affairs.

We don't withhold your income taxes. We don't pay your government pension and medicare taxes. We don't provide you with sick leave or paid vacations. You do these things for yourselves as you choose.

You don't punch our time cards, give us mileage records, expense vouchers, or daily reports.

With us you have independence, mutual assistance, and an unlimited opportunity to go as far as your talents, lubricated by your own sweat, will take you.

Who's more interested in your security, you or us? Who's best able to provide that security, you or us? Sovereignty is a political idea as well. The idea of local "home-rule" government grew out of the concept of original interest, personal liberty, and private ownership of property.

Original interest is within you, since no one is as equally and vitally concerned about your welfare and security as yourself. It stands to reason that you, or those you personally delegate, select, and pay, will best care for that which you own, earn, and desire.

Mr. Patrick is Chairman of the Board of Holiday Magic Cosmetics, Inc., uniquely organized as a system of "independent contractors." This article is from his column in the November-December 1967 issue of the company magazine, *The Wand*.

Somehow, the notion has crept into our thinking that one who lives farthest from our town cares more for it than you. In addition, it is thought today that some appointed bureaucrat several thousands of miles away is more concerned about your personal welfare than yourself.

How can anyone believe that some nameless, faceless, civil servant has more compassion and interest, knowhow, and intelligence, when it comes to our own interests, than we do ourselves?

I expressed my feelings on this subject in my Happiness and Success through Principle. Of course, my views run contrary to the "accepted" view of brotherhood between the ruled and the rulers, but so does reality.

Those who believe the desire for self-improvement and material betterment is selfishness and wrong are the ones who seek the power of government as a moral material equalizer, and the ones who ultimately discourage progress and new ideas.

I believe that, once man hurdles the obstacles of inborn ignorance, his legitimate self-interest is the finest motivating force for his own and mankind's progressive material and spiritual benefit.

Self-appointed superior people bleed for mankind and seek power to control everyone according to their plan. They stifle and impede progress as well as human freedom. They are opposed to the average man having personal sovereignty. They oppose business sovereignty and local government sovereignty as a result.

America's founders proved them wrong. *Holiday Magic*, as a business on the front lines of the market, has proved them wrong in the modern commercial world, too.

When you see or hear me standing up for some political or professional ideal, you should have no doubts as to my motives.

My firm desire is to see that Holiday Magic remains a sovereign and prosperous company.

To do that, I should be willing to stand and defend our rights to be a sovereign and free people.

To insure that right, you and I should be willing to stand and defend, and declare, our nation's right of sovereignty in a hostile world, and our state's right of sovereignty under our great Constitution.

Only when these things are done can you, and your children, feel secure in your efforts, your pursuit of prosperity and security, and the freedom to own that which you earn and save.

Sovereignty is a meaningful word to us and to the whole of mankind. Zealous reformers of governmental institutions tend to forget that sound underlying ideas are basic to liberty. How a president is elected – who shall rule – matter much less than to understand why the power of government should be limited in the interests of man and society. With that distinction in mind, a student at Brown University here cautions against hasty abolition of the Electoral College.

IN DEFENSE OF THE

COLLEGE

ROGER DONWAY

A BAND of phoenix-like reformers will soon rise up, as they quadrennially do, to advocate the abolition of the Electoral College. In a series of background articles, journalists will calculate the possible courses of post-election havoc in 1968. Editorialists will fill space supporting programs of amendment. Civics teachers will ridicule the antique institution. And the word "undemocratic" and the phrase "one man, one vote" will be heard in every corner.

Although unimpressed by current arguments, I am not adamantly opposed to such a Constitutional reform. There is, to my knowledge, no natural right involved in abolishing, modifying, or maintaining the Electoral College. The process of electing a President is *not* a democratic one, but there is no evidence that it was intended to be democratic, and I can think of no compelling reason why it ought to be so.

On the other hand, I cannot see that the College is, like the Bill of Rights, one of those Constitutional bulwarks against democracy on which our liberty vitally depends. The choice of the majority or plurality has usually also been the electoral winner. And in those few instances where he was not so, there is no evidence that the country was being saved from demagogy by the intervention of wiser and calmer electors.

The whole question really seems to be one only of efficiency or convenience, and the College is certainly less than perfect by that standard. But since those arguments showing the advantages of reform are, I assume, fairly well known (a recent poll showed 65 per cent of the people in favor of abolishing the College outright), what I would like to suggest here are some of the less often mentioned considerations *against* reforming the College.

Caution Commended

The first, most obvious caution is that it would mean amending the Constitution in a very basic way, and simply in terms of precedent we ought to hesitate over that. If it is only for a matter of efficiency, better perhaps to leave it alone. Already we amend too easily. I would venture that most Americans did not hear of the last two amendments until they were passed, if then. Even worse, an overamended Constitution becomes a target for replacement, a possibility as frightening as it is fortunately remote.

Of course, the reformers will cry that this sort of objection could be brought against any change at all, and that is perfectly true; it could and it should. With the pragmatic turn of the American mind, we habitually give too little thought to precedent on the delusive premise that our actions will never amount to a real change. It is against this that I propose my first caution. However, it is only a caution. If the change is badly needed, by all means acknowledge the precedent, and then reform.

But there is another caution I wish to point out, one much more immediate in impact and explosive in effect: we know how our present system works, we are familiar with it, our political thinking is based around it, and it holds fewer surprises than a new one would. The reformers may like to call the Electoral College "vestigial," but it is far from it. True, the electors themselves are not vital political entities, but the influence of the electoral structure is nonetheless pervasive.

To see what might happen after a reform, consider the proposal for the direct election of the President. This is both the simplest method in practice and the ideal behind most of the suggested changes. Actually, direct election would have many drawbacks other than those I wish to raise and for that reason few people actually advocate it. However, the observations drawn against it here are also, I believe, applicable to most of the usual modifications of direct election which are being urged.

Recall that direct elections are won by pluralities, the difference of votes between the winner and the loser. All other statistics are merely interesting. This is not true of the present system. Currently, to be elected, a candidate must win not one, but several elections, some combination out of fifty, the value of each being determined by the number of people in the state.

Clearly, the theory behind direct election is much simpler. It maintains that the President is elected by the nation and that the person chosen by a plurality on election day to be President, *ought* to be President.

The electoral thesis is more complex. It says that the nation is composed of states and that it is these who choose the President, each state being more or less influential in relation to its population. To determine the voice of a state, an election is held and a plurality rules.

Pluralities vs. Totals

Now, know it or not and like it or not, the electoral thesis has shaped our political ideas in many basic ways. And the institution of direct elections would radically alter these patterns of thought.

Under the present system, we

have grown accustomed to thinking that the populous states should have more say than the less populous states in nominating and electing a President. At the conventions, for example, the parties are careful to consider the wishes of the larger states' delegations, knowing that if a candidate is pleasing to these large blocs of electoral votes, he is that much more likely to be elected. Less popstates get comparatively ulous short shrift. Of course, the justice of such a system may be debated by, say, New Yorkers and Alabamans, but it is currently considered "fair" in political thinking that New York should be more influential.

Again, during the election, the candidates are most likely to adopt views pleasing to the people in the populous states, and thus, ultimately, the President is likely to reflect the political philosophy prevalent in these states.

Under a system of direct election this would almost certainly be changed, for such elections, as I said, are won on pluralities. Thus the influential states would be those which could deliver the largest pluralities to a candidate, population being irrelevant. A state with six million voters and an uncertain plurality, becomes worth less than a state with a million voters and a plurality of 300,000, and so do the views of its voters.

To take an example, imagine that the election of 1960 had been a direct election. The power bases of the candidates would have been considerably different. Georgia would have been worth four times as much as Texas to the Democratic candidate, whereas under the electoral system it was worth one-half. Louisiana would have been twenty times as valuable as Illinois instead of one-third. Rhode Island would have weighed about equally with Pennsylvania instead of being one-eighth as important.

For the Republicans, Kansas would have been more than five times as valuable as California, instead of being worth one-fourth of it. Instead of being about equal, Indiana would have been five times more important than Virginia. Instead of Nebraska being one-half as valuable as Wisconsin, it would have been worth twice as much.

This situation, the reformers tell us, would make elections more rational.

Such dramatic shifts in power would not be lost on the political rulers of small but one-sided states, particularly in the South. And their new influence, for better or worse, would be greatly felt at the conventions. Whether or not they *should* have such power is a different question. The fact is that they do not now have it, and an effect of instituting direct elections would be to give it to them.

But this is only one example of the revolutions hidden in abolishing the "vestigial" institution. And it is the sort of alteration we ought at least to be expecting and not discovering too late. Until we can be sure of the cost then, let us keep the College.

IDEAS ON LIBERTY

Self-Reliance

THE WEAKNESSES of the many make the leader possible – and the man who craves disciples and wants followers is always more or less of a charlatan. The man of genuine worth and insight wants to be himself; and he wants others to be themselves, also. Discipleship is a degenerating process to all parties concerned. People who are able to do their own thinking should not allow others to do it for them.

DOES LABOR CREATE CAPITAL?

DEAN LIPTON

FOR MORE than a century, the Marxists have loudly contended that capital is the product of former labor. Nor was this idea original with Karl Marx. The classical economists had pointed it out much earlier, and in an oftenmisquoted statement, Abraham Lincoln had said that before there could be capital, there had to be labor.

However, Lincoln – an advocate of free capitalism, if there ever was one – and the classical economists differed from Marx and his followers on whose labor created capital. According to Marx, everyone's labor created capital. But Lincoln and the classicists knew that capital came about only as someone saved from the fruits of his labor.

How this works in the practical world may be demonstrated by two workingmen named Smith and Jones employed by Brown. Smith and Jones are equally good workers, industrious, competent and dependable. Brown pays each of them two hundred dollars ε week. Smith spends all his wages but Jones, planning to go into business for himself some day, saves twenty-five dollars each week.

Two facts are apparent. Smith works as hard as does Jones and is as competent and dependable; his labor adds to production every bit as much as does Jones'. However he has done nothing to help Jones create his capital. If Smith hac worked twice as hard, he still would have done no more to increase Jones' capital than if he had not worked at all. Employen Brown, of course, might profit from the labor of both men and might convert such profits to capital.

The great Austrian economist Eugen von Böhm-Bawerk put it into a brilliant equation: "Industry plus savings equals capital."

Böhm-Bawerk pointed out that

Mr. Lipton of San Francisco has been a newspaperman and Army Historian whose articles have appeared in numerous magazines.

the creation of capital is never accidental as it would have to be if it were the product of all labor, but comes always from the free choice of an individual – his decision that a part of his wage should be put aside and invested as capital.

For many generations, the economic thinking of countless people-not all of them Marxistshas been tainted by the concept that labor collectively creates capital. The ethical as well as the economic basis for Marx's theory of surplus value rests on this idea. So do the wage-price beliefs promulgated by American and European labor unions. This "surplus value" idea accounts for the insistent demands of union leaders that any increase in productivity be given to union members in the form of higher wages. Obviously, if capital were created simply by laboring, all the products of industry and commerce should belong to labor.

But, the theory will not stand scrutiny. Proof of it would have to show that man's native, inherent ability to produce has increased over the centuries. Marx himself knew better. He devoted pages to demonstrate how industrial productivity increased *only* as the result of technological advances. Men who still work at the handicraft stage of development produce little more than their remote ancestors did.

Capital, often in the form of machinery, is what makes the difference between a lower and higher rate of productivity. Therefore, there can be no sound ethical reason for the increased product going to the man operating the machine. A stronger ethical case could be made for it to go solely to the man who invented the machine. When Marx developed his theory of surplus value, he must have known this; yet he chose to ignore it. The entire moral basis of Marxian Socialism rests on the concept that capital is the collective creation of labor.

The Facts Deny the Theory

The economic reasoning behind "surplus value" is also unsound. If there were any validity to it, the businessman with the largest labor force would always make the highest profit. Labor-saving machinery would be a drug on the market, since no businessman would want to displace a profitgenerating worker.

A few years ago two great daily newspapers in San Francisco merged after operating at an annual loss of a million dollars each. If the theory of "surplus value" were valid, their large, separate work forces should have generated profits rather than losses. A primary reason for their merger was to avoid uneconomic labor costs.

This also accounts for the rapid rise of automation. High wages are an inducement to savers to invest in machinery while low wages tend to keep it out of use. Competition among employers obliges them to automate as fast as they can and to pay wages as high as they can to attract their needed work forces. The facts of good business practice simply refute the theory of "surplus value" at every turn.

Like many of his other theories, "surplus value" was not original with Marx. Similar ideas were floating around in the nineteenth century. For instance, James Mill (the father of John Stuart Mill) wrote in his Elements of Political Economy, "profits of stock depend upon wages; rise as wages fall, and fall as wages rise." This was in 1826, more than forty years before the first volume of Marx's Capital was published. It contradicted the whole history of capitalist development: and the guestion is: Why were thinking men like James Mill and Karl Marx so wrong?

The answer should be apparent to anyone familiar with the England of early-and-middle nineteenth century. Its primitive industrialism was grafted on a mercantilist economy and its social system remained cluttere with feudal trappings. Mill an Marx observed the conditions i factory centers such as Londo and Manchester, and tried to de rive from these limited observations some universal economi truths.

Edward Gibbon Wakefield

A young contemporary of Jame Mill, and a close friend of his sor John Stuart Mill, was Edwar Gibbon Wakefield. Wakefield ar proached the capitalist movemen with a different point of view from that of James Mill and Mary and history confirms the accurac of his conclusions.

An unfortunate personal mis adventure caused Wakefield's ret utation to be downgraded in hi own time, and today his work i known only to specialists in cc lonial history. However, Wakefiel was more than a narrow specialist His polemical writings were cer tainly the equal of Disraeli's an Cobden's; and in a wide range o economic and social fields. Wake field possessed a brilliant, power ful, and perceptive mind. Yet, ex cept for John Stuart Mill. mos of the so-called intellectual lead ers of Wakefield's time dismisse him as of little importance.

Wakefield knew the England o the nineteenth century as well a did James Mill and Marx, but h

also knew that conditions there were not applicable to the rest of the world. His economic investigations were broader than those of any other man of his time. They ranged from the United States and Canada to western Europe to Australia. He set forth his ideas on wages and profits in a book, England and America, published seven years after James Mill's Elements of Political Economy and more than thirty years before the first volume of Marx's Capital. In one bold stroke, Wakefield demolished every existing theory of wages and profit, including David Ricardo's wage-fund theory.

Where Marx would contend that the rich could grow richer only as the poor became poorer. Wakefield insisted that high wages and high profits went together. He pointed out that in England where profits were comparatively low, wages were also low, and in the United States where profits were high, wages were also comparably higher. Marx predicted that capitalism would destroy the middle class. Wakefield predicted that the middle class would flourish under capitalism. Marx based the validity of his ideas - as Böhm-Bawerk took great pains to point out - on exchange value. Wakefield wrote, "economists in treating of the production and distribution of wealth have overlooked the chief element of production, namely, the field in which capital and labor are employed." What was necessary to sustain both high wages and high profits? Wakefield's answer, "the proper utilization of productive facilities in relationship to land." It is obvious from his usage of the word "land" that he meant it to cover all other factors of production in general.

Consumers Determine Proper Use

Under free market conditions. this is the way it is accomplished. Land. labor, and capital are brought into use because of the demand by consumers for certain products. When the needs and wants of consumers change, then the producers' requirements must also change. Otherwise, those failures go out of business, and other businesses take their place. The free market makes possible a rich and variegated supply of goods because the businessmen who operate in it must meet the desires of consumers: and as consumers develop new wants business quickly seizes the opportunity to meet them. There is, therefore, a natural allocation of land, labor, and capital following the needs and wants of the market place.

The only other way to allocate a nation's resources is through government edict, workers being told when and where they can work, and equipment and material being controlled by bureaucratic decisions. Wherever this has been tried, it has produced limited commodities of a dreary and monotonous uniformity.

Increased productivity — making possible both higher wages and higher profits — depends upon original ideas frequently developed as machinery — the product of an inventor's genius, not a worker's skill. In the abstract, the idea-man, the inventor would seem to be entitled to all the increased productivity. He is the one irreplaceable link in the productive chain. Both investors and workers exist in great numbers. Inventive genius does not.

But there are a number of things wrong with this analysis. First, it must be realized that no matter how brilliant the idea, it will profit no one unless there is a market for the product, unless people want it enough to pay for it. Secondly, the inventor mus ordinarily be financed for many years, sometimes for most of his life, before his invention bears fruit. So the people who finance him are entitled to a part of what the product brings in sale to othen people. Finally, the high promise of capitalism is an ever-increasing standard of living. So part of this increased productivity and sales must be returned to *all* of the people.

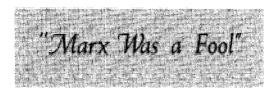
Improved standards of living for all will be possible only when increased technology permits a more widespread lowering of prices instead of heralding an automatic increase in wages to union members. In the end, it is the consumer who determines both the returns upon capital and the wages of labor.

IDEAS ON LIBERTY

Consumers Control Production

With full competition And freedom of trade, Each dollar, as spent, Votes what shall be made. A thousand commissions, Working daytime and night, Could not guide production So nearly aright.

WILLFORD I. KING, Economics in Rhyme



I'LL NEVER FORGET the shock I experienced when, some thirty-five years ago, I heard Isabel Paterson say with magisterial scorn, "Marx was a fool." The depression was then at its lowest point, capitalism was staggering all over the world, and the "Russian experiment," with its Five-Year Plan, had not yet been exposed as a hollow failure. So how could Marx be regarded as a fool when some of his most cherished predictions seemed about to come true?

Nevertheless, Isabel Paterson was right: Marx was a fool. In his The Trouble with Marx (Arlington House, with an introduction by Gottfried Haberler, \$5.00), McCord Wright David doesn't quite put it that way. He limits himself to saving that Marxism is "scientifically mistaken," that it is "an extremely plausible combination of all the most widely spread mistakes of nineteenth century culture," and that "the basic

Marxist analysis is intellectual hokum." But when he is through with his devastating exposure of the fallacies that hide behind the Marxist-Leninist jargon – he calls it "scraping off the gobbledygook" – the Paterson ex cathedra verdict stands: Marx was a fool.

The usual approach of those who seek to discredit Marx is to tackle him on the labor theory of value. But Professor Wright, after doffing his cap to Böhm-Bawerk and the Austrian school for their work in showing that value is a subjective concept which must be quantified in the market, goes on to consider the "overall outline of the Marxian system." He reduces the economic and political elements of Marxism to the solemn labels that have so bemused our world: "economic determinism," "the class struggle," "surplus value," "the industrial reserve army," "the falling rate of profit," "increasing misery of the proletariat," "withering away of the state," and so forth and so on. But the labels, as Wright shows, are not true abstractions from reality. They distort a world in which things are not "determined." To give truth to the labels, one would first have to change the human species into an animal that never was on land or sea.

People-Control

Taking hold of Marxism at the utopian end, Wright begins his critique by riddling the idea that the state can ever "wither away." Lenin thought that, with the abolition of classes and private property, government would be reduced to the "administration of things." But it is not private property or the existence of classes that makes a state - i.e., a "power of suppression"-necessary. Government must be something more than the "administration of things" for the simple reason that men disagree. Under Communism a Trotsky will want to push one program, a Stalin another. The virtue of capitalism is that it permits men to satisfy differing wants in the market place without killing each other. But under Communism the wants of the administrators are sovereign whether the nonadministrators like it or not. Moreover, there are all the noneconomic desires of differing men to consider. How many

wives shall a man have? Should adultery be punished? What about idiots who persist in driving or the wrong side of the road? If a man has typhoid, should he be quarantined? And what about writers who dissent from prevailing standards? If they advocate assassination, and try to act upon their advocacy, should they be jailed?

The questions can be multiplied endlessly. But they all terminate in the same place: a "power of suppression" must be located somewhere in society or what Lenin called the "elementary conditions of social existence" will be replaced by primitive anarchy. In which case, of course, there will be no "things" – man-made goods as distinct from the roots and herbs that may be found in nature – tc "administer."

Poverty Can Be Avoided

Since the state can't "wither away," the "dictatorship of the proletariat" must hang on as long as Marxists are in control of human effort. But the fact that Marxism can't bring utopia to this earth does not in itself vitiate it as economic or social analysis of "what is." Wright goes on to show that the qualitative improvement of such things as machine tools, chemical processes, the use of fertilizers in agriculture, the management of business, and the speeding of transportation and communications, all serve to increase the product of the individual labor hour, which means that there is more to be shared between the worker, the foreman, the stockholder, and the company president.

Because of this very obvious fact, the "inevitability" of the "falling rate of profit" simply evaporates. And because there is necessitous iron chain of no events, the "class struggle" can be confined within relatively peaceful limits if not abolished. Since capitalism is inherently expansive as long as qualitative improvement in its machinery is a possibility. the "industrial reserve army" is no sword of Damocles. In good times it tends to give way to full employment. And the "increasing misery of the proletariat" is statistically refuted by the climb in the Gross National Product.

Professor Wright is not a propagandist, and he therefore admits that the market economy is not perfect. Not all businesses succeed, and the very fact that entrepreneurs lack X-ray eyes means that discontinuities must appear from time to time. When a series of misjudgments about the future occurs, depression is possible. But the point is that communist commissars don't have X-ray eyes, either. Their mistakes go to the warehouses, and when mistakes accumulate with too great a frequency a political explosion can follow.

Class Contradictions

Professor Wright eschews personalities in his book, for, as he puts it, his aim is to discuss the truth and usefulness "as science" off the ideas of Marx and Lenin. From this standpoint, he says, the private life of Marx "is as relevant as a psychoanalysis of Euclid would be to the truth of plane geometry." Nevertheless, he does consider it relevant to his argument to point out that Marx, Engels, and Lenin were all of bourgeois origin. Their philosophies were not "conditioned" by their economic station in life. Marx was the son of a lawyer. Engels of a well-to-do manufacturer. Lenin of a district school superintendent. Their "alienation" derived not from economic causes but from psychological dissatisfactions that had nothing to do with "class." Marx encountered anti-Semitism in Berlin when he moved to that city from the Rhineland to study law, but this did not turn him into a pro-Semite. Indeed, he lived to say many nasty things about his own race. He projected his spiritual malaise upon history. And he spent the latter years of his life trying in vain to assemble objective evidence to validate the things

that he had laid down as "law" in the first volume of his *Das Kapital*.

Professor Wright thinks that "the frantic reading and little writing of Marx's later years represent the typical behavior of a man deeply worried about the validity of his own arguments and frantically trying to buttress them before he dared publication." Well. as Isabel Paterson might have said, it is the mark of a fool that he persists in throwing good money after bad. Wright is too polite to say that Marx himself was a fraud. It is enough for him to say that the Marxist system is fraudulent when it is presented as a science. ۲

AND EVEN IF YOU DO by Joseph Wood Krutch (New York: William Morrow & Co., 1967) 341 pp., \$6.50.

Reviewed by Robert M. Thornton THE READERS of Dr. Krutch's earlier collection of essays, If You Don't Mind My Saying So, will appreciate the title of this new book—not to mention the contents which range from opinion polls, utopias, and Descartes to the importance of the seed to civilization, legs, and the weight of water colder than 39° Fahrenheit.

Krutch has written much about literature, drama, and nature, but for forty years he has been deeply interested in human nature and

the human condition. "Can anyone deny," he asks, "that for at least a hundred vears we have been prejudiced in favor of everything -including economic determinism mechanistic behaviorism and relativism – which reduces the stature of man until he ceases to be mar at all in any sense former human ism would recognize." So modern man suffers "from the sense of helpless futility when he thinks of what he is – or has been persuaded to believe himself to be." But paradoxically, in his role as tech nologist, man suffers "from delu sions of grandeur when he think: of what he can do."

To escape from his predicament man should remember that h "needs not only to know but als to wonder and to love," as Krutcl puts it. He will, perhaps, be les cocky about his powers over natur when in the expression of wonde he recognizes himself as a crea ture of a reality that far trans cends his finite comprehensior But the fact that he *is* capable o these emotions should remind him too, that man is neither machin nor animal.

Krutch is wonderful tonic fo those who despair. Though yo may lose hope for the world, h writes, you need not lose hope i yourself. Do not say, "I will d what everybody else does becaus there is no use trying to be any thing but rotten in a rotten society." If necessary, be a lonely candle which can throw its beams far in a darkling world. This is not only best for society but also the best and happiest course for the individual. If the world is hopeless, it is "wiser to see what one can do about oneself than to give up all hope of that also."

Krutch offers an excellent corrective for those who renounce personal integrity or personal happiness and insist that our duty is to think primarily in terms of what can be done for society. "I world." came into this said Thoreau, "not primarily to make it better but to live in it, be it good or bad." There is something to be said for those who do their best even though they do not see at the moment just what practical good it is going to do for the common man. After all, writes Krutch, "the medieval monk did perform a service. Neither the God he served nor the learning he preserved counted for much in the world from which he retired. But he did exemplify in himself virtues that might otherwise have ceased to exist entirely, and he did preserve learning that without him would have been lost."

Krutch never forces himself on his readers but, in his gentle way, he prods one to do his own thinking. If, as Opitz says, philosophy is more to be caught than taught, the bait offered by Joseph Wood Krutch is most alluring.

LEFT LUGGAGE, A Caustic History of British Socialism from Marx to Wilson by C. Northcote Parkinson (Boston: Houghton Mifflin Company, 1967), \$4.95, 236 pp.

Reviewed by Robert M. Thornton

FRANKLY, this book is dry reading in parts, for even the witty formulator of "Parkinson's Law" cannot make British socialism an entertaining or inspiring subject. Dullness may be one of the reasons for socialism's failure. All it now promises people, says Parkinson, is a classless society in which economic security is guaranteed by the state; where no one is to have anything that all cannot have. A socialist society also dries up the sources of idealism, and idealism is necessary to a healthy, dynamic society. Men have been willing to lay down their lives for God or the emperor, for their regiment or for the flag, but you cannot expect such sacrifice on behalf of a higher standard of living.

A generation ago Robert A. Taft offered a similar criticism of a society too much concerned with things: "Before our system can claim success, it must not only create a people with a higher standard of living, but a people with a higher standard of character — character that must include religious faith, morality, educated intelligence, self-restraint, and an ingrained demand for justice and unselfishness. . . . We cannot hope to achieve salvation by worshiping the god of the standard of living."

In 1944, F.A. Hayek dedicated a book to "The Socialists of All Parties," and warned his English friends that central planning is the road to serfdom. Parkinson, quoting liberally from Herbert Spencer's *The Man vs. the State*, tells us again that socialism and freedom are incompatible. For those who have the eyes to see and the ears to hear we have a recital of England's collectivist experiences to warn us again of the dangers in our present trend toward statism.

Another fatal error of socialism is its insistence that no one be allowed to enjoy the advantages of birth, upbringing, environment, intelligence, determination, hard

work, foresight, patience, thrift, and ambition. Then, as Joseph Wood Krutch has observed, about the only thing to strive for in such a society is power. The classless society produces only the bureaucrat. the nonindividual castigated by Parkinson in earlier books. But the good society needs such uncommon men and women, as Parkinson himself pointed out a couple of years ago in A Law unto Themselves (Boston, 1966). Without pathfinders and innovators in the arts and in science as well as in business and industry a society will stagnate. To discourage the outstanding individuals and attempt to reduce them to the level of the great majority is to hurt everyone.

Socialism, concludes Parkinson, is intellectually bankrupt. The thought has been put more thoroughly and profoundly by Mises, Hayek, and Röpke. But it doesn't hurt to add another volume to the growing stack of books which demolish socialist theory and practice.

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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

LEONARD E. READ

PAUL L. POIROT

President, Foundation for Economic Education

Managing Editor

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the TASK confronting LIBERTARIANS

HENRY HAZLITT

FROM TIME to time over the last thirty years, after I have talked or written about some new restriction on human liberty in the economic field, some new attack on private enterprise, I have been asked in person or received a letter asking, "What can I do" — to fight the inflationist or socialist trend? Other writers or lecturers, I find, are often asked the same question.

The answer is seldom an easy one. For it depends on the circumstances and ability of the questioner – who may be a businessman, a housewife, a student, informed or not, intelligent or not, articulate or not. And the answer must vary with these presumed circumstances.

The general answer is easier

than the particular answer. So here I want to write about the task now confronting all libertarians considered collectively.

This task has become tremendous, and seems to grow greater every day. A few nations that have already gone completely communist, like Soviet Russia and its satellites, try, as a result of sad experience, to draw back a little from complete centralization, and experiment with one or two quasi-capitalistic techniques: but the world's prevailing drift - inmore than 100 out of the 107 nations and mini-nations that are now members of the International Monetary Fund-is in the direction of increasing socialism and controls.

The task of the tiny minority that is trying to combat this socialistic drift seems nearly hope-

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less. The war must be fought on a thousand fronts, and the true libertarians are grossly outnumbered on practically all these fronts.

In a thousand fields the welfarists, statists, socialists, and interventionists are daily driving for more restrictions on individual liberty; and the libertarians must combat them. But few of us individually have the time, energy, and special knowledge to be able to do this in more than a handful of subjects.

One of our gravest problems is that we find ourselves confronting armies of bureaucrats already controlling us, and with a vested interest in keeping and expanding the controls they were hired to enforce.

A Growing Bureaucracy

Let me try to give you some idea of the size and extent of this bureaucracy in the United States. The Hoover Commission found in 1954 that the Federal government embraced no fewer than 2,133 different functioning agencies, bureaus, departments, and divisions. I do not know what the exact count would be today, but the known multiplicity of Great Society agencies would justify our rounding out that figure at least to 2,200.

We do know that the full-time

permanent employees in the Federal government now number about 2,615,000.

And we know, to take a few specific examples, that of these bureaucrats 15,400 administer the programs of the Department of Housing and Urban Development, 100,000 the programs (including Social Security) of the Department of Health, Education, and Welfare, and 154,000 the programs of the Veterans Administration.

If we want to look at the rate at which parts of this bureaucracy have been growing, let us take the Department of Agriculture. In 1929, before the U.S. government started crop controls and price supports on an extensive scale, there were 24,000 employees in that Department. Today, counting part-time workers, there are 120,000, five times as many, all of them with a vital economic interest - to wit, their own jobs - in proving that the particular controls they were hired to formulate and enforce should be continued and expanded.

What chance does the individual businessman, the occasional disinterested professor of economics, or columnist or editorial writer, have in arguing against the policies and actions of this 120,000man army, even if he has had time to learn the detailed facts of a particular issue? His criticisms are either ignored or drowned out in the organized counterstatements.

This is only one example out of scores. A few of us may suspect that there is much unjustified or foolish expenditure in the U.S. Social Security program, or that the unfunded liabilities already undertaken by the program (one authoritative estimate of these exceeds a trillion dollars) may prove to be unpayable without a gross monetary inflation. A handful of us may suspect that the whole principle of compulsory government old age and survivor's insurance is open to question. But there are nearly 100,000 full-time permanent employees in the Department of Health, Education, and Welfare to dismiss all such fears as foolish, and to insist that we are still not doing nearly enough for our older citizens, our sick, and our widows and orphans.

And then there are the millions of those who are already on the receiving end of these payments, who have come to consider them as an earned right, who of course find them inadequate, and who are outraged at the slightest suggestion of a critical re-examination of the subject. The political pressure for constant extension and increase of these benefits is almost irresistible.

And even if there weren't whole

armies of government economists, statisticians, and administrators to answer him, the lone disinterested critic, who hopes to have his criticism heard and respected by other disinterested and thoughtful people, finds himself compelled to keep up with appalling mountains of detail.

Too Many Cases to Follow

The National Labor Relations Board, for example, hands down hundreds of decisions every year in passing on "unfair" labor practices. In the fiscal year 1967 it passed on 803 cases "contested as to the law and the facts." Most of these decisions are strongly biased in favor of the labor unions: many of them pervert the intention of the Taft-Hartley Act that they ostensibly enforce; and in some of them the board arrogates to itself powers that go far beyond those granted by the act. The texts of many of these decisions are very long in their statement of facts or alleged facts and of the Board's conclusions. Yet how is the individual economist or editor to keep abreast of the decisions and to comment informedly and intelligently on those that involve an important principle or public interest?

Or take again such major agencies as the Federal Trade Commission, the Securities and Ex-

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change Commission, the Internal Revenue Service, the Interstate Commerce Commission, the Food and Drug Administration, the Federal Communications Commission. All these agencies engage in quasi-legislative, quasi-judicial, and administrative functions. They issue rules and regulations, grant licenses, issue cease-anddesist orders, award damages, and compel individuals and corporations to do or refrain from many things. They often combine the functions of legislators, prosecutors, judges, juries, and bureaucrats. Their decisions are not always based solely on existing law; and yet when they inflict injury on corporations or individuals, or deprive them of constitutional liberties and legal rights, appeal to the courts is often difficult, costly, or impossible.

Once again, how can the individual economist, student of government, journalist, or anyone interested in defending or preserving liberty, hope to keep abreast of this Niagara of decisions, regulations, and administrative laws? He may sometimes consider himself lucky to be able to master in many months the facts concerning even one of these decisions.

Professor Sylvester Petro of New York University has written a full book on the Kohler strike and another full book on the Kingsport strike, and the public lessons to be learned from them. Professor Martin Anderson has specialized in the follies of urban renewal programs. But how many are there among us libertarians who are willing to - or have the time to - do this specialized and microscopic but indispensable research?

In July, 1967, the Federal Communications Commission handed down an extremely harmful decision ordering the American Telephone & Telegraph Company to lower its interstate rates – which were already 20 per cent lower than in 1940, though the general price level since that time had gone up 163 per cent. In order to write a single editorial or column on this (and to feel confident he had his facts straight), a conscientious journalist had to study, among other material, the text of the decision. That decision consisted of 114 single-spaced typewritten pages.

. . . and Schemes for Reform

We libertarians have our work cut out for us.

In order to indicate further the dimensions of this work, it is not merely the organized bureaucracy that the libertarian has to answer; it is the individual private zealots. A day never passes without some ardent reformer or

group of reformers suggesting some new government intervention, some new statist scheme to fill some alleged "need" or relieve some alleged distress. They accompany their scheme by citing statistics that supposedly prove the need or the distress that they want the taxpavers to relieve. So it comes about that the reputed "experts" on relief, unemployment insurance, social security, medicare, subsidized housing, foreign aid, and the like are precisely the people who are advocating more relief, unemployment insurance, social security, medicare, subsidized housing, foreign aid, and all the rest.

Let us come to some of the lessons we must draw from all this.

Specialists for the Defense

We libertarians cannot content ourselves merely with repeating pious generalities about liberty. free enterprise, and limited government. To assert and repeat these general principles is absolutely necessary, of course, either as prologue or conclusion. But if we hope to be individually or collectively effective, we must individually master a great deal of detailed knowledge, and make ourselves specialists in one or two lines, so that we can show how our libertarian principles apply in special fields, and so that we can convincingly dispute the proponents of statist schemes for public housing, farm subsidies, increased relief, bigger social security benefits, bigger medicare, guaranteed incomes, bigger government spending, bigger taxation, especially more progressive income taxation, higher tariffs or import quotas, restrictions or penalties on foreign investment and foreign travel, price controls, wage controls, rent controls, interest rate controls, more laws for so-called "consumer protection," and still tighter regulations and restrictions on business everywhere.

This means, among other things. that libertarians must form and maintain organizations not only to promote their broad principles - as does, for example, the Foundation for Economic Education but to promote these principles in special fields. I am thinking, for example, of such excellent existing specialized organizations as the Citizens Foreign Aid Committee, the Economists' National Committee on Monetary Policy. the Tax Foundation, and so on. I am happy to report the very recent formation of Americans for Effective Law Enforcement.

We need not fear that too many of these specialized organizations will be formed. The real danger is the opposite. The private libertarian organizations in the United States are probably outnumbered ten to one by communist, socialist, statist, and other left-wing organizations that have shown themselves to be only too effective.

And I am sorry to report that almost none of the old-line business associations that I am acquainted with are as effective as they could be. It is not merely that they have been timorous or silent where they should have spoken out, or even that they have unwisely compromised. Recently. for fear of being called ultraconservative or reactionary, they have been supporting measures harmful to the very interests they were formed to protect. Several of them, for example, have come out in favor of the Administration's proposed tax increase on corporations, because they were afraid to say that the Administration ought rather to slash its profligate welfare spending.

The sad fact is that today most of the heads of big businesses in America have become so confused or intimidated that, so far from carrying the argument to the enemy, they fail to defend themselves adequately even when attacked. The pharmaceutical industry, subjected since 1962 to a discriminatory law that applies questionable and dangerous legal principles that the government has not yet dared to apply in other fields, has been too timid to state its own case effectively. And the automobile makers, attacked by a single zealot for turning out cars "Unsafe at Any Speed," handled the matter with an incredible combination of neglect and ineptitude that brought down on their heads legislation harmful not only to the industry but to the driving public.

The Timidity of Businessmen

It is impossible to tell today where the growing anti-business sentiment in Washington, plus the itch for more government control. is going to strike next. Only within the last few months Congress, with little debate, allowed itself to be stampeded into a dubious extension of Federal power over intrastate meat sales. When this article appears, or shortly after, Congress may have passed a Federal "truth-in-lending" law, forcing lenders to calculate and state interest rates the way Federal bureaucrats want them calculated and stated. There is also pending an Administration bill in which government bureaucrats are to prescribe "standards" telling just how surgical devices like bone pins and catheters and even artificial eves are to be made.

And a few weeks ago the President suddenly announced that he was prohibiting American business from making further direct investments in Europe, that he was restricting them elsewhere, and that he would ask Congress to pass some law restricting Americans from traveling to Europe. Instead of raising a storm of protest against these unprecedented invasions of our liberties, most newspapers and businessmen deplored their "necessity" and hoped they would be only "temporary."

The very existence of the business timidity that allows these things to happen is evidence that government controls and power are already excessive.

Why are the heads of big business in America so timid? That is a long story, but I will suggest a few reasons: (1) They may be entirely or largely dependent on government war contracts. (2) They never know when or on what grounds they will be held guilty of violating the antitrust laws. (3) They never know when or on what grounds the National Labor Relations Board will hold them guilty of unfair labor practices. (4)They never know when their personal income tax returns will be hostilely examined, and they are certainly not confident that such an examination, and its findings, will be entirely independent of whether they have been personally friendly or hostile to the Administration in power.

It will be noticed that the gov-

ernmental actions or laws of which businessmen stand in fear are actions or laws that leave a great deal to administrative discretion. Discretionary administrative law should be reduced to a minimum; it breeds bribery and corruption, and is always potentially blackmail or blackjack law.

A Confusion of Interests

Libertarians are learning to their sorrow that big businessmen cannot necessarily be relied upon to be their allies in the battle against extension of governmental encroachments. The reasons are many. Sometimes businessmen will advocate tariffs, import quotas, subsidies, and restrictions of competition, because they think, rightly or wrongly, that these government interventions will be in their personal interest, or in the interest of their companies, and are not concerned whether or not they may be at the expense of the general public. More often, I think, businessmen advocate these interventions because they are honestly confused, because they just don't realize what the actual consequences will be of the particular measures they propose, or perceive the cumulative debilitating effects of growing restrictions of human liberty.

Perhaps most often of all, however, businessmen today acquiesce in new government controls out of sheer timidity.

A generation ago, in his pessimistic book, *Capitalism, Socialism* and *Democracy* (1942), the late Joseph A. Schumpeter maintained the thesis that "in the capitalistic system there is a tendency toward self-destruction." And as one evidence of this he cited the "cowardice" of big businessmen when facing direct attack:

They talk and plead — or hire people to do it for them; they snatch at every chance of compromise; they are ever ready to give in; they never put up a fight under the flag of their own ideals and interests — in this country there was no real resistance anywhere against the imposition of crushing financial burdens during the last decade or against labor legislation incompatible with the effective management of industry.

So much for the formidable problems facing dedicated libertarians. They find it extremely difficult to defend particular firms and industries from harassment or persecution when those industries will not adequately or competently defend themselves. Yet division of labor is both possible and desirable in the defense of liberty as it is in other fields. And many of us, who have neither the time nor the specialized knowledge to analyze particular industries or special complex problems, can be nonetheless effective in the libertarian cause by hammering incessantly on some single principle or point until it is driven home.

Basic Principles upon Which Libertarians May Rely

Is there any single principle or point on which libertarians could most effectively concentrate? Let us look, and we may end by finding several.

One simple truth that could be endlessly reiterated, and effectively applied to nine-tenths of the statist proposals now being put forward or enacted in such profusion, is that the government has nothing to give to anybody that it doesn't first take from somebody else. In other words, all its relief and subsidy schemes are merely ways of robbing Peter to support Paul.

Thus, it can be pointed out that the modern welfare state is merely a complicated arrangement by which nobody pays for the education of his own children, but everybody pays for the education of everybody else's children; by which nobody pays his own medical bills, but everybody pays everybody else's medical bills; by which nobody provides for his own old-age security, but everybody pays for everybody else's old-age security; and so on. Bastiat, with uncanny clairvoyance, exposed the illusive character of all these welfare schemes more than a century ago in his aphorism: "The State is the great fiction by which everybody tries to live at the expense of everybody else."

Another way of showing what is wrong with all the state handout schemes is to keep pointing out that you can't get a quart out of a pint jug. Or, as the state giveaway programs must all be paid for out of taxation, with each new scheme proposed the libertarian can ask, "Instead of what?" Thus, if it is proposed to spend another \$1 billion on getting a man to the moon or developing a supersonic commercial plane, it may be pointed out that this \$1 billion, taken in taxation, will not then be able to meet a million personal needs or wants of the millions of taxpavers from whom it is to be taken.

Of course, some champions of ever-greater governmental power and spending recognize this very well, and like Prof. J. K. Galbraith, for instance, they invent the theory that the taxpayers, left to themselves, spend the money they have earned very foolishly, on all sorts of trivialities and rubbish, and that only the bureaucrats, by first seizing it from them, will know how to spend it wisely.

Knowing the Consequences

Another very important principle to which the libertarian can constantly appeal is to ask the statists to consider the secondary and long-run consequences of their proposals as well as merely their intended direct and immediate The statists will consequences. sometimes admit quite freely, for example, that they have nothing to give to anybody that they must not first take from somebody else. They will admit that they must rob Peter to pay Paul. But their argument is that they are seizing only from rich Peter to support poor Paul. As President Johnson once put it quite frankly in a speech on January 15, 1964: "We are going to try to take all of the money that we think is unnecessarily being spent and take it from the 'haves' and give it to the 'have nots' that need it so much "

Those who have the habit of considering long-run consequences will recognize that all these programs for sharing-the-wealth and guaranteeing incomes must reduce incentives at both ends of the economic scale. They must reduce the incentives both of those who are capable of earning a high income, but find it taken away from them, and those who are capable of earning at least a moderate income, but find themselves supplied with the necessities of life without working.

This vital consideration of incentives is almost systematically overlooked in the proposals of agitators for more and bigger government welfare schemes. We should all rightly be concerned with the plight of the poor and unfortunate. But the hard twopart question that any plan for relieving poverty must answer is: How can we mitigate the penalties of failure and misfortune without undermining the incentives to effort and success? Most of our would-be reformers and humanitarians simply ignore the second half of this problem. And when those of us who advocate freedom of enterprise are compelled to reject one of these specious "antipoverty" schemes after another on the ground that it will undermine these incentives and in the long run produce more evil than good, we are accused by the demagogues and the thoughtless of being "negative" and stonyhearted obstructionists. But the libertarian must have the strength not to be intimidated by this.

Finally, the libertarian who wishes to hammer in a few general principles can repeatedly appeal to the enormous advantages of liberty as compared with coercion. But he, too, will have influence and perform his duty properly only if he has arrived at his principles through careful study and thought. "The common people of England," once wrote Adam Smith, "are very jealous of their liberty, but like the common people of most other countries have never rightly understood in what it consists." To arrive at the proper concept and definition of liberty is difficult, not easy. But this is a subject too big to be developed further here.

Legal and Political Aspects

So far, I have talked as if the libertarian's study, thought, and argument need be confined solely to the field of economics. But, of course, liberty cannot be enlarged or preserved unless its necessity is understood in many other fields – and most notably in law and in politics.

We have to ask, for example, whether liberty, economic progress, and political stability can be preserved if we continue to allow the people on relief – the people who are mainly or solely supported by the government and who live at the expense of the taxpayers – to exercise the franchise. The great liberals of the nineteenth and early twentieth centuries expressed the most serious misgivings on this point. John Stuart Mill, writing in his *Representative Government* in 1861, did not equivocate: "I regard it as required by first principles that the receipt of parish relief should be a preemptory disqualification for the franchise. He who cannot by his labor suffice for his own support has no claim to the privilege of helping himself to the money of others." And A. V. Dicey, the eminent British jurist, writing in 1914, also raised the question whether it is wise to allow the recipients of poor relief to retain the right to join in the election of a member of Parliament.

An Honest Currency and an End to Inflation

This brings me, finally, to one more single issue on which all those libertarians who lack the time or background for specialized study can effectively concentrate. This is in demanding that the government provide an honest currency, and that it stop inflating.

This issue has the inherent advantage that it can be made clear and simple because fundamentally it *is* clear and simple. All inflation is government-made. All inflation is the result of increasing the quantity of money and credit; and the cure is simply to halt the increase.

If libertarians lose on the inflation issue, they are threatened with the loss of every other issue. If libertarians could win the inflation issue, they could come close to winning everything else. If they could succeed in halting the increase in the quantity of money, it would be because they could halt the chronic deficits that force this increase. If they could halt these chronic deficits, it would be because they had halted the rapid increase in welfare spending and all the socialistic schemes that are dependent on welfare spending. If they could halt the constant increase in spending, they could halt the constant increase in government power.

The devaluation of the British pound a few months ago, though it may shake the whole world currency system to its foundations. may as an offset have the longer effect of helping the libertarian cause. It exposes as never before the bankruptcy of the Welfare State. It exposes the fragility and complete undependability of the paper-gold international monetary system under which the world has been operating for the last twenty vears. There is hardly one of the hundred or more currencies in the International Monetary Fund, with the exception of the dollar, that has not been devalued at least once since the I.M.F. opened its doors for business. There is not a single currency unit – and there is no exception to this statement -

that does not buy less today than when the Fund started.

The dollar, to which practically every other currency is tied in the present system, is now in the gravest peril. If liberty is to be preserved, the world must eventually get back to a full gold standard system in which each major country's currency unit must be convertible into gold on demand, by anybody who holds it, without discrimination. I am aware that some technical defects can be pointed out in the gold standard. but it has one virtue that more than outweighs them all. It is not, like paper money, subject to the day-to-day whims of the politicians: it cannot be printed or otherwise manipulated by the politicians: it frees the individual holder from that form of swindling or expropriation by the politicians: it is an essential safeguard for the preservation, not only of the value of the currency unit itself, but of human liberty.

Every libertarian should support it.

I have one last word. In whatever field he specializes, or on whatever principle or issue he elects to take his stand, the libertarian *must* take a stand. He cannot afford to do or say nothing. I have only to remind you of the eloquent call to battle on the final page of Ludwig von Mises's great book on *Socialism* written 35 years ago:

Everyone carries a part of society on his shoulders; no one is relieved of his share of responsibility by others. And no one can find a safe way out for himself if society is sweeping toward destruction. Therefore everyone, in his own interests. must thrust himself vigorously into the intellectual battle. None can stand aside with unconcern: the interests of everyone hang on the result. Whether he chooses or not. every man is drawn into the great historical struggle, the decisive battle into which our epoch has plunged us. ۲

IDEAS ON LIBERTY

A Complex Problem

WHEN STUDIED with any degree of thoroughness, the economic problem will be found to run into the political problem, the political problem in turn into the philosophical problem, and the philosophical problem itself to be almost indissolubly bound up at last with the religious problem.

IRVING BABBITT, Democracy and Leadership

As Far As Possible

THE DISCOVERER of Australia, Captain James Cook, said: "I had ambition not only to go farther than any man had ever been before, but as far as it was possible for a man to go."

"... as far as it was possible for a man to go." There could hardly be a better text. We should all aim to achieve in life as much as it is possible for us to achieve, to stretch ourselves to the limit of our capabilities. That is much further than most of us realize. Few people make the best of themselves. Few use to the full the gifts they are fortunate to possess. The most tragic of all wastes is the under-use of human talent.

This is not just a matter of achieving success in our chosen vocation or in the eyes of the world. It is the more difficult task of making a success of ourselves, of developing to the utmost our powers and capacities. One may achieve outstanding success in one's career and yet still fall far short of one's full potential as a human being.

Too many people set their sights too low. Their range of vision is limited. They can see only what is in their immediate vicinity. They have no far horizons or hope or ambition. They go through life unaware of the magic and poetry of existence, untouched by inspiration or imagination. To find, one must seek: to see, one must lift up one's eyes to the hills.

It does not matter that the goals we set ourselves are unattainable all the better. The great tragedy is never to have felt the urge to rise above oneself, to be satisfied to go through life at ground level, to have no purpose beyond the satisfaction of everyday needs.

Or what's a Heaven for?"

Reprinted from the October-November, 1967 issue of *IPA Facts*, a publication of the Institute of Public Affairs, Melbourne, Australia.

[&]quot;Ah! but a man's reach should exceed his grasp.



LEONARD E. READ

EVERYBODY favors freedom, but...! Countless minds are filled with "buts" of every description and variety. So numerous are freedom's "shortcomings" that in most company it hasn't a leg to stand on. State interventionism, socialism, thus engulfs those who favor freedom, but...!

For instance, over and over again we hear, "I believe in freedom *but* in a free and unrestricted market we have price wars; the big fellows cut prices below cost to run the little fellows out of business after which monopoly prices may be charged."¹

Such so-called price wars are

the minor competitive pricing flurries between bakers, filling station operators, and the like. Recently, consumers in the New York area enjoyed a "coffee war." But these bids for more business are nonviolent and, thus, are not wars at all. They are nothing more than intensified, competitive pricing, offers to serve mass markets.

Actually, competitive pricing is a device for cooperating; as consumers, we look not only at quality but *at price* to determine with which supplier we shall cooperate in trade. How else are we to decide what bread to buy, with which baker we shall cooperate? Many men may cooperate to produce an item, but their customers are cooperators of the business, too.

True, some businesses fall by the wayside as have some 1,600 different automobile manufactur-

¹ Regardless of all the restrictions against competitive pricing in the U.S.A., in no other place or time in history has it been so much practiced. And history has no record of little-to-bigness growth so prevalent as in our country.

ers in the history of that industry in the United States. Intensive competitive pricing only steps up the rate of the dropouts; it does not alter the final decision. It simply lets all producers know sooner than otherwise how they rate in the struggle to serve self and others. And this is the way it should be. The alternative would be for consumers to subsidize every incompetent person or group in every enterprise ventured. Unthinkable!

These so-called price wars and the monetary benefits they confer on consumers are not a social problem and do not merit special attention by the student of political economy. They are mere ripples in the mainstream of open competition.

Violent Methods of Pricing Mark the Real Wars

There are, however, mighty, economy-wrecking price wars – real ones – that are rarely thought of as such and seldom diagnosed with accuracy. As a consequence, remedial efforts often tend to aggravate the conflicts and to make peaceful cooperation and trade more difficult.

We should bear in mind that violence is the distinguishing feature of war. We can infer from this that any pricing that rests on the use or the threat of forceviolence-must be defined as a price war.

What, then, are the real price wars? Rent control qualifies, for it rests on coercive pricing. So does the minimum wage law; if anyone doubts it, let him absolutely disobey and observe the consequences.² The prices of wheat, cotton, peanuts, tobacco, and so on are fixed by force. Every form of price control forces either buyer or seller, or both, to deal at prices not mutually acceptable.

The strike is the perfect example of a real price war. Why? The strike is a method of pricing; strikes rest on violence or the threat thereof; thus, all strikes are price wars.

The strike is the markup device used by trade unions, organizations of otherwise independent sellers of labor having among their purposes the coercive manipulation of market price to their own advantage.

The striker is not content just to withhold his own services from the market; he is determined that no one else shall enter the market he has closed. Any trading must be at his price or not at all; and he will deal violently with any buyer or seller of services

² See Chapter III, "Strife As a Way of Life," in *Anything That's Peaceful* (Irvington, N.Y.: The Foundation for Economic Education, Inc., 1964).

March

who crosses his picket line. Governments often sanction, encourage, and uphold such violence – in effect, forcing taxpayers to subsidize (employ) the strikers.

Unwilling Exchange

Violence as a method of pricing is intimidation, not cooperation. Violence or its threat at best results in unwilling as distinguished from willing exchange. For varying periods the consequence is no exchange at all, and often exchange between combatants is brought to a permanent standstill. Strikes are price wars; indeed, they are no less than civil wars. The object in war is not to serve the opponent but to injure himto gain at his expense. The grave risk is that both sides may lose.

To observe which side comes out on top in warfare is not to be sure of a winner. The side on top may be as permanently fastened in that position as is the side being held down. Both sides lose in these unfree positions. Contrast this with the mutual gain derived from the peaceful voluntary exchange of goods and services.

We should assess all violence as it affects the quality of the ideas men hold. Evaluated in this manner, it is easy to see that violence not only destroys material wealth but also downgrades man intellectually, morally, spiritually, and ideologically. Reflect on the prospects for cooperation, for instance, when one slaps a spouse in the face! Each shot fired at a human being and each threat of violence, whether in shooting or price wars, is a step away from the ideal, a blow to the creative process.

The cure for wars – including price wars – is an intelligent interpretation of self-interest. How can I realize my creative potentialities except as I be free? And I cannot be free if I am holding you down. Or vice versa! My freedom depends on yours and yours on mine.³ This is so simple and self-evident that one wonders why it is ever questioned.

As to the price of labor – yours or mine – simply free the market by removing every trace of violence or the threats thereof. Let competition be open and unlimited. Maximize, rather than minimize, the prospects for mutual gain through cooperation. And be not misled by the claims that trade unions or governments raise the wage level.⁴

In any event, let us confine the term "price wars" to those pricing activities resting on force, coercion, violence.

³ See "My Freedom Depends on Yours" by Dean Russell. THE FREEMAN, December, 1967.

⁴ See Why Wages Rise by F. A. Harper. (Irvington, N.Y.: The Foundation for Economic Education, Inc., 1957).

1. THIS SCEPTERED ISLE

The Rise and Fall of England

This royal throne of kings, this scepter'd isle, This earth of majesty, this seat of Mars, This other Eden, demi-paradise, This fortress built by Nature for herself Against infection and the hand of war, This happy breed of men, this little world, This precious stone set in the silver sea, Which serves it in the office of a wall Or as a moat defensive to a house, This blessed plot, this earth, this realm, this England.

IT IS NOT for historians to pronounce sentence upon nations and civilizations; they are neither judges nor juries. It is proper for them only to record the fact of the rise, the decline, and the fall of nations and civilizations. It may be premature to speak of the fall of England. No conquering hordes have as yet crossed the English Channel, swept over her shores, and engulfed her in that night of disruption and chaos which can accompany conquest. No Barbarians have descended from the North to drive the natives to the mountains for a retreat to repeat an old historical process.

Yet England has fallen from its former high estate, fallen as surely as if Claudius, the Roman Emperor, had directed a new conquest, or as if some new Barbarians—in the manner of the An-

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

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glo-Saxons or Vikings – had descended upon her. However, "the fortress built by Nature for herself" has not fallen to some conqueror from without this time; it has crumbled and is falling from within. It may well be that this inward decay will offer the opportunity for conquest by some foreign power, but it has not happened yet.

As is usually the case, England's decline or fall did not occur overnight. The disintegration has been going on for many years. The devaluation of the pound in 1967 was only one more in a long chain of events that signalize decline. Though the yielding up or cutting loose of England's empire is the most obvious and impressive sign of decline, it is not as important as it appears to be. Actually, the acquisition and formalizing of the imperial structure in the latter part of the nineteenth century was a sign that decline had already set in. The evidence of decline can be seen in the abandonment of free trade, the erection of trade barriers, the successive declines in the exchange value of the pound, in England's inferior trade position, in the inability to carry out obligations abroad, in the drop to status as a minor power after World War II. Underlying these outward developments can be found the loss of confidence,

the failure of nerve, the abandonment of principle, the moral decay of which the Profumo Affair and mini-skirts are signs but not the substance.

Future Unknown

Whether England will continue her current fall into historical oblivion is not known as vet. It is not for historians to predict the future: thev have a massive enough task in reporting the past. It is in the realm of possibility that England could become the center of a new renaissance in the future. that revival might come and a new era of greatness proceed from the British Isles. It is possible, though not likely. At any rate, a people do not necessarily disappear because they have fallen from the pinnacle of greatness. There is still a Greek people in our day, as there is a Greece; but their greatness is now more than two millennia in the past. The Byzantine Empire continued to exist for a thousand years as a civilization that was a faded reflection of Rome. Dictators in the twentieth century-Mussolini and Nasser, for example-have attempted to awaken their people from the somnolence into which they have sunk to a new effort at gaining a place in the sun; but thus far they have had little success. In short, there is no way of knowing what the future place or direction will be of a people who have fallen. For now, however, England's fall is a fact or, if that is too precise, a trend that has been going on for a sufficient time that its character is apparent.

Historians have been understandably reluctant to record the judgment. For Americans, anyway, England is too much a part of our own background for us to welcome or even to recognize her fall. Besides, it is ungracious and probably impolite to call attention to the loss of station of another. Even so, the rise and fall of nations is of moment to peoples other than those most directly involved. If there is something to be learned from it, we would want to know it, though that learning be contingent upon calling attention to unpleasant facts. Moreover, this investigation and report is not made in the spirit of the Pharisee. We in America can hardly afford to rejoice and be thankful that we are not as the English. What has happened to them should be an object lesson having the most direct bearing for us. In many respects, these United States have followed the lead, though somewhat more slowly, of the English in the policies which have signaled and perhaps caused their decline. Their travail should be an occasion for our awakening. But for it to

work in this fashion we must confront the story and its implications.

Progress through Liberty

The story of England's rise and is particularly appropriate fall for those who are interested in the effect of liberty and order in the affairs of man. The greatness of England was not simply in the far-flung Empire which she once ruled, not only in that her navy ruled the seas, never in such armies as she managed to muster, not in the pomp and ceremony of an apparently enduring monarchy, nor even finally in the vaunted stoicism and tenacity of the English character alone. England's greatness, in that nineteenth century moment of her glory, derived from the stability of her institutions, from the superiority of her product, from the confidence in the rectitude of the professed moral values, and in England's grasping and applying the idea of liberty when its time had come. For much of the nineteenth century, England was the leading nation in the world. That portion of an island known as England was the workshop of the world, the financial center for the world, the world's great market and trading center, and the nation whose political institutions were most imitated and copied. This is a part of

the story to be told here, along with its background, before going into England's fall and what occasioned it.

That England should have occupied such a place of leadership and dominance in the world for the better part of a century is amazing in itself. Moreover, it should be made clear that the period of England's leadership was more or less coincident with the flowering of modern Western Civilization. It was a feat on a par with or greater than that of Athens in Greece in the fifth century before Christ, of republican Rome in the second and first century before Christ, of France at the height of the Middle Ages, and of Italy at the time of the Renaissance. It is even more amazing when we look at the physical basis of this rise and review the usual place of England in the scheme of things.

Civilization came late to Britain and had a most tenuous hold there for more than a thousand years after its tentative coming. There is no literary record of who was there or what went on before 55 B.C., when Julius Caesar put in a brief appearance on the island and made an account of his expedition. When the Code of Hammurabi was issued. Britain had probably not been heard of in the Mediterranean. When Egyptian civilization was at its peak, the inhabitants of Britain were still in the Stone Age. When Plato wrote his famous dialogues, illiterate Celtic farmers occupied parts of the island. Following the 400-year occupation by Rome, the Dark Ages descended upon Britain once again with the coming of the Angles and Saxons, at a time when the Byzantine Empire was the faroff center of civilization.

The Mediterranean was the center of Western Civilization for thousand years before several roughly speaking, until Christ. around 1500 of our era. Britain was far removed from and, at best, on the periphery of that civilization. She was usually at the very end of the trade routes; artistic and intellectual developments reached her shores very late, if at all. Usually, Britain followed rather than led in European developments. To Shakespeare. England was a "precious stone set in the silver sea," but to the rest of the world for most of history it was a remote island with backward inhabitants and unattractive resources.

The Geography of England

Geography tells us little enough about why civilization emerges or is centered at a particular place. Historians must still ponder why Greece, with its hilly topography and meager soil, should have been

the center of a civilization. Even more favorable locations do not explain why civilization develops there at particular times. Geography provides opportunities to a people, offers advantages as well as disadvantages for them, and helps to explain somewhat the particular course their development takes. Still, it is important to know a little of the physical features of that land whose history we are to examine briefly. For there was and is a physical base of England's development, and what was developed was made from these materials in large part.

Geographically, England is a part of the continent of Europe, though it is now separated from the continental land mass by water which is at its narrowest over twenty miles across. It is generally believed that Britain was joined by land to the continent until eight or ten thousand years ago. England is, of course, on an island. The name of the island is Great Britain. Present-day England occupies the southern and eastern part of the island; to the west lies Wales and to the north is Scot-(England, Scotland, and land. Wales now comprise the United Kingdom.) Great Britain is the largest of a chain of islands which. taken together, are known as the British Isles. Before the fifth century A.D. what is now England was

known, roughly, as Britain; after the coming of the Anglo-Saxons it became known as England (Angle land).

Access to the Sea

Generally speaking. England has the most favorable location on Great Britain Wales and Scotland are hilly and mountainous: most of the arable land lies in England. The climate of England is usually mild the year around, warmed and cooled by the sea and the land mass to the east. Most of the level and rolling land on the island is in England. In the north and west of England are found the hills which contain the valuable minerals: hence, this area became the great manufacturing region. To the south and east lie the fertile lands for farming.

The coast line is broken and heavily indented, an indication of the access of the country to the sea. As one historian says, "The many indentations in the coast provide harbors which facilitate communication with the outside world. The harbors, moreover, are readily accessible to the people of the interior, for numerous rivers flow down to the sea, and no place in Great Britain is more than seventy miles from the coast."¹ Small wonder, then, that when England's

¹ W. E. Lunt, *History of England* (New York: Harper, 1956, 4th ed.), p. 6.

time of greatness came, it should be in terms of trade, the sea, and the navy. Once England began to engage in foreign trade on a large scale, she had a decided advantage in transportation costs over most countries, and it should be kept in mind that transportation by boat along natural water lanes has ever been the cheapest mode for the carrying of goods.

A Backward People

But for most of history Britain had little impact on the rest of the world. The impact was usually exerted upon her, not from her. Whatever natural advantages the island enjoyed, they did not suffice to make the people there much of a positive force or influence in world affairs. As has been pointed out, for most of history the island was at the periphery of civilization. The peoples there were subjected to a succession of invasions from other peoples and empires, invasions that go back long before written records. There have been four successful invasions since recorded history began. Shakespeare might think of England as an impregnable fortress, but for much of history it was quite pregnable.

It is easy to understand why this was so. The island is not far from the mainland; its numerous rivers flowing into the sea afford

places to land for those who come from the continent. At the same time the number of landings make defense most difficult. So long as the peoples were not unified politically, so long as no central force dominated the most accessible areas, just so long could invaders come with relative ease. To turn the proposition around. once England was organized into an effective kingdom, it became a formidable task to invade her. This occurred in the eleventh century of our era, and since that time there has been no successful invasion. The impregnable fortress, then, was not a product of environment but of human effort and organization.

Often Invaded

The first of the four invasions of recorded times was that of the Romans. In 43 A.D., the Emperor Claudius sent forces to Britain which were to succeed before the end of the century in conquering most of that territory now known as England. The Romans occupied Britain for the better part of four centuries, beginning their withdrawal in the early part of the fifth century. They brought the appurtenances of Roman civilization: the town or city, the aqueduct, the road, literacy and the Latin languages, effective political organization, and, even, Chris-

tianity, for it is known that there were Christian churches in Britain during the time of the Roman occupation.

The Romans began to withdraw from the island and eventually abandoned it in the face of a new horde of invaders in the fifth century. This was the Germanic invasion, one which swept over most of Europe and brought to Britain, according to legend, the Angles, Saxons, and Jutes. There have been efforts from time to time to brighten the traditional gloomy picture painted of this wave of invaders, to call them Germans rather than barbarians, to say that the age that followed was not as Dark as it has been made to appear. Be that as it may, the new invaders were illiterate pagans who swept all before them. They drove most of the native population out of the lowlands of Britain, or so it is believed, allowed the towns and other appurtenances of the Romans to decay and all but disappear, and the country reverted to a rather primitive agricultural condition. There was a Celtic Christian church which made some impact upon these barbarians, but not much.

Actually, literary knowledge of what was going on in England comes mainly after the late sixth century when Pope Gregory the Great sent missionaries of the Roman church to England. These succeeded in converting the Anglo-Saxons to Christianity in the course of the seventh century, by and large, anyhow. At this time in history, the Roman Catholic church was the main preserver and carrier of the remains and relics of Roman civilization in Western Europe. By its work, peoples were made familiar with the Latin language and some of the literature, with the idea of large-scale imperial organization, and with a written and codified law.

Many Small Kingdoms

In the seventh century, England was divided into a number of small kingdoms. From time to time, one or another of these dominated the others. Not much headway was made toward uniting these into a single kingdom until England was faced once again with a new wave of invaders from the north. This invasion is known as the Viking invasion, and it went on sporadically for nearly two centuries. The Danes began to arrive in England in considerable numbers around 839. For most of the rest of the ninth century warfare continued between the occupying Danes and English kings, the most notable of whom was Alfred the Great. The Danish invaders were a new onslaught of pagans, no better than pirates and raiders, creating

destruction in their wake, exacting regular payments from those whom they conquered.

England was quite often divided between territory controlled by the Danes and that by the English kings. The situation improved in the late ninth century and for much of the tenth, but in the late tenth century, there was a new onslaught of Scandinavians. For a time in the early eleventh century, all England was ruled by the Scandinavian King Canute, the first time it had been politically united since the withdrawal of the Romans. (It should be kept in mind that England is not very large, having slightly less territory than the state of Alabama; hence, to be divided into many kingdoms would mean that each one would be quite small.)

United England had enjoyed the rule of only one native king (Edward the Confessor) when it was subjected to yet another invasion-that of the Normans of William the Conqueror. This time there was nothing gradual, imprecise, or vague about the invasion. William made claim to the throne of England upon the death of Edward, invaded with his Norman soldiers in 1066, defeated Harold Godwin at the Battle of Hastings, and got the Witan to proclaim him king. He proceeded to remove the basis of all resistance to him and to organize the whole kingdom under his great tenants-in-chief (barons). For the next 150 years or so, England was little more than a fief of a line of Norman and Angevin nobles, and the sway of France became in some ways more decisive from the early thirteenth century onward.

The Norman Invasion

The point of this brief review of the history of England is to emphasize the obscurity, backwardness, and impotence of Britain through most of history. It is a history filled with subjection to foreign invaders, of a people with a tenuous and unsure hold on civilization, of a people being civilized (sometimes) rather than engaging in the work of civilization.

Matters did improve somewhat after the Norman invasion. Since that time, there has never been another successful foreign invasion. Continuing political unity was established for England by the Normans and their successors. England even began to contribute to civilization; there were many famous English scholars and thinkers of the High Middle Ages: Anselm of Canterbury. John of Salisbury, Roger Bacon, Robert Grosseteste, Duns Scotus, William of Ockham, among others. France, however, exerted the dominant influence in the High Middle Ages; England was still at the edge of civilization, though no longer at the outer edge. At any rate. Medieval civilization disintegrated in the fourteenth and fifteenth centuries. England was finally disentangled from France by the middle of the fifteenth century, but the Hundred Year's War which had this result was followed by a civil war in England for most of the latter part of the fifteenth century, a war which signalized the breakdown of the old lines of political authority. England's influence upon Europe and the rest of the world at this point was almost nonexistent

England's Gradual Emergence during the Sixteenth Century

Looking back from our vantage point, we can see that by the early sixteenth century the stage was being set for England's emergence, if not to greatness at this point, at least to be a nation on a par with other nations. The reign of the Tudor monarchs was marked by many momentous developments: the Northern Renaissance, the Protestant and Catholic Reformations, the rise of nationstates, and, of equal importance, it was the Age of Discovery. The strategic location of the British Isles was greatly altered by the discovery of America. The Encuclopaedia Britannica notes that the

"Age of Discovery changed England from a land at the edge of the known world to a collection of harbours in the centre of the land hemisphere and at a prime focus of maritime routes." Thereafter. England was no longer on the edge of developments. The Tudor monarchs established the monarchy at a new peak of power, brought comparative political stability to England, separated the English church from Rome, and began to assert English power upon Europe. During the reign of Elizabeth I (1558-1603), England emerged as a sea power and was the scene of a considerable literary outpouring (the Age of Shakespeare). English was made into a powerful and effective literary language during this period.

Even so, England was still a long way from the greatness which influences and dominates a civilization. Spain was the dominant power of Europe for most of the sixteenth century. Probably, there was no one dominant power for the first half of the seventeenth century; much of Europe was immersed in the wars of religion. France would emerge once more in the latter part of the seventeenth century as the great power of Europe, and her influence was prevalent during the Age of Louis XIV. England's rise to power and influence would come in the eighteenth century and reach its culmination in the nineteenth.

Degrees of Civilization, Power, and Influence

But before detailing that story some premises need to be stated and the situation just prior to England's rise needs to be examined. I have spoken of civilization, of power, and of influence; they have been treated implicitly as values. There are, however, civilizations and civilizations: there is, in like manner, power and power, influence and influence. Civilization. any civilization. is. I think. preferable to an absence of civilization, if such a choice were to be made. Civilization implies order. stability, and shared values over a broad geographic area. It proconditions within vides which trade and exchange can take place among peoples, peaceably and profitably. There are. of course. degrees of civilization, and the benefits of it may be reserved to a few. Thus, Medieval civilization was exclusive, and many of the opportunities and benefits were monopolized by a few. Great works of art may be produced as a result of the scantily rewarded toil of the many.

In like manner, the power of a nation may be used to subdue peoples and subject them to the whims of a ruling class. Influence may be disintegrative as well as integrative or helpful. As such, power and influence have little or no positive value. They are valuable only when they are put to constructive use and when they are inhibited as to harmful uses. A truly great civilization is one in which the powers of governments are limited and the energies of people—as many people as possible— are released to constructive uses.

This was hardly the case in sixteenth and seventeenth century Europe. Power was increasingly concentrated in the hands of monarchs who frequently employed it quite arbitrarily. The actions of people were often little more than the reflection of the will of the monarch. "I am the State." proclaimed Louis XIV, and the Stuart monarchs of England failed to echo the sentiment only because they did not dare. Civilization. such as it was, existed mainly for a very few people. People all over Europe lay under a heavy burden of restrictions, oppressive impositions, and persecution. Their energies were channeled and inhibited by the state. England was little, if any, better than other lands. If she had been powerful and influential, it would probably have been little more than the power and influence of a royal court upon privileged classes. England would become more civilized before she would be worthy of imitation.

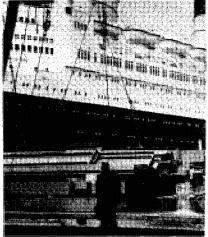
There is another matter that needs to be dealt with before taking up the foundations of the rise of England. Ever since the latter part of the nineteenth century there have been a considerable number of intellectuals who have romanticized the supposed idyllic rural life of an earlier England and heaped scorn and blame upon industrialization for hardships which occurred and poverty which existed. There is no better way to set the record straight in this regard than to expose conditions as they were in pre-industrial England. Along with that, it will be valuable to look at the state of freedom, or lack of it, in pre-industrial England. As should be well known, the amazing emergence of England to world leadership occurred after the release of the energies of the people of England by providing substantial liberty and in conjunction with England's industrialization. The point needs to be placed in relief by contrast with despotic and rural England.

The next article in this series will relate to "pre-industrial England."

IDEAS ON LIBERTY The Pursuit of Knowledge

WHENEVER a new property of any substance is discovered, it appears to have connections with other properties, and other things, of which we could have no idea at all before; and which are, by this means, but imperfectly announced to us. Indeed, every *doubt* implies some degree of *knowledge*; and while nature is a field of such amazing, perhaps boundless extent, it may be expected that the more knowledge we gain, the more doubts and difficulties we shall have; but still, since every advance in knowledge is a real and valuable acquisition to mankind, in consequence of its enabling us to apply the powers of nature to render our situation in life more happy, we have reason to rejoice at every new difficulty that is started; because it informs us that more knowledge, and more advantage are yet unattained, and should serve to quicken our diligence in the pursuit of them. Every *desideratum* is an imperfect *discovery*.

> JOSEPH PRIESTLEY, The History and Present State of Discoveries Relating to Vision, Light, and Colours, London, 1772



A. Devaney, Inc., New York.

OF COURSE, I am as vitally concerned as anyone in the import troubles of the steel industry, but these troubles are only a part of a much greater problem and I think we must lift our gaze above the morass of statistics and political maneuverings – above and beyond the steel industry itself – to see what is really happening here. We must take a look at the basic principles involved.

I know we can all agree that the proper way to solve a problem is first to find its cause and then to remove that cause. The people of the American Iron and Steel Institute assume that their troubles come from foreign governments and producers, low foreign wage rates, and our State Department. Certainly these are con-

Steel Imports ^{AND} Basic Principles

WILLIAM B. BOYD

tributing factors, but I believe that by far the most important cause is the actions and interventions of our own government all departments and all levels and of the labor unions to which government has given such great powers and privileges. Consider how our costs are skyrocketing because of high taxes, depreciation of our money, harassments. controls, regulations, strikes, union-imposed uneconomic wage levels, and inefficient work practices. These are the results of government actions, and they are forcing us to price ourselves right out of the market.

If you don't believe it is our own government that is at fault, consider an industry which is little if at all affected by foreign governments, foreign producers, and foreign wage scales. Take the railroads – the New York, New Haven & Hartford in particular.

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This road has been murdered by our own government and its creatures, the railway unions. It has been heavily taxed by all levels of government, its rates have been controlled, its operations have been regulated, it has suffered from strikes, featherbedding, and uneconomic wage rates, and on top of this, government has built competing highways along its tracks and subsidized competing modes of transportation. It has been ruined by its own government without the aid of foreigners and now, no doubt, will be completely taken over by government. And this will be the fate of many more industries if the present trend is not reversed.

Why is government doing these things? The people in government are taking these actions because they believe the proper function of government is to guide and control our economy for "our own good" — that we are too stupid and greedy to run our own affairs. And we have such a government because the overwhelming majority of the people in this country have accepted and believe in statist ideas.

If this is so, then it would be futile to run to government – the very perpetrator of our troubles – and ask for yet another political intervention to compensate for uneconomic practices already in effect. It would also be inconsistent with belief in the free market which we profess.

So what we need is not *positive* government "help" (tariffs, quotas, embargoes, subsidies) but negative government help (revision of the labor laws to strip the unions of special privilege and power, reduction of taxes, a balanced budget, sound money, abolition of government controls and intervention in business) - in other words, a move to the free market and constitutionally я limited government.

Ideas must be fought with ideas, not with force. What we should do is demolish the prevalent ideas of statism and then win acceptance of the sound ideas of the free market, private property, limited government system.

This is a tall order and not something to be done overnight, but it seems to me the only sound way. It is a matter of enlightenment and education because ideas precede and determine actions; people act in accordance with their beliefs. Good politics will follow good thinking. First, then, we must develop our own understanding; for light attracts, and thus the ideas of freedom will spread.



TOOLS

JASPER E. CRANE

A PROMINENT AMERICAN industrialist made a trip through the Orient recently, and in every country he visited from Russia to Hong Kong and Japan he met and talked with the ruler of that country. In every one of these conversations he would ask what he called the "\$64 question"-"You have heard of the high standard of living in the United States. What do you believe to be the cause of America's prosperity?" Most of those interviewed replied that it was our abundant natural resources with plentiful raw materials. The industrialist would then state that this was quite untrue, that some of these countries had more natural resources per capita than we did in America. The ruler of the country would then flounder about. but not one gave a reasonable reply. For instance, Nehru of India, a great man with complete authority over more than four hundred million people, thoughtfully considered the question and finally came out with the reply, "You're lucky."

Yet, the true answer to the \$64 question is simple – the provision of tools in a free country.

That answer is clearly manifested in our own country's history as well as in other past and contemporary events. At the end of the eighteenth century, immediately after Independence, Americans turned to making things which the British, with their policy of mercantilism, had not permitted the colonials to do. There developed a great center of industry on the little Brandywine River, with 120 mills on the last twenty miles of that stream. Elsewhere, the growth of manufactur-

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ing industry throughout the country was prodigious. The tremendous release of energy among free men was the potent factor in manufacturing enterprises throughout the new nation. "Yankee ingenuity" was often spoken of, but the outburst of energy and the reasons for it have seldom been explained. It proceeded at an accelerating pace.

Throughout human history there have been occasional occurrences of increased freedom in various places, always accompanied by increased production and a better standard of living. The correct answer to the \$64 question explains why this is always so.

We have recently witnessed the phenomenal progress of Western Germany. Prostrated by military defeat and in dire trouble in 1948. its situation seemed hopeless. Vice Chancellor Erhard consulted W. Röpke, the great economist at Geneva. and he advised. "Try freedom." Thereupon, despite the remonstrance of American officials in Germany, controls were taken off of wages and prices. In this climate of freer enterprise, the rebound of the German economy was theatrical. West Germany soon became the most prosperous country in Europe, with a much higher standard of living for themselves and for over six million refugees from communist countries. Moreover, they brought into their country great numbers of workers, particularly from Greece and Italy.

All goods and services are produced by changing the form, condition, and place of raw materials with the aid of human energy and tools. These are the three factors of production - human energy, raw materials, tools.

About 78 per cent of all private goods and services produced in the United States in 1965 came from firms using the corporate form of organization. The remaining 22 per cent of production covered the output of nonincorporated agriculture, shopkeepers, professions, personal and business service industries, and other unincorporated enterprises.

The relative importance of the three basic factors of production in noncorporate enterprises is difficult to judge, for lack of statistics, but some figures are available for corporate industry.

What Are Tools?

Tools are instruments of production (in addition to natural resources and human energy, mental and physical) – cultivated land, mechanical power, buildings, machinery, equipment, and apparatus of all sorts.

The use of tools by all animals other than man is practically nil. They use unchanged the raw materials presented by nature. Charles Kettering told the story of travelers in Africa who would sit around a bonfire to counteract the chill of the evening. When they retired to their tents, monkeys would come down from the trees to warm themselves by the fire. And, he added, no monkey was ever known to put a piece of wood on the fire!

One of Aesop's fables tells of the quarrel between the organs of digestion, each claiming that it did the major part of digestion and was not properly rewarded for its work. Their proper proportions of the digestive process can hardly be determined. However, the factors or elements of production of goods and services can be approximated by considering that a worker in the highly industrialized United States produces at least twenty times as much as a coolie laborer with only a tool such as a basket or other simple instrument. The toolless coolie is paid a few cents a day; the average American factory worker received \$20.88 for an eight-hour day in 1965.

A prominent clergyman visiting Egypt found his sense of justice and decency offended by the fact that the "fellah" was paid only twelve cents a day. Yet, examination of the total income of Egypt showed that if it were divided equally to all the people, the daily wage would be thirteen cents a day. It wasn't a question of distribution of income to be corrected by a sense of charity; for that was all the "fellah" could earn in the Egyptian economy. What they needed was more tools.

In America, the corporate investment in tools averaged over \$12,000 per worker last year, and in some industries, such as petroleum, it ran as high as \$97,000 per worker.

Analysis of the facts of private production in the United States indicates that raw materials – the value of ore, oil, and minerals in the ground; uncultivated land; standing timber in the forests: naturally occurring raw foodstuffs: and the like - account for about 2 per cent of the final price paid for goods and services in a free market. In some products, such as textiles. raw materials may constitute as much as 6 per cent of this final value; but the average for all goods and services seems to be approximately 2 per cent. About 4 per cent of end values may be ascribed to unassisted human energy, physical and mental. About 94 per cent of the value of private goods and services produced in the United States, therefore, may be attributed to the use of tools. This high figure attributable to tools may surprise those who have not studied this matter; but it will be realized that production in other times and, sadly, even today in some places, depends on slave labor and crude tools.

Today in the United States, every worker has sixty "slaves" working for him in the form of mechanical power. Several times more power is released by the automobile than by all other mechanical energy and only a small portion of this motor car energy is used for production purposes. So we modify the statement above, the correct figure being close to twenty mechanical slaves for each worker, and that worker is paid seven to ten times as much as is paid out in dividends.

The truth of this is evident when we consider how much useful work a man can do on a farm or garden with only his bare hands as tools, and how dependent we are upon even the simple farm tools for winning livelihood from the land. It is clearly revealed when one sees in backward lands farmers plowing with a wooden plow or sharpened stick. One must realize that the amount of a farmer's production has been multiplied many times by the complicated and efficient farm machinery available today in the United States.

The proof of these assertions

is clearly shown by the fact that when the white man came to America the estimated Indian population was two hundred thousand all the country could support in their practically toolless economy. Today, there are two hundred million inhabitants (including almost four hundred thousand Indians) with a per capita income twentyfive times that of the Indian before the white man came.

The production of automobiles is truly marvelous. The assembly line was one of man's greatest inventions. A leading automobile manufacturer some years ago experimentally constructed an ordinary car by bringing simple tools to the point of manufacture, similar to the way in which a house is built. The result was a cost of \$10,000 for that car, whereas his company was selling the model at the time for less than \$2,000.

Another instance of the value of the best tools was given to me while visiting one of the largest motor car manufacturers in a foreign country a few years ago. The manager of the plant, and a great admirer of American methods, said that it cost them eighteen cents a pound to produce a car of the Chevrolet type; whereas, in Michigan the cost was ten cents a pound for the same type. Yet, the American worker received three times the daily wage of the worker in the plant abroad. They still had a long way to go in reducing manual operations and using better tools.

How Are Tools Supplied?

In a free country, investors in companies supply tools for use by the worker who has not sufficient capital to buy them himself. Such companies are in competition with other corporations in the same line of business. The payment investors receive for the use of tools they supply for manufacturing purposes averaged about 4.8 per cent of the market price of the goods produced over the past decade.

In a socialist country, government supplies the tools, but at a high cost. For instance, according to figures for Russia released some twenty years ago, the government in effect owned all tools and supplied them to the worker at markups averaging over 15 per cent of sales. Thus, the Russian worker at that time, although he did not realize it, was paying three times as much for his tools as did the American.

"Surplus Income"

So-called "surplus income," both private and corporate, is not only a mighty force in helping to finance charitable, community, educational, and religious organizations, but is the principal source of the funds for providing tools.

Socialists claim that they will finance their services by appropriating "surplus income," by which they mean corporation profits and private income beyond the necessities of life. Every such effort has failed. Bismarck, taking over the Sozial Politik from the socialists, thought to finance it by seizing the railroads and employing their income for the government's social services. Soon, railroad income turned into deficits. Heavier taxation followed and, finally, war and disaster.

Britain employed the Marxian formula of heavy and steeply graduated income taxes. This destroved private fortunes. Clement Atlee boasted that while there once had been several thousand personal incomes of \$16,000 or more per year after taxes, now there were only sixteen such fortunes left in the country. The deficits of British socialism have outrun the loans and gifts from America. Now the "luxuries" of the people - "beer, baccy, and bedding"-are taxed to fuel the socialist state. The resulting poverty, particularly in formerly thrifty Scotland, is appalling. But it is the consequence of government ownership and control of industry. And in Britain, as in other welfare states, what cannot be taxed directly is confiscated through inflation.

Industrial Development

So-called "surplus income" is important in an economy. for out of corporate profits and the savings of the people comes the money needed to buy the tools. In fact, successful corporations and other cooperative enterprises retain much of their income for the renewal, improvement, and expansion of tools. This vital point is often ignored, people imagining that once an industry is fully operating, it needs no further supply of tools. The success of any industry depends on keeping its tools up-to-date by repairs, replacement, and improvement. This vital supply of equipment comes from adequate charges for depreciation and obsolescence, from income retained and invested in business, and from additional capital supplied by investors. Corporation dividends, along with personal savings such as are invested in savings banks and life insurance, are important phases in the process of providing tools.

The most valuable public-service income in any country is the part of savings used for buying tools. Capital formation in plant and properties is the life blood of a successful corporation, enabling it to continue and increase its services to customers. If earnings and savings are insufficient to meet the needs and growth of the business, the corporation goes downhill or succumbs. And a nation that thus cuts off the source of tools is destined to lose position in the world and dwell in poverty.

Those of socialistic philosophy object that the use of tools is at the expense of employment, that it throws people out of work. Historically, in England, the early use of labor-saving machinery was violently fought and the new equipment often destroyed on the ground that men were losing their jobs. The record shows, however, that labor-saving machinery not only lifted drudgery from men's backs but also greatly increased the production of goods and services, creating new jobs and greater income for all.

That the process of industrialization, the saving and investing in tools, is further advanced in the United States than elsewhere explains our high and rising wage rates and level of living. And of total corporate income in the country, 85 per cent goes to employees - the users of tools - and 15 per cent to the suppliers.

So, let us beware of foolish talk about the evils of this tool-using age! Let us not kill the goose that lays the golden eggs!



HANS F. SENNHOLZ

MUCH confusion and controversy flow from the difference between old and new government intervention. Some people look only at old intervention, some only at new, each unaware of the other phase of intervention. In debating the desirability of certain policies, many disagreements spring from the fact that different people see different phases of intervention.

The distinction between the two rests on strict theoretical analysis and can be defined precisely. Old intervention is that government restriction interposition or to which the economy has fully adjusted. And we speak of new intervention when the economy has not yet adjusted to the new data, or is in the process of adjustment. The difference is crucial in any appraisal of the effects of government intervention.

Take, for instance, a corporate income tax, which is a popular

form of intervention. A tax newly imposed, a new surcharge or a rate increase, immediately reduces the profitability of business. Companies earning high profits must curtail their expansion or modernization projects or reduce dividends. Those companies that had barely earned interest on the capital invested, or had just broken even, will be made "submarginal" by the tax. Their vields will fall below the minimum level needed to attract and preserve the necessary capital. The new tax causes these companies to curtail their operations, close plants and other facilities, and lay off some workers. Output declines and the supply of goods and services is diminished. There is business stagnation – a short-run effect of the new tax.

Wages now tend to decline, or at least stay lower than they otherwise would have been. Other business costs, too, are reduced gradually until various enterprises become profitable again and capi-

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tal once more is lured back into investment and production. In fact, gross yields return not just to the pre-tax level, but rise above it to cover both the new taxes and the net yield of capital. Inasmuch as the government consumes some capital in the process of intervention, the yield per unit of capital tends to rise even higher while that of labor declines.

The new tax levy also causes a shift of production factors from employment for the people to that for the government. Capital goods industries and consumer goods industries tend to shrink while the "government sector" expands. This shift is facilitated and guided by price changes that point up the change in purchasing power.

All these are short-term effects. The economy gradually adjusts toward a new equilibrium that takes the new tax into full account. The long-term effects include the shift of production factors, the reduction of marginal labor productivity, and the rise in marginal capital productivity. They are less conspicuous than the short-term effects and difficult to demonstrate. After all, who can perceive what would have been in absence of the tax? This is why interventionists often deny that there is any undesirable effect of a new tax, a new surcharge, or a rate increase. They point at old taxes imposed ten or twenty years ago and at the new equilibrium, and fail to see any ill effects of rising taxation. They have forgotten the months and years of stagnation.

Deficits, Old and New

Or, take a government deficit as a new datum with many-sided effects. In the short run, the deficit burdens the capital market, drains it of loan funds, and causes interest rates to rise. Businessmen must curtail their borrowing because many projects no longer are profitable at high interest costs. Business stagnates insofar as it had been relying on the capital market. This is a short-run effect.

The stagnation bears all the symptoms mentioned above. Of course, the immediate beneficiaries of the deficit gain temporarily. When the budget is finally balanced, or the drain of loan funds ceases to strain the market, economic conditions achieve a more normal pattern.

In the long run, when all adjustments have taken place, there remains only the hole in capital reserves torn by the deficit. Economic development is retarded permanently.

In recent decades Federal deficits were often financed by inflation. Weak administrations lacked the courage to boost taxes that would cover the growing government outlays. And the capital markets could not absorb the extraordinary demands of the U. S. Treasury. Therefore the Federal Reserve System, which is the ultimate source of paper money, the U.S. engine of inflation, was called upon to "assist" the Treasury operations. It created the money to cover the budget deficits.

Inflation is a short-run policy. It raises the prices of goods at the point where the new money enters the market. Business becomes more profitable when sales increase and prices rise. This is what makes inflation so popular in the short run.

But after the pleasant boom effects, a recession usually follows. The previous maladjustments become apparent through soaring business costs, declining profit margins, and cancellations of orders. Some businesses suffer losses. The recession is also a short-run effect, although this particular effect or reaction may develop several years after the initial inflation.

The long-run effects of inflation are those that remain after all economic adjustments have taken place. The purchasing power of the money unit is reduced permanently; goods prices stay higher. Some people, especially the creditors, have suffered permanent

income and wealth: losses in others have reaped permanent gains. Many years later, when the economic adjustment has run its course, it is impossible to ascertain the precise effects of the inflation. After all, who can calculate what economic reality would have been in a myriad of aspects without the inflation of 1914 to 1920? The short-run effects are forgotten, and the long-term effects are open to academic speculation only.

Government Regulation and Control

When a government resorts to legislation or regulation that aims to benefit some people at the expense of others, it effects changes that are short-term and long-term. Whether it aims to alleviate poverty, eliminate slums, improve transportation or communication or labor relations, or give tariff protection to industry, government intervention bears consequences that deserve economic analysis.

Urban renewal, for instance, is very popular with government planners because of some long-run effects. Planners are animated by the visible changes – new expensive buildings, broad boulevards and large plazas, museums and libraries, theaters and operas, public parks and, of course, the new Federal building and city hall.

But the planners usually fail to perceive the invisible effects which are very real and permanent. After all, urban renewal consumes vast quantities of resources and human labor. It tears down and lavs waste old housing, in order to erect the new. And all expenses, whether covered by Federal grants, state aid, or local levies. are borne by taxpayers. These people are forced to forego enjoyment of countless goods and services so that the Federal building and city hall may be constructed.

The short-run effects are twofold: curtailment and recession of all those industries that must forego the capital, labor, and resources now put into urban renewal; and temporary prosperity and expansion of those construction industries engaged in the renewal. When the renewal is completed, all affected industries must adjust anew.

Or take the case of industrial protection by tariff. In the short run, an industry receiving such government favors may benefit. The new tariff reduces the available supply of competing goods and raises prices. Profit margins improve, employment expands, and wages may rise. But behind the new tariff wall the profitable conditions now invite expansion of domestic competition. New capital and labor enter that line of production until its attractive profit margins are erased. A few years later, when all necessary shortterm adjustments are completed, the protected industry once again faces the very conditions that caused it to plead for protection.

The foreign industries discriminated against by the new tariff levies suffer lower sales, business losses, and unemployment. Similarly, the export industries in the country imposing the tariff face losses and depression because exports tend to fall when imports are restricted. After all, foreigners need to earn foreign exchange through exports in order to import.

The long-run effects remain when all production factors have fully adjusted to the tariff levy. The international division of labor is disrupted and trade is diminished. In all countries affected, the factors of production have been channeled into less useful employment. Goods prices are higher and standards of living lower.

Whether government intervention is old or new, it reflects the substitution of political action for economic choice, the rule of politicians over consumers. And the result is bound to be a net reduction in the satisfaction of human wants.

The Moral Premise

and the Decline of

the American Heritage

PAUL L. ADAMS

MAN in his very nature has need of a major premise – a philosophical starting point or Prime Mover, as it were, to give reason for his being, direction and order to his thinking, and initiative and impetus to his actions. With the Christian, this basic assumption stems from the belief that God. by Divine fiat, created man as a moral, rational being with freedom of choice, and that exercise of will and choice in both the moral and physical frames of reference is an awesome but unavoidable fact of existence.

Man's choice to partake of the "forbidden fruit" provided him with the promised knowledge of good and evil, but along with it came an incalculable complication of his circumstances. Nature became a challenge to his physical existence. Other people constituted to him a confused complex of variant relationships that ranged from love on one hand to virulent hatred on the other. God faded from his consciousness, and with that loss went also the meaning of man's struggle. Man was thus lost in the only sense in which he could be really lost, and the need was therefore critical for a major premise which promulgates for man a supreme purpose for life, a purpose which justifies the physical hardship, the social conflicts, the spiritual struggle, and the disappointments with which life is filled. Only such a premise delivers life from the insanity it sometimes appears be-struggle without hope, to achievement without happiness. victory without exaltation, death without resurrection.

Dr. Adams is Academic Dean of Roberts Wesleyan College. This article is from his address before the Sons of the American Revolution, Rochester, New York, November 11, 1967.

Man, himself, throughout the concourse of his history has given ample evidence of his longing and need for an all-embracing purpose. He knows so little that is perfect. yet he always looks for perfection -a seminal response which derives from the moral image in which he was originally created and the perfection of the environment in which he found himself. Though corrupt by his own choice, he still yearns for the ideal, like some earthling wandering in a cosmic wasteland dreaming of the green hills of earth. Basically, he seeks a society which will fulfill his demands on nature, ameliorate his relationship with his fellow man, and provide the ultimate reason for existence. In the search, man's thinking has led him, inevitably, into metaphysical and ontological problems, to a consideration of the first principles of all existence

It would be presumptuous, indeed, for me to attempt a definitive statement of the major premise with its detailed ramifications, and presumption is, among college professors, a sin of great magnitude. Perhaps, however, one might conclude that within such a premise are these parts: Man is a spiritual being, created by God and endowed with the freedom and responsibility of moral choice; his purpose in living is to glorify God by exercising his reason toward those ends that his highest moral nature urges, and his task is to refine his intelligence, develop his creativity, discipline his conscience, and clothe himself in robes of righteousness.

The Moral Premise — Like a Golden Thread

Man has never been without some first principle, some major premise, sometimes consciously, more frequently unconsciously, held up before him. It runs in some form like golden thread through man's history, and it may be noted in various efforts and forms that mark man's societal action. The Israelites had in Jehovah God the source of law in the observance of which was life. The Greeks promulgated Natural Law as an absolute reference point for man's excursions into lawmaking. The Romans embraced Stoicism and with it the Natural Law concept which, in the Western world, yielded place to the Divine law of Christianity. This is clearly seen in the Gelasian theory which placed absolute value on the sword of spiritual power.

All of these systems with their varied premises failed to produce the ideal society. The Hebrew system ended, oppressed by evil and corrupt kings. The Greek system, even in the Golden Age of Pericles, was marked by corruption, vice, weakness, and personal lust for power. The Roman could observe the cruelty and injustice of his state, and he suffered from tyrants who plundered the poor to lavish wealth on the idle, sensual, and effete nobility. The slight amelioration that feudalism supplied was due chiefly to the fact that there was less economic distance between master and serf - for goods were fewer, even in this paternalistic social order, and pillaged more frequently by incessant warring. Certainly, there was little understanding of nature, no mastery of production, and a very low level of social justice. Seemingly, man was destined to a perpetual slavery only thinly disguised in an embracing paternalism that left him without hope.

Christian Europe was not without hope, however, for the sixteenth century saw a rebirth of the idea that man was free, must be free. Dramatically stated first in theological terms, the fuller implications in nontheological terms were soon asserted, and Europe began a long and costly march toward freedom. Costly, for human liberty has never been secured or maintained without sacrifice, and it was our own Jefferson who said. "Every so often the tree of liberty must be watered by the blood of patriots-and of tyrants."

The American Foundation

With all of the foregoing in mind, it can be assumed that those who raised a new nation on this continent had a wealth of history on which to draw. The responses of our forefathers were partly the product of a vicarious intellectual empiricism and partly the intuitive conclusions of liberty-loving men playing it by ear. What these men gave to America and the world was the moral premise embedded in a philosophy of moral absolutes. It was shaped and nurtured in the minds and hearts of people who recognized in it the last, best hope of man. These forebears of ours were of the breed of men who count not their own lives dear unto themselves: they were prepared to die for America and for freedom. Need I remind you that it was a young man not yet twenty-two who said in a last magnificent moment of life. "I only regret that I have but one life to give to my country"?

These great men espoused a moral absolute which accepted God as creator, as ultimate Truth, and they believed man to be a moral creature, responsible to God, and capable of discharging that responsibility only through freedom of choice. It logically follows, then, that freedom is more than just another attribute. It is so essential that life without it loses significance. These Founding Fathers saw in freedom and liberty the only perfection a human society can know, for in freedom's house the individual can shape his own perfections and follow his noblest aspirations. The exercise of freedom, then, is for man the perfecting of his humanity — not that the exercise will ever be perfect, but the continuing exercise represents a constant affirmation of the eternal principle that man can find himself only in God.

Limited Government

These men of great vision clearly understood that the only real threat to liberty and freedom is government, for men assign a sanctity to government not accorded to individuals and groups. But government is a faceless thing and can hide the predators who lurk behind its façade and exercise its function; and governments assume, quite naturally it seems, government's right to a monopoly of physical force. Fearing government, and the natural tendency of power to beget power, these men established a constitution which attempted to assure man's freedom by limiting the sphere of government to a workable minimum. The clear intent was to magnify the responsibility of the individual and subordinate government to its primary function of serving freedom's cause.

Even among its most ardent devotees, there was never any suggestion that this Constitution was a panacea for all the social ills to which man is heir. There was no guarantee of identical status for individuals or groups. There was no promise of material rewards. There was only the implicit assumption that freedom and liberty were their own rewards and worth any sacrifice. The Constitution promised only the system itself, but under it liberty and freedom were to be nurtured. It was Benjamin Franklin who saw the only flaw, and he stated it in simple terms when he suggested that perhaps the people might not keep what they had acquired. It was George Washington who stated in eloquent prose that liberty is guaranteed only by the eternal vigilance of those who share its vision.

These architects of nation were men of great faith — faith in the substance of things hoped for, the evidence of things not seen — faith in their vision of a vast land and great people — faith in the triumph of truth over error, of justice over injustice, of right over tyranny, of knowledge over ignorance, of reason over prejudice, and the ultimate triumph of eternal values over the temporal. Faith in such a vision together with commitment to the program for its fulfillment constituted in their thinking an irresistible force that would shake the world—and it did. In addition, it gave rise to a compelling spirit of national mission.

Eternal Vigilance

It is a truism that tragedy lurks close to the surface of all enterprises of great pith and moment. George Bernard Shaw suggested that there are two great tragedies in life. One is to not get your heart's desire; the other is to get it. The observation is so applicable to the American scene that it arouses almost a response of sharp physical pain. America had her great dream, her grand design. History provided her with the opportunity to realize it. So she avoided the first of the tragedies that Mr. Shaw suggested. The alternate tragedy was left to be realized, for tragedy must follow the failure to understand the tremendous demand such a society places on the individual. It calls for enormous self-discipline in behalf of freedom's pre-eminent claim; it requires a conscious articulate sensitivity to freedom's climate: and it mandates a firm dedication to freedom's methods and goals along with a determination to live with the results.

It is not debatable that we have had an imperfect and uneven performance in this regard. The student of American history recalls the demarché of the Federalist party into unconstitutionalism to retain power. It can hardly go unnoticed that there were those who were blind to the implications of education for a substantial segment of our society, including women. Even more compelling shortly after the centennial year of Appomattox Court House is the thought that there were those who insisted on the immediate attain-~ ment of their ends and refused to recognize longer that the Constitution provided a certain, if slow, mechanic for resolving great inequities and injustice. This impatience sent men to graves like beds and finally resulted in the slaughter of more Americans than World War I and World War II combined.

Unhappy though these examples be, we note with satisfaction that the Federalist returned to make the great right decision in 1800, and that educational opportunity has approached universality in this nation. We could even say that although the larger lessons of the so-called *irrepressible conflict* were lost on us, we have at times demonstrated our belief that the nature of our system cannot be defined in terms of any appeal to the doctrine that might and right are inseparable.

With liberty and freedom identified in the Constitution and accepted as the norm for human action, we demonstrated a vitality and creativity that produced achievement which first caught the attention of the world and then beckoned her disinherited millions to the "lifted lamp beside the golden door." We enlarged individual opportunity, secured religious toleration, and established the basis for political diversity and cultural pluralism. We educated the masses, refurbished the concept of individual justice and charity, and we took over leadership of the revolution in communication, transportation, and production. Our free market led the world in the production and distribution of goods for the benefit of all classes. Somewhere along the line, too, we began to develop a distinct literature of merit and other artistic forms. Finally, and without great fanfare, we assumed world leadership in moral idealism as a natural concomitant of our commitment to principles based in the eternal verity of the moral law.

Obstacles to Be Overcome

Such have been the fruits of the American system, and such a nation or system, meeting as it did man's age-old search for an ideal society, should fear no challenge.

Nature had been transformed into an ally: a beginning had been made toward a solution of the omnipresent problem of human relationships: and man's right and need to know and experience God had been left unrestricted. We who received such a heritage should fear no challenge, yet we are alarmed by a challenge of so great a magnitude that we seem unable to plot its dimensions. Wisdom and intelligence, however, as well as the instinct for survival dictate that the problem must be stated, understood, and attacked.

There are those, undoubtedly, whose disguiet is solely in terms of the problem posed by nuclear physics. These people might think beyond it, but the possibility of a nuclear war produces in them a trauma that makes further rational thought on their part impossible. Those of whom this is descriptive tend to view the great ultimate catastrophe as physical death, forgetting that the great moral premise assigns little significance to the fact of mere physical existence. They would establish a new commandment which may be simply stated, "And now abideth the mind, the spirit, the body, these three, but the greatest of these is the body." It is not to be expected that those who hold such a belief could or would give rise to any inspired resolution, for

that which they treasure most is most easily subject to threats and force.

Then there are those who react to the problem in materialistic terms. These have altered the supreme moral principle to read, "Man shall live by bread alone." The member of this group is quite likely to attach himself to any of the several simplifications which this group has institutionalized in policy: the answer to any domestic problem is governmental spending to raise everyone's material standard of living; neutralists such as Tito will be won to our side if our gifts are large and continuous: the communist will soften his attitude toward the United States and the noncommunist world if we allow them the trade advantages of our productive system.

Again, there is a class we could call passivists, and, like some of their medieval forebears who went into monastic seclusion, they seek to escape the world of decision and action. A tendency of the members of this class is to rely on discussion, fruitless though it may be. and on a complete negation of decisive action. Discussion becomes for them not a means but an end. and failure is not failure. for nonproductive discussion guarantees the need of still further discussion. No international conference is a failure, in this light, as long as it ends without definitive commitment. There is some truth in the assertion that protracted discussion on a point at issue often results in a blurring of the thought of both parties, but it logically follows that in such a situation, the party with commitment to a principle and a concomitant course of action stands in the least danger.

Detoured by Relativism

None of those in the classes just mentioned sees the challenge to the American heritage in its true dimensions, and obviously they have little understanding of the resources necessary to meet the challenge. The basic problem is the failure of Americans to dedicate and rededicate themselves to the great moral premise - freedom under God. As dedication to that premise built the American heritage, decline from it has given rise to the problems that appear in the guise of insecurity - the fear of physical extinction, the compensation of materialism, and indecision.

The decline was initiated by the introduction of a philosophy of relativism with its inherent negation of moral absolutes. This philosophy relieves man of all responsibility; it erodes his moral standards, for morals, it says, are a product of man's own thinking

and are therefore subject to change. Further, it has no fixed reference point: rather it has a multitude of reference points, discoverable only by a process of expediency which itself becomes the criterion for judgment. Such thought canonizes Nicolo Machiavelli who baldly and boldly asserted that the end justifies the means. In such a philosophy, man is not free; he is rather a pawn of history, and he has significance only as he participates in great mass movements. In action, the philosophy is expressed in positivism which denies any supernatural standard and acclaims any law as valid if there is sufficient force in the lawgiver to enforce it. Such a philosophy does not produce Nathan Hales. It is more apt to produce those who seek the undisciplined refuge of mass anonymity and mass conformity. The end of such a system is pictured in Orwell's 1984, in which he describes a society where Big Brother decides what is truth for the unresisting masses. Orwell doesn't say it, but the tragedy is that under such system, life doesn't really matter.

Improper Methods

The increasing acceptance of such a philosophy has spawned an incredible number of value standards and courses of action not consistent with our original premise and the institutionalizing of liberty. Time forbids a discussion of them, but some of the more dangerous may be listed. There are those who change or pervert the Constitution to gain the ends they desire, and the ends are presented as good ends to justify the action. It was for good reasons that the Gracchi started the process of violating the Roman constitution. The end of the process was the destruction of liberty in Rome, for each succeeding constitutional violation takes less explanation and less and less justification. Eventually the constitutional image is lost, and the term itself becomes a shibboleth.

Then, there are those who forget that material wealth is a happy by-product of our pursuit of a morally legitimate goal, and they relentlessly pursue the materialistic largess of nature as an end in itself. It is again the old story of selling the birthright for a mess of pottage. The goal of this philosophy is ever greater materialism with less and less effort. This idea seems to offer a built-in contradiction, but still the belief persists that we have invented a slot machine which pays off for everybody.

Again, there are those who pervert the definition of freedom to mean an absence of fear, of individual responsibility, of self-discipline, and they include within its context the strong presumption of egalitarian doctrines. These find the answer to all of our problems in the increase of central, bureaucratic government. Washington is their Mecca. They do not, perhaps, make a pilgrimage to Washington, but well they might, for not only is their money there, it is fast becoming a repository of the American soul. In international relations. these people have a naive faith in the United Nations, assign to it a supernatural aura, and claim for it a practical success not demonstrable in logic or actuality.

A Time for Rededication

Finally, there are those who are totally oblivious to the fact that the American forefathers, like the early Christians, were men whose vision and faith were such that they intended to turn the world upside down - and did so. We have lived in the golden heritage of their dedication to a great moral principle and the abundant life it provided. That we have grown insensitive to such a principle presages failure where they succeeded. We cannot escape the fact that the virility of communism stems from the fact that the communist is committed totally to the belief that it is necessary to change the world – and as an individual he is prepared to give himself to realize such an end. We cannot change the form or substance of the communist movement or threat. We can, however, reclaim, revive, and renew the American heritage as the eternal answer to those who would, under any guise, enslave the free spirit of man.

The innumerable paths of history are thick with the dust of decaved nations that knew the passing radiance of a glorious moment. Khrushchev and communism promised to bury the American heritage because it no longer serves history's purposes. For me, I fear no physical threat communism can offer. I do fear the retreat from our heritage. I do not fear Khrushchev's judgment. I fear the inexorable judgment of God's law which has ordained man's freedom. Should this nation so blessed by God forget His ordinance, then we have no valid claim to existence. We will have failed those who lived and died that we might be free as well as the serf of the future who will not long remember our moment of history. As Americans we can, as one has said, "spend ourselves into immortality" in freedom's battle or we can make our way carelessly to nameless graves and be part of the dust of history's passing parade. ۲



H. B. PHILLIPS

As USUALLY PRESENTED, freedom is a negative idea, the mere absence of restraint. That does not seem to be a very valuable notion. A baby left entirely alone would be under no restraint but would not have much freedom. All it could do would be to die. I prefer to measure freedom positively by the things an individual can do. The greater the range of activities in which he can take part, the greater is his freedom.

The actions of an individual can be limited in two ways. First, they may be restricted by the orders of a dictator, by the government, or by his neighbors. These are external restraints and absence of this kind of restraint might be called external freedom. Second, they may be limited by his own capacities or lack of capacities. These are internal restraints and absence of this kind of restraint might be called internal freedom. Without internal freedom the external form is not worth much. I therefore discuss internal freedom first.

Perhaps many people would ask, how can the freedom of an individual be self-limited? This is best shown by examples.

A skilled workman has greater freedom than an unskilled one. For the unskilled can only do rough work. A skilled workman can also do rough work if he wants to, but he does not have to. In addition, he can do work which requires skill. A wider range of activities is available to him. He has greater freedom.

An educated person has much more freedom than an uneducated one. For an uneducated person can only do manual labor. An educated person can also do manual labor if he wants to, but he does not have to. In addition, he can do work of an intellectual nature. A much wider range of activities is open to him. He has much greater freedom.

A person of good moral character has more freedom than one who is lacking in this respect. Criminals do not believe this. They

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say they can obey the moral rules if they want to, but they do not have to. But for this slight liberty they give up far more than they get. Suppose, for example, a man has been guilty of stealing. He can never get a position in a bank or any other position of trust. By a single transgression he has excluded himself from the most desirable opportunities in life. He has greatly reduced his freedom. Similar effects follow from any other violation of the moral code. The reason for this is simple. When people live in close contact, efficient cooperation requires that their conduct conform to certain rules. These rules constitute the moral code. For its own success society automatically develops mechanisms which favor those who conform and oppose those who fail to conform to this code.

Education toward Freedom

The examples I have given all belong to the field of education. Even good morals is a form of education acquired by those who have the good fortune to be born in and grow up in a suitable environment. And it is only through education that a person can expand his capabilities and so increase his freedom.

By education I do not mean merely what is learned in school. That is only a start. Handling the affairs of a nation involves a mass of "know-how" learned in the street and in the factories, much of which exists only as custom.

A good illustration of this is West Germany at the end of the second world war. At that time there was widespread destruction of industry in West Germany. To make matters worse the United States and its allies for some vears after the fighting ceased stripped machinery from the few factories that were left and shipped it to Russia. Yet 10 years later West Germany was the most prosperous country in Europe, industrially second only to the United States in the whole world, and people from other parts of Europe were flocking into West Germany to enjoy the greater opportunities existing there. The reason for this is clear. When the fighting ceased, the Germans were not a mob of untrained people but a group containing individuals capable of doing anything needed in a modern state. Given control of their own affairs, in a short time they had the business of the nation operating smoothly and productively.

Compare this with the Congo. Under pressure from the native population and well-meaning outsiders the Belgians, who had been directing the affairs of the nation, withdrew. There was immediate chaos. The great mass of the people had none of the qualities needed in a modern state. Left alone, such a people can only sink into savagery, victims of starvation, disease, and superstition. Under outside management they could be given the necessary training, but this would require at least a generation and during that period they certainly would not be free.

The conclusion is that without education no worth-while freedom is possible.

External Influences

This brings me to the second part of my discussion, the limits on freedom imposed by external agencies. Left entirely alone, a person would have very little freedom. All of his time would be needed to keep alive. Some form of cooperation with others is thus a practical necessity and this requires some restriction on individual action. The problem is to devise a type of cooperation which permits the individual to do his best. The difficulty in doing this is due to the rapid advance in human affairs which quickly makes any detailed arrangement obsolete. The speed of this advance is indicated by certain facts.

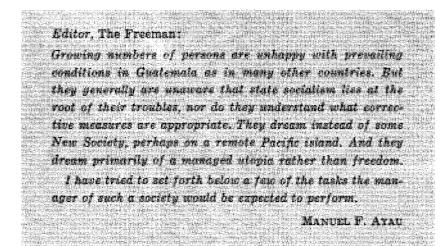
The first fact is that more than half of all we now know has been developed during my lifetime. This has been the work of science, for science is merely man's understanding of the universe, including his understanding of man as part of the universe.

The second fact is that more than 90 per cent of all the scientists who have ever lived are now alive and working, and the number is steadily increasing. Through the efforts of these people the advance in the future will certainly be much more rapid than during my lifetime.

Under these conditions any detailed plan devised by a government quickly becomes obsolete and must be revised. Under government operation this revision is merely the choice of one individual or small number of individuals. Under freedom the best methods suggested by anybody, because of their superiority are quickly adopted.

The effect of freedom is thus to produce maximum diversity in human affairs. Because of the large number of unknowns, the value of any suggested procedure cannot usually be determined by reason but must be tested by trial. The number of suggestions, the number of trials, and consequently the number of superior methods found is greatest when each individual makes his own choice.

This is the reason for freedom and the reason why freedom will ultimately prevail.



WANTED: Manager for New Society Typical Problems to Be Solved:

- Determine what product or service each person most urgently needs in relation to his present means, his health, his family obligations, his education, and other pertinent factors.
- Determine the quantity and quality of each item to be produced and establish prices for these items and their respective parts.
- Prescribe the production method or methods to be used for each product and part thereof.

Mr. Ayau is a businessman in Guatemala and a director of the Centro de Estudios Economico-Sociales.

WANTED: MANAGER FOR NEW SOCIETY

- Arrange for discoveries, inventions, new methods, and procedures incidental to progress.
- Decide when to increase, curb, or cease production of any item.
- Devise methods to minimize waste.
- Decide who shall direct the use of capital, and how much each shall control.
- Determine which components a manufacturer is to produce and which ones he is to purchase from outside suppliers.
- Make essential adjustments to the constantly changing needs and priorities of a dynamic economy, allocating resources for production or for consumption as occasion demands.
- Know what quantities and qualities of resources are available in what locations and in what degrees of accessibility at all times.
- Determine which resources are to be used for present purposes and which are to be conserved for future uses.
- Determine whether to produce various items domestically or to import them.
- Specify the location of each industrial plant and of each operation within each plant.
- Protect consumers against misleading advertising, excessive credit charges, deceptive packaging, shoddy merchandise, and other sales devices.
- Precisely locate each wholesale and retail outlet, specify the quantities and qualities of each item to be sold, the inventory to be carried, the service markup to be added, and so forth.
- Decide what is to be grown on each parcel of farm land, with what tools and what amounts of labor and fertilizer and insecticides, depending upon the type of soil, weather condi-

tions, and alternative uses for the farmer's time and other resources.

- Determine the appropriate land-labor-capital combinations for each industrial, commercial, transportation, or agricultural activity.
- Devise a system for prompt transmission to everyone concerned of all information as to changes in demand for and supply of each commodity and service.
- Determine how many persons and which individuals are to be engaged in each particular economic activity, describing how each job is to be performed and at what wage and other working conditions.
- Devise incentives and penalties to assure desirable behavior and discourage the other.
- Determine the rate at which each person shall save and consume, considering family obligations, current net worth, health, and other pertinent factors.
- Arrange for the satisfaction of wants according to personal choice and individual means.
- Arrange for prompt and efficient displacement of any person who fails in any of the foregoing objectives.

* * *

It should be clear, of course, that anyone who applies for the position of general manager of society automatically will have disqualified himself. If he had understood the problem, he would have known that there is no alternative to free market pricing as a guide to peaceful economic affairs.

CAPITALIZATION CURES OVERTY

HOWARD E. KERSHNER

ONE MINISTER who opposes our conservative views cites the Scripture in an attempt to show that we are wrong: "But whose hath this world's goods, and seeth his brother have need, and shutteth up his bowels of compassion from him, how dwelleth the love of God in him?" (I John 3:17). Obviously our critic has not followed our writings sufficiently to understand that we are not opposed to relieving the needy; in fact we urge it. We believe it should be done by individuals and privately organized charities, rather than by the state.

Private charity is curative. It brings a blessing both to the giver and to the receiver. So-called state charity, on the other hand, soon induces the beneficiary to think that the government owes him a living; that it does not cost his fellows anything, and that he therefore has a right to it. He expects it, demands it, and grows indignant if he does not receive it. On the other hand, the individual who is heavily taxed in order to provide for many loafers and wastrels (not all welfare recipients to be sure, but many of them) develops resentment because he feels that he is being robbed. That leads to a decline of effort, for unless men are assured of being able to enjoy the fruits of their labor, very few will put forth maximum effort and most of them will only produce enough for a meager living for themselves and their families.

Our correspondent also cites the following: "The righteous considereth the cause of the poor; but the wicked regardeth not to know it." (Proverbs 29:7) It is my contention that the man who has the ability to use capital productively is considering the cause of the poor far more effectively than the man who passes the dollars out to be spent immediately without lasting improvement for the poor, who need productive jobs. Our correspondent heaps scorn upon us, but he is wrong. The most effective service one can render is to help by his saving to build the capital of a country so it can employ more and more people at steadily increasing wages, thus producing a higher and higher standard of living. This is the way to conquer suffering, poverty, disease, and ignorance. ۲

From Howard Kershner's Commentaries, distributed by the Christian Freedom Foundation.

War, Politics, and the Dollar

ELIOT JANEWAY, a Wall Street analyst who has made some remarkably accurate market predictions by keeping one eye peeled for the state of the President's relations with Congress, is a "chartist" with a difference. Where other analysts regard politics as an intrusion upon their subject that must be explained away as accident. Janeway turns things around: in his view markets are wholly dependent on power considerations, and the statistics of supply and demand are less important than, say, Lyndon Johnson's habit of secretiveness, or the inability of Secretary of the Treasury Fowler to get Secretary of Defense McNamara on the telephone. In such a world, the socalled science of economics takes on a gossipv quality - but, in a time of galloping statism, an analyst whose sources are both good and talkative can score some tremendous coups.

Janeway's new book, The Economics of Crisis: War. Politics and the Dollar (Weybright and Talley. \$10.00), is a mixed historical and journalistic coup. It takes off from Randolph Bourne's wholly repellent but wholly accurate observation that "war is the health of the state." It follows from this that the peaceful development of countries is dependent on what has been done to expand the economy in wartime. War, says Janeway, can be a mighty stimulus to nation building, but the proviso is that it must be waged by men of reasonable intelligence who can be cold-blooded about the payoff.

Janeway himself is as coldbloodedly realistic as Sancho Panza himself. His book is an explosively interacting multiple of four observations. The first observation is that America's wars, prior to the one in which we are now engaged, have all been profitable. Observation Number Two is that Europe and Asia haven't been as lucky in their wars, though there have been exceptions. Observation Number Three, taken from Norman Angell's *The Great Illusion*, is that imperialism lost its realistic sanction when it ceased to be a simple matter of looting. And the fourth observation is that wars are no longer needed as a gigantic prod to production provided that mass consumption can be stimulated by the political management of continental-size economies.

Profitable Wars

When he is exploring the implications of the first three of his observations. Janeway is entirely convincing. The American Revolution was mismanaged from а monetary standpoint, but when the soldiers were paid off in western land scrip it gave a mighty impetus to the westward expansion. The War of 1812 was something of a stand-off, but it did get the British and their Indian allies off our backs in the Detroit region, which meant that settlers could sleep in their beds. The Mexican War rounded out our continental shape, and the Civil War preserved the new geographical configuration for the continental market that grew up with the building of the railroads. The Spanish-American War, with its action in the

Caribbean and the Philippines and the dash of the Oregon around Cape Horn, dramatized the need for the Panama Canal. And our three truly distant wars – World War I, World War II, and the Korean War – were forcing houses for the development of our technological economy.

Meanwhile, Europe and Asia suffered because of their inability to evade wartime destruction and tremendous casualties. Some of Britain's colonial wars were cheaply fought, and Bismarck put the German Empire together by easy victories over Austria and Denmark. But the Franco-Prussian War proved a disappointment to the Germans, and the two world wars were devastating to all of their European participants.

Another Story in Vietnam

So Janeway lets his observations take him down to the present. It might be argued that, since the Vietnam War is far away, it can't hurt us much. But this is a war that we are fighting alone. It is a costly war financially, but, curiously, it isn't leading to any significant industrial expansion. The war is, at the moment of writing, too small to permit controls, but not small enough to avoid monetary inflation. Meanwhile, the Soviets feed just enough support to their North Vietnamese allies

to keep our casualties mounting without costing the life of a single Russian soldier. By bogging us down in Southeast Asia, the Soviets have a free hand to adventure in the eastern Mediterranean. Janeway is certain that they will make the most of it.

Thus we have lost the edge in "crisis management" to Moscow. In Janeway's estimation, it was McNamara who misled Johnson into thinking the Vietnam War could be won with a limited commitment. Johnson, in turn, was too secretive to take Congress into his confidence or to seek its advice – and he is now lost in the "jungles" of Vietnam and Detroit without the money needed to win on either the foreign or the home front.

Weak on Welfarism

The weak point of Janeway's book is its treatment of the rise of the Welfare State. He speaks of "Bismarck's Breakthrough," and adds a few pages on Lloyd George's "creative improvisations" which "translated" Bismarck's social legislation into English. The inference to be drawn from this sympathetic treatment of Bismarck as a primitive Kevnesian planner is that the human race is now in possession of social instruments which will allow it to feed everybody without resorting to the economics of war preparation.

To give Janeway his due, he is no devotee of the crude theory that "government investment" can solve all our troubles. He does not divide economics into "private" and "public" sectors. His particular brand of interventionism. though it is couched in neo-Keynesian language, is fairly close to Milton Friedman's theory that the economy can be kept moving ahead in a state of dynamic equilibrium if the currency is expanded in a stable relationship to the increase in productivity. Janeway sees no virtue in the "public sector" as such, and he is all for increasing private fortunes provided they are profitably engaged. After all, if there is no flourishing private economy, the political managers would have no source of tax funds to take care of the strays.

The trouble with the Bismarck-Lloyd George theory of the social service state, however, is that it provides no assurance that a Janeway or a Milton Friedman will ever be allowed to work the levers. Bismarckian "socialism" created a population that became all too dependent on state action and state commands – and it wasn't much of a jump from Bismarck's theories to Hitler's National Socialism. Lloyd George's England merged insensibly into the England of Beveridge cradle-to-grave planning, which certainly hasn't proved compatible with industrial productivity.

As a hard-boiled reflection of "what is," the Janeway insistence that politicians make the economic climate is all too true. But if there is no revulsion against the idea that economics must always be subservient to the compulsions of politics, the correct image for our productive system will remain that of the snake attempting to live by swallowing its tail.

A PRIDE OF PREJUDICES by Vermont Royster (New York: Alfred A. Knopf, 1967), 361 pp., \$6.95.

Reviewed by Robert M. Thornton **READERS of The Wall Street Jour**nal need little introduction to this collection of essays by the editor of that outstanding newspaper. Many of these short pieces were selected from his occasional column, "Thinking Things Over," which is an especially bright spot even in that sparkling editorial page. In these days when many of our "spiritual leaders" are busy picketing, marching, and inciting to riot, it is in such unlikely places as this that one finds searching thought about the human condition.

Royster is a throwback to earlier

days of journalism when the informal essayist delighted, informed, and infuriated readers with his ruminations. He writes as a good conversationalist might talk on whatever topic comes to mind. Some event in the daily round supplies the inspiration, but the thought pursued leads far afield, reflecting the conceit that the reader's interest is as varied, intelligent, and literate as Royster's own. He writes, then, about what interests him, be the subject profound or trivial, philosophic or nostalgic, timely or timeless.

Royster once told an interviewer that he thought himself the most radical editor in the country, so out of step is he with the prevailing mood of the body politic. He opposes the inflationary financial policies of the national government and "the feeling that the government should feed our children, build our houses, provide for our old age, take care of us when we are sick, and bury us when we die." At a time when statism is embraced by most of the molders of public opinion this is indeed a radical position.

When Royster faced the problem of deciding who was to review his book for *The Wall Street Journal*, he arrived at a very simple, yet daring, solution: he "reviewed" the book himself. Here was no self-praise or false modesty but as one man said, "about the most subtle mention of a book by its author I have ever seen." In the closing sentences of the "review" Royster describes the contents of his book. You will find inside, he writes, "some little essays on sundry subjects done in a quaint, meandering style. There are personality sketches of public persons that are *de riqueur* for a practicing journalist: the passing thoughts on weighty public questions that an editor must offer to keep his license; the reportage on affairs as distant as Kansas and India by which a reporter tests his craftsmanship.

"But there are also, you should be forewarned, essays of no great point or purpose. Nostalgia can be pleasant self-indulgence but others may not be moved by remembrances of yesterday's Depression or of wars past. The borderline between sentiment and sentimentality is very narrow, and therefore easy to step over when recalling a great-grandfather or dreaming over a grandchild.

"Finally, one man's prejudice is another man's anathema. Certainly not everyone today will share the belief, expressed therein, that our heritage from the past contains many values worth conserving in the twentieth century. Or amid the troubles of the present find comfort in the reminder that the Dark Ages lasted only five hundred years.

"So perhaps the best thing to be said of the book is simply that Alfred Knopf thought it worth publishing."

Most of Royster's "review" is taken up with praise for the outstanding job of book-designing and book-making done by his publisher. "It looks good on a coffee table," he says "even if you never open it." Indeed it does, but great would be the loss of anyone who neglected to look between the covers.

- ON AGGRESSION by Konrad Lorenz, translated by Marjorie Kerr Wilson (New York: Harcourt, Brace & World, Inc., 1966), 306 pp. \$5.75
- ▶ THE TERRITORIAL IMPERA-TIVE by Robert Ardrey (New York: Atheneum, 1966), 390 pp. \$6.95

Reviewed by Gordon B. Bleil

ROBERT ARDREY here assembles a vast amount of material from the works of natural scientists and adds his personal interpretation or more correctly, his extrapolation. The work is tightly focused on the single subject of territoriality.

Territory is any area of space which an animal or group of animals defends as an exclusive preserve, and territoriality is the inward compulsion to possess and defend such property. Ardrey notes in his introduction that only one book (a 1920 work) has been devoted entirely to territoriality and that one was about birds. But considerable material on the subject is tucked away in the pages of scientific journals.

Ardrey develops his thesis that man is a territorial animal linked firmly to his piece of earth, and he argues that male competition human as well as animal — is primarily for possession of property, and only secondarily for possession of the female. This inquiry describes the physical behavior of many species, and also speculates on the emergence of values and natural morality among humans as concomitant phenomena.

Property as pivotal in affairs of men was acknowledged by our Founding Fathers and emphasized by political writers preceding them - as attested by the popularity of such slogans as "Life, Liberty, and Property." Of late the private property principle has not only been ignored, but aggressively attacked in the flight toward nonproperty social structures . . . welfarism, socialism, communism, and the like. Ardrev roots man's institutions in his biological heritage and challenges those who attribute our behavior solely to environment or culture, rejecting its hereditary basis.

Konrad Lorenz is frequently referred to in Ardrey's work, but at the time Ardrey was writing, Lorenz's work had not been translated from the original German. It has since become available in English.

Lorenz's focus is on aggression which he defines as "the fighting instinct in beast and man which is directed against members of the same species." A naturalist by profession and choice, Dr. Lorenz is also a doctor of medicine and a doctor of philosophy. From this solidly based vantage point he has considerable leverage on his biological materials and their human implications.

Somewhat less well structured and less readable than Ardrey's work, due in part, perhaps, to the difficulties of translation, Lorenz nevertheless provokes reflection. Territoriality is one of the causes of aggression, but not the only one. Aggressive behavior in the animal kingdom has evoked a parallel development of reliable, inhibitory mechanisms which prevent a species from destroying itself. Man is unique in that he has developed enormous aggressive capabilities and destructive power without a parallel development of reliable, natural inhibitions

Lorenz finds aggression healthy,

innate, and ineradicable. His principal point is that the survival of mankind – considering the awesome destructive power now at our disposal – depends on our success in imitating the natural and reliable inhibitory mechanisms evolved by other organisms rather than trying to sweep aggression under the rug as immoral or curaable. This tack will not work because aggressive drives are a necessary part of our nature.

Students of the free economy will be reassured to find effective natural principles at work in human nature itself, which are consistent with the ideology of competitive enterprise. We are better equipped to defend the market place, where competition is aimed at serving the consumer. If mankind eliminates competition or advocates its neutralization, at hazard is ultimate survival. It may be a sign of the times that concurrently with the progress of socialism highly competitive physical-contact sports, such as football, mushroom in popularity — a modern equivalent, so to speak, of bread and circuses.

Fortunately for the serious student, both works are heavily referenced and additional study in areas of particular concern is facilitated. Lorenz is slightly less desirable in this aspect than Ardrey because much of his source material, understandably, is in German. Both books are likely to become well-thumbed by those who want a better understanding of why we are and what we are.



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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

LEONARD E. READ P

PAUL L. POIROT

President, Foundation for Economic Education

Managing Editor

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THE BEST THINGS IN LIFE ARE

JOHN C. SPARKS

THE OLD SONG proclaims that the best things in life are free – and specifically extols such romantic items as the moon, the sky, and the flowers in spring.

The composer of these popular lyrics doubtless earned his fame and royalties, though his philosophical sentiments might not win the plaudits of classical economists. The latter would point out that the best things derive their value from scarcity and are far from free.

A good house that may be free for the taking is extremely scarce - in fact, nonexistent. So are automobiles, automatic washers and dryers, stereophonic consoles, engineering services, the latest medical drugs, classical art, fur coats, and endless other items and services – all scarce at prices buyers would prefer to pay.

Much as we might wish to acquire freely these best things of life, a moment's reflection shows why that is an impossible dream. None of these items is handed to us by nature. None comes into being without considerable effort by persons combining skills, years of training, and savings to produce desirable products and services.

These products or services exist only because they can command a price, a price sufficient to encourage productivity by those who have the inclination. The fact that some persons are willing to pay for new hats causes scarce and valuable hats to materialize.

Many individuals, working separately or grouped in companies, try to attract those who would buy

Mr. Sparks is an executive of an Ohio manufacturing company and a frequent contributor to THE FREEMAN.

their scarce products and services. Some succeed. Some do not. And respect for the discriminating judgment of potential buyers does more to improve the quality and variety of goods and services "for sale" than does any other factor.

The composer quite properly listed love, happiness, and other intangible wonders among the best of things. It was doubtless intended that the individual respond by actions that would earn for him stirring soul satisfactions without an outlay of cash. Several decades later, however, the song's promise has been stretched to cover not only the philosophically-desirable objectives listed by the song writer, but many economically-desirable products and services as well. Obsessed by desire to consume, prevailing political action attempts to by-pass the essential thought. saving, and labor that produce "the best economic things."

Progress in Medicine

Successful performance of a scarce and valuable service is well illustrated in the field of medicine. A medical man of 1868, if given a glimpse of the parade of medical accomplishments to come in the century just now ended, could scarcely have believed such miracles possible. The description of such medical treatments, drugs, and procedures would have been a marvel to him, not to mention their blessings upon millions and millions of people. Life spans increased unbelievably; many common and formerly fatal diseases virtually wiped out; human lives blossoming that otherwise had no chance - miracles all!

Such outstanding service in saving lives and restoring health has brought substantial economic reward to many of these modern men of medicine. In addition to the monetary rewards, many have known the personal satisfaction of serving the unfortunate ones lacking the funds to pay the full price, or perhaps any price, for needed medical attention.

So phenomenal has been medical progress in the United States that one would hardly expect it to be the object of political attack. Yet, strange brand of collectivist а "logic" proclaims the "right" to free services of all kinds, including medical-not the volunteered services of generous physicians to those unable to pay - but the cold, impersonal. regimented service yielded by Federal legislation. By what logic do Americans of any age expect to receive free medical care under a system of compulsion?

Some may question the use of the word "free" to describe Medicare benefits. Does not each earner of income pay his own way through the Federal social security system for Medicare? Furthermore, the doctor's care portion of Medicare is voluntarily chosen and paid for by the citizens. How can these be called "free"?

The answer. of course, is that no service of value can be free. Medicare is not free. It has to be paid for one way or another – or the service will not be forthcoming. But in the Medicare idea is a substantial element of something that to many of our countrymen ap*pears* to be a free benefit – or a partially-free benefit. They find it easy to assume that medical benefits are in unlimited abundance instead of scarce and costly. The service seems to be there for the taking. It is true that medical drugs, technical equipment, and skills are much more plentiful than in years past; yet, they do not grow on trees. Manufacturers spend millions of dollars to conduct research and develop new medicines. But their resources are limited by the amount stockholders are willing to risk in the uncertainty of researching and developing a new product. Not everyone is willing or able to endure the long years of study, expense, and self-denial to become a doctor. Doctors, therefore, are scarce. And so are the allied services such as nursing. Private and public hospital boards constantly need to

raise funds for expanded facilities and improved equipment. And the difficulty in acquiring such funds accounts for the relative scarcity of hospital services.

So what? What if those who are covered under the Medicare program believe that medical services are virtually free and available in great abundance – rather than *un*free and relatively scarce? What difference does it make? They will receive the benefits, won't they – benefits they could not otherwise afford?

Consequences of Medicare

Medicare patients now receiving medical attention otherwise beyond their means will not easily be persuaded that Medicare is likely to downgrade the quality of medicine in this nation. Nonetheless, the advent of Medicare and its supplemental programs will tend toward that result.

The discipline of the market – that is, the exchange of values between persons willing to trade their scarce savings for scarce medical services – is lost, or severely impaired. Individual decision-making will be displaced by government compulsion. Tragic results are sure to follow.

Keep in mind that the cost of Medicare was estimated by its proponents on the low side to render it more palatable to wavering legislators. Costs of government programs seldom are estimated ack curately. Medicare ran two or three times over its original estimate in the first year. Marginal illnesses that previously would have gone unattended now call for the doctor's attention — and add to the

nesses that previously would have gone unattended now call for the doctor's attention – and add to the cost of Medicare. Patients seek more frequent and more extended hospitalization – at added cost. Medical services and medical supplies will broaden in definition so that areas never intended to come under the program will be included - and add to the costs. Opportunists will flock into the program, in collusion with patients, with supplies and "semi-hospital" services and activities bordering on the fraudulent - all to become a part of the costs.

Another extra cost – overlooked by the proponents of Medicare – is the transformation of medical services, formerly performed free or at very low cost, into full price when eligible for government compensation. One doctor who "before-Medicare" spent one day a week gratis with the residents of a home for the elderly, now allows Medicare to pay him more than \$1,000 for this day.

Beyond all this is the heavy cost of bureaucratic operation and the lost sense of frugality by all parties in the program – patients, doctors, hospitals, agents, and others. What incentive remains to keep the total cost reasonable? None whatsoever. The social security or other tax rates will continue to grow until they finally become unbearable to taxpaying salary and wage earners. Greater Federal deficits will bring further inflation.

Those to Be Blamed

And there will be scapegoats to be sacrificed. Doctors will find their fees first restricted, then fixed. Numbers of Medicare patients will be forcibly increased without regard for the number of non-Medicare patients the doctor may prefer to serve. And there will be a revision in policy concerning other doctors who originally refused to cooperate. They will be blamed for the shortcomings of Medicare, poor attitudes, and lack of uniform coverage and will be forced to join the program.

Private hospitals also will be among the scapegoats when they seek equitable coverage of hospital costs not now allowable for reimbursement by the Medicare program.

The innocent bystanders will be those persons not covered by Medicare but in need of medical attention, attention they will not get because so much of the scarce professional time and effort has gone

into red-tape, restrictions, and unnecessary "doctoring." These "forgotten" people, the ineligible, selfreliant families, will have to pay twice, first for the Medicare of others, and then for the care of their own families. not to mention the disproportionate share of hospital overhead expense they will be charged. For such double outlay, they will receive minimum time and attention from regimented doctors. This excluded group could hardly be blamed if it were to petition legislators to make Medicare coverage universal.

A further consequence of Medicare will be noted by all too few. The rate of medical growth and discovery of the last hundred years will not be maintained. Bureaucratically fixed fees will discourage the development of new surgical procedures and concepts. Difficult, time-consuming, risky, tiring, exploratory efforts will not be worth the candle under Medicare. What fee should a doctor charge for the first heart replacement operation? And why not stick instead to \$35 tonsillectomies, and \$150 appendectomies? Advancement in medical science is seriously threatened by Medicare.

Since the program is now law, why point to the descending path it will follow? Why spell out the terrible price that all Americans – the young and the elderly – will

pay in terms of lower quality care, the deterioration of medical science, reduced numbers of intelligent young men entering the field of medicine and scientific medical research? What good in predicting the gloomy future of medicine in the United States? The eggs have been broken, the scrambling under way. Will such portravals of Medicare's future return us to our senses? Will this discussion help bring economic understanding? Will anyone gain from this effort the courage to join in the struggle to restore freedom in this field of human activity so vital to man's well-being? I do not know.

The Effort to Improve

The attempt must be made, however, regardless of the heavy odds against any quick rescue of medicine from the dismal detour it has taken. Some day, the collectivist idea will recede, as honest and intelligent human actions beat it into retreat. Such gains, however, do not come from wishful thinking or from dire predictions of socialistic evil. Nor is it certain that they will come from the actual misery of the adverse results. Human nature is prone to accommodate to adversity which arrives gradually - as might be expected in medical affairs under regimentation.

Only a fresh and better under-

standing of the achievements possible in a free society will wean support away from Medicare. Persons who think they are being practical in support of government medicine might well be persuaded to transfer their allegiance to the institutions of freedom. The search for a magic political formula that will produce the best economic things is doomed to failure. New formulas will be offered after each failure -- "one more try" -which will fail in turn, until human gullibility is exhausted. Then a renewed understanding of the blessings of freedom will return to the people of our land.

To spread the understanding of freedom is our task. There is no other antidote for the regimentation of government control and interference dedicated to accomplishing the impossible. Only then will medical services and products be recognized as the best things in life, but far from free. Only then will freedom of choice and freedom of exchange return to the field of medicine. Only then will it resume its jet-like speed toward new miracles of the future.

The best things of life are not free. But human freedom is the best means to attain the most desirable "things" of our lives.

IDEAS ON LIBERTY Ownership Means Control

A MAN is free precisely to the extent that his property rights are intact, because the condition of freedom and the condition of slavery are distinguished on the basis of the right of private property. A freeman owns himself and whatever he comes by lawfully. A slave owns nothing. . . . Ownership, however, means more than the possession of formal legal title to things. It means control. Control means authority over use, and over disposition as well. It means the condition in which one has the authority to follow his own preferences.

SYLVESTER PETRO

From testimony before Senate Judiciary Committee on the 1966 Civil Rights Act



PAUL L. POIROT

PERHAPS not always, but often the grass is greener on the other side of the fence. And if there be such a thing as progress, it must be primarily in terms of the freedom of the individual to travel and trade and find out what is beyond that fence.

A fence, of course, is a barrier - sometimes natural. as in the case of broad oceans or rivers. impenetrable jungles, lifeless deserts, steep mountainous terrain, or just empty space - sometimes man-made of mined harbors and guarded walls. passes. locked doors, barbed wire entanglements. iron curtains, restraining laws, or just red tape. And lack of knowledge and information, lack of imagination and initiative and ingenuity, lack of effort, lack of vision and courage and faith - these may be barriers, too, more internal than external.

In a sense, these internal barriers are by far the most difficult for man to span, for he may not realize they are barriers or suspect there could be something bevond. How could there be anything beyond the ocean if the earth were flat? Or anything desirable beyond a great wall or an iron curtain if no outside goods or services or ideas were allowed to penetrate? Fear of the unknown can effectively halt man's search for knowledge. An ocean or river or fence or wall affords protection and security of a sort he will abandon with great reluctance, if at all. Wild animals, once domesticated, lose the ability to shift for themselves and the curiosity to explore beyond the fence: and man, long imprisoned, comes to welcome his walls and chains.

The Great Civilizer

The story of civilization, however, is the story of man emerging from his shell, thinking, forcing, working, winning his way over or under or around \mathbf{or} through the barriers and fences he encounters. The story includes a running history of travel, the odyssevs of man, the wanderings of Abraham and Lot, the journeys of Marco Polo, the voyages of the Phoenicians and Vikings and Columbus and Cabot, the Crusades, the Pilgrims, the Lewis and Clark expedition, the development of commercial aviation. So much of the story of human progress is expressed in the improvements in transportation growing out of man's need to travel-the horse. the wheel, the cart, the boat, the sail, the rail, the piston motor, the wing, the jet.

Man's need to travel! Necessity takes many forms and mothers many things. The need sometimes is literally for green pastures, a watering hole, raw materials, living room. Others travel in search of beauty, understanding, great ideas, truth – perhaps a sense of mission and responsibility toward fellow men. Some need to travel back through time, to discover and decipher and understand the wisdom of the ancients, in books and lost records and buried bones and artifacts. And some would go where man has never been before.

Where man has been before and staked his claim, not always are travelers welcome. To cross a fence may be to trespass. Many of the chapters in the book of civilization have been written in the blood of conquistadors and crusaders and the victims of their invasion. Nor have we seen an end to such mass migrations and wars of conquest. Without condoning the methods of coercion. it may be acknowledged that invaders and defenders sometimes have learned from one another. hopefully found ways to live more abundantly together and in peace. But as long as some men travel to conquer, others will try harder to build and hide behind protective barriers. It must be doubted that ultimate human progress is to be thus achieved.

The Wealth of Nations

Adam Smith, less than two centuries ago, pioneered in setting forth in orderly fashion what some others had learned through trial and error about the wealth of nations. There had been travel and trade of sorts through the centuries. Marco Polo might be described as a traveling salesman. Camel caravans connected far-

flung communities through trade. The Phoenicians were active traders in Mediterranean waters. The Roman Empire was in part a trading area. There were the merchants of Venice and Florence. New trade routes opened in the wake of the Crusades. Columbus was seeking a better route to the spices of India. The mercantilists were traders in a protected market system. But it remained for Adam Smith to begin the explanation of the advantages of specialization and trade that men sometimes had practiced without full understanding. The wealth of nations, and of individuals, he perceived, is not so much something that exists - something hoarded or held in inventory - but an ongoing process of exchange among willing buyers and sellers free to travel with their ideas and their wares.

Other scholars studied and elaborated upon and refined the rationale for private ownership and control and free trade in a market open to all peaceful competitors. Eventually, some began to understand that when exchange is voluntary, both parties gain something from the transaction. Then they could know that it is not necessary to rob or enslave others in order to accumulate personal wealth. On the contrary, the far better way to serve one's own interests is to more efficiently serve the interests of others and reap the rewards they will freely offer.

Freedom in America

Could it have been entirely coincidence that the year 1776, when Adam Smith's great book first appeared, also marked the beginning of a new idea about wars and governments? The American Revolution was a war for independence rather than for conquest, and the limited form of government that developed in the young republic was designed primarily to keep the peace among men who otherwise would be free to produce goods and services and to trade and travel as they pleased and could afford.

Primarily free! Yet, nearly another century would pass, and another terrible war, before human slavery would be unlawful in the land. Nor has the warring ceased, as attested by recent rioting and looting in American cities by persons politically unchained yet intellectually, morally, emotionally unfree. The person who has not learned to travel without trespassing remains essentially a runaway slave, not his own master.

Yet, primarily free! Within the United States over the years there have been remarkably few curtains, walls, tariffs, embargoes, or other barriers to trade and travel. Rivers, oceans, mountains, and deserts have been spanned until no person in the nation is more than a few hours from any other. Contacts can be made and contracts consummated from any part of the country to any other in minutes, if not seconds.

To Overcome Obstacles and Become One's Own Man

Overcoming such barriers has helped to set man free: but he needed to be somewhat free in order to overcome restraints and become self-responsible. Free to dream and follow that dream wherever it led. Free to explore every new opportunity and move toward those most attractive. Free to seek and find unused or wastefully used resources and exploit them to everyone's better advantage. Free to move himself to another job. if more attractive. or to move his place of business to a better location that might be available. Free to travel from an undesirable political jurisdiction to a better one. Free to pursue his educational program with any willing teacher, wherever available, at home or abroad. Free to compete in any market place. Free to visit friends who would welcome him. Free to partake of any recreational opportunities open to the public and within his means. Free to overcome in any peaceful manner, and to become his own man.

Yes. citizens of the United States primarily have known the blessings of open markets, open shops, open doors, open homes, open books, open minds, and open hearts, within the institutional safeguards of limited government. sanctity of contract, private property, and no trespassing. The mind of the individual has been free to grow in proportion as he has been free to explore and to travel and to trade. And as the individual has prospered, so has the nation. Travel and trade are warp and woof in the delicate fabric of civilization.

If man is to participate effectively in the ongoing process of Creation, he needs to be free to compete, not only within a given nation, but throughout the world. National borders that inhibit peaceful trade and travel are barriers to progress.

The most certain way to halt or prevent the development of a nation and its citizens is to fence them in.



Tourists and Investors as Scapegoats

HENRY HAZLITT

THE DEFICIT in the U. S. balance of payments, and the prospect of losing still more gold, is the direct result of the government's own chronic budget deficits (particularly the huge one for 1968) financed by printing more and more paper dollars.

President Johnson blandly ignores all this and puts the blame on the American people. The worst culprits are the businessmen who invest abroad and the citizens who travel abroad. So he has announced mandatory limits and penalties on both. These restrictions may possibly make the balance-of-payments statistics look less ominous for a few months. But in the long run they are not only condemned to failure but will deeply injure both the dollar and our economy.

Let's begin with foreign investments. Four-and-a-half years ago the government put a "temporary" penalty tax on foreign portfolio investments and asked for "voluntary" restraints on foreign bank loans and direct investments. Now it has decided that these direct investments are one of the chief causes of the balance-of-payments deficit and it has cracked down on them.

The truth is that our private investments abroad are one of the chief sources of strength in our balance of payments. So far as direct investment is concerned, the annual repatriation to the United States of income from past investments has exceeded annual new investment outlays in every year since 1945. Currently we are receiving \$4 billion in income from this source, compared with an outflow of new capital of only some \$2.5 to \$3 billion.

We received in 1967 from total private investments — including bank loans and foreign securities — about \$6.5 billion in income compared with an outgo of \$4.5 billion in new investments. This means a net balance-of-payments surplus of about \$2 billion.

If we now constrict or cut off the flow of new investment abroad, we will do so only at the cost of constricting our future investment income from abroad. But this is only part of the cost. We will undermine our own longrange competitive strength abroad. We will withhold the capital that allows foreign countries to improve their living standards. And we will fail to develop the exports that grow directly out of our direct investments abroad.

The new program is riddled with contradictions. The government will first forbid its citizens to invest their money in countries where it is used productively to earn a return and strengthen our balance of payments. And then it will tax these same citizens and give away their funds as "aid" to irresponsible governments of "underdeveloped" countries. These handouts, as experience shows, are wasted on harebrained socialistic schemes and, in any case, produce no offsetting earnings to help our payments balance.

The new investment curbs, finally, discriminate among foreign countries and so are certain to breed resentment and retaliation.

The proposed curbs on tourists are folly compounded. If, as Mr. Johnson says, the citizens who travel abroad are "damaging their country," aren't the citizens damaging it still more who spend American dollars on Scotch, French wines and perfumes, Italian couturiers, imported diamonds, jewelry, furs, and cars?

What's so outstandingly wicked about travel? Why not, in consistency, forbid the importation of all luxuries and put tough quotas on the import of coffee and cocoa? And why is it treason to travel to Belgium but still patriotic to go to Brazil?

There is only one basic cure for the weakness of the dollar. That is to stop the reckless Federal spending; stop the budget deficits; stop grinding out more paper dollars. The new penalties and decrees only divert attention from the need for this basic remedy.

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ERIK V. KUEHNELT-LEDDIHN

THE AVERAGE CITIZEN of the United States knows only too well that something is seriously wrong in Latin America. But what is it? If somebody has the measles, we notice the rash, but this is only a surface reaction on the skin pointing to a disease which actually infests the organism profoundly. The military dictatorships in Latin America also are reactions to an unhealthy situation. Usually people will mention the glaring differences of wealth and insist that "social reforms" would do the trick. Some claim that there is no "genuine faith" in Latin America and that the Church, by "allying herself with the rich" and failing to "fight illiteracy." has "betrayed the masses." Others will blame the Spaniards for not having raised the educational level of the Indians, and so forth. Yet, in the prevalent views on Latin America, untruths are pitted against halftruths, results are taken for causes, and stark ignorance is mixed with stubborn prejudices.

As with a human being in a state of general decline, it is necessary to investigate the "case history" of Latin America. What is this part of the world like? What does it represent? First of all, let us face the fact that apart from the Caribbean area Latin America consists of three major regions:

(a) the countries (from Mexico to Paraguay) with many Indians, a large mixed population and a small, sometimes exceedingly small, white top layer,

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(b) predominantly white nations (Chile, Argentina, Uruguay) and

(c) Brazil, a "sub-continent" larger than the United States, which is of Portuguese, not of Spanish origin and has a strong African admixture.

In spite of great varieties these three regions have a surprising number of common problems.

Now let us say a few words about the Indians. Some (but by no means all) of the Indian tribes had a relatively high civilization prior to the arrival of the Europeans. Still, they knew neither the wheel nor genuine writing. Those who were civilized lived in highly autocratic and totalitarian societies in which hard work, as far as it existed, was carried out under the whip of overseers. State and religion had tyrannic aspects: human sacrifices were the rule. When the Spaniards moved in, efforts were made to assimilate and amalgamate the native nobilities (in Mexico they were made equals of the grandees); but, by and large, the upper crust became Spanish. Once the adventurers who had brutally subjugated the country were eliminated, harnessed, or disciplined, the Crown took over.

The Spanish administration worked miracles. In no time, a new Christian civilization was established: churches, chapels, cathedrals, palaces, city halls, printing shops, universities, monasteries, convents, and comfortable, spacious living quarters sprang up almost over night.

A Different Race

It was the Crown that tried to protect the Indians and later the Mestizos. The new aristocracy of Latin America, however - not at all social, political, or religious refugees as in North America, but largely members of Spain's lower nobility - resented the Crown's "protectionist" policy. "You in Madrid or Seville do not realize what we are up against!" they indignantly protested. And they were right - in a way. The Indian (unlike the African) has a most difficult personality, is racially easily assimilable but culturally quite inflexible. He has another logic, he is suspicious, has a closed mind, is not interested in private property and indifferent to pain, humorless (by our standards), unreliable, lazy - if we take Western notions as a measuring rod. "The lucky Yanguis!" I was once told in Peru, "If only we had Negroes instead of Indians!"

Yet the Crown was also right. The Indians with their different wave length were certainly difficult to handle. They proved highly

uncooperative and, more than their local Spanish masters, showed a profound distaste for systematic, hard work. We must bear in mind that the work ethics we know today in the Western world developed only after the Reformation. Our medieval ancestors worked infinitely less than we do. The average city or town in Europe 500 years ago celebrated between 90 and 140 holidays a year in addition to the 52 Sundays. Before the Spanish conquest, the Indians were used to either a bucolic life on the lowest level or to forced labor under their monarchs and caciques. Without stern discipline, the colonies could not have existed. This, Madrid did not understand. Hence, the resistance of the local "whites" against the distant capital and also against the Church which preached benevolence, leniency, and tolerance

The War of Liberation

As a result the Latin American upper crust, egged on by Britain and the United States (both eager to trade in that huge area) and imbued with the ideas of the French Revolution, rose against Spanish domination. We had the amazing spectacle of a wealthy, landowning Creole aristocracy fighting the Crown because it protected the lower classes. (The Indians, needless to say, supported the Crown which, however, was soon defeated on battlefields thousands of miles from the motherland.) The intellectual fatherhood of the French Revolution in this struggle also hurt the Church. The majority of the priests and friars, born in Spain and loyal to the king, packed up and went home.

This "war of liberation" left the Disunited States of Latin America laboring under insoluble problems right from the start. Never had a republican and democratic form of government been adopted by countries less qualified to make it work. (In our generation, only Africa has made the same mistake.) In 1822 the two great liberators of Latin America met in Guayaquil: the Venezuelan liberator of the North. General Simón Bolivar, and the Argentine liberator of the South. General José San Martin. The latter implored Bolivar to establish a monarchy in South America, to look for a European prince who might accept the crown! He was convinced that republican democracy was bound to fail in the Latin part of the Western Hemisphere. Bolivar replied that he could see San Martin's reasons but that he had to oppose his views; he was pledged to republicanism and democracy; to advocate monarchy

would be a betrayal of everything he stood for.

San Martin returned to Argentina a broken man, packed his belongings and went into voluntary exile in Europe. He died in poverty in a small French town 30 years later. Bolivar, however, came to regret his reply. He, too, died in despair. "There is no faith in Latin America," he wrote, "neither in men nor in nations. The Constitutions are mere books. the treaties scraps of paper, the elections battles, liberty is anarchy and life a torment." He foresaw the rise of small local dictators and a decay so general that the European powers would not even bother to reconquer a bankrupt continent. "I have plowed the sea," was his cry of anguish.

No Common Denominator

These events of a century and a half ago clearly foreshadow the outline of our present troubles. Harold Laski said that the democratic republic will work only if two conditions are given: a twoparty system and what Walter Lippmann calls "a public philosophy," that is to say, a common outlook, common political principles uniting the entire nation. In his Farewell Address George Washington pointed out that whereas monarchies can afford the luxury of ideological diversity, republics have to shun the "party spirit" and must always seek a common denominator. Now, given Latin individualism, this uniformity is lacking - not only South of the Rio Grande but also on the Iberic Peninsula, in France, Italy and, we should add, in the rest of the non-Protestant Western world. The "team spirit" characterizes the Protestant, not the Catholic or Greek Orthodox world. Buttonhole the typical New York commuter and ask him what his political belief is. You will find. chances are, 100 per cent stand for the republic, 99 per cent for democracy. Then repeat the experiment in the subway of Madrid or Barcelona and you will discover where genuine pluralism is at home.

The political parties of Latin America suffer as a rule from radical ideological divergencies. Most of the parties are of the left - left of center, moderately left, radically left, yet, at the same time they are extremely nationalistic and show marked socialistic tendencies. (This is also true of the so-called Christian Democratic Parties inspired by the Left Wing of Italy's democristiani and not by the German, Austrian, Swiss, or Dutch Christian Democrats.) This combination of nationalism and socialism is a frightening mixture known only too well to us in Europe, and it is even more frightening if it has racist undertones as we find them in Peru's APRA and, to a lesser degree, in Mexico's PRI. The difference between them and the Hitlerites, however, is this: the Nazis praised the lily-white Aryans whereas the Latin American national-socialist parties worship the brown skin.

Exploitation of Envy

But why all this Leftism? It is nothing but the political exploitation of the startling, frequently even provocative. differences between rich and poor. In the past 150 years the successful exploitation of envy has been the key to political success in Europe; and now the magic formula also works in Latin America. In other words: the "social problem" is at the bottom of this political ferment and seems to work into the hands of Moscow, Peking, and Havana. In using quotes for the term "social problem," we want to indicate that the issue is not really a social, but an economic one.

Not really "social"? No. Though in the past the Latins were not hard workers, the Indians (unless they were totally enslaved) worked far less. Foreigners with knowledge and determination have a very good chance in Latin America - not only Americans, Germans, and Britishers but also Italians, Spaniards, and Portuguese who have developed material ambitions in Northern style. They become rich quickly. In Mexico the Spanish immigrants (and refugees) are called los zopilotes, "the vultures," not only because of their sharp noses and their beady eyes (so unlike the soft. brown traits of the Indians and mestizos) but mainly on account of their commercial zeal. When they arrive, they may start by pushing vegetable carts; ten years later, however, they are likely to drive a Mercedes. (Allegedly onethird of Mexico's wealth is in Spanish hands - data that are difficult to check.)

In Caracas I overheard a conversation between two Venezuelans one of whom remarked: "And I tell vou, my friend, Yanguis, Germans, Portuguese, Spaniards, Syrians – they're Italians. all Jews, they're all Jews," by which he meant that they work hard, save money, reinvest it shrewdly, and generally forge ahead. Yet this "automatic" financial rise is also achieved by the ambitious minority among the natives, whatever their color. In a generally lethargic society where people, by and large, are not very competitive the few ambiciosos (what a dirty word!) will swiftly rise to the top. And how they are hated: the Gringos and the local rich!

The Social Pyramid

As a result of this odd distribution of energies (which, incidentally, is not climatically conditioned) the social pyramid has a very broad base and then narrows abruptly, ending in a very fine "needle." Such a "needle" is conspicuous indeed. In North European countries the social pyramid looks more like a triangle and its top is relatively broad. Still, we know that in Austria a total confiscation of monthly incomes of \$1,000 and over would, if equally distributed among all citizens, provide them with another cent and a guarter daily. If one were to expropriate all peso millionaires in Mexico, that means people owning more than 80,000 U.S. dollars, each Mexican would receive once and for all the sum of \$18.00. The statistics would look even less favorable in countries like Colombia, Peru, or Bolivia.

In other words: the most radical social reforms would hardly make a dent in the living standards of the masses. Not the expropriation of the rich will alleviate the situation, but only a *substantial general increase in production*. Rich countries are not rich on account of "natural wealth" (a totally exploded fallacy) but on account of a high work ethos, of industriousness, saving, and investment. Radical discrepancies between the living standards of the social layers exist only in basically poor countries - and they are poor because the majorities are not enthusiastic about hard and systematic work.

Investments, too, present a ticklish if not insoluble problem. A revealing passage in Populorum Progressio speaks of wealthy people who, instead of investing their profits in their own country, transfer them abroad. It is true that wealthy Latin Americans, except, perhaps, Mexicans, have the tendency to invest in the United States, in Switzerland, even in Spain and Japan. They do this in spite of the fact that the profits derived thereby are well below what they would be at home. But it is *safety* these investors are worried about. Since most of the big popular parties are Leftist in their tendencies, since CON-FISCATION is written in large letters on their party banners confiscation of factories, large estates, church property, foreign companies - no wealthy Latin American can trust his own country.

A Formula for Failure

Almost all big parties, indeed, talk about "soaking the rich" and so do the Christian Democratic Parties who want to take the wind out of the sails of the Marxist and "national socialist" groups. Appealing to the envy of the many seems the only way to get votes. A young Peruvian Christian Democrat informed me that 78 per cent of his country was in the hands of large landowners. I inquired how much remained for the average agrarian family. Taking the size and the thin population of Peru into consideration, there seemed to be land enough for all.

"What about the Japanese immigrants?" I asked, "They all do extremely well on tiny plots."

"You are right, but our people would never work as hard as these Japs do; thus we have to carve up the large estates, just as we have to nationalize the American oil companies."

"Confiscate their property?"

"Not really. We shall give them 2.5 per cent government obligations. They got their treaty by bribing our deputies."

"But didn't you tell me before that you want foreign investments, foreign loans? How do you expect to get them after expropriating American companies?"

"Well, they have to shell it out or we'll become communists. If they won't do it, we'll ask the Germans."

"My dear friend, economy is based on *credit* and the term credit implies trust. The Germans won't give you a cent!" The young man was enormously surprised.

Military Stopgap Measures

Discussions like this prove the existence of a genuine vicious circle: no general disposition for hard work (as it is known, actually, only in parts of Western civilization and in East Asia). the tremendous gap between rich and poor, the demagoguery of the Leftist parties (led predominantly by "university men" and morally stranded scions of old families), all this creates the *necessity* for unconstitutional "take-overs" by the military. American public opinion as well as the State Department heartily disapprove of undemocratic military rule, but, normally, the armies step in only when the country is menaced by Leftist, anti-American, proа Castroite faction as a result of free elections or revolts.

In the past, most protégés of the United States have turned out to be leaning to the Left, toward Moscow, if not Peking, once they took over with American moral or financial support. This was the case with Fidel Castro whose ascent to power was enthusiastically greeted by the American press, of "Papa Doc" Duvalier in Haiti, of Juan Bosch. When the military junta in Santo Domingo ousted Bosch, when the Peruvian army prevented Raúl Haya de la Torre from gaining control, when General Onganía took the reins in Argentina, Washington was none too happy. (The American acclamation of Marshal Castelo Branco in Brazil was something utterly new.)

Yet, one must admit that military dictatorships are only stopgap measures. The problem posed by San Martin to Bolivar is as timely today as it was a century and a half ago. Still no monarchist party, no monarchist sentiment exists today in Latin America – except for Brazil which was fortunate enough to have a monarchy until 1889. Constitutions pose an insoluble problem everywhere, with the exception of Mexico which has a one-party system. being run by the PRI which, in turn, is firmly in the hands of an oligarchy. An ideal situation? By no means. But, at least, thanks to strictly rigged elections, there is a *permanence* on which an expanding economy can be based. The PRI (Revolutionary Institutionalist Party), once violently hostile to religion, has settled down, has become "bourgeois," has made its peace with the totally impoverished Church.

The Role of the Church

And what about the Church in all that Latin American turmoil?

Perfectly silly charges are leveled against her: that she always sided with the rich, that she owns great wealth which she does not share with the poor, that she did nothing to alleviate illiteracy because she has a better hold on ignorant people, and so forth and so on. The fact is that the Church is desperately poor, that priests are living in abysmal misery, sleeping sometimes like dogs on the ground as I have seen with my own eyes, that she has been totally expropriated in many countries, that she has made and is still making heroic efforts to educate all layers although secular education is not one of her primary tasks. (Actually, in most, though not in all, Latin American countries the Catholic schools and universities are undoubtedly far superior to their secular counterparts.) That there are certain ecclesiastic problems which, for the moment, are beyond solution nobody will deny - for instance, the crucial problem of vocations.

What I am worried about, because a solution can and must be found, is the Church's stand in the aforementioned "vicious circle." Christianity being only 400 years old in many parts of Latin America (where it is not European Christianity transplanted, but superimposed!), it has affected only the blood and the

hearts of the people, not the bones and the minds. This corresponds to the situation in Germany in the eleventh century, a fact one tends to forget in drawing comparisons. The Church has, in the past, concentrated too much on devotion (especially on Marian devotion) and not sufficiently on ethics, as Professor Fredrick B. Pike of Notre Dame pointed out in a brilliant paper. She did not preach energetically enough the natural virtues: respect for personal property, thrift, truthfulness, frugality, responsibility for the family, chastity. cleanliness. (In certain Latin American nations 85 per cent of all children are illegitimate and get their entire moral education from benign grandmothers.) Piety is impressive in Latin America, but the Mestizo who prays in mystical ecstasy, tears streaming down his face, may vote communist tomorrow or slit his neighbor's throat from ear to ear. Our early medieval ancestors acted in exactly the same way.

Today, having made great efforts in spirituality, the Church suddenly seems to have discovered "social justice" and engages heavily in politics. Although she rarely openly advocates the Christian Democratic parties, she fosters them secretly and, without sufficient studying and preparation, teaches specific economic doctrines. One shudders at the thought of what the reaction will be when the Christian Democratic parties fail economically in the countries where they now hold sway.

We in Europe know by experience that Christian parties come and go whereas the Church remains — to face the music. In the past the Church has suffered atrociously for having supported specific political orders. The tragedy will not be lessened if, out of an ill advised idealism, the Church allows herself to be identified with specific economic systems, above all those of a socialist pattern which are notoriously inefficient.

These reflections do not offer a solution for Latin America's tragic vicious circle. There, as elsewhere, religious, economic, social, and political problems form an organic whole. In all likelihood, the Archimedean point for curing these ills lies in a reform of the Latin American's soul, mind, and spirit. If this could be achieved. the economic, social, and political shortcomings would largely disappear or, at least, be lessened. To cure the evils at their roots, and not by underwriting utopian blueprints, would thus be eminently the task of the Church. (*)



This article first appeared as "Big Wars from Little Errors Grow" in the January, 1964, FREEMAN. But recent events indicate that someone must have missed the point.

A FRIEND recently chided us libertarians for being so engrossed in "pursuing our busy little seminars on whether or not to demunicipalize the garbage collectors" that we tend to ignore the most vital problem of our time: war and peace.

Well, I'm not so sure. On the assumption that the "garbage issue" is more fundamental than the "war issue," I take up the gauntlet exactly as our friend has flung it down.

War-like many other of today's problems — is the culmination of the breaking of libertarian principles, not once, but thousands of times. We are challenged to jump in at this point and apply our principles to get out of the unholy mess resulting from years and years of errors on errors. The challenge might just as well have been put in terms like this: "You are a second lieutenant. Your platoon is surrounded. Your ammunition is gone. Two of your squad leaders are dead, the third severely wounded. Now, Mr. Libertarian, let's see you get out of this one with your little seminars."

My answer: "Demunicipalize the garbage service."

Now, wait, before you cross me off as a nut. I have a point. That second lieutenant is a goner. And so is the prospect of lasting peace until man learns why it is wrong

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to municipalize the garbage service. You can't apply libertarian principles to wrong things at their culmination and expect to make much sense or progress. You have to start back at the very beginning, and that is precisely what our little seminars are for. There are people who build for tomorrow, others who build for a year, some who look forward a generation. The libertarian, a part of "the remnant," takes the long view - forward to the time when war will be looked upon as we now look upon cannibalism, a thing of the past. And believe me, unless someone takes the long view, wars will continue.

Suppose a group of doctors in a meeting on cancer prevention decide to do with cancer as the state proposes to do with war: "Outlaw it." What chance would the doctors have? None. And precisely for the same reason that the state can't outlaw war: They don't know what causes it.

I think I know what causes war. In an unpublished article called "War, the Social Cancer," I developed the thesis that war is the malignancy resulting from the growth of interventionism, which invariably becomes uncontrolled, once started. Without interventionism – starting way back with things like the garbage service – war simply *cannot* happen.

is There a Faster Way?

What do we do in our little seminars? We make the case for freedom, which cannot coexist with interventionism. Slow? Of course, painfully slow. But who can really say and prove there is a better - or faster - way?

I suppose, in a way, we can be thankful – so long as wars persist – that there are men willing to tell my son how, when, and where he will fight. I am not willing to be a party to telling their sons what they will do, because that would mean abandoning my position. Probably, in a world at this stage of evolution, there have to be both kinds. I can guarantee at least one who disavows initiated violence, but only if I hold fast to that position myself.

Depend on it, this view always will be scorned by those who cannot look past tomorrow. You may also depend on it that a time will come when the little seminars will bear fruit. Listen to Albert Jay Nock:

The fascination and the despair of the historian, as he looks back upon Isaiah's Jewry, upon Plato's Athens, or upon Rome of the Antonines, is the hope of discovering and laying bare the "substratum of right-thinking and well-doing" which he knows must have existed somewhere in those societies because no kind of collective life can possibly go on without it. He finds tantalizing intimations of it here and there in many places, as in the Greek Anthology, in the scrapbook of Aulus Gellius, in the poems of Ausonius, and in the brief and touching tribute, Bene merenti, bestowed upon the unknown occupants of Roman tombs. But these are vague and fragmentary; they lead him nowhere in his search for some kind of measure of this substratum, but merely testify to what he already knows a priorithat the substratum did somewhere exist. Where it was, how substantial it was, what its power of self-assertion and resistance was - of all this they tell him nothing.

Similarly, when the historian of two thousand years hence, or two hundred years, looks over the available testimony to the quality of our civilization and tries to get any kind of clear, competent evidence concerning the substratum of right-thinking and well-doing which he knows must have been here, he will have a devil of a time finding it. When he has assembled all he can get and has made even a minimum allowance for speciousness, vagueness, and confusion of motive, he will sadly acknowledge that his net result is simply nothing. A Remnant were here, building a substratum like coral insects - so much he knows - but he will find nothing to put him on the track of who and where and how

many they were and what their work was like.¹

Now, turn to William Graham Sumner:

If we can acquire a science of society, based on observation of phenomena and study of forces, we may hope to gain some ground slowly toward the elimination of old errors and the re-establishment of a sound and natural social order. Whatever we gain that way will be by growth, never in the world by any reconstruction of society on the plan of some enthusiastic social architect. The latter is only repeating the old error over again, and postponing all our chances of real improvement. Society needs first of all to be freed from these meddlers - that is, to be let alone. Here we are, then, once more back at the old doctrine -Laissez faire. Let us translate it into blunt English, and it will read, Mind vour own business.2

Again I say: We will never end wars if we do not, at the minimum, understand why the garbage service should be removed from the jurisdiction of the police force, that is - government.

¹ Albert J. Nock, "Isaiah's Job" from Free Speech and Plain Language (William Morrow & Company, 1937).

² William Graham Sumner, What Social Classes Owe to Each Other (Harper & Brothers, 1883).

The Rise and Fall of England

2. PRE-INDUSTRIAL ENGLAND

ENGLAND'S rise to greatness came after major political changes that afforded substantial liberty for Englishmen. There have been many efforts in recent generations to attribute productiveness, prosperity, and industrial leadership to almost everything except morality and liberty – such diverse factors as war, inflation, natural resources, government "promotion" of manufacturing, exploitation of workers, and technology.

The technological explanation is particularly alluring, for it is easy to see that an increase in the productivity of workers makes more goods available. So it does, if the workmen continue to work effectively, if the machines are utilized, and if what is wanted is produced. But then, technological advance is not an accident itself. It, too, is the result of inventiveness stimulated by incentives and relief from fetters; in short, it, too, is the result of morality and liberty.

The role of liberty and morality in the development of England's prosperity and leadership becomes clearer as one examines the situation in England before the change occurred. It has been shown that civilizational leadership was hardly usual for England, that the many wars in her past had not produced abundant prosperity, that such natural resources as were to be found in

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

that land had not distinguished her thus far in productiveness, and so on. In short, England's greatness, when it came, should be attributed to new factors: to morality and liberty.

The Political Setting

In the century or so before England began to industrialize on a large scale there was widespread oppression and hardship. Now, oppression and hardship were not peculiar to England of all nations nor to this time in history. On the contrary, oppression and hardship have been the lot of most peoples in most times everywhere. It is the relative exceptions to this that are noteworthy. But oppression has different forms in different times, and there are degrees of it as well.

It was in terms of the particular forms of oppression in England that an amelioration of it began to take place. Moreover, the increasing liberty – the freeing of the energies of the people – led to the industrialization which alleviated much of the hardship. It will be seen, too, that the hardship was not simply the result of inferior technology but, more directly, of the oppression itself.

Many Englishmen were inclined to blame the oppressions of the first half of the seventeenth century on the Stuart monarchs who

ruled. It is true that James I (1603-1625) insisted upon all his prerogatives, defending them on the offensive grounds of the Divine Right of Kings, and that Charles I (1625-1649) attempted to rule without going through the motions of dependence upon Parliament. But it would be difficult to prove that the Stuarts were more oppressive than the Tudors who preceded them. The Tudors had flattered the members of Parliament, however, by allowing them to participate in the despotic decisions. Of equal importance, the Tudors did not press issues to a constitutional head, while the Stuarts in pressing their claims to their ancient prerogatives raised troublesome constitutional questions. At any rate. there should be little doubt that the government of England was despotic at the outset of the seventeenth century.

It was not a despotism that sprang from the personality of a king alone. The system that prevailed provided considerable opportunity for despotism. At the beginning of the seventeenth century, England had a class system which was a relic of feudalism. The classes had lost that independence, however, which had earlier enabled them to balance and offset the power of the monarch. When Parliament acted with the king, there were none who could effectively oppose the action. When Parliament refused to act with the king, it had no means of action; it would be dismissed, most likely. The basis of independence was there potentially, as we shall see later; but for the time, power was concentrated and had been for the past century. Whether it was exercised in an enlightened fashion or not, it was despotic.

The Forms of Oppression

Three different kinds of oppression and persecution can be distinguished: political, religious, and economic. All the oppression was by the government, of course, and was in an important sense political; but for purposes of discussion the oppression within the government itself is denominated political, while persecution of those not within government is referred to as religious or economic.

In many respects, political oppression was the mildest, but it got a great deal of attention because it frequently involved men who had a forum from which to speak. The great constitutional issues of the first half of the seventeenth century frequently involved the freedom and independence of the members of the House of Commons and of judges. The freedoms for which Commons contended were freedom of speech, i.e., freedom to discuss whatever matters they desired when Parliament was in session; freedom from arrest while Parliament was in session or for what had been said and done there; and the right of initiative and alteration of legislation.

Monarchs of the time assumed that they would bring before Parliament such matters as would be considered and that these might be discussed and decided upon, but none others. Thus, Elizabeth I (1558-1603) had said:

For liberty of speech her majesty commandeth me to tell you, that to sav yea or not to bills, God forbid that any man should be restrained or afraid to answer according to his best liking, with some short declaration of his reason therein, and therein to have a free voice, which is the very true liberty of the house, not as some suppose to speak there of all causes as him listeth, and to frame a form of religion, or a state of Government as to their idle brains shall seem meetest. She sayeth no king fit for his state will suffer such absurdities.1

James I was more emphatic in 1621, when he commanded the

¹ Kenneth R. Mackenzie, *The English Parliament* (Baltimore: Penguin Books, 1950), p. 37.

Speaker of Commons "to make known in our name unto the House, that none therein shall presume henceforth to meddle with anything concerning our Government or deep matters of State."²

Persecution Under Charles I

It was under Charles I, however, that the most extensive political persecution occurred. When both houses of Parliament persisted in inquiring into foreign affairs in 1625, Charles dissolved Parliament and had the Speaker of the House of Commons, Sir John Eliot, imprisoned in the Tower of London. Parliament had not enacted a law requiring the payment of Tunnage and Poundage, but Charles, badly in need of funds, simply imposed it without parliamentary consent. "Seventy gentlemen, of whom twenty-seven were members of parliament, had to be imprisoned for refusing to contribute to the loan."³ After a stormy session in 1629. Sir John Eliot was once again sent to prison where he died in 1632, and Charles ruled eleven years without Parliament, When Parliament finally was called again in 1640, Charles could no longer work his will or even succeed in subduing its members by arrests; the time of rebellion was at hand.

In like manner, the early Stuarts attempted to work their wills upon the courts. "In 1616 Chief Justice Coke was dismissed for refusing to defer to James I in giving judgment. Ten years later Charles dismissed Chief Justice Crew for refusing to admit the legality of a forced loan. . . . During the personal government of Charles I repeated dismissals reduced the judges to a state in which they enforced monopolies, abandoned Coke's attempt to restrict the jurisdiction of Church courts, and declared Ship Money legal."⁴ In short, the courts were made effective instruments for the despotic will of the king.

The Church of England

The religious oppression of Stuart England is known to Americans, because it was this that drove Pilgrims, Puritans, Baptists, Quakers, and Catholics to migrate in considerable numbers to the New World. Nowhere does the determination to maintain conformity by stamping out differences appear more clearly.

The Church of England was established. This meant that everyone "had to attend services in his

² Ibid.

³ Lacey B. Smith, This Realm of England (Boston: D. C. Heath, 1966), p. 210.

⁴ Christopher Hill, The Century of Revolution (New York: W. W. Norton, 1961), p. 68.

parish church every Sunday, and was liable to legal penalties if he did not. He had to pay tithes, onetenth of his produce or his profits, to a clergyman whom he had no say in choosing, and of whom he might heartily disapprove. He was liable to the jurisdiction of Church courts, which punished him not only for 'heresy,' nonattendance at church, or sexual immorality, but also for working on Sundays or saints' days, for nonpayment of tithes, sometimes even for lending money at interest."⁵ Moreover, the Church kept a close watch over and a tight rein on thought and education. "Books were strictly censored, and the censorship was in the hands of the Bishops. Education was an ecclesiastical monopoly.... No person might teach in a school or private family unless licensed by his Bishop."6

Dissenters Unwelcome

Anyone who differed from the established church was in difficulty, potential or actual. Dissenters, both Protestant and Catholic, were persecuted. During Elizabeth's reign Catholics, particularly, were the subject of disabling legislation: an act of 1571 made it treason to declare that Elizabeth ought not to be queen or to bring in a papal Bull. An act of 1581 made it a high crime to attempt to convert a subject to the Catholic faith and set forth penalties for saying or hearing a Mass. During her reign more than two hundred Catholics were put to death.

Dissenting Protestants were not spared either. A small sect began to hold meetings, called Conventicles. An act of 1593 provided imprisonment for anyone who attended one of these meetings, banishment from England for a second offense, and execution for those who returned to England after having been banished. That matters were little improved for such dissenters under James I will appear from the account made by William Bradford of what happened to a company of them who tried to leave England for Holland in 1608. They arranged with a man for a ship to take them over.

when he had them But and their goods aboard, he betrayed them, having beforehand complotted with the searchers and other officers so to do; who took them, and put them into boats, and there rifled and ransacked them, searching to their shirts for money, yea even the women further than became modesty; and then carried them back into the town and made them a spectacle and wonder to the multitude which came flocking on all sides to behold them. Being thus first, by these catchpoll officers ri-

⁵ Ibid., pp. 75-76.

⁶ Ibid., p. 76.

fled and stripped of their money, books and much other goods, they were presented to the magistrates, and messengers sent to inform the Lords of the Council of them: and so they were committed to ward. Indeed the magistrates used them courteously and showed them what favour they could; but could not deliver them till order came from the Council table. But the issue was that after a month's imprisonment the greatest part were dismissed and sent to the places from which they came: but seven of the principal were still kept in prison and bound over to the assizes.⁷

Perhaps the most amazing persecution during the reign of James I was that for alleged witchcraft. The king had produced a book on demonology a few years before he came to the throne of England. "In 1604 an act increasing the penalties against witches was passed by the English Parliament and under it many thousands of witches were condemned and burnt in the first twelve years of the reign."⁸

The persecution of Puritans reached its peak during the eleven years when Charles I ruled with-

out Parliament, Puritans were within the ranks of the Church of England, but they wished to reform it in various ways. Archbishop William Laud, acting under the auspices of Charles I, undertook to bring them completely in line or drive them out. "Archiepiscopal visitations took place everywhere to ensure that the altar stood at the eastern end of the churches, that paid lecturers should not invade the parishes to preach puritanism, that the services set out in the Common Praver Book were used, and that extreme sabbatarianism was stamped upon. Puritan pamphleteers . . . were savagely punished by the Star Chamber."9 In the decade from 1630 to 1640 nearly 20.000 of the Puritans came to New England.

Efforts at Economic Stability

Economic oppression was usually more subtle than religious persecution, though hardly less devastating in its extended effects. Two intertwined principles dictated this oppression: the now ancient Medieval goal of stability and a later system which was being given theoretical formulation in the seventeenth century which we know as mercantilism.

The goal of economic stability is readily understood; it is the principle of maintaining things as

⁷ William Bradford, Of Plymouth Plantation, Samuel E. Morison, intro. (New York: Modern Library, 1967), p. 12.

⁸ Maurice Ashley, England in the Seventeenth Century (Baltimore: Penguin Books, 1952), p. 37.

⁹ Ibid., p. 68.

they are - prices, wages, products, rents. workers - by legislation or fiat. Mercantilism jibed perfectly with the roval absolutism of the time. It was a system of economic planning by which the monarch made economic activities an extension of his will for the supposed benefit of the kingdom. Regarding the effort to maintain stability, one historian says that the governments of the early Stuarts were "suspicious of social change and social mobility, of the rapid enrichment of capitalists, afraid of the fluctuations of the market and of unemployment. of vagabondage and social unrest."10 Thus, "throughout the early Stuart period, governments thought it their duty to regulate industry, wages, and working conditions. In times of dearth they ordered Justices of the Peace to buy up corn and sell it below cost price; they forbade employers to lay off workers whose products they could not sell."11

The most famous of the attempts to maintain things as they were over the centuries were the laws against enclosure. Enclosure was the practice of combining the many plots of a manorial estate into a single farm, and frequently enclosing it for the pasturing of sheep (though it might also be used for commercial row crop farming). From time to time the government tried to prevent this, one of the more determined efforts being made under Charles I.

Obvious Consequences

Many of the deleterious effects of this "stability" regulation were understood at the time.

Government regulation, in so far as it was enforced, rendered the English economy inflexible, less able to react to changes in demand than a free market would have been. In 1631 the Hertfordshire Justices of the Peace protested that "this strict looking to markets is the reason why the markets are smaller, the corn dearer." Free trade would produce better results: the Dorset Justices agreed with them. Lancashire Justices refused in 1634 to cause unemployment by enforcing apprenticeship regulations; nor would they prosecute middlemen whose activities were essential for spinners and weavers of linen, who could not afford time off to go to Preston market to buy flax. In Essex it was "found by experience that the raising of wages cannot advance the relief of the poor," since employers would not take men on at the enforced higher wage rates.¹²

There is nothing new about the ill effects of government interference with the market, as these instances show.

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¹⁰ Hill, op. cit., p. 28.

¹¹ Ibid., p. 29.

¹² Ibid., p. 31.

Monopolies Everywhere

The most notable development of mercantilism in the late sixteenth and early seventeenth centuries was in the establishment of monopolies. It was the habit of the monarchs to grant charters or patents to individuals or companies to have the exclusive right to engage in a certain trade or to make. sell, or purvey certain goods. One historian lists the following items as being thus monopolized at one time or another during the first four decades of the seventeenth century: bricks, glass, coal, iron, tapestries, feathers, brushes, combs, soap, starch, lace, linen, leather, gold thread, beaver, belts, buttons, pins, dyes, butter, currants, red herrings, salmon, lobsters, salt, pepper, vinegar, tin, beer, hops, barrels, bottles, tobacco, dice, cards, pens, writing paper, gunpowder, and so on. Little was left to be monopolized, except bread, as a member of Parliament noted in 1601.13

The impact of all this was quite predictable: inconveniences, scarcities, high prices, obstacles to enterprise, inflexibility, and great burdens, particularly on the poor. "By the late sixteen-thirties the economy was beginning to suffer. The clothing industry was hit by increased cost of soap and alum, and by the scarcity of potash

13 See *ibid*, pp. 32-33.

caused by suppression of imports. The Greenland Company lacked oil. The salt monopoly embarrassed the Fishing Society. The rise in the price of coal hit nearly all industries. 'No freeman of London,' said a pamphlet of 1640, 'after he hath served his years and set up his trade, can be sure long to enjoy the labour of his trade, but either he is forbidden longer to use it, or is forced at length with the rest of his trade to purchase it as a monopoly, at a dear rate, which they and all the kingdom pay for. . . .' "14 Mercantilism had not yet reached its high tide in England, but it was well under way under the Stuart monarchs.

A Land of Many Oppressions

Pre-industrial England, then, was a land of many oppressions. It was a land in which those who dared to oppose the monarch risked not only their positions but their lives and liberty as well, a land in which freedom of religion had hardly been conceived, a land in which there were all sorts of obstacles to enterprise, in which privileged favorites dominated trade, in which government policy opposed change, and in which the king intervened in the economy to try to replenish the royal purse. These policies produced their full

¹⁴ Ibid., pp. 33-34.

quota of evils: the toadying politicians who altered their courses to accommodate every change of royal whim, the ecclesiastical corruption, and the economic waste following from intervention. Preindustrial England was a land of widespread hardship for the many and of great bounty for the privileged few, mainly royal favorites.

There was nothing particularly new about the hardships of most people in seventeenth and eighteenth century England. Most people at most times have suffered such hardships, sometimes worse, But it is worth examining the material conditions of this time because of the notion that hardships of later centuries were products of industrialization: that business fluctuations, that child labor, that unemployment, that grinding and unremitting labor for long hours were introduced by something called the "Industrial Revolution." The best antidote to this perverse view of things is to look into the pre-industrial situation prior to 1750 in England.

Evidence of Hardship

Since the survey of oppression has dealt mainly with the first half of the seventeenth century, it would be appropriate to take the same time period for a survey of material conditions. However, information for this period is often lacking or imprecise. There is much incidental evidence of hardship, particularly by way of expressed concern for the lot of the poor for this period: the passage of the famous Elizabethan Poor Law in 1601, the concern about Enclosure, and the pamphleteering of the Levellers and other reformers of the middle of the century.

Little more can be said, however, than some such formulation as this by an historian: "Certainly though the rich were often extremely rich (a landowner was not accounted really rich with less than $\pounds 50.000$ in property). the poor were always very poor." He goes on to explain why the lot of some of these poor may have been getting worse: "The steady rise in prices since the beginning of the sixteenth century had fallen heavily on those who depended on a day wage, more especially since wages were fixed and, at least in theory, held down by law."15 It is only in the late seventeenth and early eighteenth centuries that more precise information becomes available. This will serve almost as well for our purposes as would earlier information if it were available, because the economic oppression of the earlier period was still rampant, though the political and religious oppression was being somewhat alleviated.

¹⁵ Ashley, op. cit., p. 22.

Rural Poverty

A generation or so ago, Dr. Dorothy George researched and wrote a book dealing with preindustrial conditions. The following account is dependent mainly on her work. She was moved to do this, in part at least, because she understood that a myth had been purveyed about a kind of Golden Age which had supposedly preceded industrialization. Her research did not bear out any such condition. On the contrary, she found evidence of widespread hardship and most difficult conditions of life.

One writer who made a tabulation, of sorts, of conditions in the late seventeenth century estimated that at least half the population lived in abject poverty, were not, in effect, self-supporting. Even those who lived on farms could not, in most cases, afford to eat well. A contemporary of the times describes the situation this way:

The poor tenants are glad of a piece of hanged bacon once a week and some few that can kill a Bull eate now and then a bit of hangd beefe enough to trie the Stomack of an ostrige. He is a rich man that can afford to eat a joint of fresh meat ... once in a month or fortnight. If their sow pigge or their hens breed chickens, they cannot afford to eate them but must sell them to make their rent. They cannot afford to eate the eggs that their hens lay, nor the apples or pears that grow on their trees (save some that are not vendible) but must make money of all. All the best of their butter and cheese they must sell, and feed themselves and children and servants with skimd cheese and skimd milke and whey curds.¹⁶

The poorest of the lot, and they were quite numerous, were the cottagers who lived on but a little land and managed to eke out a bare existence from it sometimes.

Women and Children

Child labor was not, of course. an innovation that came with the industrial revolution. Children have labored from time immemorial, as have women. Farmers must always have worked their children on the farms. Nor was the work of children in manufacturing new to the nineteenth century. Indeed, at the beginning of the eighteenth century it was considered a work of charity and good will to find or provide work for women and children. Frequently, a man could not keep his family on what he made. "But." as Daniel Defoe said at the time. "if this man's wife and children can at the same time get employment. . . . this alters the

¹⁶ Quoted in Dorothy George, England in Transition (Baltimore: Penguin Books, 1964), p. 12.

case, the family feels it . . . and as they grow, they do not run away to be footmen and soldiers. . . . $^{"17}$

One child, put out to work by his father at the age of seven. went through two seven-year apprenticeships but still could not make a living at his trade. His second apprenticeship had been as a hosier, and he bought his own stocking frame, thinking that he might be able to go into the business. But it was no use: "I visited several warehouses: but alas! all proved blank. They would neither employ me, nor give for my goods any thing near prime cost. I was so affected, that I burst into tears. to think that I should have served seven years to a trade at which I could not get my bread," so the boy describes his experience.18

Intervention Creates Problems

Of course, child labor did not begin with the industrial revolution; no more did so-called business cycles. Dr. George says of the earlier time, "that there was an alternating rhythm of boom and slump, much affected by political causes (and mitigated by the progressive growth of trade) is fairly clear."¹⁹ By attributing them to political causes she had also pinned

¹⁸ Quoted in *ibid.*, pp. 62-63.

¹⁹ Ibid., pp. 53-54.

down the most likely source of them.

One historian gives an example from the time of the early Stuarts of how government intervention caused a depression. England had for a long time been a major exporter of cloth. Customarily English cloth was sent to the Netherlands for some finishing and to be dyed. James I was persuaded that great benefit would accrue to the royal treasury and perchance to the kingdom if all the finishing work could be done in England and an Englishman could have a monopoly of the trade. He canceled the privileges of those who had formerly been authorized to export cloth and gave a patent to a new company which was authorized to export finished and dyed goods only. The undertaking "was a total failure. . . . The Dutch at once prohibited the import of anu English cloths, finished or not. . . ." The company soon had to "admit defeat and obtain permission to export undyed cloth. Unable to sell abroad, they could not afford to buv at home. There was a crisis of overproduction: 500 bankruptcies were reported. Despite wage cuts and emigration, unemployment soared."20 Quite often, however, the causes of business cycles cannot be so readily pinned down.

Obviously, unemployment was

¹⁷ Quoted in *ibid.*, p. 23.

²⁰ Hill, op. cit., p. 36.

not something that mysteriously put in an appearance with the "industrial revolution." On the contrary, the rigidities of the sixteenth. seventeenth. and a portion of the eighteenth centuries produced frequent widespread unemployment. Shifts in demand for goods from wartime to peacetime were particularly difficult to adjust to in an age when so many of those changes had to await the authorization of the monarch. Seasonal unemployment was also endemic. "This was general in most trades. Before the days of steam. seaborne trade was usually seasonal and always irregular. Sometimes the Thames was so crowded with shipping that the lightermen. waterside workers, and even the Custom-house men were quite unable to deal with it. Sometimes a contrary wind kept the Pool of London almost empty."21

Tyranny Prevails in Absence of Known Alternatives

The inhabitants of pre-industrial England, then, were many of them oppressed, and there was regular as well as recurring hardship. Some people probably would have been without material goods in any case, but it should be clear that there was a close relation between the oppression and the hardship. A concerted effort had

²¹ George, op. cit., p. 57.

been made to make all aspects of the life of people in England a reflection of the desires and will of the monarch. Power was centralized, concentrated, and despotically used. Economic matters were not decided freely according to the rational choice of the people but reflected, so far as they could make it so, the changing whims of monarchs.

However irrational these political, religious, and economic arrangements might appear to some of us, they had their apologists, rationalizers, and defenders in that day, as they usually do in any times. Indeed, at the beginning of the seventeenth century, hardly anyone could conceive of a free society. We who have received such a belief are quite often unaware of how dependent freedom is upon a great faith.

There were profound justifications for the absolutism of the seventeenth century. Men of the sixteenth and seventeenth century knew of nowhere else to look for order and peace than to monarchs. Hardly anyone believed that a society could subsist without having one, and only one, established religion. "No bishops, no king," said James I, for he perceived that the hierarchy of the civil power relied upon the hierarchical arrangements of the Church for its acceptance and support. Men in that age thought about economic matters, as do many in our time, that unless they were controlled and directed by government, chaos and disorder would prevail. It was a perilous thing, from every angle, to question the authority of the monarch, however despotically it might be exercised.

There were, of course, bold men in the seventeenth century who would not only challenge the authority of the Stuarts but who would dare to order and carry out

the execution of Charles Т Whether this was a blow for liberty or not will probably remain always in doubt. But that Englishmen were beginning to conceive of ways to lighten the voke and even establish liberty there is no doubt. When they did establish liberty, they did so in terms of certain principles and practices which had been evolving for a very long time. It is appropriate now to take a look at these foundations. ۲

The next chapter in this series covers the "Foundations of Political Liberty."

Finished Symphony

GREAT orchestras once filled this silent hall with strains of concord making spirits soar and stirring those who heard to thoughts and deeds beyond the reach of less-inspired men. We legislated music free to all intending but to share the blessing more and now with weeping don our mourning weeds, for not a soul has learned to play since then.

JAMES E. MC ADOO

TO SAVE OUR IDES

WILLIAM L. LAW

PROTECTIONIST sentiment in the nation seems more prevalent today than it has been in many years. This trend is unfortunate.

I have some knowledge of the subject, inasmuch as baseball glove leather was the principal product of our firm until 1957 when Japanese-manufactured ball gloves entered and ultimately captured 70 per cent of the United States market. Today we tan no baseball glove leather. Sentiment in the ball glove industry at that time was very strong for protective action. I investigated the matter in some depth but found that I could not in good faith urge protectionist action on my representative. Such action would have been wrong economically, politically, and morally. It simply makes no sense.

My sentiments are colored by the fact that I look on myself not as a tanner whose product is leather, but as a capitalist whose product is profit. That climate most beneficial to capitalists, and for that matter workers and society in general, is one in which there exists a minimum of governmental interference.

Unfortunately, the most active foes of capitalism seem to be capitalists themselves, because they seek socialism for themselves but free enterprise for others.

The protectionist argument is almost as widespread today as it was two hundred years ago when Adam Smith so brilliantly demonstrated its fallacies. Fortunately, we have the work of Smith and his many successors plus the numerous empirical lessons of the benefits of free trade (of which the United States is a notable example) to demonstrate the advantages of unrestrained exchange; unfortunately, it seems

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that each generation must relearn the lesson.

The Highest Impertinence

No improvement can be made on Smith's understanding that "it is the highest impertinence and presumption, therefore, in kings and ministers, to pretend to watch over the economy of private people, and to restrain their expense, either by sumptuary laws, or by prohibiting the importation of foreign luxuries. They are themselves always, and without any exception, the greatest spendthrifts in the society. Let them look well after their own expense. and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of their subjects never will.

"To give the monopoly of the home market to the produce of domestic industry . . . must in almost all cases be either a useless or a hurtful regulation. If the produce of domestic can be brought there as cheap as that of foreign industry, the regulation is evidently useless. If it cannot, it must generally be hurtful. It is the maxim of every prudent master of a family never to attempt to make at home what it will cost him more to make than to buy. The tailor does not attempt to make his own shoes, but

buys them of a shoemaker. The shoemaker does not attempt to make his own clothes, but employs a tailor. The farmer attempts to make neither the one nor the other, but employs those different artificers. All of them find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbors, and to purchase with a part of its produce, or what is the same thing, with a price of a part of it, whatever else they have occasion for. What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom. . . .

"That it was the spirit of monopoly which originally both invented and propagated this [protectionist] doctrine cannot he doubted: and they who first taught it were by no means such fools as they who believed it. In every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind."

The "sophistry" of which Smith

speaks is in essence that being advanced today by those protectionists desiring to limit or eliminate the importation of foreign goods, and is basically as follows: The United States is a high wage country, its industry is unable to compete with that in other countries, imports are increasing, and unless remedial measures are adopted, our industries will be destroyed, our defense posture will be weakened, and a large scale unemployment will ensue.

That argument is advanced innocently by the naive and sophistically by those who know better. It is no different from that ventured by the mercantilists whose errors Smith so ably exposed.

For Better Living

Attend, then, the rationale for free trade - the position, incidentally, supported by most economists: We trade in order to obtain goods that are either unobtainable domestically, such as asbestos, or that can be obtained cheaper abroad, such as baseball gloves. Trade, between individuals. between states, between nations, is economic and it does not reduce living standards of the participants; rather, it enhances them. In short, trade raises wages. Those who think otherwise fail to understand that wages in the United States are the world's highest for a reason; Americans work with the most and the best tools. American industry has the world's highest average capital investment (tools) per worker (\$23,000) and therefore has the highest average productivity per worker. We have high wages; however, because of the multiplier (tools) we have low labor costs.

Certainly, labor intensive industries-handmade lace, for instance - are unable to compete. Give an Italian girl a needle and \$20 per week and she will produce lace for one-fourth the cost of the American girl who receives \$80 per week. Their productivity must be equal. However, give an American miner a giant mechanical shovel and \$150 per week and by mining 20 tons of coal per day, he will produce much cheaper coal than the British miner with less efficient tools who receives \$60 per week and only produces four tons. The labor cost per American ton at that ratio would be \$7.50 and that per British ton would be \$15. So we import handmade lace and we export coal; we import baseball gloves and we export computers: we import coffee and we export jet planes.

We Pay with Exports

Exports must equal imports. If this were not so, we would hope for all the imports we could get.

Imagine receiving goods for nothing. But we must pay – and we pay with exports.

Those who would limit imports are taking a superficial view, and it is essential for the sake of our economic well-being that we consider this matter in depth. Consider not only the worker who competes with imports but also the worker who is helped by exports. The baseball gloves are seen, but the computers exported to pay for them are not seen because they have crossed the border; yet, they are nonetheless real.

Consider the consumers whose real wages are raised by cheap imports. Consider the merchants with whom the consumer who buys cheap imports spends the dollars saved. Consider the industries themselves which by competing in world markets are honed to a higher degree of competitive efficiency than they might otherwise be. Indeed, no one likes competition; but it is competition that has given the United States the world's highest standard of living.

Causing Unemployment

Let those who say that free trade causes unemployment examine our history. They will discover that our periods of highest unemployment occurred when tariffs were highest. Unemployment is not caused by imports, nor is it caused by automation or by growth of the labor force. Supporters of those doctrines would be hard put to find statistical support.

Unemployment is caused when money wages are arbitrarily forced or held above the level indicated by the market. Remember. the level of *real* wages in an area is in proportion to the capital investment per worker in that area. But if money wages are arbitrarily oversupported, unemployment ensues. To illustrate: In the 1929 deflation the money supply fell by one-third: prices of goods fell. but the administration used all weapons at its disposal to hold money wages up, and for ten years 15 to 25 per cent of the work force was unemployed. The situation was not corrected until 1940 when the government took the opposite position (though for other reasons) and held wages down while it printed money to finance the war. Unemployment disappeared at once.

Most economists agree with the above position. One of them, Sir William Beveridge, said in his book, Full Employment in a Free Society: "This potential effect of high wages policy in causing unemployment is not denied by any competent authority... as a matter of theory, the continuance in any country of a substantial volume of unemployment which cannot be accounted for by specific maladjustment of place, quality, and time is, in itself, proof that the price being asked for labor as wages is too high for the conditions of the market; demand for and supply of labor are not finding the appropriate price for meeting."

Let it be understood that if money wages fell, prices would fall and real wages would continue to rise.

Trade, then, does not cause unemployment; rather, it raises living standards. If industries find that they cannot exist in a free market, it may be that they should not. This should be a market determinant.

If Freedom Is the Goal, Rely on the Market

As for the final argument that national defense requires that the consumers subsidize these noncompetitive industries, let it be said that this position has a better foundation than the others, though in most cases an insufficient one.

For instance, the head of a large steel company asks, "Can we, for example, be assured of the strong industrial base in steel we need for modern defense if one quarter or more of the steel we require is imported from countries lying uncomfortably close to the Soviet Union and China?"

I imagine that we can, but properly this is a matter for the strategic planners within whose purview it falls. The decision should be made in a calm and rational manner and without distortions urged by parties whose interests are not necessarily those pretended.

The free market has the answer to imports, to unemployment, to gold outflow, and to most economic problems if we will but let it function. If the level of money wages (the distinction between real wages and money wages is important) is so high that unemployment threatens and that the balance of trade is negative, then a high tariff policy will simply reduce exports and employment as it always has in the past. The solution of such a problem calls for hard money and the free market.

There is no other effective method. Reliance on the market is the only method consistent with the highest possible standard of living and a climate of political freedom.

Our business, incidentally, is excellent.

LEW ALCINDOR AND THE GOLD CRISIS

GARY NORTH

AMERICANS are peculiar people. Consider, for example, their marvelous ability to memorize vast guantities of data concerning sports events, as well as their skill in recognizing the most subtle legal points in the operation of complex athletic contests. The Saturday Evening Post used to have a regular feature. "So You Think You Know Baseball?" in which the most intricate and perplexing situations that had appeared in certain games were presented and the reader was challenged to referee the game and make a decision. Yet, when confronted with some question concerning the devaluation of the pound, these same people are

dumbfounded. They cannot seem to grasp the simplest laws of trade: the various functions of money completely elude their powers of comprehension. It is not a matter of stupidity, exactly, but they just do not want to learn: it is better to leave such matters to "the experts." They fail to realize that their daily lives are far more intimately connected to the operations of the economy than they are to the outcome of a sports event. They can shout "Kill the umpire!" with no sense of shame. while they would never whisper and scarcely dare think to "Question the economic advisors."

Interestingly enough, the rules governing the operation of an economy are rather analogous to those governing a game. A game,

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like an economic system, must have stated rules; teams must be willing to abide by these rules: the rules must bear some relation to the reality of the game and the ability of the men to play it. Perhaps most important to the smooth functioning of a game, and an economy, is the presence of a respected, mutually acceptable referee. A sound international economy must have all of these things: so, for that matter, should a domestic economy. If a man wants to understand the "rules of the game" in international monetary affairs, he might do well to keep in mind that they should resemble the rules of a sport. The analogy is not perfect, of course; if it were, it would not be an analogy. But it can serve as a handy guideline by which we can examine the various reports that are coming out of Washington, London, and Paris

The Rules for Basketball

Basketball can serve as our analogous sport. It is the only sport of American origin that can be dated precisely. Dr. James Naismith invented it for use in the YMCA program in 1891. It has become, in terms of paid attendance, America's most popular sport. While most of us are not intimately familiar with the game, at least we know something about it. This is more than most people can say about their own economy.

Like basketball, the international monetary system has gone through a series of changes since 1891. Prior to 1922, the United States and most of Western Europe were on a full international (and domestic) gold coin standard. Paper currencies were freely convertible into a stated quantity and fineness of gold or silver, Gold was the medium of payment internationally. Because of this free convertibility rule, central banks and governments were partially restrained the in creation of paper currency and debt; if the value of the paper began to fall, due to an increase in the supply, domestic populations and foreigners rushed to convert the paper into specie metals.

In 1922, however, a decisive change came. Many nations, notably Germany, had been experiencing rampant inflation since the beginning of World War I. They had been printing vastly more paper IOU's for gold than they had gold in reserve. This practice had thrown the previously smooth operation of the international gold standard into confusion. All countries wanted to maintain their gold reserves against the demands of both domestic and foreign populations, yet they also wanted to enjoy the so-called benefits of domestic inflation. Thus, their domestic inflationary policies had come into conflict with the operation of the international trading community.¹ As the value of the paper DINs fell, many of the mations began to experience gold drains. Gold maintained its purchasing power, and even rose; paper currencies, in most cases, could hardly claim as much.

Genoa Conference of 1922

The result was the Genoa Conference of 1922. At that conference, the representatives of various nations attempted to find a substitute for the full gold standard. They decided that instead of the requirement that a nation keep its gold reserves proportional to its outstanding IOU's against gold, a new rule would be imposed: a central bank or a national treasury could now keep, instead of gold, interest-bearing bonds and securities of nations that would maintain a monetary system freely convertible into gold. Free convertibility was to be maintained among nations and their financial representatives, though not necessarily between a nation and its domestic population.

It was at this point that the

full gold coin standard was abandoned; in its place came the "gold exchange standard." which has developed into something fundamentally different from the gold standard which had existed before. Jacques Rueff has analyzed the great defects of this system.² The worst aspect is that an inverted pyramid of paper money and debt has been created: it rests on a tiny fraction of gold reserves. The United States and England have, until quite recently, been able to create vast quantities of unbacked money without feeling the effects of a gold run. Other nations have been willing to hold our bonds instead of demanding gold and thereby putting pressure on our policies of domestic inflation. They, in turn, have expanded their own domestic currencies on the assumption that our bonds are "as good as gold," and therefore equal to gold.

An Unstable Structure

With the devaluation of the pound and the pressures on the dollar, the pyramid appears to be toppling. This is why international monetary experts are frantically searching for some alternative means of payment besides gold. The structure of international trade is being threatened

¹ I have dealt with this conflict in my essay, "Domestic Inflation versus International Solvency," THE FREEMAN (February 1967).

² Jacques Rueff, The Age of Inflation (Chicago: Regnery Gateway, 1964).

by a collapse of the means of payment; the gold exchange standard is in serious trouble. The "exported inflation" of the United States and Britain is being called to a halt, but in doing this, foreign central banks and treasuries are risking the destruction of the present monetary system.

In other words, the Genoa Conference changed the operational "rules of the game." It created a system which only delays the ultimate judgment of gold against inflationary policies. The delay, in Britain's case, finally caught up in 1967: the United States is next on the list. For this reason, it is important to examine the assumption lying behind the Genoa Conference's decision. The same assumption lies behind many of today's anti-gold arguments. Before World War I, there had been relatively little change in the price structures of the various gold standard nations. England's wholesale prices had remained relatively stable for a century. In the United States, there had actually been a fall in the price level between 1870 and 1900. This is only natural: since the supply of gold and paper currency in this country had remained relatively constant, and since industrial productivity had doubled, a fall in the price level was inevitable. Thus, the gold standard had encouraged men to accept as normal a somewhat stable or even declining price level. But the war and postwar inflations brought higher domestic, and therefore international, prices.

"Not Enough Gold"

Now, if these new prices – inflationary prices – were accepted as somehow sacrosanct, valid, and beyond criticism economically (as so many government officials wanted the public to believe), then the argument of the inflationists had to be accepted: "There is not enough gold to facilitate international exchange." This is absolutely true today, even as it was true then, given the level of the inflationary prices.

The argument went unchallenged, just as it is going unchallenged today. Anyone who called for a return to gold was at the same time calling for a return to the prewar, gold-based price level. This, in turn, called attention to the fact that governments had worked a sleight-of-hand operation: they had levied invisible taxes through currency debasement. Men and women were paying higher prices for goods, and some of them were forced to restrict their consumption of these goods and services. Here was the secret of war finance and the expansion of government operations. It implied that the government officials had not been altogether honest with the public in regard to the actual costs of the war.

Naturally, governments did not want to make such an admission. any more than they want to make it today. So the new, inflated price levels were accepted as the standards of evaluation, and the various nations ratified the "gold exchange" standard. There was just not enough gold to go around. Gold had failed to reproduce itself as rapidly as the governments had printed unbacked paper currencies, and thus gold had failed to keep up with the rising price levels. Gold was to blame, not governmental policies of inflation. The gold standard had to be modified. clearly.

At that point, the true gold standard was abandoned; whatever failures of the modern "gold exchange" standard one wishes to acknowledge, they are not the failures of the international monetary system prior to 1922. If the "gold standard" has failed, as so many contemporary economists are saying today, it is not the full gold standard. It is the failure of the standard created by the governments themselves in 1922.

Changing the Game

Now, what has all this to do with basketball? Simply this: men

can agree to changes in the rules of a game, but in doing so, they modify the game itself. Fifty years ago, before the advent of rules prohibiting a player from fouling the other in the act of shooting, or those abolishing the "center jump ball" after every score, the game was a much slower. much lower scoring affair. A score of 20 to 17 was common in 1920. Today a college team like UCLA can average almost a hundred points a game; even high schools, playing shorter games, have averaged in the "hundred plus" range. My grandfather, who played the game before 1920, refuses to watch the events on television. He insists that "it just isn't the same game." It is not "real basketball." In a certain sense, he is correct: the game really is not the same any more.

The analogy, of course, is not air-tight. Other factors have changed the game, such as more skillful players, better training programs, the coming of the jump shot, and the development of good big plavers. Still, even here we can find a lesson. The coaches sought after Lew Alcindor with an intensity never before seen. It is exactly analogous to the frantic search for gold made by governments and central banks in the 1920's (and today); everyone wants to augment his reserves of

gold. But not all central banks can be equally successful in their quest, any more than all the coaches could achieve their dream of having Alcindor on their team; therefore, many are dissatisfied with the result.

It was the good fortune of UCLA that Alcindor selected that school to attend; similarly, it was the good fortune of this country that its policies of domestic inflation were not immediately challenged by the operation of the gold exchange standard. It was "good" in the short run, and "good" from the point of view of the government; until 1958, gold flowed into this country. The "gold exchange" standard made this possible, especially when coupled to the fact that European nations were inflating their monetary systems even faster than we were.

Real Reasons Unstated

The losers, whether rival coaches or rival governments, are never happy. The coaches immediately imposed a rule against the famous "dunk shot," which had been perfected into a fine art by Alcindor. This was to equalize the game for the small man, we were told ("small man": anyone under six feet four inches). Of course, Alcindor was the only college player to use the shot regularly. What the coaches really wanted to do was to equalize their teams with UCLA's squad. But this was left unsaid.

In the same way, the Genoa conferees did not admit that the real cause of the alteration of the rules was the fact that they wanted to pursue their own domestic inflationary policies more easily. The confiscation involved in all inflation had to go on, by definition, but the excuse given did not mention this side of the problem. No, the changes were made only to "modernize" international monetary arrangements.

What it really boils down to is that coaches want to win ball games, and without big men who are also skilled players their chances of doing so are dimmed. Similarly, countries that inflate their currencies lose gold to foreign nations (and domestic populations, if their rights of gold ownership are not declared "criminal" by officials of the state). The rules must be changed; gold and talented tall men are in too short a supply.

The difficulty arises, naturally, when the losers try to change the rules too much, and in doing so either isolate themselves from the game everyone else is playing, or else destroy the game itself. This is precisely what the Soviet Union attempted to do a few years ago. The Soviets have never beaten the United States in an Olympic basketball game (no nation has). Thus, they proposed sweeping changes: a twelve-foot basket, seven men on each team, and free substitution of players. Not surprisingly, the Soviet press reported that Soviet fans were far more pleased with this new game.

Had these changes been acceptable to the Olympic rules committee, it would have forced the United States to change its entire basketball structure at the amateur level (an unlikely event) or else suffer the consequences when its Olympic teams entered international competition without being familiar with the different rules. The rules committee ignored the recommendation, and today the Soviet teams play the game by the "old-fashioned" rules, whether or not the public behind the Iron Curtain "enjoyed the game far more" the other way.

A Different Situation

The average sports fan, when he hears of such "unsportsmanlike conduct," is likely to scoff at these tactics. Yet consider what the United States is trying to do in the world's monetary affairs. Our nation is now suffering a gold drain as a direct result of our own domestic policies of inflation. Since we do not want to lose our gold reserves or stop the inflation, we are caught in a dilemma. We are now attempting to have the "rules of the game" shifted in our favor, in order that we might avoid the payment of our gold debts to foreign nations. We want a "paper gold" system, or a special drawing rights system, or any other kind of system which will permit us to forfeit all or a portion of our gold debts.

Since 1958, the "gold exchange" standard has been working to our disadvantage. We want it amended. The world at present holds twice as many potential claims to our gold as we have gold to pay (assuming that Congress abandons the already meager 25 per cent gold reserve requirement for the support. and restraint, of our domestic money supply). The 1922 rules, which seemed to be of such benefit to us for so long, now appear to be hurting our international position. Unfortunately for our officials at the Rio de Janeiro conference of the International Monetary Fund in September of 1967, any alteration that is in our plans will inevitably hurt our "opposition" - those nations and central banks to whom we have made lawful commitments to pay gold on demand. The Rio conference was therefore a failure, whether the news media admitted this or not.

Like the rule change aimed at

Alcindor and the rule changes proposed by the Soviet Union, the ultimate motivation behind them was never mentioned in public. At the Rio meeting, no one spoke publicly about the possibility of a unilateral devaluation of the dollar; in private, according to Franz Pick, the delegates spoke of little else. The game goes on.

Gold Plays No Favorites

One thing is certain, however. There will always be referees. They are not loved men, and both teams may from time to time raise a cry against them. Nevertheless, they are vital. A game could not survive without them. Sometimes they may take the form of an informal agreement, such as in golf; anyone continually breaking the rules is ostracized by the other players. The players themselves act as the referees. and in a certain sense, this is what goes on in international finance and trade.

Historically, the means of enforcing the basic rules – the laws of supply and demand – have been connected with gold. Ultimately, gold is the referee of the international trading community. It has been for thousands of years. Gold plays no favorites; it is an impartial, though demanding, taskmaster. It simply operates according to the laws of supply and demand. Try as they will, governments and central bank officials cannot legislate away these laws (could you play basketball with a hoop smaller than the ball?). Professor B. M. Anderson (curiously enough, he taught at UCLA before he died) has put it this way:

Gold is an unimaginative taskmaster. It demands that men and governments and central banks be honest. It demands that they keep their demand liabilities safely within the limits of their quick assets. It demands that they create no debts without seeing clearly how these debts can be paid. If a country will do these things, gold will stay with it and will come to it from other countries which are not meeting the requirements. But when a country creates debt light-heartedly, when a central bank makes rates of discount low and buys government securities to feed its money market. and permits an expansion of credit that goes into slow and illiquid assets, then gold grows nervous. Mobile capital of all kinds grows nervous. Then comes a flight of capital out of the country. Foreigners withdraw their funds from it, and its own citizens send their liquid funds away for safety.³

At this point, gold is withdrawn from the country in question. It

³ B. M. Anderson, *Economics and the Public Welfare* (Princeton: Van Nostrand, 1949), p. 421.

is in light of this that we can understand President Johnson's decision, announced on the first day of 1968, to restrict capital from flowing out of the United States through the imposition of exchange control laws. This is the first time in the history of this country that such a thing has been attempted. Mandatory restrictions are now placed on American capital that might have been invested abroad, so that the money cannot be used by foreign nations to buy our gold, or more properly to claim their gold which we are holding in storage.

Ironically, it was in 1958, the very year in which the gold outflow began, that President Eisenhower began to encourage American capital to flow abroad; tax benefits accrued to such investments. Gold, the impartial referee, has brought the change in policy, not the difference in political party affiliations of the respective Presidents. It was gold, and the economic laws that ultimately determine the movement of gold, that brought the conditions which convinced the President to impose exchange controls for the first time in our history. Government-created inflationary policies now have brought forth government-imposed restrictions on free trade and investment. Controls beget controls. Laws, even

the laws of that "barbarous" metal (to use Keynes' words and the words of Federal Reserve Chairman Martin), cannot be violated with impunity. Citizens may learn to trust their government, but other governments are not so easily deceived. The gold continues to flow out.

All of this has been an analogy, perhaps a strained one. The cases are different. Basketball is only a game for our enjoyment; if its rules are changed for one reason or another, probably little will be lost. The fans may feel that they have been deprived of a treat when they can no longer witness Alcindor's mighty dunk shot, but the rather self-centered decision of the opposing coaches will not do much harm.

Lives Are at Stake

The operation of the international trading community is something vastly more important. It is a matter of life and death to certain nations (India, for example), and an extremely grave problem confronts the world today: how can the United States continue to inflate its currency while continuing to meet its international gold debts? How can a dangerous, and perhaps impossible, alteration of the means of payment be made without destroying the delicate fabric of international trust?

Let no one misunderstand our situation: it is a crisis. The nations which continue to violate the laws of supply and demand in monetary affairs are risking disaster. If they continue to violate the "rules" of supply and demand - the most fundamental rules which no piece of legislation can remove - irrespective of the decisions made in Genoa in 1922, the fabric of the "game" will be destroyed. No one will play in such a "game." Men will cooperate voluntarily only when they can trust other men to fulfill their obligations and commitments; the same is true of nations.

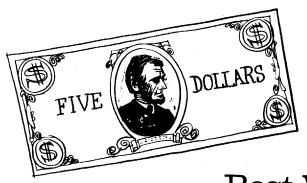
In the final analysis, the changes made at Genoa only changed the surface rules of the international monetary mechanism. The old gold standard was scrapped, but not the laws of supply and demand, and not the law made explicit by Professor Mises, that inflations, when halted, result in depressions.⁴ By abandoning the old gold standard, and by inflating its domestic currencies, the Western world brought on the debacle of 1929-39. The result, at least in part. was the rise of the Hitler regime, the imposition of exchange controls by many of the nations. the disruption of world trade. and the collapse of productivity when the international division of labor was hampered. The referee - gold - was hindered in its task of relaying the facts of the market to the world: it was hampered in restoring monetary stability to the world. The result, finally, has been the financial crisis of 1968. The "game," as Jacques Rueff has warned us, is in danger of being destroyed:

Since 1945 we have again been setting up the mechanism that, unquestionably, triggered the disaster of 1929-1933. We are now watching the consequences, as they follow in their ineluctable course. It is up to us to decide whether we are going to let our civilization drift farther toward the inevitable catastrophe. For those with foresight, our most pressing duty at this juncture is to impress on Western thinking that monetary matters are serious, that they require deliberate consideration and should be dealt with systematically.5 ۲

⁴ Ludwig von Mises, *Human Action* (New Haven: Yale University Press, 1949), ch. 20. Of course, Mises shows that if the inflation is not stopped, the result will be a form of mass inflation even more destructive than a depression.

⁵ Rueff, The Age of Inflation, p. xiii.

RAYMOND BUKER



Best Wishes!

Mr. Buker of Leaf River, Illinois, composed the following note to accompany \$5 bills sent as Christmas gifts in an area where state and local sales taxes amount to 5 per cent.

Dear . . .

Instead of presenting you with the wrong size of something, or a gadget you may not have use for, here is a genuine Abe Lincoln Instant Credit Card. Abe's picture makes it genuine because he was a genuine American. However, and this would grieve Abe's heart terribly: it is no longer genuine for the amount stated on it. The man behind the counter is still glad to take it and it will buy a couple dollars' worth of most anything.

You see, the box of Shredded Wheat that was marked $11 \notin$ some years back, and no tax, is now marked $27 \notin^*$, plus tax. Even at today's prices you can't exchange this for \$5.00 worth of goods. You must quit buying when you get to \$4.75, and reserve the other two bits to pay the tax on what you have in your cart. No, it won't take you very long to exchange this picture of Abe for a few goods at the market place.

^{*}The box of Shredded Wheat in our cupboard before Christmas was marked 27¢. About two weeks after Christmas we bought another box at the supermarket. It was 31¢.

THE FREEMAN

Perhaps you wish it would take longer, so you might want to do it this way. Take your picture of Abe to the bank and exchange it for 500 little metal tokens, each one with a picture of Abe on it. Then go out and have a big time. Two or three of them will buy a penny stick of candy. A dozen of them will buy a nickel ice cream cone. Just one of them will allow you to sit in your car and watch the people walk by for twelve whole minutes. And, oh yes, it is still the coin of the realm when the collection plate is passed at Sunday School.

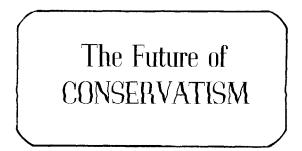
It used to be good advice to take a few of these pennies and dollars to the bank and put them to work drawing interest. But it seems now, even with the interest added, it is worth less when you take it out than when you put it in.

It doesn't make sense. Something has gone wrong. But if we put on our thinking cap we can figure it out. We ask Uncle Sam to do everything for us. And Uncle Sam is such a good guy that he jumps at the chance. He hands out money right and left.

The only trouble is he doesn't *have* any money except what he first takes out of your pocket. Then when he can't get enough out of your pocket he plays magician and pulls money out of the thin air. This is called inflation and it causes Shredded Wheat to go from 11ϕ to 27ϕ . Well, if we run out of money, we can always borrow more. Or, can we?

But, this is Christmas and with what help Abe is able to give you, we wish you a Merry Christmas. We also fervently *wish* you a Happy New Year.

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I KNOW a certain news syndicate manager who is looking for a good young liberal columnist to balance the conservatives whom he already merchandizes. He won't find one. For the truth is that liberalism. in its modern centralizing, collectivizing, and statist connotations. is no longer producing ideas that carry conviction. The young who go for modern liberalism - the students who join such organizations as Students for a Democratic Society -- have abandoned thought in favor of action. They are against the "Establishment"but the Establishment is itself the product of modern liberalism. They are against "hypocrisy," but everybody, to them, is a hypocrite if he compromises enough with society to make a living. The expression of modern liberalism, with the more vocal rising generation, is the "confrontation," the demonstration, the riot. It does not lend itself to reason and to words.

The anarchistic urge does not produce a lasting movement, unless, as could conceivably happen in the wake of a great national defeat, a collectivistic dictatorship takes over amid the chaos that recklessness can produce. M. Stanton Evans, the Indianapolis editor who specializes in political demography, obviously doesn't think the U.S. is about to be defeated. His The Future of Conservatism: From Taft to Reagan and Beyond (Holt. Rinehart and Winston. \$5.95) combines eloquence and statistics to prove that the conservative trend is building up such a head of steam that it can't be stopped, even though modern liberals may continue to win some election victories.

Mr. Evans can count noses and analyze the election returns with the best of them. But he cuts much deeper than your ordinary political demographer. He finds certain telltale signs in the "common find-

ings of the new conservatives and the new consensus liberals." For some years now the allied conservative and libertarian causes have been producing a new intellectual journalism. Where there was once only a FREEMAN. there is now a whole group of magazines - National Review, Modern Age. Rally. Triumph. The Intercollegiate Review. The intellectual bankruptcy of the old liberal journalism of ideas is apparent when you compare any issue of the Nation or the New Republic with the editorial sections of the mass media. They are utterly indistinguishable in their repetitions of the current "conventional wisdom."

A Sinking Ship

But the current conventional wisdom has begun to bore such liberal intellectuals as Richard Goodwin, a former aide to John F. Kennedy and Lyndon Johnson, and Daniel P. Moynihan, author of a controversial study of the breakdown of the Negro family in the so-called ghetto. Goodwin professes to being troubled with "the growth in central power" that has been "accompanied by a swift and continual diminution in the significance of the individual citizen. transforming him from a wielder to an object of power." Noting the "fantastic labyrinth of welfare programs" and the "monstrous incapacities of the Department of Health, Education and Welfare," Goodwin says there is "something wrong with the old approach." "The idea of decentralization," he concludes, "is making its first timid and tentative appearances in political rhetoric. It is possible to predict that the first party to carry this banner (if buttressed by a solid program) will find itself on the right side of the decisive issues of the 1970's."

Broken Promises

Moynihan's retreat from the current conventional wisdom of the collectivistic and centralizing liberals is even more pronounced than Goodwin's: "Liberals," he says in a sudden spate of revelation, "have been unable to acquire from life what conservatives seem to have been endowed with at birth, namely, a healthy skepticism of the powers of government agencies to do good." Movnihan's own conclusion is that the riots in seventy-five U.S. cities have resulted because the centralizing liberals "raised hopes out of all proportion to our capacity to deliver on our promises." Speaking for his own liberal movement. Movnihan savs his colleagues "must divest themselves of the notion that the nation, especially

the cities, can be run from agencies in Washington."

A Healthy Skepticism

It takes special will power for the old-style libertarian to resist throwing a sarcastic "I told you so" in the faces of Goodwin, Movnihan and Company. But the will to resist should be invoked. for who among us is without sin? At least nine out of ten of us fell for some of the nostrums of the nineteen thirties. Those of us who discovered the need for "a healthy skepticism of the powers of government agencies to do good" in the late years of the New Deal should extend a charitable welcome to an Irving Kristol when he suddenly despairs of bureaucratic solutions to our troubles. And when a Richard Goodwin savs it is "just possible that conservatives have something to teach about the value of institutional arrangements, and the unwisdom of sacrificing them to immediate desires," we should say, "Welcome aboard."

The mass media publications have been slow to catch on to the growing philosophical doubts among the liberals. As Mr. Evans says, there are two Americas. First, there is the "America we read about in the glossy magazines, glimpse in some portions of the daily press, hear discussed on the national TV programs." In this America every problem can be solved by an increase in governmental services from the Federal authorities . . . and (by) a program of cautious accommodation of the Soviet Union." The second, and "other," America is only discovered by putting aside that mass magazine and turning off the TV set. But, curiously, a majority of the U.S. people live in the "other America."

Shifting Political Patterns

Mr. Evans proves this conclusively by analyzing the political changes of the nineteen sixties against the backdrop of westerly and southerly shifts in the population statistics, and against the drift of people into the suburbs. The northeast quadrant of the United States, where liberalism still calls the tune in local politics, has been growing at a pace considerably slower than the rest of the nation. The East, in the decade of the fifties, grew in population by 13.2 per cent; the Midwest, by 16.1 per cent; the South, by 16.5 per cent (and this despite the Negro exodus to Detroit, Chicago, and New York); and the West, by the huge figure of 38.9 per cent. California, Texas, and Florida have all become giant states, quite capable of canceling the liberalism of New York and Pennsylvania in

political years. California has its Governor Ronald Reagan, Florida its Governor Claude Kirk, Texas its Senator John Tower. The Republicans elected ten new governors in 1966, seven of them in the South and West. And, says Mr. Evans, seven out of a total of eleven governors in the West are considered to be conservatives.

The figures being what they are, it is small wonder that the socalled Eastern Establishment is having a hard time dominating Republican politics. Moreover, the growth of the suburbs, which nurture a conservative philosophy, is changing things even in the Northeast. Today more than fiftyeight million Americans live in the suburbs, a gain of almost 50 per cent in a decade. By contrast, the central cities gained only 11 per cent.

Mr. Evans thinks the Reagan victory in California is a portent of things to come on the national scene (though not necessarily in terms of a personal Reagan shift from Sacramento to the White House). Reagan put together a coalition of taxpayers, homeowners, and suburbanites by "surfacing all the anxieties which it should be the business of the Republican Party . . to elicit." When the same coalition decides on a national candidate, says Mr. Evans, it will elect a President.

- THE SYMPHONY OF LIFE by Donald Hatch Andrews (Lee's Summit, Mo.: Unity Books, 1966), 423 pp., \$4.95.
- ▶ THE BROKEN IMAGE by Floyd W. Matson (New York: George Braziller, 1964), 355 pp., \$6.95. Reviewed by Edmund A. Opitz

PROFESSOR ANDREWS' book is the fruit of a lifetime spent in the fields of chemistry and mathematical physics. He is also a knowledgable musician and, as the present volume demonstrates, is gifted with poetic imagination of a high order. Andrews ponders such startling breakthroughs in twentieth century science as radioactivity, X rays, the photoelectric effect, the quantum theory and the theory of relativity: then he develops a breakthrough of his own – offering music as the new model of the universe.

The older scientific model inherited from Sir Isaac Newton was the machine; whatever scientific investigators and theorists could not interpret along mechanical lines was swept under the rug, into the category of unreality. Reality was regarded as an intricate piece of clockwork; the idea of mechanism reigned supreme. It was futile to point out, as some continued to do, that the idea of mechanism is not a conclusion reached by mechanical means, but by free thought; and that the mind, therefore, must be outside the machine, and indeed its creator.

The logic of these critics is as impeccable as it was unacceptable. Treat things as if they are mechanical, it was said in reply, and you get results; and these results are superior to anything produced by two thousand years of logic chopping! The material accomplishments of recent centuries reflect mental capacity of a high order, but while these marvels were honored mind itself was downgraded, reduced to an emanation of bits of matter.

We have now come full circle, to the point where the very progress of scientific investigation itself produces results which are inexplicable in terms of mechanics. It is music, argues Dr. Andrews, which provides us with the choicest clue as to the nature of the universe, and "in shifting the basis of our ideas about the universe from mechanics to music," he writes, "we move into an entirely new philosophy of science."

This is not so much to move off in a new direction as to step into a new dimension, and a little background reading might be helpful. Older works on the philosophy of science, such as those by Whitehead, Eddington, and

Joad, are still useful, but the recent book by Mr. Matson is even more pertinent. Matson is a philosopher, if by that label we understand a man who has so steeped himself in several disciplines that he gains a commanding vision which enables him to knit their separate findings into a coherent whole. This book surveys the centuries since Newton in terms of the ideas which have had a decisive impact on man's thinking about himself. Does the image man frames of himself enhance his humanity or downgrade it? The latter, Mr. Matson demonstrates. Men have tried to live with a distorted image of themselves, an image accorded the prestige of science until recently. But the forces of reconstruction are now gathering strength, and they are to be found among contemporary physicists, biologists, and psychologists; "all the way from the physics laboratory to the therapeutic clinic," he writes.

"Science" is a god-term, and many are offended if it is spoken of less than reverentially; such persons equate science with truth. Most genuine scientists, however, are able to view the matter objectively. Science is indeed one of the proudest accomplishments of the human spirit, generously enlisting the services of all sorts and conditions of men. It depends on the rare innovator and trail blazer at the top end of the spectrum; makes use of the plodding, patient experimenter at the other; while in between it employs a variety of talents. The beneficent results of science on its own level speak for themselves.

But there is a dark side. for science is also a *mustique*, the prevailing faith of our time; it ideology. scientism. breeds an whose coarse growth tends to choke out all in life that is not quantitative and measurable - including the perceiving mind itself! Furthermore, this ideology has provided a plausible rationale for setting up planned states where the masses of men are manipulated by their "betters," and the economy is forced into the pattern they have selected. These untoward by-products of science have come under sporadic criticism for several centuries, but the jabs were brushed aside as coming religionists, from philosophers. and men of letters.

The good news now is that scientists themselves, in growing numbers, are beginning to overhaul their own disciplines to take out the overweening pretensions. A handful of men let this genie out of the bottle, and along with an enormous amount of good, his clumsiness in the sectors beyond his competence have done immeasurable damage. Kept within bounds he may fulfill his early promise, but in order for this to occur a new perspective and mood must be engendered, wherein man is regarded "as an indivisible subject rather than an assembled product." The idea is that until man makes something of himself, he won't be able to make real sense of the universe around him. Well, what kind of a species is the one to which we belong?

Man is the unfinished animal par excellence. In the case of most, if not all, other organisms, the initial endowment is potent enough to propel the organism from birth to mature form by a sort of unfoldment from within. Maturation occurs more or less automatically. Man's situation is radically different. The infant's endowment may be ever so generous but this is not sufficient to guarantee a superior adult. He is shaped in the family environment and by his culture, but the critical touches are added by himself: the full stature of personhood cannot be attained unless the individual takes himself in hand and makes something of himself.

This he will not do if he believes he cannot do it. If the prevailing ideology assumes that the individual is a mere creature of his environment, then that's what individuals will tend to become. If it is believed that men can take hold of themselves in creative ways, then they will do so and overcome environmental difficulties. What a man believes about himself significantly affects what he may become, and his chances of coming upon the right ideas are diminished if the ideological trend in his society is moving strongly in the wrong direction.

The animal is content just to live: not so man. The animal seeks to eat and avoid being eaten: he breeds, dies, and his race continues. Man, on the other hand, is a self-conscious being, aware of himself and of a notself. The not-self out there is nature, both animate and inanimate. Nature has many facets: friendly. hostile, indifferent. Originally, at the mercy of nature and tethered by a chronically short food supply, man gradually learned to turn nature to his own uses: by taming fire, inventing the lever, and so on. Enhancing his mastery over nature, he outgrew nomadism and became a herdsman, then an agriculturalist, and finally a city dweller. Civilization is spawned by city life, and at the dawn of history man is lord of the planet; philosopher, builder, worshipper, poet, artist, hero.

The monuments of the past testify that the human race has had moments of splendor, but for millions of human beings over the centuries life must have been brutish and short. They were a tough breed, however, in whom a kind of animal hope rarely faltered. Then, about four centuries ago men began to exploit a technique which gave them an immense amount of knowledge of nature and enormous control over nature's processes. Science in the modern sense, "the glorious entertainment," as Jacques Barzun calls it, was launched by the work of such men as Copernicus, Galileo, Descartes, and especially Newton.

The results speak for themselves, on the plus as well as on the minus side. Science has given men inordinate power over nature and they use some of this power to threaten and destroy each other. Science has saved life and extended the life span to the point where expanding populations crowd each other to the edges of the planet. We have better means communication and of worse things to say; faster means of getting there and less important things to do once we arrive. Man the maker and doer is proud of his stupendous inventions and artifacts, magnificent but he spends some vital essence in producing them and feels dwarfed and robotized in consequence: man the philosopher and belle-lettrist wallows in despair. The prevalent

philosophy, existentialism, poises man one step short of suicide; and in modern fiction he is often portraved as a pitiful slob.

Is it surprising, though, that a technique which rigorously excluded every human element from its methodology in the beginning should, in the end, find man less than human? Science did not deal with the whole man, and those elements of human nature excluded by its investigative techniques return to bedevil us. This is the chapter about to close; for while the previous course of science was running down to its bitter end, new trails were being broken by science itself which point in an entirely different direction. We need, therefore, a new guide, one who will offer us not just a blueprint but a vision. Blueprint and vision are each necessary; the former to be learned, the latter caught. Dr. Andrews' remarkable book is highly contagious.



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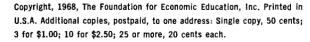
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FREEDOM:

"Wave of the Future"?

Edward P. Coleson

IN 1883 an obscure German refugee died in a London slum. A half dozen or so attended the funeral and one of his friends said a few kind words over his remains. Although the deceased had had the advantages of a university education when this was a rare privilege and his wife came of the upper class in her native Germany, the family had lived for years under the most wretched conditions imaginable in a sordid slum while he spent his time in the reading room of the British Museum writing endlessly, piling up heaps of illegible manuscript, much of which was not published until after his death.

The writer was Karl Marx and the friend who supported him over the years, bade him the last farewell, and finally published volumes two and three of his monumental work was Friedrich Engels, son of a wealthy industrialist. Certainly, no "prophet" ever died a more complete failure. Yet no "gospel" has ever spread more rapidly. If present trends continue and communism maintains its current rate of growth, it would be very possible that Marxism could dominate the earth completely by the centennial of the death of its author; that is, by 1983 - just in time to provide the setting for George Orwell's 1984!

Dr. Coleson is Professor of Social Science at Spring Arbor College in Michigan. His latest book, The Harvest of Twenty Centuries (1967), pertains to Christian education and the global crisis.

Small Beginnings of Mighty Movements

Many men of good will in our time have been completely overwhelmed by the march of events in today's world: the seemingly inevitable and inexorable sweep of communism across the earth, the spread of violence here and almost everywhere, the collapse of ethical standards, and all the other symptoms of disintegration all about us. One of their problems is that they fail to understand the growth of movements across the ages and thus are unduly depressed with the present outlook because they cannot see the possible developments of tomorrow. They are not alone in their pessimism. Late in his life Karl Marx lost all hope for the future of the "cause" he had given his life to promote and was very despondent, because he could not see that it would take a generation or two for his efforts to bear fruit. He died a brokenhearted old man. Twenty years later, in 1903, which was just 65 years ago. Lenin launched his Bolshevik organization with perhaps seventeen supporters - still nothing to get excited about but much more significant than his contemporaries could possibly have imagined.

Of course, the socialist movement was much more than Marx or Lenin, and was long in the making, but even perceptive men of the time failed to see how very successful they were becoming. According to Margaret Cole,¹ H. G. Wells, a pioneer British Fabian Socialist, offended his fellow Fabians back in 1905 by reminding them how "shabbily poor" and insignificant their little organization really was. He insisted the members were generally inactive and the tracts they distributed were feeble indeed. He said they permeated "English society with their reputed Socialism about as much as a mouse may be said to permeate a cat." He then challenged them to go out into the Strand and see the enormous capitalist establishments of London which were going about their business as if there were no socialist threat - as indeed there seemed not to be. One might comment that whatever competence H. G. Wells had as an historian, he was certainly no prophet. He simply could not see how well they were doing and how swiftly they would take over England. But the seed was sown and would mature throughout the world, given time, as we are so painfully aware today.

Lest the reader may assume that the communists have some magic formula for success – that it is indeed the "wave of the future," as

¹ Margaret Cole, The Story of Fabian Socialism, pp. 119-120.

they themselves claim - let us examine a few other movements to see how they tend to grow.

Christ and Mohammed

In 29 or 30 A. D. a Galilean carpenter was crucified at Jerusalem by the Roman governor to appease the populace. He had twelve disciples, but one betraved him. Only one followed him to the cross. Yet, thirty-five years later Christians were sufficiently conspicuous around Rome, 1,500 miles away across the Mediterranean, so that Nero noticed them and thought of blaming them for the Great Fire after he burned the "Eternal City" in 64 A.D. In spite of the most systematic and awful persecution, the Church triumphed over her enemies and became the official religion of the Roman Empire within three centuries after the Crucifixion. The teachings of the Master also spread far beyond the frontiers of the civilized world and helped to soften the blow of the fall of Rome. Christian missionaries had already partially conquered the barbarians with the Gospel of the Prince of Peace, which helped to mitigate the horrors of the collapse of civilization.

During the long centuries of darkness which followed the collapse of Western civilization, another faith arose not far from the birthplace of Judaism and Christianity in the Near East. Its origins were humble and unpromising also, but its triumph was indeed spectacular. In 632 A.D. an illiterate Arabian camel driver died. Ten years before, he had escaped from Mecca when his neighbors refused to listen to his new religion and became impatient with his insistent demands that they give up their idols. The wouldbe prophet was received with enthusiasm away from home and lived to see his new faith triumphant in Arabia.

The Moslem "blitzkrieg" (lightning warfare) speedily conquered Alexander's old empire in the East and all of North Africa in the West. Within a lifetime the followers of the Prophet had won more territory than Rome ruled at its height. The Mohammedan flood was stopped at the gates of Constantinople in southeastern Europe, but in the West they were more successful. Here, they poured into Spain and on into France, as if the world were theirs for the taking. Never was the Christian West in greater peril: "The crescent was about to round to the full." In 732, a century after the death of Mohammed, the Moslem advance was repulsed at Tours in west-central France. Thus, another great movement was born in another unlikely spot and grew beyond belief to become a mighty

May

force in the earth. And many other examples could be cited.

Keynes' "Economic Utopia"

Now, it would be a great mistake to assume that just anyone who gets up on a soap box can set off a chain reaction which will sweep the world; most such attempts obviously die on the vine. While it would clearly exceed the limits of one brief article to explore the why of the rise of movements in human history, perhaps we can at least partially trace the growth of freedom in the West during the last two or three centuries and understand the reason for the rapid rise of totalitarianism today. Such a survey should help us to see also what the future may hold in store for us.

Before we attempt this overview of the path we have been following over the years – and, as Robert Frost would say, the "road not taken" by modern man – a quick glimpse of contrasting periods of history may be most edifying. Such an attempt presents real difficulties, of course, since the problem of bias is very real indeed. I'm thinking especially of the history of England and the United States over the past two centuries.

T. S. Ashton notes that according to an exceedingly common view, "the course of English history since about the year 1760 to the setting up of the welfare state in 1945 was marked by little but toil and sweat and oppression."² To counter this mistaken idea may I quote the British godfather of the American New Deal, John Maynard Keynes himself.³ Lord Keynes, who was born in 1883, the year Karl Marx died, tells how he grew up in the "economic Eldorado" of the late Victorian period when people had forgotten Malthus and his gloomy predictions of mass starvation, when products moved quite freely across frontiers over all the earth and men could travel to any land "without passport or other formality," when men could get any quantity of gold their credit would command and invest it anywhere they might desire. Indeed, Keynes describes this "economic utopia," what one might call our "Paradise Lost," in even more glowing terms than I would.

Actually, his high praise of this era of freedom and rapidly rising living standards is quite like the estimate of Benjamin M. Anderson, although Anderson and Keynes may have agreed on little else. In the opening pages of his *Economics and the Public Welfare*, Anderson reminds us:

² F. A. Hayek (ed.), Capitalism and the Historians, pp. 33-34.

³ J. M. Keynes, *The Economic Consequences of the Peace*, pp. 10-12.

Those who have an adult's recollection and an adult's understanding of the world which preceded the first World War look back upon it with a great nostalgia. There was a sense of security then which has never since existed. Progress was generally taken for granted . . . decade after decade had seen increasing political freedom, the progressive spread of democratic institutions, the steady lifting of the standard of life for the masses. . . . It was an era of good faith. Men believed in promises. Men believed in the promises of governments. Treaties were serious matters. In financial matters the good faith of governments and central banks was taken for granted. Governments and central banks were not always able to keep their promises, but when this happened they were ashamed. . . . In 1913 men trusted the promises of governments andgovernments trusted one another to a degree that is difficult to understand today. The greatest and most important task of the next few decades must be to rebuild the shattered fabric of national and international good faith. Men and nations must learn to trust one another again. Political good faith must be restored. Treaties must again become sacred.⁴

The Complex World of 1776

Now, many of my contemporaries would allow that what Keynes and Anderson said about the prewar period might be true; but they insist that what was feasible back then is no longer possible in this "complex modern age." People today consider, and quite correctly, too, that life was less complicated back in the "Gay Nineties" or the "horse and buggy days," By an extension of the same logic. Adam Smith's world of 1776 should have been very simple indeed since he wrote The Wealth of Nations at what might be called the dawn of the Industrial Revolution. As a matter of fact. Smith was writing his great work which supplied the ideas for the new age while one of his friends, James Watt, was perfecting the steam engine which was to supply the power.

But this was no age of simplicity. This was an era of astounding complexity. Smith never lived to see those simpler times which were in part an outgrowth of his own economic and political philosophy. The Wealth of Nations is filled with the writer's protests against what he considered the inane and oppressive restrictions of the mercantilist period of which he was an unwilling part. Much is said in history courses about mercantilism and "a favorable balance of trade." But suffice it to say, for our present purpose, that mercantilism was an attempt by the government, through a plethora of controls, to regulate the

⁴ Benjamin M. Anderson, *Economics* and the Public Welfare, pp. 3-4.

nation into prosperity. Some notion of the widespread nature of these regulations and their practical consequences may be gained from historian Henry Thomas Buckle's characterization of the period:

In every guarter, and at every moment, the hand of government was felt. Duties on importation, and duties on exportation: bounties to raise up a losing trade, and taxes to pull down a remunerative one: this branch of industry forbidden, and that branch of industry encouraged: one article of commerce must not be grown, because it was grown in the colonies, another article might be grown and bought, but not sold again, while a third article might be bought and sold, but not leave the country. Then too, we find laws to regulate wages: laws to regulate prices; laws to regulate profits; laws to regulate the interest of money; custom-house arrangements of the most vexatious kind, aided by a complicated scheme, which was well called the sliding scale, - a scheme of such perverse ingenuity, that the duties constantly varied on the same article, and no man could calculate beforehand what he would have to pay . . . the first inevitable consequence was, that, in every part of Europe, there arose numerous and powerful smugglers, who lived by disobeying the laws which their ignorant rulers had imposed.5

Abolish Restrictions

Adam Smith's cure for the confusion of his age was straightforward enough: simply let the government sweep away the endless maze of controls and let people take care of their own business in their own way. Some notion of how involved mercantilist regulations could become may be judged from the fact that it took over three thousand pages to print the regulations for the textile industry of France – and all of this before the beginning of the industrial age which is supposed to have made life complicated. Even then, they were changed with such bewildering rapidity that no one could keep up with the latest orders. French weavers once went through a whole season without moving a shuttle while waiting for the government to make up its mind. Penalties were so severe that no one could afford to disregard the codes: offenders were hanged, broken on the wheel, or sentenced to the galleys. No less than 16,000 people are said to have perished over - of all things - the regulations covering printed calicoes. Little wonder that Smith rebelled against the needless restrictions, although England never carried the system to the absurd length that France or Spain did.

However, Smith was no anarchist. He sought rather to reduce

⁵ Henry Thomas Buckle, History of Civilization in England, Vol. I, pp. 201-202.

the legal code to the simplicity of the moral law. He felt that sweeping away the complex and devious economic regulations of mercantilism would relieve the government of an intolerable administrative burden (the task of minding everybody's business) and permit the sovereign to concentrate on what Smith regarded as the true duty of the state:

All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men. The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient; the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society. According to the system of natural liberty, the sovereign has only three duties to attend to; three duties of great importance, indeed, but plain and intelligible to common understandings: first, the duty of protecting the society from the violence and invasion of other independ-

ent societies; secondly, the duty of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and, thirdly, the duty of erecting and maintaining certain public works and certain public institutions. which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society.6

Adam Smith and British Greatness

We commonly assume that it was all very easy for Adam Smith. great man that he was, to straighten out the world of his day. Actually, Smith was a rather obscure Scottish professor. While traveling in the mid-1760's, he stopped off to see a little group of French philosophers who were pondering the problems of France mankind, although nobody and was paying much attention to them, either. They called themselves Physiocrats, which means the "rule of nature."

The founder of this "school" of economics was François Quesnay, a self-made man who so distinguished himself as a physician that he became Louis XV's per-

⁶ Adam Smith, *The Wealth of Nations*, Everyman's Library, Vol. 2, pp. 180-181.

sonal doctor. According to Henry George's account, Quesnay,

... abstaining from the intrigues of the court, . . . won the sincere respect of Louis XV (who) made him a noble, gave him a coat of arms, assigned him apartments in the palace, calling him affectionately his thinker . . . And around . . . this "King's Thinker" was accustomed to gather a group of eminent men who joined him in an aim the grandest the human mind can entertain - being nothing less than the establishment of liberty and the abolition of poverty among men, by the conformation of human laws to the natural order intended by the Creator. These men saw what has often been forgotten amid the complexities of a high civilization, but is yet as clear as the sun at noonday....

That these men rose in France, and as it were in the very palace of the absolute king, just as the rotten Bourbon dynasty was hastening to its fall, is one of the most striking of the paradoxes with which history abounds. Never, before nor since, out of the night of despotism gleamed there such clear light of liberty. They were (however) deluded by the idea ... that the power of a king ... might be utilized to break the power of other special interests, and to bring liberty and plenty to France, and through France to the world. They had their day of hope . . . when in 1774 . . . Turgot was made Finance Minister of Louis XVI, and at once began cutting the restrictions that were stifling French industry. But they leaned on a reed [the King]. Turgot was removed. His reforms were stopped. The pent up misery of the masses . . . burst into the blind madness of the great revolution [in 1789]. The Physiocrats were overthrown, many of them perishing on the guillotine. . . .

On the continental trip he made between 1764 and 1766... Adam Smith made the personal acquaintance of Quesnay... and was, while in Paris, a frequent and welcome visitor at the apartments in the palace, where, unmindful of the gaieties and intrigues of the most splendid and corrupt court of Europe that went on but a floor below them, this remarkable group discussed matters of the highest and most permanent interest to mankind.⁷

The Wealth of Nations

Adam Smith. like the Physiocrats, never saw his ideas put into practice, although he did publish a "best seller" a decade after his trip to France. His great work. An Inquiry into the Nature and Causes of the Wealth of Nations. to use the full title, was an instantaneous success. was soon translated into several foreign languages, and ran through five editions in his lifetime. It became a sort of statesman's handbook. although it was years before

⁷ Henry George, The Science of Political Economy, pp. 149-160.

it made much difference in practical policy. Finally, some threequarters of a century later, Parliament took the great step of dismantling the whole system of protection for domestic producers, and Britain emerged as a "free trade" nation.

The most celebrated case of the dramatic fight for economic freedom was the so-called "Repeal of the Corn Laws," which did away with protection for English farmers. England had long had a "farm program," a high tariff on grain, which kept out foreign agricultural products and hence increased the cost of living for the English laborer. Since, traditionally, the aristocrats of England were wealthy landowners and had long controlled Parliament, it took a tremendous popular upheaval to eliminate the Corn Laws. This was effected in 1846, in part as the consequence of the "potato famine" in Ireland which brought the chronic problems of human need to a dramatic focus. Something had to be done "right now," since people were starving in large num-Once Parliament hers started slashing tariffs, it was only a matter of time until they were almost completely eliminated.

Most other Western nations joined in the movement to open their markets also; which led to the great period of peace, prosperity, and progress so highly lauded by Lord Keynes. Britain became the center of world trade and finance. But all of this came to pass a century after Adam Smith and the Physiocrats pondered the problems of the world, just as we today are reaping the harvest of Karl Marx's sowing.

Ideas: Bomb with a Long Fuse

Why the "gradual encroachment of ideas," as Lord Keynes expressed it? Several factors contribute to the long delay between thought and action. One is the fact that a great teacher arises with some new doctrine or a modern version of an old one, but he can scarcely hope to make much of an impact on his own age which is run by men whose thought patterns are already set; his hope is the student of today. This means that it will take at least another generation, perhaps even longer, before his ideas can bear fruit. Furthermore, when we human beings get in a rut - as we habitually do - we commonly do not change our ways, however urgent or desirable the changes may be. When some crisis comes, such as the "Potato Famine of 1846" or the "Crash of '29," perhaps then we may get out of our rut only to fall into another. Our "New Deal" rut is some thirty-five years long by now, and a change may be

anticipated presently; but it will take quite a jolt to get us out of it. Widespread discontent at the grass roots is an important factor.

One reason why mercantilism, the ancient version of the planned economy, went out of fashion in the last century was that generations of ordinary people had become disillusioned with the attempts of the several European governments to regulate and control their nations into prosperity. A good many people back then were aware of this public nuisance, though they had never read Adam Smith. A lot of folks today, who never heard of Von Mises' Planning for Freedom, have been vexed with national planning since Henry Wallace "plowed under cotton and killed little pigs." A multitude of Europeans who never read Hayek's The Road to Serfdom have seen the "Berlin Wall" or the "Iron Curtain." More than a billion people now know what communism is all about, and firsthand, too, although few of them have ever waded through Das Kapital. No doubt, many of them are the bitterest enemies of the system. On our side of the Curtain, the "welfare state" is bankrupt also, both figuratively and literallv.

This dramatic failure of socialism in all its forms and around the world gives the man of good will who believes in liberty an opportunity he has not had in a long. long time - the opportunity to present Adam Smith's "obvious and simple system of natural liberty" as the solution to the global crisis. And if we have the persistence of Karl Marx and the patience of the Fabian socialists, it just may be that tomorrow will be ours - that freedom will indeed be the wave of our future ۲



Dumping

When cheap foreign goods flood our markets -Come into our ports without end -The best way to punish the aliens Is to buy all the goods they can send.

WILLFORD I. KING, Economics in Rhyme



The Price Is NOT RIGHT

JESS RALEY

RECENTLY our State Legislature made it mandatory for any individual who rides a two-wheel, motor-driven vehicle to wear a crash helmet. The law seems to have been received with open arms by almost everyone. I can recall no local, state, or Federal legislation within the past forty years that faced less opposition. Consensus appears to be that this law will neutralize any lack of skill or judgment and protect the irresponsible from his own folly, in spite of himself.

Now I am not, in any sense, opposed to crash helmets. The largely hostile environment in which man attempts to survive would seem to dictate extreme caution and proper use of all available safety equipment. Personally, I would not think of riding a motor vehicle without a skid-lid. But the sad truth is the Federal govern-

Mr. Raley is a free-lance author, speaker, philosopher from Gadsden, Alabama.

ment already protects me from my many inadequacies so much more lavishly than I can afford, it appears doubtful that further help can be endured at this time.

There is something pathetic about man's relationship with law - from the very dawn of history to this day. We know that civilization is built on a foundation of law. Human nature being what it is, no culture, social order, or nation could have emerged without certain basic laws, written or unwritten. Once committed to lawmaking, however, no nation seems to have found a stopping place. All appear to have subscribed to the theory that if a little law is good. a great deal of law must surely be better. This theory seems to affirm that a man who could function fairly well carrying ten pounds of weight would do much better loaded with a ton or more.

There is nothing contradictory in the proposition that a minimum of law tends to build civilization while labyrinthine laws tend to destroy. In fact, a society of perfect persons would have no place for law enforcement since each individual would of need be free and therefore jealous of his or her responsibilities. This being true, all laws may be viewed as a burden to society inasmuch as each responsible individual must spend more or less time producing the wealth required to enforce them. Less than perfect men may still conclude that laws enacted solely and unequivocally to protect society from malicious acts of irresponsible individuals and groups are necessary and helpful. All other laws need to be recognized as the unnecessary evil history proves them to be.

Even those laws free men have found necessary to impose upon their society can become an impossible burden. We know that a culture must be protected from other cultures that would destroy or enslave it. But if the vast majority of powers upon this earth should attack a given country systematically, that nation conceivably could find the price of protection beyond its means. In the same vein, society as a whole must be protected from the malicious acts of its own members. But should the day arrive when a majority must be restrained by force, there is no hope that the minority could, for long, pay the bill.

For the undoubted advantage of living in a sophisticated society I am willing, if not happy, to go my bit to protect that culture from its enemies, foreign or domestic. I must admit that, from time to time, society may have need for a bit of protection from some careless act of mine. This, too, I am willing to pay for. But I absolutely cannot afford to be protected from myself. More than this, I find it nauseating to be forced to pick up the tab for killing the incentive and responsibility of other individuals in the name of protecting them from the facts of life.

Certain laws calculated to protect one from his own folly doubtless have proven momentarily advantageous for particular individuals, but the price adds up to slavery.

No culture that invokes laws to protect its members from their very own mistakes can justly claim to afford an opportunity for individual freedom; obviously, no person or group can shield another unless the defender controls the actions of its ward. No people who ask for or accept laws designed solely to protect them from themselves can hope to earn freedom.

John Stuart Mill would surely be considered a square by this sophisticated generation, but no modern philosopher seems to have improved upon his thoughts expressed in *On Liberty*:

That the only purpose for which power can be rightly exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because, in the opinions of others. to do so would be wise, or even right. These are good reasons for remonstrating with him, or reasoning with him. or persuading him. or entreating him, but not for compelling him, or visiting him with any evil in case he do otherwise. To justify that, the conduct from which it is desired to deter him must be calculated to produce evil to someone else.

In evening edition language, Mill is telling all who can hear that a free man absolutely cannot be protected from himself, either willingly or unwillingly. He assumes, of course, that all men of affairs will understand that this theory does not apply to legal infants.

To apply Mill's thinking in America today would mean that an individual could be forced to respect the life and property of others, but no power could compel him to participate in a social security system as a condition of employment. Those who choose to shilly-shally might be reasoned with and encouraged to be more prudent. But responsible individuals could not be forced to pick up the tab for the folly of others.

I feel strongly that individual freedom, including freedom of choice in matters where no one other than myself stands to gain or lose, is the greatest achievement man may attain; I cannot compromise with any law that inhibits that freedom. Compulsory protectionism denies freedom of choice and discourages responsible action. It lends aid and comfort to the antisocial breed from whose hostile actions society as a whole must pay to be protected. When the irresponsible element in any culture reaches an active majority. first chaos, then social reorganization must follow.

It's not that I make no mistakes, that all my decisions are wise, or that no other person better manages daily affairs than I do. Nor would I attempt to deny that the animal comforts promised by certain laws that enervate freedom may be found advantageous at some moment in life. The whole point I hope to make is this: Spiritually, psychologically, and economically, the price for protection from my own folly is much, much more than I care to pay.



THE London Times several years ago described the British socialist experiment as "competition without prizes, boredom without hope, war without victory, and statistics without end."

Government intervention in the economy often is based upon specious arguments and statistics designed to back them up. But statistics, while purportedly facts, fail to perform one important function. They do not analyze cause and effect.

Government statisticians glory in the growth of the national product, as though government had caused such growth. Thus, the rooster would cause the sun to rise!

Governments consume and dissipate wealth rather than produce it. Goods and services are forcibly taken from the wealth-creating private sector to cover losses incurred on government ventures in finance, insurance, real estate, Mr. Smith is a businessman in California. communications, public utilities, and other economic activities. If the government could create wealth, there would be no need for taxation.

Government statisticians also attempt to prove the stabilizing effect of political controls. The great bid for government sponsored stability came with adoption in 1913 of the Federal Reserve system, supposed to stabilize both the economy and the currency. Yet, the cyclical pattern of the economy has continued, with a frequency and amplitude similar to that prior to 1913. The one great exception: after sixteen years of Federal Reserve stabilization. there occurred the most severe economic depression ever recorded.

As for currency, all nations have suffered disastrously from inflation and fiscal mismanagement following displacement of the gold standard by government controlled central banking. Other nations have known worse, but even the American dollar has lost two-thirds of its purchasing power under political management since 1913.

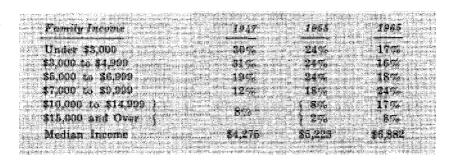
Statistics purportedly show governments successfully maintaining full employment. The more totalitarian regimes do it through forced labor and a low rate of productivity per worker - something like having two workmen fill each job. The United States achieves high employment by absorbing many workers into government ranks and subsidizing others. During the 1920's unemployment averaged less than 4 per cent while about 6 per cent of the work force was employed by Federal, state, and local governments and the armed forces. The latest available figures still show about 4 per cent unemployed, whereas government employees and members of the armed forces now account for 18.5 per cent of the work force.

Government statisticians would

have us believe that maximum employment is attained through adroit official planning. We see, however, that it is accomplished through government hiring, at taxpayers' expense.

Among the most popular arguments for government intervention is the necessity for redistribution of income. Businessmen are too selfish to effect an equitable distribution, say the planners, and only impartial government officials can bring about "social justice." The New Deal, Fair Deal, New Frontier, and War on Poverty identify successive attempts by government to rearrange incomes in a new and "fairer" pattern, all to the net effect that the poor are still with us.

The following breakdown of family income statistics, prepared by the Bureau of the Census and adjusted to dollars of 1965 purchasing power, might give the impression that government redistribution plans had succeeded:



It would seem that in the days of the Fair Deal 30 per cent of the families were impoverished with less than \$3,000 per year and that the number had shrunk to only 17 per cent under the Great Society. All that the figures prove, however, is that there has been a constantly rising standard of living. This can be attributed to one cause only - the creation of new wealth, an entirely private function. When constantly increasing incomes are fitted to fixed income brackets it appears that the distribution of income is also varving. Socialists point to this statistical aberration as proof that the graduated income tax, the pressure of labor unions, and government control of the economy in general have had the effect of forcing the rich to disgorge part of their income and pass it down to the less fortunate.

However, there is an impartial statistical process which eliminates the effect of a rising living standard on the pattern of income distribution and resolves the argument as to whether government planning or the free market is responsible for the manner in which incomes are apportioned. This is done by showing the percentage of the national income received by each fifth of the families over the same series of years. Also shown for each year is the percentage of national income received by the top 5 per cent of all families:

Lend	Family	Income G	rouns		947	1955	1965	
			<u>(</u>					
	Lowest Second	Sand With Fight Works of Bern			5% 12%	5% 12%	5% 12%	-
	Third f			2012년 2월 2012년 1월 201	12%	12%	12%	Markey States
	Fourth	2016년 1월 1991년 1월 19 1월 1991년 1월 1991년 1월 1월 1991년 1월 1		u Plastenska Distrikturen.	23%	23%	24%	그 바람 같은 그 그 바람이 ?
	Highest	t fifth			13%	42%	41%	
	Top 5 1	per cent			L8%	17%	15%	
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Except for some slight scalping of the very top earners, it appears that the various government "deals" in modern America have achieved no significant redistribution of incomes among families. The 40 per cent of all families with lowest incomes still receive the same 17 per cent of the national total.

Dr. Gabriel Kolko, generally favoring bigger and better taxes in his book, Wealth and Power in America, states: "The basic dis-

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tribution of income and wealth in the United States is essentially the same now as it was in 1939. or even 1910." Even the powerful graduated income tax seems to affect the pattern but little. This may be explained in part by the fact that costs of redistributing income may exceed the amount reshuffled. The "commission" for this service is apparently high and stays in the hands of the relatively well-paid social workers and poverty fighters - many of whom are in the top 10 per cent of income earners. Other government interventions, such as minimum wage laws, cause unemployment among the poor and tend to reduce the percentage of income received by the lowest groups. It might be pointed out that the government taxes the poor also. A study by the Tax Foundation estimates that 28 per cent of incomes under \$2,000 a year goes for taxes.

At the close of the nineteenth century an Italian scholar named Pareto made a study of income distribution in times past wherever he could find that an income tax had been levied. Such a tax is the only source of statistics for such a study. He found a churchimposed income tax in Peru some 200 years ago, certain income taxes in Europe over the centuries, and the American income tax during the Civil War. Income distribution proved to be startlingly consistent regardless of time, place, or degree of tax graduation, the pattern very much resembling that shown by more recent statistics for families in the United States.

Writing in 1928, the economist, Joseph Schumpeter, had this to say about his exhaustive study of nineteenth century Britain:

Until about forty years ago many economists besides Marx believed that the capitalist process tended to change relative shares in the national total so that the obvious inference from our average might be invalidated by the rich growing richer and the poor growing poorer, at least relatively. But there is no such tendency. Whatever may be thought of the statistical measures devised for the purpose, this much is certain: that the structure of the pyramid of incomes, expressed in terms of money, has not greatly changed during the period covered by our material - which for England covers the whole of the nineteenth century - and that the relative share of wages plus salary has also been relatively constant over time. There is, so long as we are discussing what the capitalist engine might do if left to itself. no reason to believe that the distribution of incomes or the dispersion about our average could in 1978 be significantly different from what it was in 1928.

So often it is stated that in undeveloped countries there are only two classes - the very rich and the very poor. This is an economic illusion. In a country such as India with per capita income under \$100 per year, there appears to be nothing but poverty. Any man of means stands out in startling contrast to his impoverished surroundings and creates the impression that there is no middle class. But careful analysis will reveal a pattern of income distribution similar to that in the more advanced countries - all following Pareto's curve.

The only antidote to poverty is wealth. And wealth, by definition, is created by those who make themselves wealthy through serving others in open exchange. Fred Kent's story of The Well helps to explain why this is true.

In a pastoral community composed of 101 independent and self-sufficient farmers, each worked 13 hours per day to keep body and soul together. Other than rain, the only source of water was a spring on a hillside which each farmer visited each day. This cost him an hour of work daily. Working overtime, one of the farmers dug a trench down to the valley and by forming a well, provided running water to each of the farmers for which he charged $\frac{1}{2}$ hour of work per day. As can be seen, the provident farmer became rich to the extent of having 50 hours of labor redound to his benefit daily, yet each member of the community benefited by $\frac{1}{2}$ hour less work per day.

Wherever the heavy hand of government interferes in economic affairs, things become more expensive rather than cheaper. Hospitalization, education, and postal rates, for example, grow ever more costly while private enterprise continues to create more and better and cheaper products and services.

You can be sure that if each Asian worker were backed by \$30,000 in capital, there would be no mass starvation and no 25-year limit on the average life span. Such is the miracle of wealth. Only a few know how to create it. And the impartial and all-wise free market will distribute it in a manner which creates harmony rather than conflict among men.

The American economist John Bates Clark observed years ago:

Free competition tends to give to labor what labor creates, to capitalists what capital creates, and to the entrepreneurs what the coordinating function creates. To each agent a distinguishable share in production, to each a corresponding reward such is the natural law of distribution. How Welfarism Has Led to Britain's Troubles

ANTHONY LEJEUNE

FOR THE BRITISH to say, as some frequently do, that America ought to become more of a welfare state is rather like a drug addict trying to get other people hooked on his own suicidal habit.

What worries me when I look westward across the Atlantic is not that there is too little welfarism in America but that there is starting to be too much. In all sorts of ways I see America headed down the same road Britain has already traveled, and I long to shout, "Go back, go back, before it's too late!"

Britain's present sad plight, of which devaluation and the government's austerity package are only the latest and most spectacular aspect, has not been caused solely, perhaps not even directly, by her welfare policies. But welfarism, the attitude of mind that engenders and is engendered by a welfare state (and this is something quite different from the genuine welfare of individuals), has certainly been a major factor.

It is no coincidence that Britain's three devaluations — "this disastrous treble," as the London Times described them — have taken place under Britain's three Labor governments, under governments, that is, which started out with welfarism as their chief aim.

Self-Generating Demand

The progress of the welfare state was, admittedly, not much slowed down, let alone reversed, by the intervening Conservative administrations. And this, too, was no coincidence. Welfarism, once it gets into a nation's blood stream, is self-generating. The demand for

Mr. Lejeune is a British journalist. This article is reprinted here by special permission from The National Observer of January 29, 1968.

Each advance of the welfare state takes another bite out of Individual liberty.

it increases as people become more dependent, both financially and psychologically, on services from the state and less capable of providing for themselves.

There may even be a point of no return, after which a majority of voters, their independence eroded by inflation and taxation, really do have more to gain from an increase in welfare benefits than from a marginal decrease in taxes. The politicians inevitably respond by bidding against each other with promises of bigger and more widespread benefits.

The Conservatives in Britain repudiate with horror any suggestion that they might want to dismantle the welfare state. They fought the 1964 election on a platform that would have entailed even more government spending than the socialists offered. Recent events have sobered them a bit, but it remains to be seen whether they can really refrain from welfarism when the next election campaign begins.

Each advance of the welfare state takes another bite out of individual liberty, for the essence of welfarism is that people's money is taxed away from them, redistributed, and spent in ways they would not have chosen for themselves. Otherwise there would be no point in it.

What is happening to British education makes a bleak example. The universities, having allowed themselves to become almost wholly dependent on state finance, are just waking up to the fact that their freedom has disappeared; they have to conform to the government's plans, whether they like them or not.

But, compared with the grammar schools, universities are lucky. Twenty-five years ago most of Britain's ancient grammar schools (secondary schools that prepare students for universities) accepted an offer of complete financial maintenance and agreed, in return, that a majority of their governors should be political appointees.

Now, in its pursuit of socialist equality, the Labor government has decreed that the grammar schools shall be abolished altogether, and neither the original governors nor the parents have any means of resisting.

The Trap Clicks Shut

This is the characteristic pattern of state benevolence. The state assumes responsibility for providing something that individuals want - education, or medical care, or transport; it picks up the tab. it doles out grants. Since the state has no money of its own, the cost has to be met through taxes, thus rendering individuals less capable of providing these things for themselves. Then the government says: "Since this is public money, we must decide how it should be spent, and who should get it, and we are entitled in return to expect obedience to what we consider the public interest." So the socialist trap clicks shut.

The theory of welfarism is that people prefer security to freedom, and perhaps they do. But in the long run – and, as developments in Britain show, it may not be a very long run – the security offered by a welfare state can be more vulnerable than the security offered by private savings in the bank. The individual has lost any chance of control over his own future.

Even if the welfare state manages to avoid economic disaster, the normal standard of its social services is more likely to be at least slightly squalid than affluent. However much welfarism the voters may demand, they will always be reluctant to pay taxes high enough to produce services as good as individuals would be willing to buy for themselves.

The National Health Service in Britain is grossly undercapitalized, and always will be unless new money can be brought in, not through taxes, but directly from those who use it. The prescription charges that have now been reimposed are too small to make much difference. If fees, even quite small fees, were paid by people who could afford them, not only would more much-needed money be available for equipment and research and to prevent the drain of doctors to America, but there would also be a far healthier relationship between doctors and patients.

The same is true of education. Even nominal fee-paying would greatly increase parents' interest in their children's schooling, as well as helping to raise the standard of state schools nearer to that of private schools.

A Need for Private Spending

People ought surely to be encouraged to spend money on their children's education, on health, on providing for their old age, thus both helping themselves and relieving the burden on the services the state must provide for those in need. But welfarists actually

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The penal effect of taxation has blunted the urge to work hard at all levels, from top management to the factory floor.

disapprove of money being spent in this way. Private doctoring and private schools are constantly attacked by the socialists in Britain as selfish and antisocial. And, if a man accumulates wealth for his old age, he becomes a capitalist and therefore wicked.

The roots of welfarism lie in a feeling that the advantage enjoyed by the wise virgins over the foolish virgins is unfair, and should be corrected by the community. The wise virgins must therefore be taxed for the benefit of the foolish ones, and, if even this isn't enough to produce equality, the wise virgins must be prevented from flaunting the superior fruits of their wisdom – or their luck.

Whatever its philosophic attractions, this is clearly a recipe for economic disaster. Some of the beneficiaries of Britain's welfare state find it more profitable to live on state handouts than to work; but these layabouts are not the real problem. The problem lies in the crushing disincentive welfarism imposes on ordinary people.

Working-class families, which perhaps in previous generations had little opportunity to save and

invest money, could now afford to do so, but see no point in it. The welfare state will look after them on a rainy day, and savers seem to enjoy no significant advantage over spenders. The middle classes. for whom thrift was a traditional virtue, have been ground between the millstones of inflation and taxation: inflation caused partly by the reckless public and private spending that welfarism has provoked, and taxation levied partly to pay for the welfare services and partly, on purely political grounds, to handicap the wise virgins. So all but the most determined savers and investors have lost heart.

The penal effect of taxation has blunted the urge to work hard at all levels, from top management to the factory floor. People are simply not prepared to sacrifice leisure or to take risks.

Incentives Blunted

It has become completely impossible for companies to provide adequate incentives for their senior executives. And this ceiling, imposed by progressive taxation on the salaries of men at the top, depresses remuneration, and therefore incentives, throughout the whole salary structure. And, at the same time, the business itself is clogged and weighed down with taxes.

So hypnotized are they by their own ideology that the socialists remain willfully oblivious of this result of their policies. Since they are prevented, both by the philosophy and by the consequences of welfarism, from providing genuine personal incentives, they fall back on vain exhortations to work harder and the implausible argument that "collective consumption" is as attractive a goal as individual consumption. When these exhortations fail to elicit the desired response, they are surprised and pained.

The Labor government has been heartened during the past grim weeks by the initiative of five typists in a London suburban office who volunteered to work an extra half hour a day "in order to help Britain." The story was splashed by sentimental newspapers with a fanfare of praise and a glare of publicity. Prince Philip and Harold Wilson sent messages of congratulation. Bishops and schoolmasters said how splendid it was. A few other groups of workers (though not very many) followed the typists' example, "I'm Backing Britain" badges sprouted like mushrooms, and some pathetic school children, old-age pensioners, and Pakistani immigrants sent donations to the chancellor of the exchequer.

Enoch Powell, the former Conservative cabinet minister and, it often seems, almost the last surviving champion of free enterprise, said that the campaign's motto ought to be "Help Brainwash Britain." He was shouted down for his pains, but he was quite right. Without realizing it, those five well-meaning but ingenuous typists have shown very clearly what lies at the end of the welfarist road - the collapse of the normal relationship between work and reward, of the system whereby the community is enriched by the efforts of individuals working to earn wealth for themselves and their families.

Welfarism turns everybody into a state pensioner. People's attitudes, ambitions, even their virtues, shrink to those of pensioners. I have seen this happen in Britain, and am infinitely saddened by it. Perhaps the process is reversible. I hope so, though the historical precedents are not encouraging. Meanwhile, I do not want to see the same thing happen in America.

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CLARENCE B. CARSON The Rise and Fall of England

3. POLITICAL FOUNDATIONS OF LIBERTY

ENGLAND'S RISE to a greatness which flowered in the nineteenth century was preceded by an order of developments, an order which can be summarized in this way: constitutional - the laying of the political foundations for liberty: intellectual - the development of ideas and spread of beliefs which supported liberty: and moral - religious developments which provided the drive and discipline for constructive achievement. The royal navy, which was to be the power symbol of greatness, had begun to play a leading role on the high seas by the latter part of the

Dr. Carson, Professor of American History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality. sixteenth century, in the time of Elizabeth I. But England's leadership in civilization was still a long way off. Tudor despotism degenerated into Stuart oppression, as we have seen, and oppression was followed by civil war, revolution, and reaction. On the ruins of monarchical absolutism, however, the English began to lay more nearly enduring political foundations of liberty. It is this work that is to be called up here.

There are two elements that enter into the establishment of liberty. One is the formal means for circumscribing and inhibiting the power of government. The other is the ideas and beliefs held by those who control the government regarding liberty. It is doubtful

that extensive liberty can exist for very long without the presence of both of these elements. Belief in liberty alone may not be expected to restrain for long those who have been given the power of government, for the enticement to the use of power is probably greater for most men than any general love of liberty. On the other hand, any forms of government may be turned to despotic ends when the forms are not undergirded by a desire for liberty. At any rate, extensive liberty in England awaited the historical junction of formal restrictions and beliefs which supported liberty.

Englishmen have long called those forms by which they are governed and which, it may be, have restrained those who govern. The Constitution. They have spoken of the constitution as if it had an unquestionable concrete existence. Yet, to an American, it is quite often not clear what the Englishman can be referring to. In the United States when someone refers to the Constitution, he refers to an actual document - usually, anyway - which was drawn by men in convention in 1787 and has been added to from time to time. It has bodily existence, as it were. This is not the case, in the main, for the British constitution. True, there are some documents which are reckoned to be a part of

the constitution, such as Magna Charta, or the Bill of Rights, or the Act of Supremacy. But they are only the concretizing of some aspect of the constitution at a given time. These concrete provisions may become irrelevant or fall into disuse, may be subtly altered by changes in institutions, may be revised by later parliamentary enactments, or may no longer be applicable; yet, the constitution remains. What, then, it is proper to ask, is the constitution?

A Shifting Balance of Power

The first thing to note about it is that it is not fixed. It changes without any specific action being taken as institutions and procedures change, and it may be changed by act of Parliament. No unusual procedure is required to change it. Succinctly stated, the constitution of England consists of all those rules, written and unwritten, which prescribe how things governmental are to be These prescriptions may done. have taken shape by customary usage or by royal recognition or by legislative enactment. Generally speaking, any practice of long standing having to do with the modes of governmental operation would most likely be reckoned a part of the constitution. In addition, long established rights and privileges of persons are thought

to be constitutionally safeguarded. For example, freedom from arbitrary imprisonment (the right to a writ of *habeas corpus*) is a part of the constitution. Yet, no unusual procedures would have to be followed to abridge this right, or any others.

Liberty in England, then, has depended not so much upon substantive protections of it acknowledged in documents - though these have played some part - as upon the existence of effective counterweights to the powers of those who govern. The crucial conception for understanding how liberty has been protected in England is that of a Balance of Powers. More precisely, it has depended upon the counterweight of those who do not have the power to govern, at least, not at a given time. In the United States, there was a concerted effort to establish a balance of powers within the government. This has never been so to any extent in England, and it is a very important difference between the United States and the British constitution.

The Loyal Opposition

There is no balance of powers within The Government in England, nor has there ever been to my knowledge. The Government in England does not have the same denotation as "the government"

in the United States does. Indeed, when Americans refer to "the government," they refer to the whole paraphernalia of government power, all the institutions connected with it, and all those who comprise its arms. To put it another way, Americans refer in this way to everything having to do with governance and to nothing in particular. When speaking formally. the British do not do this. They refer specifically to those who make governmental policy as The Government. In contemporary England. The Government is usually comprised of a Prime Minister and his cabinet chosen from the ranks of the majority party (though a coalition government may also exist). In earlier times, the monarch and his chief ministers would have comprised what is nowadays referred to as The Government.

The Government in England, then, is the result of a concentration of power, not a balance of powers. The checks upon this governmental power are not within it, strictly speaking (though they might be in a coalition cabinet), but outside of and in opposition to it. In short, The Government exercises all the powers of government, but there may be contests for control of The Government, and those who contest may serve to limit and restrain the use of that power. The Government, at any moment, has the exclusive use of governmental power, but any extension or change in this power may be contingent upon the consent of others. There may, then, be counterweights to the exercise of power; and when these have sufficient strength and independence. it can be said with sufficient accuracy that a balance of power exists which will inhibit an extension of power by The Government or even result in reducing the amount formerly available. It is this situation that has produced the formal protections and safeguards to liberty in English history.

For most of the history of England, the monarch has been, in effect. The Government, though the terminology would not have been used in this way. In consequence, most of the attempts to limit, restrain. regularize, or inhibit governmental action have been efforts of various forces in opposition to the exercise of power by the king. The great and revered documents of the British constitution - Magna Charta, Petition of Rights, Bill of Rights - are concessions and acknowledgments wrested from or imposed upon monarchs. Though the political foundations of liberty which concern us here were laid in the seventeenth and eighteenth centuries, they were built of materials which have a much greater antiquity. Therefore, it is appropriate to review briefly the history of some of the early constitutional struggles and the forces involved.

The Norman Conquest-1066

A convenient and useful place to begin is with the Norman Conquest of England in 1066 and the ensuing years. William the Conqueror was hardly the first king of England, but he was probably the first to rule a unified England with so much power concentrated in his hands. After William's conquest he attempted to set up a situation in which all force in the land was ultimately under his control.

No power, independent of his will, could, in theory, be exercised in the land. The great tenants-inchief, or barons, had their fiefs directly from him. All vassals, of whatever rank, owed their final allegiance to him. No castle could be built in the land unless he licensed it. The Roman Catholic church, while it might technically be independent of him, was dependent upon his will in many respects for its operations. William was potentially as absolute as any medieval monarch, though he is not remembered for being an arbitrary king. Later kings, particularly Henry II (twelfth century), increased their sway by the establishment of king's courts

which began to make rulings on the basis of a common law.

Even so, counter forces to that of the king continued to exist or shortly came into being. One that every wise king would recognize in the Middle Ages was custom and customary law. People were profoundly conservative, as they usually are. and whatever had been done in the past must continue to be observed or there would most likely be trouble. Local customs were early given the effect of law. Even the common law which began to be shaped in the twelfth century was mainly a law for all England abstracted from common features found in local customs and laws. The courts which dispensed such law might be the king's, but the law was that of England and served potentially to restrain monarchs.

Moreover, the tendency was for all holdings and privileges to become hereditary. The nobility might owe their fiefs originally to the monarch; but over the years these holdings were passed on from father to eldest son, and the new holder held his fief as if by right. Hence, the nobility began to think of themselves as having rights not dependent on the will of the king. Similarly, charters to towns and universities tended to become perpetual, and the rights and privileges derived from them

to pass in perpetuity to professors, students, and burgers. The Church was based at Rome, and it had weapons - excommunication and interdict-with which to check and restrain monarchs. The clergy also enjoyed certain privileges which were not conceived of as depending upon any arbitrary grant or rescission by the monarch. In short, the classes and orders of medieval England emerged as counterweights to the powers of the king.

The Magna Charta—1215

How this balance of powers or forces could be brought into play was dramatically demonstrated in the early years of the thirteenth century during the reign of King John. The first of these forces to meet John head-on was Pope Innocent III, the most forceful and powerful of medieval popes. Their troubles arose over the appointment of an archbishop to the See of Canterbury. When the Pope caused Stephen Langton to be named Archbishop, King John refused to accept him, and these two became locked in a seven-year struggle for dominance. Innocent III excommunicated John and laid the realm of England under interdict. "This interdict meant that all the churches were closed: no masses sung, no marriages or funerals conducted. Only baptism and confession for the dying were permitted."¹ Before the threat of being deposed by the Pope and having the sentence carried out by King Philip of France, John finally capitulated. Indeed, he went so far as to declare that he was a vassal of the Pope, and that he had received England as a fief from the pontiff. In general, it should be pointed out that papal powers gave the clergy some independence of royal authority.

King John was hardly out of difficulty with Innocent III before he was in deep trouble with other forces in the land. There was widespread dissatisfaction with the arbitrariness of John's rule. The barons took up the cause against the king, and they defeated John at Runnymede in 1215. They required of him that he make written acknowledgment of important rights and privileges possessed by his subjects and of restraints upon his use of power. This was done in the Magna Charta. Magna Charta not only affirmed the rights and privileges of the barons but also of the clergy, of merchants and tradesmen, of the towns, and of free men in general. One clause read, "No free-man shall be seized. or imprisoned, or dispossessed, or outlawed, or in any way destroyed:

nor will we condemn him, nor will we commit him to prison, excepting by the legal judgment of his peers, or by the laws of the land."² Magna Charta was so revered because it was the most thorough of the early documents affirming the rights and privileges of the classes in England against the king. The major point here, however, is to show how other forces limited the power of the king.

The Model Parliament-1295

Developments for the remainder of the thirteenth century, under Henry III and Edward I, continued generally along the lines of limiting monarchy. Magna Charta was reaffirmed on a number of occasions. A major problem arose over how to keep a monarch to his word. Committees and commissions, made up of barons, were tried, but with indifferent success. These committees to hold the king in check were the immediate forerunners of Parliament, Parliament took its classic shape with the meeting of the Model Parliament under Edward I in 1295. It is called the "Model" because the classes which were so long to comprise it were there: the nobles, the clergy, the knights, the townsmen. and so on. In the next century

¹ Christopher Brooke, From Alfred to Henry III (New York: W. W. Norton, 1966), p. 218.

² Eugen Weber, ed., The Western Tradition (Boston: D. C. Heath, 1959), p. 196.

England became even more definitely a limited monarchy. In addition to being limited by the classes who were represented or sat in Parliament, the notion spread that the king was under the law. Henry Bracton, the great jurist of the thirteenth century, said: "The king should be under God and the law."³

The traditional elements for restraining and counterbalancing the power of The Government - the king-were the classes, Parliament, and the common law. It must be kept in mind that in the Middle Ages these did not so much establish liberty for Englishmen in general as protect the chartered privileges and prerogatives of the various classes, themselves devoted to maintaining status and stability. Realistically, too, the classes could only provide counterweights to the power of the king so long as they were independent of him to considerable extent.

By, or in, the sixteenth century the classes largely lost or were losing their independence. This set the stage for Tudor absolutism and for the Stuart despotism which has been earlier examined. In the late Middle Ages, kings became less and less dependent upon the nobility as warriors. Feudalism disintegrated; the nobility were decimated by the Wars of the Roses (latter part of the fifteenth century); and Henry VII, the first of the Tudors, subdued the remainder of the nobility, mainly with the instrument of his Court of the Star Chamber. The clergy lost such independence as they had enjoyed with the break from the Roman church, effected in 1534. The guilds had long been declining in vitality, and manorial serfdom had been replaced by tenant farming.

The Petition of Right—1628

Parliament - consisting of the Lords temporal and spiritual, and the Commons - continued to be called into session and to take action. But. for the Tudor monarchs it was largely an auxiliary to their absolute and, frequently, arbitrary rule. The early Stuarts (James I and Charles I) enjoyed no such pleasant relationship with Parliament in the first half of the seventeenth century. Parliament (and some judges, notably Sir Edward Coke) balked at simply being aids to the despotism of monarchs. The kings dropped the pretense that Parliament had any independence and tried, so far as possible, to rule without them.

But Parliament was still a potentially organized center of resistance: and when Charles I demonstrated his determination to rule without that body as far as

³ Brooke, op. cit., p. 221.

possible, the potentiality became an actuality. The House of Commons became the center of a resistance which turned into a civil war in 1642. Failing in their efforts to restrain the king, they overthrew him. In 1649, Charles I was beheaded, and there followed 11 years of rule without a king. Civil war turned into revolution. But, as so often happens, revolution resulted not in the establishment of constitutionally protected liberty and balanced government but in military rule. The English experience without a king was not a happy one. The rule of Oliver Cromwell with the support of the army was hardly more palatable than that of the Stuarts. Shortly after Cromwell's death, monarchy was restored in 1660. The struggle to restrain and limit the monarch continued.

Indeed, the seventeenth century was the scene of a prolonged effort to limit the monarch and to establish other sources of power to counterbalance his. One line of the effort was to get the monarch to concede limits to his power. The major constitutional documents of the century are of this character, in the main. The first of these of major importance was the Petition of Right, assented to by Charles I in 1628. By its terms, there was to be no taxation without the consent of Parliament, no detaining or imprisonment simply because the king commanded it, nor arbitrary use of martial law.⁴

Another landmark on the way to preventing arbitrary action by the monarch was the Habeas Corpus Act of 1679. It had been long established that a man being held prisoner should be shown cause be charged with violating some law-why he was held. On the other hand, individuals were sometimes held in prison arbitrarily by the monarch. The Habeas Corpus Act required judges to issue the appropriate writs upon request, and it provided stiff penalties should they refuse. In like manner, those who held them in prison could be penalized for refusing to release prisoners when presented with such a writ. In short, the right to a writ of habeas corpus was firmly established.

The Bill of Rights—1689

The most famous document of the seventeenth century is, of course, the Bill of Rights. It was propounded by a convention in 1689, after James II had fled from England and before William and Mary came to the throne. In view of the circumstances, it is understood that the acceptance of its terms was a condition of their

⁴ See William L. Sachse, ed., *English History in the Making* (Waltham, Mass.; Blaisdell, 1967), pp. 249-50.

coming to power. By its terms, there was an attempt to prevent all those abuses with which they were so familiar from the recent past. A few of its provisions will indicate the general tenor of them:

That the pretended power of suspending of laws or the execution of laws by regal authority without consent of Parliament is illegal....

That levying money for or to the use of the crown by pretense of prerogative without grant of Parliament, for longer time or in other manner than the same is or shall be granted, is illegal....

That the raising or keeping a standing army within the kingdom in time of peace, unless it be with consent of Parliament, is against law.

That the subjects which are Protestants may have arms for their defense, suitable to their conditions and as allowed by law.

That election of members of Parliament ought to be free.⁵

A Time of Testing

One thing seems certain: once again, constitutional monarchy had been established in England. It is commonly said, also, that Parliament had triumphed, that henceforth it was the dominant branch within government. Such a position certainly overstates the case so far as the actual business of governance is concerned. The king was still, in effect, The Government. As one writer says, "He still had his prerogative of making war and peace, choosing his own ministers, pardoning criminals, creating peers, summoning, proroguing and dissolving Parliament, and minting coin."⁶ Indeed, there was strong sentiment in the last years of the seventeenth century against members of the House of Commons participating in The Government. Jarrett describes the situation in this way:

The House of Commons viewed the Executive in very much the same way that the heroes of the traditional school story view their masters. They saw a great gulf fixed between the authorities and themselves and despised as a careerist and a toady anybody who sought to bridge it. Like the schoolboy heroes, they considered that they were there to hamper the establishment, not to help it. . . . [The] Act of Settlement of 1701 . . . forced upon the King a clause providing that anyone holding an office of profit under the Crown should be ineligible for membership of the House of Commons.7

This last provision was shortlived, but it does indicate that the House of Commons distinctly did not consider itself a part of The

⁵ Ibid., p. 318.

⁶ Derek Jarrett, *Britain: 1688-1815* (New York: St. Martin's Press, 1965), pp. 11-12.

⁷ Ibid., p. 17.

Government at the beginning of the eighteenth century.

Limiting the Monarch

The reality that took shape, however, did not fit neatly into the theory of government as it has commonly been held. In fact. a kind of balance of powers existed in the eighteenth and well into the nineteenth century. The king still governed, or ruled, in theory and. largely, in practice, though the first two of the Hanoverian monarchs (George I, 1714-1727, and George II, 1727-1760) did allow much of their power to slip away. The king still chose his chief ministers, still made major decisions of state. could effect elections to the House by various devices, could influence members of Parliament by perquisites at his disposal, and could increase the membership in the House of Lords by new appointments.

On the other hand, he could not rule for long without Parliament. He was dependent upon that body for appropriations, for the passage of laws, and for the meeting of obligations. A recalcitrant Parliament could bring the monarch to his knees, and that rather quickly. Moreover, the House of Commons was well on the way to establishing itself as independent in its source of power from the Crown. Its members were elected, and they owed their place to the electorate. not to the king. The point of insisting upon freedom of elections was that the monarch might not interfere in, determine, or manipulate elections. Freedom of speech in Parliament and freedom from arrest were also important adjuncts to their independence. Also, judicial independence was fully established in the eighteenth century. "For the judges, though appointed by the Crown, were no longer subject to its influence in their decisions, since they could not be removed except on an address from both houses of parliament." There was a rule that their tenure ceased when a new monarch came to the throne unless he reappointed them, but "George III himself, at the beginning of his reign, promoted the Act abolishing this rule."8

A Limited Government

England had not only limited monarchy but, much more important, limited government. The king was limited by Parliament and by an independent judiciary, as well as by documentary constitutional provisions. The House of Lords was limited by the House of Commons, for the latter body alone could initiate appropriations.

⁸ Basil Williams, *The Whig Supremacy* (London: Oxford University Press, 1939), p. 56.

The House of Commons was limited by the electorate, by an hereditary House of Lords, and by the monarch. Each of these had somewhat different sources of power: the House of Commons was elected; the House of Lords inherited or attained position by royal appointment, the judiciary by royal appointment, and the monarch by heredity.

More checks upon power were developed in the eighteenth century. The Cabinet began to take shape. It was, in theory, the king's instrument for government, but, in practice, the king found it necessary to appoint members of Parliament to places on it. Moreover, as Parliament gained in power, this was accompanied by an interior division into political parties which checked its exercise. Political parties emerged in the latter part of the seventeenth century, but they came into their own in the eighteenth. Close divisions in parties inhibited the exercise of power by the majority party. Moreover, it enabled an astute monarch to cling to power by being a balance wheel between them.

One of the major foundations for liberty had been laid, then, by the eighteenth century: structurally limited government. The other one is belief in and commitment to liberty. We must now turn to the development and spread of ideas which extended religious liberty, freed enterprise, spurred inventiveness, and loosed the energies of the English people.

The next article in this series will discuss the "Intellectual Thrust to Liberty."



Why Liberty?

WHAT has made so many men, since untold ages, stake their all on liberty is its intrinsic glamour, a fascination it has in itself, apart from all "practical" considerations. For only in countries where it reigns can a man speak, live, and breathe freely, owing obedience to no authority save God and the laws of the land. The man who asks of freedom anything other than itself is born to be a slave.

ALEXIS DE TOCQUEVILLE, The Old Regime and the French Revolution



WILLIAM HENRY CHAMBERLIN

THE PROPOSAL to make travel outside this hemisphere a crime is a tremendous step backward from the ideal of working for maximum freedom of movement for men, goods, and capital—the three freedoms that made the nineteenth century, after the end of Napoleon's wars, one of the most peaceful and prosperous in human history.

The proposed tax has about every fault a tax could have. It is inherently unjust, because it makes a crime of something that is inherently innocent and beneficial. It is discriminatory. It is restrictive. It is most probably unenforceable. It is a confession that the dollar is no longer good for a very important purpose: payment of travel expenses.

One of the latest Soviet "anecdotes," or sour jokes, is about a communist professor who waxes enthusiastic before his students about Soviet achievements in the exploration of space.

"Soon," cried the professor, "you will be able to go to the moon, to Mars, to Venus."

Whereupon a student timidly interjected: "Yes, Professor, but when can we go freely to Vienna and Rome and Paris?"

One of the clearest distinctions between the citizen of a free country and the subject of the totalitarian state is the inalienable natural right of the former to

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travel, even to take up permanent residence abroad. For the latter it is a privilege, sparingly granted and usually to persons of proved enthusiasm for the regime. Should the United States penalize and restrict and discourage foreign travel to certain parts of the world, it would move with one big step into the totalitarian camp. That such a measure could even be proposed is an ominous sign of the restrictions on individual liberty which are threatened when managed money and a managed economy begin to replace the normal operations of the free market.

The excuse for making travel in Europe a crime is that Americans spend more in Europe than Europeans spend in the United States, that the United States has been running a deficit in its balance of international payments and that a cutdown in American tourist spending would be a means of reducing this deficit. This line of argument is utterly specious and fallacious, especially for representatives of a country which has been constantly preaching to European nations the virtues of free international trade and the scrapping of restrictions.

One might just as reasonably, indeed with less harmful results for individual liberty and the benefits of free international contact, propose an embargo on the half billion dollars of foreign alcoholic drinks which are annually imported into this country or on our billion dollars a year of foreign coffee.

Actions and Reactions

The weakness in all such unilateral restrictions is that they invite and sometimes force reprisals. A punitive tax on Americans traveling in Europe will not encourage European tourists to visit this country. Nor is it likely to stimulate the market for sales of American goods abroad. Foreign airlines which will be hard hit by restrictions on American travel will cut down their purchases of American planes. In short, in the case of travel as of trade, one restriction provokes a counterrestriction on the other side, until the whole world is drawn into a downward spiral of depression.

It is worth remembering that the United States, at the outset of the 1929-33 depression, adopted the highly protectionist Smoot-Hawley tariff on the ground that this would soon make business boom again. It didn't; indeed, this tariff legislation was one of the contributory causes in making the depression one of the longest and most severe in modern economic history.

No law is worth passing that is not enforceable. The American

public should have learned this lesson from the sorry experience of national prohibition, adopted for idealistic reasons and abandoned in disgust and disillusionment when its principal consequences were widespread disrespect for law and a formidable increase in racketeering and crime. Such legislation, given today's conditions. is riddled with obvious loopholes for evasion. An American today may transfer dollars to any European country and exchange them for British pounds. French or Swiss francs, German marks, and so on.

So the proposed requirement – degrading and unpleasantly reminiscent of procedures in communist-ruled countries – that every traveler, before departure, show to some inquisitive bureaucrat his stock of funds in cash and travelers' checks, would also be completely futile. He might have dispatched a much larger sum to London, Paris, Frankfurt, or Zurich before boarding plane or ship.

Control of Foreign Exchange

To make enforcement of a tax on travel even remotely plausible, the government would have to take one of the most retrograde steps in United States economic history. It would have to impose stringent, all-out exchange control, requiring official approval for any exchange of dollars for foreign currencies. The disastrous effect of any such measure on the greatest trading nation in the world, where banks daily handle enormous numbers of transfers of dollars into foreign funds, would be almost incalculably disastrous, assuming that any such task were manageable at all.

It is almost impossible to calculate the amount of outright suffering, to say nothing of exasperating inconvenience, that exchange control – the demand that every individual convince some faceless bureaucrat of his need for foreign funds – would involve. One thinks of such contingencies as the death or disability of a relative or close friend living abroad, for instance.

Moreover, the United States, as the biggest trading nation in the world, necessarily carries out every day uncounted thousands of transactions in foreign exchange. Imagine the chaos that would follow if every such transaction had to be submitted for bureaucratic approval, with long explanations. filed in triplicate or guadruplicate. to prove its necessity! Only people who have lived under a regime of exchange control can appreciate what a blessing it is to have a currency that is freely and readily transferable and exchangeable.

One can reduce the case against

the proposed punitive tax on travel outside the western hemisphere to the simplicity of an axiom in geometry. Such a measure would be quite futile and open to scores of evasive devices unless foreign exchange control in all its rigor were clamped down. But such a development would bring ruinous consequences to the foreign export trade which helps our international balance of payments infinitely more than it is injured by tourist spending.

Toward a Dead End

Should the United States be so misguided as to adopt measures penalizing and controlling the travel expenditures of its citizens. it would be starting down a road followed, at various times, by many nations, a road that has always led to failure and frustration. At the end of World War II almost all the countries of Western Europe were tied up in hard knots of red tape, with exchange control, artificial fixed rates of exchange for their currencies, rationing at home and quotas for imports. Their trade with each other was practically on a barter basis, with every nation demanding that its trading partner buy as much from it as it sold.

All experience shows that international trade is a dynamic, competitive enterprise which flourishes best with the least government meddling and interference. Europe had no more chance to regain its potential in production and international exchange with its postwar handicaps than an athlete could win the hundredvard dash encumbered with an assorted variety of crutches and bandages. Except for the "black markets" in everything from goods to currency, setting at nought official rules and regulations, economic life might well have ground to a complete standstill.

Bit by bit, rationing and its inevitable accompaniment, black markets, went into the discard. Honest money replaced the inflated paper currencies, officially valued far above their real worth as measured in the realistic "black markets."

Once money was thus able to resume its proper function as a medium of exchange, the absurd lapse into beggar-your-neighbor. barter methods went the way of rationing and phony fixed values for inconvertible paper currencies. It no longer became necessary for a country to fear, like bubonic plague, the development of an unfavorable balance of trade with some other country. Under a system of multilateral trade, made possible by stable, freely exchangeable currencies, a deficit in dealings with one country was made up by a surplus in exchange with another.

Zurich vs. Prague

Sometimes a visible object lesson is worth pages of theoretical disquisition in showing the contrast between a system that is working well and one that is working badly. Some years ago, in the course of a European trip, I had occasion to fly from Zurich, in Switzerland, to Prague, the capital of communist-ruled Czechoslovakia.

The Kloten airport in Zurich was stocked with everything in goods and services a traveler might desire. There were magazines and books in many languages; a vast assortment of Swiss chocolate: watches and cuckoo clocks. There were exchange booths where one could buy or sell any currency in the world. Here were the outward fruits of a genuinely free economy. One might add that there was not the slightest difficulty in entering or leaving Switzerland only a minute's glance at passports for identification.

From the moment when the plane touched down at Prague the atmosphere was completely different. Passports had to be surrendered for an indefinite period to armed police. The atmosphere in the airport was as drab and dreary as the atmosphere in Zurich had been pleasant and friendly. Nothing was on sale from any foreign country, except, as I recall, a bedraggled copy of an Italian communist newspaper. Zurich lived by free international intercourse, and looked it. Prague lived in the shutin isolationism of a totalitarian state and a totalitarian economy – and looked it. Punitive travel restrictions will be a long step from the Zurich model to the Prague. Is this really what Americans desire?

Of course, the arguments may be heard that the proposed penalties are for a limited period, two years, and that they represent a necessary means of protecting the exchange value of the dollar, threatened by America's inability to sell as much abroad in goods and services as it buys abroad. Neither of these arguments carries much weight.

Ignoring the Basic Problem

It is a matter of general experience that restrictions and penalties are far easier to impose than to withdraw. The new hordes of bureaucrats who, under the proposed legislation, will start their congenial task of prying, snooping, and spying into the affairs of American foreign travelers will be reluctant to relinquish their new powers. And what assurance is there, or can there be, that the dollar or America's stock of gold will be in any better plight two years hence than they are today? There has been a thundering silence about any intention to adopt the measures which would relieve the pressure of domestic inflation, which is a prime cause of America's balance-of-payments difficulties.

Such measures would be drastic cuts in swollen government spending and a check on the reckless pumping of new money into our system by the Federal Reserve. One of the wisest comments on the folly and undesirability of penalizing travel is that of Professor Gottfried Haberler of Harvard University, an internationally known authority on currency and balance-of-payments problems:

General nondiscriminatory payments restrictions could perhaps be justified as a temporary measure if something decisive were done at the same time to correct the fundamental disequilibrium. But nothing of this sort has been proposed. On the contrary, the Federal Reserve continues to pump money at a record rate into the economy. Hardly a week passes without the President signing into law new programs costing billions of dollars, criticizing Congress at the same time for not spending more.

If inflation is not stopped and the financial house put in order, a devaluation of the dollar becomes unavoidable. An open devaluation, preferably in the form of a floating rate, would be far better than one disguised in a multitude of haphazard, discriminatory taxes and controls of which the existing and presently proposed batch is only the beginning.

It seems doubtful whether devaluation of the dollar, should it become necessary, would have serious practical consequences for the value of the dollar in terms of other currencies, as it would almost certainly be followed by similar moves in other countries. In any case, nothing could be worse than a step into the fatal bog of exchange control, whether from the standpoint of the American people, the American economy, or the world economic situation. The proposed levy on travel is a striking example of trying to deal with a superficial symptom while leaving untouched the basic causes of disequilibrium and inflation.



Complications

WE were the first to assert that the more complicated the forms assumed by civilization, the more restricted the freedom of the individual must become.



A Sure-Fire Remedy

LEONARD E. READ

AFTER 35 years of probing, I have finally hit upon a sure-fire remedy for socialism — the disease suffered by those who call for state intervention in order to do good or give help to their fellow men. The cure can be effective, however, only if the patient can be persuaded to take his medicine. A very large if!

But, first, let us understand the malady and its symptoms.¹

There is nothing unusual about an early symptom of the disease: a perfectly normal compassion for those who, for whatever reasons, fail to emerge from the poverty level. The first real sign of breakdown comes if the compassion sours, curdling into a deep-seated resentment and indignation whenever conscientious effort or labor is rewarded less than no effort or labor at all. For instance, one man receives only a dollar a day for ditch digging while someone else is given a \$10,000 check for simply posing momentarily while his picture is snapped. The patient's sensibilities are offended: Rank injustice! Miserable economic inequities! Although these are the danger symptoms, the case is not necessarily hopeless. Many of us are similarly infected.

The malady does not reach the malignant or virulent stage until the indignant individual turns to socialism, that is, until he advocates coercion as a means of correcting what he regards as economic disparities and inequities. Diagnosis is now easy: the patient

¹ Socialism is a double-phased malady: the planned economy and the welfare state. While the two seem always to go hand-in-hand — as perhaps they must my remedy is aimed specifically at the welfare state phase.

will turn to minimum wage laws, rent and other price controls, Federal urban renewal along with government housing and the like, subsidies to farmers for not farming and to others for services never rendered, strikes as a pricing mechanism for labor, restrictions on across-the-border travel, trade, and investment, and so on. When these symptoms appear, beware, for the disease is contagious!

What can be done for these victims? Scolding, name-calling, impatience, intolerance is false therapy and should be scrupulously avoided. No sound diagnostician fools around with surface manifestations; he approaches the problem systemically, as the physicians put it.

A Mistaken Sense of Values

What delusion lies at the root of the malady? It is a notion as old as mankind and so ingrained in our tradition and thinking that, like a vestigial organ, it stays with us not only as utterly useless but as positively harmful. The traditional notion: the value of any good or service bears a direct relationship to the amount of effort or energy exerted. It is the cost-of-production idea of value; economists call it the labor theory of value.

Were this theory of value carried to its logical and absurd conclusion, the ditch digger would receive far more than the actor who only had his picture snapped. The patient, however, is less concerned with these exaggerated disparities than with the commonplace ones. For instance, he sees the highly educated college "underpaid." professor \mathbf{as} He pities the poor farmer, on whose produce all of us depend, who labors from early morn until after dark: the wage earner who doesn't have a "decent standard of living": on and on. But note that the sympathies engendered have their roots in the patient's theory of value - he measures a man's worth in terms of the effort or energy exerted. "That just isn't fair." he exclaims, and he takes coercive steps "to put things right."

This is the advanced stage of the disease, the germs of which lie in the traditional mode of thinking and action.

Until 1870, there was no basis for prescribing a remedy. Then came an important discovery: the value of any good or service is what will be willingly exchanged for it. Value, in short, depends not so much on the objective cost of production as on the subjective judgment of the customer. This was discovered nearly a century ago; yet only a few in the population have any apprehension of this unassailable economic fact. The important fact is that the market value of my labor is not the value I put on it, nor does it matter what anyone else says my fair wage ought to be. The value of my production is determined by what you and others will freely exchange for it. There is a world of difference between our inherited, vestigial notion and this recently apprehended economic truth.

Our patient, it turns out, is infected by the vestigial notion and the contradiction it forces upon him. He allows his emotions to be governed by what he thinks another's wage or reward should be; whereas, what he thinks is irrelevant. unless he's the buyer. He then contradicts his own theory every time he shops around for bargains - the latter a perfectly normal and correct behavior. The error of his theory is exposed by his own actions, for when he shops for bargains he is trying to buy other people's labor as cheaply as possible. Living such a contradiction is bound to have psychological effects, the ill effect in this case being the resort to coercion. Socialism, in other words, is a psychological illness.

To Each According to Need

Now, what is the curative medicine so distasteful to socialists that few will try it? The first step is for the patient to abstain from coercion and rely entirely on personal demonstration and persuasion to help those whose plight he deplores.

The next step is for the patient to abstain from using price and quality as criteria for purchases. Shopping for bargains is taboo. Instead, he shall find those persons who are the objects of his compassion, those further down the economic ladder than their efforts seem to him to warrant. He shall then purchase their goods or services - labor - at a price which he thinks befits their efforts and needs. The patient's tailor, for instance, shall be chosen not for his competence or the desirability of his suits but for how strenuously he works at his trade. And the patient will then reimburse the tailor at a rate to assure him a "decent standard of living." Further, the patient shall follow this rule in all transactions for all goods and services. Henceforth. he shall look no longer to his own requirements but only to what he sees as the requirements of others.

Preposterous? Yes, this remedy is the counsel of error. But it is absolutely consistent with the labor theory of value, the vestigial notion that lies at the root of the patient's illness. Will the patient try it? If he did, he soon would tire of it. He won't take advice from others; but if he will only test his theory against his own actions, he is cured. This is a doit-yourself remedy; the dosage: read the prescription each morning on arising.

A Fair Field; No Favors to Anyone

How, now, is economic justice to be served? Justice is served when the door of opportunity is as open to one individual as to any other. Whether or not a person serves himself well or ill or caters to the satisfactions of others efficiently or inefficiently is in a realm other than justice. A fair field and no favor is our stand if we would enshrine justice. It is none of our business how a person makes out when justice prevails; that's entirely his own affair.

Are we then to let the unfortunate go unattended? Is there to be no thought of them? Of course, that will not be the case! The record as well as sound theory demonstrate that the coercive way of life leads to general impoverishment; the record and theory attest to the fact that the willing exchange method of cooperation affords prosperity on a scale heretofore unknown to mankind.

And for the relatively few who remain unfortunately situated, let each of us give of his own, not someone else's goods as a means of alleviation. This is the highly commendable Judeo-Christian practice of charity, heartening to benefactor and benefited alike. While charity is in a realm beyond economics, it is evident that without sound economic practices charity is impossible.

In the final analysis, it is those who produce, not bleed, for humanity who are the benefactors of mankind. No one need prescribe any remedy for them for they are in good health.

IDEAS ON LIBERTY

Reciprocity

TSEKUNG asked, "Is there one single word that can serve as a principle of conduct for life?" Confucius replied, "Perhaps the word 'reciprocity' will do. Do not do unto others what you do not want others to do unto you."

LIN YUTANG, The Wisdom of Confucius

A Lesson in TIME

On the Current Frenzy to Multiply Government Regulation

A VERITABLE FRENZY to multiply government regulation presently rules almost every electorate and every legislature. What are we to say of this obsession? We might point out that it has a close affinity to the practices of socialism. But is it, therefore, wrong? May it not be justified? Is not law a good, something we all desire? Let us examine the last question first.

We do not desire our own oppression. That can be affirmed with certainty. Do government laws oppress us? And if so, all laws, or only some? The answer is: some do, and some do not.

Some government laws prohibit what we find it no effort not to do and command what we find it no effort to do. There are, for instance, laws against murder and laws that command us to drive on the right-hand side of the street.

These and like laws are not oppressive nor do we find them to be. But plainly, many laws that are legislated by government do exact from us an effort in our obeying them. The farmer, for example, has to curtail or ignore his own judgment and desires in obeying laws that tell him just how much he may plant. That takes effort. And so does having to measure his acreage, having to fill out the many forms that always accompany such laws, and so on. When a law exacts effort from us it is. to that extent, oppressive. Thus, we may conclude that most current government regulation is oppres-

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sive. Moreover, even laws that taken separately might not be oppressive become oppressive when multiplied sufficiently. It does not require any particular effort, for instance, to drive on the right-hand side of the street; but if this regulation is combined with a hundred others as innocuous, just keeping in mind what all the regulations are and attempting to obey them all requires effort. Thus, we find oppressive the mere number of laws and regulations.

What justification is offered, then, for this present insistence on multiplying laws? A typical excuse is that without government regulation men's lives and affairs must lapse into chaos. This prevalent belief makes it seem incumbent that every nook and cranny of our lives and affairs be regulated by government, no matter how oppressive such regulation may be: for nothing, we shall be inclined to admit, is worse than chaos. I take exception to the belief that without government regulation men's affairs and lives must lapse into chaos. How. though, can the validity of my view be demonstrated?

If we could cite a case where order in a certain area of men's affairs prevailed without government regulation, we should have gone a long way in substantiating our claim. But, even more conclu-

sive would be to cite a case where government actually opposed private efforts to produce order out of chaos and, yet, order was produced. For this case would be tantamount in kind to what is sometimes called a "crucial experiment" in science. All important variables would be accounted for and controlled: a certain chaotic condition in man's affairs: private effort: and government action. A determinate result would be obtained through the direct agency of private effort - namely, order where there had been chaos. Since government action was moving in an opposite direction to private action with respect to the result obtained, it could not be held that government action was somehow *indirectly* the cause of this result. Thus, private effort must have been the cause: and hence, governregulation could not be ment claimed to be the necessary condition of order in men's affairs

A Time to Remember

Let us envisage, first, the possible case of every city and general locality in the United States having its own time, determined by the position of the sun at noon. And let us compound this variety of times by supposing that a vast network of railroads exists and that each railroad employs the time of its home terminal in all its operations and schedules. In picturing this state of affairs, we picture - I think it must be agreed a temporal chaos. We may suppose, moreover, that this chaotic multiplicity of times would impose almost unsupportable burdens on travelers, shippers, and the railroads. Presumably, we have been envisaging a mere possibility. Has any such state of temporal chaos ever in fact existed in the United States? A look at history reveals that it has.

Before 1883, local time – that is, time determined by the local noonday position of the sun - prevailed throughout the United States. Thus, there were more than 26 local times in Michigan, 38 in Wisconsin, 27 in Illinois, and 23 in Indiana. A traveler going by rail from Maine to California had to change his watch 20 times during the trip if he meant to keep accurate time. In addition, each railroad operated its trains according to the local time of its home terminal. The Pennsylvania Railroad, whose home terminal was in Philadelphia, employed a time that was 5 minutes slower, for example, than New York's, the home terminal of the New York Central. and 5 minutes faster than Baltimore's, the home terminal of the Baltimore & Ohio. Not surprisingly, this multiplicity of time standards confounded passengers,

shippers, and railway employees alike. Errors in keeping time and correlating local times resulted in innumerable inconveniences and costly disasters. Passengers missed trains in wholesale lots; the trains themselves frequently collided.¹

Something obviously had to be done. Given our contemporary prejudices, we would naturally think that government had to step in and did step in to bring order out of chaos by legislating the time zones with which we are familiar today. But not so at all.

What actually happened was poles apart. By 1872, a majority of railroad executives were convinced that some system of time zones should be established. A meeting of railroad superintendants was convoked in St. Louis. calling itself initially the Time-Table Convention and later the General Time Convention. Under the guidance of its secretary. William Allen, former resident engineer of the Camden & Amboy Railroad, plans were drawn up to eliminate the chaotic multiplicity of local times. The first plans projected the adoption of time zones bounded by meridians an even hour apart. None of these plans passed the muster of close examination. Finally, in 1881, Allen con-

¹ See, Stewart H. Holbrook, *The Story* of American Railroads (New York: Crown Publisher, 1947), pp. 354-55.

ceived the idea of five time zones based, not on theoretical considerations, but practical knowledge of geography, economics, the location of large cities, and the general habits of the populace. The plan provided for time zones roughly divided at the 75th, 90th, 105th, and 120th meridians west of Greenwich and thus falling approximately on the longitudes of Philadelphia. Memphis, Denver, and Fresno. The General Time Convention adopted Allen's plan on October 11, 1883, and selected the noon of November 18 as the moment it should go into effect. At that precise moment the railroads, all acting in perfect concert, changed their operations and schedules from local to the new time.²

Let us note: this regulation of time initiated by the railroads was a purely private undertaking. The new time zones had no force of law. No one except railroad employees was compelled to set his watch by the new standards. What, then, was the response of the general public? Except for a few preachers who thundered that the change of time "was a lie" and "un-Christian," a few newspaper editors who objected that the railroads were tyrannically dictating time to 55,000,000 Americans and should be stopped by law from

doing so, and some local politicians who cried that the act was "unconstitutional, being an attempt to change the immutable laws of God Almighty and hard on the workingman by changing day into $night''^3 - a$ typical political misinterpretation of plain fact - except, in short, for the predictable fulminations of some local politicians, clerics, and journalists, the general public found the change good and adopted it. Without being forced, people by and large set their watches by the new railroad time: towns and cities followed - indeed, had to follow suit.

Government's Role

Now, all this time, what was the attitude or response of government? As we have already noted, some local governments and their officials opposed the new dispensation, though the opposition proved ineffective. What about the Federal government? Surely – behind the scenes at least - it must have loaned a helping hand to the Time Table Convention and encouraged or indeed inspired the bringing of order out of chaos! But, again, not so. In fact, the very opposite. Let me quote from Holbrook's illuminating account:

The traveling public, and shipper too, quickly fell in with the new time-

² Ibid., pp. 355-56.

³ Ibid., p. 356; see also p. 357.

belt plan, and naturally found it good. But Uncle Sam wasn't ready to admit the change was beneficial. A few days before November 18th the Attorney General of the United States issued an order that no government department had a right to adopt railroad time until authorized by Congress. The railroads went right ahead with the plan, and the Attorney General, according to a good but perhaps apocryphal story, went to the Washington depot late in the afternoon of the 18th to take a train for Philadelphia. He was greatly astonished, it was reported, to find he was exactly 8 minutes and 20 seconds too late.⁴

It might be added that on March 19, 1918 – a full generation after the general adoption of railroad time by the country – Congress passed the Standard Time Act, which gave (to what purpose, it is hard to see) a government commission power to define by law the boundaries of each time zone. One is reminded here of a plagiarist who, having stolen and in the process mangled another man's work, then takes credit for its creation.

We have demonstrated as conclusively as such things can be demonstrated that government regulation is not necessary to the existence of order in men's lives and affairs. The belief that it is, therefore, is false. Does it follow that we have shown that the current multiplication of oppressive government regulation is unjustified? Not quite. We have shown that this current practice is not justified by the belief that without government regulation men's affairs would lapse into chaos.

It might be claimed, however, that the present multiplication of oppressive law can be justified on other assumptions. For example, it might be argued that though private effort as well as government regulation can produce order in men's affairs, government regulation can produce greater order, or greater safety, or greater security, or greater prosperity; and that, on these grounds, the multiplicity of government regulation currently taking place is justified, even though oppressive. Now, I am sure that each of these claims can be shown to be absolutely false. I merely want to point out that we have not shown this in the present paper. Our results have thus been more limited.

The many-headed monster of socialistic misconception which dominates the modern mind is not likely to be slain by one blow. However, cutting off one of its heads is a step toward its eventual destruction. We have, I believe, lopped off the most central and voracious one.

⁴ Ibid., p. 359.

EQUALITY?

EDWARD Y. BREESE

LIBERTÉ, Fraternité, Egalité, the Jacobins proclaimed, and set about oiling the brand new guillotine. These were stern and practical men when it came to the daily mechanics of revolution. Some of their professed ideas might take their heads into the clouds, but their actions instinctively conformed to the realities of a troubled time.

They knew, without troubling to theorize, that political equality in their time could only be had by the knife. The man who wants to level a forest can't possibly jack up all the immature or stunted trees. It's a lot more practical to try cutting the tops out of those which tower above the rest. This way, equality of a sort can ultimately be achieved. In the end, of course, it will have to be equality at the level of the smallest and weakest trees.

Equality among people in their relations with each other is also likely to be at their lowest common level.

It is only in the ancient, pre-Christian era that we find examples of people who sought equality by pruning out the weaker growth rather than the stronger. The Spartans eliminated at birth those who could obviously not grow up to be warriors or the breeders of warriors. So, according to report, did the Amazons.

There are occasional reports of other primitive tribes living at such marginal levels that all who could not "pull their weight" had to be ruthlessly eliminated to ensure the survival of the group.

If equality is really desirable per se - and I'm not trying to say that it is - this cutting away of

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weak and defective units would seem the logical method for humanity to follow. It would improve the norm of achievement and the available breeding stock at a progressive rate as the generations passed. It *is* logical.

Fortunately, or unfortunately, as you wish, I doubt that it is practical in the twentieth century of the Christian ethic. We have been taught too long and too thoroughly that it should be "women and children first in the lifeboats."

A full generation of political and economic socialism and monolithic statism in our own day has capped the process of indoctrination.

This is why I am continually puzzled by the current semantics of "equality." In a day and age of careless and sloppy usage, it's hard to tell just what is meant by the word.

The professed intellectuals and "liberals" appear to mean an equality of humanity at four levels: economic, political, educational, and social. But they have not explained why equality at *all four* levels would be desirable for humanity as a whole.

They are less frank – and considerably less clearheaded – than were the Jacobins or the followers of Toussaint or Spartacus. None of them come right out and say the equalizing should be accomplished by beheading the tall trees. Some of them may not realize that this is the only way it could be done.

There also seems to be a high level of confusion as to just how this alleged latter-day paradise is to be brought about. They are agreed upon certain *a priori* assumptions as to the desirability and necessity of reaching their goals. Question these, and you're promptly labeled bigot and enemy of the race. But their own thinking as to pragmatic implementation of the Four Equalities is both primitive and fragmentary.

Educational Equalization

I have heard it seriously advanced that equality of education at the highest level can be reached by requiring the top universities to lower their admission and scholastic requirements, even to the point of abolishing competition and grades. If this is only done, its advocates hold that even the educationally and mentally "disadvantaged" can receive a top level education (?) at Princeton or M.I.T.

The question mark (?) above is mine. There is no question in the minds of the proponents of this absurd doctrine. Specifically, I question what education, if any, could possibly be obtained at an institution which had obligingly adjusted itself downward to the lowest common level.

I won't try here to pursue this thought further or to question equality at the social and political levels. But, I want to examine some of the possible results of fuzzy thinking about "economic equality."

First of all, any such thing is manifestly impossible. Even its greatest advocates are presently admitting this in practice, if not in theory. Any economic system no matter what it may be called has to embody three classes of people.

There must be primary producers (i.e., workers) who use synthetic or extractive processes for the alteration of raw material into finished goods or who provide services. Some of these will be better rewarded than others, if for no other reason than the differing utility of the products.

There will be drones — some, through no personal fault, as with the very old and very young. Others will seek support out of laziness or antisocial tendency. In any case there *will* be drones in even the most efficient organization.

Finally, there will have to be a class of entrepreneurs or managers. This is one human function which cannot be built into a cybernetic machine or delegated to even the most sophisticated of robots.

Grant this, and it becomes obvious that "economic equality" in any society must be stratified in at least these three levels. It may be possible, though I doubt it, to force all workers to labor for one wage. But they may never be expected to work for an income no better than that of the drones, for they, too, would become drones in that case. Nor will the managers exercise their specialized abilities without tangible and measurable reward.

In Contrast to Russia

Let any doubter study the present managerial class within the Soviet Union. Let him especially ponder the results of surveys which show the "commissar" class nearly psychologically, temperamentally, and motivationally identical with their Western counterparts in the "executive" ranks.

Yet, this impossible leveling process is inherent in any such proposal as a "guaranteed annual income" for all Americans. Put such a system into operation, and more and more individuals will stoop to take advantage of it.

As the drones increase, so will the burden upon the backs of the remaining workers and managers. More and more of their produce will be diverted to the nonproducers. This process has its own built-in breakdown factor. The end has to be disaster for all.

Opportunities Earned

What about "equality of economic opportunity"? Of all things, this sounds the most possible, the most beneficial to all, and the most nearly in line with the ideals of a free society. Up to a point, it certainly is.

"Equality of opportunity," however, cannot be *given*, any more than can freedom, education, courage, or status. It has to be earned or made for oneself by the individual concerned. Neither liberty nor intelligence can be legislated. Nor can equality of any sort except at a dead bottom level.

Attempts to work out an elaborate legal or social system to ensure any sort of equality are inevitably self-defeating. Humanity could save itself endless struggle, suffering, and frustration if this truth were recognized.

Once the issue is seen clearly, there is something we can do about equality of opportunity. We can strive to establish a system which will enable each individual to advance to the limit of his own capacity and ability. We can thus aid each one to be and become and achieve to the *upper limit* of his potential. This is what Plato defined as "justice." And this is the only way in which those at every level can be raised.

There's really no mystery about how such a favorable climate can be attained. It's been done – right here – only a little while ago as history runs. Our Founding Fathers opened American life to the freest economic system yet attempted by any people.

As long as we held to the free, competitive economy our people, as individuals and as a whole, made giant strides. Our society was both vertically and horizontally mobile and fluid. The net result was growth, progression, achievement.

Only when we attempted to accelerate or improve the process by coercive legislation did our troubles begin. A free economy can no more operate within a tight framework of regulatory law than can a man bound in a strait-jacket. The natural, beneficial processes of open competition are fatally inhibited by controls.

Individuals must be free to help themselves if mankind is to be elevated.



IF YOU SCRATCH a historian, you find a politician. At least that's the way it's been ever since the New Deal and the New Economics conquered the academy. Arthur Schlesinger, writing about the Age of Jackson, couldn't resist imposing the face of Franklin D. Roosevelt on Old Hickory. Hard Money and Free Enterprising Democrats of the eighteen thirties were turned into partisans of the New Frontier and the Great Society. William Graham Sumner. who attacked the plutocracy of his day and actively opposed the Spanish-American War, was transmogrified by our Richard Hofstadters and our R. G. Mc-Closkevs into a Social Darwinist and an imperialist. The Populist tracts celebrated in Vernon Parrington's Main Currents in American Thought figured in a whole literature of the nineteen twenties and thirties as the Wave of the Future. So it has gone for two or three historiographical generations.

The rage to turn the past into the present has made for lively controversy, and helped many a man to a Ph.D. No doubt it is a sure cure for unemployment in Academe, for, if the past has always to be made over into a blueprint for what is going to happen next week, it means that the history books must be changed every decade. But what happens to the Exterior View in all this chopping and changing? How can we treat our ancestors with simple understanding of their own reactions to their own contemporary problems? How can we read reality into their economics, their morality, their religious feelings?

In his The World of Andrew Carnegie: 1865-1901, Louis M.

Hacker has addressed himself to the tremendous task of explaining the most symbolic of our nineteenth century competitive enterprisers in terms of the intellectual and moral forces that beat in upon him. This isn't designed to be a history of the Carnegie Steel Company, though you will find such a history in it. What Louis Hacker has done is to reconstruct the ethos of an era. giving us long and detailed sections on what was being said and done by judges and law courts and labor organizers and farmers and railroad men and bankers and schoolteachers and clergymen to enforce the so-called Puritan ethic of nineteenth century America. The socialists and anarchists are here, too, but mostly as a premonitory growl off stage. Hacker does not overestimate their importance as of the eighteen eighties merely because America became something else after Andrew Carnegie had passed from the scene.

Behind the Clichés

The ground-breaking importance of Louis Hacker's book derives from the author's willingness to get behind the clichés of a full half-century of historical writing. We have been told often enough that the development of the United States in the post-Civil War period was achieved at the expense of the



ANDREW CARNEGIE

farmers. This is the Populist version of history. The farmer, so the legend runs, sold his product in a world market at low prices and bought his machinery in a protected market at high prices. To continue the legend, the railroads rooked him with high freight charges. Moreover, since the railroads had cornered much of the best land, getting alternate sections as free gifts along their rights of way, the farmer supposedly couldn't add to his acreage without mortgaging himself to the hilt. With the cards stacked against him, the farmer had to go into politics. He created his Farmers' Alliances, his Granges, his Populist Party organizations – and eventually captured the government in Washington when the old Populist platforms were taken over by the New Deal.

The only trouble with this history, as Louis Hacker shows, is that it doesn't fit the facts. True enough, we had high tariffs in the late nineteenth century. But the U.S. market was so big and so wide, and there were so many competitive units, that the tariff did not have much effect on the price level once American companies had grown beyond the "infant industry" stage. By 1880, says Hacker, the U.S. was making more Bessemer rails than Great Britain: by 1890, more pig iron; and by 1895, our prices for both were lower than those of the British. While industrial prices in this country were dropping in the 1870-1900 period, the value of America's farm plant - in land, buildings, animals, implements, and machinery - increased 104 per cent in constant dollars as compared with 24 per cent for 1900-20. The Gross Product per farm worker increased 60 per cent in the four decades following the Civil War.

Agrarian Mythology

As for land, it isn't true that the railroads made a killing at the

farmer's expense out of the domain they got for next to nothing. The railroads did everything they could to promote settlement of the West, establishing land departments and selling their land grant windfalls on easy terms. Meanwhile, freight rates went down along with the interest rates charged by the banks. If the growth of check money is made part of the post-Civil War equation, there was an expanding currency throughout the whole period of squawking about the demonetization of silver and the desirability of retiring the Greenbacks.

Since Louis Hacker can quote vards of statistics to bear him out, how are we to account for the agrarian radicalism that colored the latter years of the nineteenth century? Mr. Hacker points out that the old Middle Border states - Wisconsin, Illinois, Michigan, Indiana, Ohio – did not go for the Bryanite nostrums. Populism, which swept the Mountain States. the High Plains states, and the South, had special causes that were bound up with the drought cycle in the treeless plains and the crop lien system wherever cotton was grown. The western farmer went into politics because he was a disappointed speculator. He had sold his Indiana or Iowa land for a high price and had moved out into western Kansas or Dakota in

hopes of repeating his real estate killing. But the drought cycle caught up with him in the late eighties. The U.S. Army engineer and geologist, John W. Powell, had predicted the return of drought conditions to what had once been called the Great American Desert, and Powell was a true prophet. When the rains ceased to come after 1887, the speculator farmers streamed back East to complain to the politicians.

The disappointed land speculators found eager allies in the western silver mine lobby and among the tenant farmers of the South. The villains, of course, were the Gold Bugs, the Wall Streeters, the "international bankers." The cry went up that only a national circulating medium that amounted to \$50 per person would prevent depression. But, as Louis Hacker shows, there was no dearth of money in a country in which "the steady increase of bank deposits and of the substitution of checks for notes kept the total money supply at a high level." Bryan failed in 1896 because the country saw through the Populist delusions.

Remarkable Progress

The Hacker conclusion is that there wasn't very much the matter with America in the post-Civil War period. Competition had served the public well. The "robber barons" took their profits, but these were plowed back into industry – and "the American people and the American economy were the real gainers."

The facts being what they were, it is small wonder that the American Federation of Labor, which believed in pushing for higher wages that would have come with increased productivity anyway, should survive where the more Marxian labor movements expired.

Mr. Hacker fleshes out his story of Carnegie's world with a wealth of fascinating detail. There are beautiful biographies of jurists (example: Supreme Court Justice Stephen J. Field), of sociologists (William Graham Sumner), of Populist radicals (Ignatius Donnelly). There is a whole section devoted to the growth of the Carnegie steel companies up to the time of their merger with the Morgan-Gary-Moore companies to make up the United States Steel Corporation.

With the growth of Big Government, everything has been changed. Mr. Hacker doesn't think the modern world is necessarily an improvement on the world that created Andrew Carnegie. But whatever our opinions may be, Carnegie's world deserves a more patient understanding than it has received from our recent historians. Mr. Hacker has written a great book that will become more definitive as our perspectives clear.

▶ THE BALANCE OF PAY-MENTS: FREE VERSUS FIXED EXCHANGE RATES by Milton Friedman and Robert V. Roosa (Washington, D. C.: American Enterprise Institute for Public Policy Research, 1967), 200 pp., \$4.50.

Reviewed by Mary Jean Bennett

THE PLIGHT of the dollar, as mirrored in the great international money crisis and long persistent U.S. balance of payments deficits, has aroused all manner of debate and actions such as removal of the 25 per cent gold cover from our currency, curbs by the President restricting private overseas lending and investing, and possible restrictions on foreign travel.

Debate has ranged from protectionism to cutting loose from gold altogether - i.e., letting the exchange rate of the dollar seek its own level, "floating" among the currencies of the world.

The issue of fixed versus floating exchange rates was skillfully debated at length last year in a public forum sponsored by the American Enterprise Institute for Public Policy Research. On the rostrum were two articulate and highly knowledgeable debaters: fixed-rate defender Robert V. Roosa, former Under Secretary of the Treasury for Monetary Affairs under Presidents Kennedy and Johnson and now a partner of Brown Brothers Harriman and Company in New York; and floating-rate defender Milton Friedman of the University of Chicago. former president of the American Economic Association, adviser to Goldwater during the 1964 campaign, and now a columnist in Newsweek.

Both Roosa and Friedman bemoan the accumulated U.S. pavments deficit of more than \$37 billion since 1950. This tremendous sum has been financed by payments from our gold stock, down by more than half to less than \$12 billion, and by a vast build-up in short-term dollar liabilities, up to These more than \$30 billion. claims could easily withdraw all the remaining gold in official U.S. monetary reserves - given further breaches of foreign confidence in the dollar.

The accumulated deficit also has been "covered" by complex and oftentimes unpublicized central bank arrangements including currency swaps, "Roosa bond" flotations, and London gold pool ■ Our gold position and the precarious situation the dollar is in are effects, not causes. They are the consequences of unsound fiscal and monetary management that has been going on for not less than two decades — management that has been very deceptive and illusory to the American people, even to those in responsible private business and financial positions who should have known better than to subscribe to or to condone what was being practiced. Now ironically it is pressure from the outside that is exposing what we should have realized from the inside long ago.

What happens to the official value of the dollar is not what should be worrying us most. What De Gaulle and others do to our gold supply is superficial. Rather we should be vitally concerned (genuinely worried) with why the official value of the dollar is threatened.

> ARTHUR H. SMITH, Senior Vice-President and economist of the First National Bank in Dallas, from a guest editorial in *The Dallas Times Herald*, March 17, 1968.

contributions. In addition, there has been a rising tide of payments controls ranging from the Interest Equalization Tax legislated in 1963 to Congressional questioning in 1968 on whether Aunt Louise from Des Moines should be quite free to travel abroad this summer.

At this point, the two debaters part company. Roosa is a defender of the status quo, of the current fixed rate system, of what the Administration has done to plug the payments gap. He comes out foursquare for a new international "paper-gold" currency unit to help expand international liquidity and sustain growing world trade. (Since the debate, Roosa's successor, Treasury Under Secretary Frederick L. Deming, has also endorsed without reservation the new Special Drawing Rights (SDR's) authorized by the International Monetary Fund meeting in Rio last September.)

Professor Friedman, deft innovator and free market exponent that he is, wants a sharp break with the status quo. He blames the persistent U.S. balance of payments deficits on fixed exchange rates, on what he calls bureaucratic price fixing. He holds that currency exchange rates should become free market prices determined primarily by private dealings the world over. He argues that the payments problem would yield to floating exchange rates because there could not be a surplus or a shortage in the sense of eager buyers unable to find sellers or eager sellers unable to find buyers; fluctuating prices would stir the necessary eagerness. In addition.

Floating exchange rates would put an end to the grave problems requiring repeated meetings of secretaries of the Treasury and governors of central banks to try to draw up sweeping reforms. It would put an end to the occasional crisis of producing frantic scurrying of high governmental officials from capital to capital, midnight phone calls among the great central banks lining up emergency loans to support one another's currency.

To put it mildly, Friedman's position doesn't sit well with Dr. Roosa. Fixed-rate defender Roosa, while conceding the fixed-rate system is far from a perfect model, says that at least it provides an established scale of economic measurement, easily translatable from one nation to another, enabling merchants, investors, and bankers of one country to do business with others on known terms – knowing, for example, with reasonable accuracy just how many Japanese yen would be equivalent to one Swedish kroner or one Mexican peso.

In other words, contends Dr. Roosa, without fixed exchange rates international trade and investment would deteriorate. Merchant, investor, banker, and foreign exchange dealer would grope for the exchange rate that would enable them to make workable economic calculations. Uncertainty would foreclose many a deal. Hedging through forward exchange transactions would be all but impossible because no exchange dealer could handle wild currency swings.

"I am very much afraid," says he, "that the rate for any currency against all others would have to fluctuate so widely that the country's own trade would be throttled and its capital misdirected."

Friedman rebuts, pointing to the stable Canadian currency experience from 1950 to 1962 when the Canadian dollar "floated," and to the increasing financial chaos caused by the "voluntary" investing-lending guidelines of President Johnson (further aggravated since then by the new mandatory controls announced on New Year's Day). Clearly, Friedman gets the upper hand in the argument.

So the brilliant debate goes, pro and con, rebuttal and counter-rebuttal, including some incisive questioning of the intellectual adversaries themselves by competent forum participants. One question overhanging the debate like the sword of Damocles was not raised but maybe its answer was too obvious. That question is: Whither the dollar?

▶ THE LAST HERO: CHARLES A. LINDBERGH by Walter S. Ross (New York: Harper & Row, 1968), 402 pp., \$7.95.

Reviewed by Robert M. Thornton

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CHARLES LINDBERGH has been in the public eye since 1927 when he piloted a single engine plane nonstop across the Atlantic from New York to Paris. A tragic kidnapping case five years later brought unwanted publicity; and during the period just before Pearl Harbor Lindbergh was involved in the controversy over American foreign policy. These things most of us know, but there is much more to Lindbergh's life than has appeared in the headlines.

There is, for instance. Lindbergh's pioneering work in the early days of two modern-day wonders: organ transplants and space travel. Lindbergh worked with French scientist Alexis Carrel during the nineteen thirties in the development of a perfusion pump to keep organs alive outside the body. He was helpful also in securing financial backing for Robert Goddard's experiments in rocketry and offered much-needed encouragement to the neglected inventor. And all the while Lindbergh has been an enthusiastic promoter of aviation science. choosing to earn his pay as a commercial airline consultant rather than seeking a big salary for the use of his name. His goal has ever been real accomplishment, not mere fame and fortune.

Ross called Lindbergh "the last hero" because the flight across the Atlantic was so much a one-man feat. Lindbergh raised the money to finance the flight, helped to design and build his plane, *The Spirit of St. Louis*, plotted his own course, provisioned his plane - planned the entire trip with remarkable care for detail. No disparagement of today's astronauts is intended, but they can function only as members of a huge team backed by billions of dollars in taxpavers' money, corps of technicians, and batteries of computers. And Lindbergh was a hero because vears of adulation did not shake his integrity. Nor did strong opposition prevent him from relving on his own judgment, even at the risk of his life. We can better understand his spirit of independence after reading how he was raised. Lindbergh senior believed a youngster should learn responsibility at a tender age, and young Charles was encouraged to act on his own initiative.

Contrary to his public image, Lindbergh is not withdrawn or aloof. In the weeks after his solo flight to Paris, when he was almost held in reverence by everyone he met, a flying buddy from early days delighted him by a bit of roughhouse after Lindbergh had accidentally sent him tumbling. How much better this, said Lindbergh, than to be treated like royalty. And, too, Lindbergh was fond of pulling practical jokes on his friends and family. Here was a warm. sensitive human being forced by the poor taste of reporters, columnists, and newspaper readers to resort to all sorts of subterfuges so that his family might enjoy privacy and live a fairly normal life.

Lindbergh was one of the bestknown members of America First, an organization opposing American entrance into World War II. but he put aside his objections once this country had entered the conflict. Lindbergh's opposition to the war had made him persona non grata with the Roosevelt administration, and he was refused a commission in the Air Force. However, a plane manufacturer did take advantage of his talents. and Lindbergh, in order to do a good job advising his employer. actually flew fifty combat missions in the Pacific Theater as a civilian! He was then in his forties an old man among fighter pilots but he was a skillful pilot and his experience and knowledge proved invaluable.

A people cannot survive without heroes, and it cannot flourish unless its imagination is captured by heroes of the right sort. America has had its share of such men, and Lindbergh would be the first to say that more are yet to come.

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on the House LEONARD E. READ

LOCAL OPTION closed the saloon in my little village before I was old enough to steal a peek through the swinging doors. But I wasn't too young to be impressed with a feature common to saloons of that day: the free lunch. Rumor had it that the food was good, and all you could eat. Intriguing to a ravenous youngster!

Of course, the free lunch was purely a business getter. If the customer went home to eat, he might not return for another drink. The profit in drinks exceeded the cost of the food; and that was the economics of the situation.

I was reminded of the free lunch by a recent edict of the Civil Aeronautics Board: no more free drinks on commercial airlines! Another business getter outlawed by government, and a popular ruling at that; a high proportion of airline passengers — and perhaps every last one of the nonpassengers — will exclaim, "Good riddance!" Nor will I argue for free drinks; anyone who can afford to ride first class is able to pay for his own spirits. The real issue, however, is not this minor item but rather the trend it portends. What concern is this of government? Carry such interventionism a few steps further, and I won't be allowed to buy you a cup of coffee!

The no-drink edict is symptomatic of a trend that frets me, and for good reason. I have been riding airplanes for 50 years — more than two million miles — and have grown up alongside the remarkable development of this industry. Today, it is in a state of perfection beyond my fondest dreams. But, I recall paying a similar tribute to railway passenger service and the "crack trains" of a short while ago. Observing what has happened to the railways by reason of governmental and trade union interventionism and the consequent denial of competitive pricing, I wonder if the same forces are not at work in air transportation!¹

Do you see what I see? Why, for instance, do our privatelyowned airlines find themselves competing for business by resorting to such fringe attractions as a free martini? Why has their appeal for passengers been reduced to such advertising sophistry? We hear of "Fan" jets and "Whisper" jets as if these were better than competitors' engines. One airline features "Yellowbirds" and another spends a fortune on a dozen color variations. We are offered meals aloft by "Club 21" and by "Voisin." Motion pictures! And stereophonic recordings ranging from "rock" to Beethoven! Airlines compete in how nattily the stewardesses dress and how "mini" their skirts! One airline flies "the friendly skies," implying that the heavens may be less gracious to the others. A stranger to flying might easily gain the impression that the airlines are competing with each other as night clubs in the sky. What accounts for this shadow competition?

Protection with a Vengeance

The answer is simple: government does not permit *realistic* competition; the CAB, not the airlines, governs the pricing of airline services. Unhampered pricing is taboo; without it, competition is essentially meaningless, leaving only trivia as marks of distinction. When freedom to price their own services does not exist, how else can they compete for business except by appeals to inconsequential embellishments? To rephrase one of their punch lines, "Is this any way to run an airline? You bet it isn't!"

Americans, by and large, have frowned on cartels, these being arrangements where members of an industry get together and fix prices. The intent of the popular but ill-advised Antitrust Laws was anticartel.² Only recently, some executives of leading electrical manufacturers were sent to prison

¹ It is careless talk to assert that the airlines ran the railways out of the passenger business. I can beat any prize fighter if his hands are tied behind his back. Had the railways been free to compete, no telling what miracles they might have wrought. They were given no chance!

² As to how ill-advised, see "Do Antitrust Laws Preserve Competition?" by Sylvester Petro. THE FREEMAN, October 1957.

for price-fixing. In other words, they were condemned for *not* pricing competitively. Yet, the airline industry, like railroads, is a cartel, pure and simple: free entry is taboo; prices are fixed. Had the airline or railroad owners effected this rigged arrangement themselves, they would be prosecuted as criminals by the Antitrust Division of the Justice Department. But they are absolved of any guilt because, in these two instances, the cartels are of governmental construction.

Parenthetically, I make no claim that the airline owners are opposed to their cartel or that they are anxious for competitive pricing. For all I know, they may like the arrangement; it has a dual attraction: no price competition and no public or governmental disapproval. While most Americans will concede that competition is sound in principle – when applied to others – not many will actually seek it for themselves. Unless one enjoys a contest for fitness' sake, competition is avoided.

The Unseen Consequences

My concern, however, is not so much for the airline owner who finds his industry controlled by the CAB. I am concerned as a passenger, and my concern extends to those who may never fly at all.

What about those persons who

choose not to fly? The subsidies granted to all airlines since, say, 1925, add up to some staggering, unestimable figure.³ Who pays this bill? The taxpayers, as much by those who never fly as by those of us who regularly take to the air. Why should the nonflying widow Doakes, for instance, subsidize my trips? This is rank injustice, but unavoidable under a government-backed cartel.

As for those of us who prefer to fly, why should we not be offered the full competitive range of services and prices free-market airlines would provide as a means of attracting our business? Introduce free entry along with competitive pricing, and watch their ingenuity out-do even today's remarkable performance. And assure continuous improvement by removing the coercive forces that have crippled the railroads! Such outstanding performance by free market practices has been demonstrated time after time in all areas where they are not prohibited!

Why not? The reason is plain: once an activity has been under government control, no one can imagine how the problems could

³ Subsidies take many forms: government operated airways, weather stations, control towers, mail contracts, to mention a few. Then, there are the airports, the cost of which runs into the billions.

be met were it decontrolled. This is the reason why the President's Commission for postal service improvement does not recommend that mail delivery be turned over to the market, that is, to free entry and competitive pricing. And it explains why there is little likelihood that the airlines will be decartelized.

Unimaginable!

It is true beyond question that no one, however ingenious, can envision how free-market airlines would operate. No one has ever had such foresight — or ever will! But hindsight shows that when an activity is left to the market the miracles happen; examples abound by the tens of thousands. Just look at the record!

For instance, no one, at the turn of the century, foresaw how free entry and competitive pricing would work in the auto industry. What does hindsight reveal? A remarkable selection-of-the-fittest took place; some 1,600 companies tried their hand and fell by the wayside. Those who failed in the competition didn't like it; but I am looking at our problem from the standpoint of a consumer. How have we consumers fared? Every one of the past three-score years has witnessed a service to us superior to that of the previous year. Today, there are just a few survivors; but from these few we can purchase an enormous variety of autos, any one of which would have confounded the imagination sixty years ago. And, so far as autos are concerned, we feel confident of improvement next year, and the year after. But how confident would we be were that competitive industrial complex merged into a government cartel?

U. S. based airlines are privately owned; most of the world's major airlines are government owned. Observe how much lower are the operating costs of the private lines.⁴ Private ownership, even in the absence of competitive pricing, generates a considerable ingenuity and accounts for the excellence of our airlines.

Except as Men Have Faith

However, we must bear in mind that there is no meaningful ownership except as there is owner control, and that as control by the CAB increases, private ownership of the airlines correspondingly disappears. The CAB's control is increasing!

This is why the edict, "No more free drinks," is ominous; it is symbolic of what's happening: competition, even in trivia, is destined to become less and less. Man-

⁴ For a comparison, see "Flying Socialism" by Sam H. Husbands, Jr. THE FREEMAN, February, 1965.

agement of the airlines is slated to pass from the title holders to a government agency, as has the management of the railroads.

Once we grant that the industry is not suited to free entry and competitive pricing, that it is a natural monopoly of the government cartel type, we can expect nothing different for the airlines than has already happened to the railroads. Granting this error, our airlines will, sooner or later, be staffed alike, the workers dressed and paid alike, the meals and movies and drinks served alike, and the planes decorated alike. We need only remember that competition, even in trivia, is not in the lexicon of collectivism; and we might expect that our airlines, like the government owned Air France or Air India, will eventually bear some such name as Air America. Conformity and uniformity, not distinctiveness, is the collective way.

This is assuredly the destiny of our airlines unless, of course, we turn to the one and only alternative: free entry and competitive pricing—even a drink on the house or a free lunch if the competitor so chooses. And this can happen only as more of us than now know for certain that the results will be more remarkable than we can ever imagine.

IDEAS ON LIBERTY Spokesmen of Progress

THE RICH, the owners of the already operating plants, have no particular class interest in the maintenance of free competition. They are opposed to confiscation and expropriation of their fortunes, but their vested interests are rather in favor of measures preventing newcomers from challenging their position. Those fighting for free enterprise and free competition do not defend the interests of those rich today. They want a free hand left to unknown men who will be the entrepreneurs of tomorrow and whose ingenuity will make the life of coming generations more agreeable. They want the way left open to further economic improvements. They are the spokesmen of progress.

LUDWIG VON MISES, Human Action

UNTRUTH OF THE OBVIOUS

YALE BROZEN

THIS is the age of science as well as of riots—an age when we search for and discover the laws that explain and enable us to understand many phenomena. Professor C. Northcote Parkinson, for example, through many years of painstaking research, discovered the law that "expenses rise to meet income."

Parkinson has become famous for his law. Since I, too, would like to become famous, I am going to propound Brozen's law: Most obviously true economic policy propositions are false!

Let me illustrate with some obviously true policy propositions which are false.

The Fair Labor Standards Act was amended to raise minimum wage rates from \$1.25 an hour to \$1.40 on February 1, 1967, and to \$1.60 one year later. It was obvious that a wage rate of \$1.25 an hour would provide only \$2,600 per year for a full-time worker. It was even more obvious that this was (and is) less than \$3,000 a vear, the official line which an annual income must cross if the recipient is not to be poverty stricken. Therefore, it was obvious that the minimum wage rate had to be raised to reduce the number of people in poverty because of low wages. It seemed equally obvious, then, that there ought to be a law raising the minimum wage above the poverty line.

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Now that the minimum wage has reached \$1.60, the income of a full-time worker employed at the minimum is \$3,328. This, obviously, is enough to cross the poverty line (with due allowance for inflation) and eliminate all poverty resulting from low wage rates (in covered occupations).

The question that arises, however, is whether the number of people in poverty has been decreased by eliminating all poverty resulting from wage rates below \$1.60 an hour. *Obviously*, if no wage is paid of less than \$1.60 no one at work (in covered occupations) will be in poverty because of a low wage.

The Unknown Effects of Minimum Wage Rates

Despite all this obviousness, the increase in the *statutory* minimum wage rate has increased – not decreased – the amount of poverty in America. Although the various upward moves in the statutory minimum have increased the incomes of some people,¹ they have decreased the incomes of a great many others by causing them to lose their jobs. When the minimum was increased in 1956, for example, unemployment among teen-agers and women over 45 rose despite the fact that total unemployment was falling. Usually, when total unemployment falls, unemployment in these two groups falls twice as rapidly. However, this usual relationship was reversed by the rise in minimum wage from 75¢ to \$1.00 an hour in 1956.

The fact that increases in the statutory minimum wage cause some people to lose their jobs is hardly debatable. The evidence is more than ample.² Even the industries given special treatment who are allowed to pay less than the full minimum have laid off people

² James E. Blair, "Regarding the Minimum Wage," THE FREEMAN, July, 1965.

Y. Brozen, Automation and Jobs (Graduate School of Business, University of Chicago, Selected Papers, No. 18).

Marshall R. Colberg, "Minimum Wage Effects on Florida's Economic Development," Journal of Law and Economics, October, 1960.

D. E. Kaun, "Minimum Wages, Factor Substitution and the Marginal Producer," *Quarterly Journal of Economics*, August, 1965.

G. Macesich and C. T. Stewart, Jr., "Recent Department of Labor Studies of Minimum Wage Effects," Southern Economic Journal, April, 1960.

J. M. Peterson, "Research Needs in Minimum Wage Theory," Southern Economic Journal, July, 1962.

L. G. Reynolds, "Wages and Employment in the Labor-Surplus Economy," *American Economic Review*, March, 1965.

¹ Temporarily. The evidence indicates that the wage rates of those whose wage is increased by the Fair Labor Standards Act would have reached the levels dictated by law within a few years without the law.

because of a rise in their wage costs.

The Philadelphia Inquirer (January 22, 1968) reported that the Goodwill Industries sheltered workshops, which are allowed to pay as little as 50 per cent of the statutory minimum, were laving off handicapped workers at the end of January because the agency could not afford the even larger subsidy required than they were already paying to keep these people at work with the rise in the statutory minimum to \$1.60 on February 1 and, as a consequence, a rise in the minimum for handicapped workers in sheltered workshops to 80¢.

A New York Times story on February 13, 1967 from Greenville, Mississippi, said that spot checks by civil rights workers indicated that 100,000 people were deprived of all farm income because agricultural workers were covered by the Fair Labor Standards Act for the first time and they had to be paid \$1.00 an hour. As a result, 100,000 farm jobs were wiped out.

A Wall Street Journal story on September 7, 1965, reported the lay-off of 1,800 women in North Carolina crab meat packing plants when the minimum went from \$1.15 to \$1.25. A U.S. News and World Report story, in the August 17, 1964 issue, described the effects of the \$1.25 minimum on the operation of a shop producing mountain-made novelties at Paintsville, Kentucky. The shop was closed, ending the jobs of 200 part-time employees when a new wage-hour office in Pikeville pressed for strict compliance with the minimum wage law. A Wall Street Journal sampling of retailers, reported August 31, 1961. found that package wrappers were being dismissed, work weeks were being shortened, and substandard employees were being laid off because retail stores were to be covered by the minimum wage law beginning September 3, 1961, as a result of new amendments to the Fair Labor Standards Act.

The Southern Pine Industry Committee presented evidence in Senate hearings that imposition of the \$1.00 an hour minimum in 1956 was a major influence in the closing of numerous sawmills in the South. Professor John Peterson, in his dissertation done in the economics department at the University of Chicago, demonstrated that employment adjusted for output and trend fell in sawmills, men's cotton garments, and other industries when the minimum was raised to \$0.75 in 1950.³

A study of the seamless hosiery

³ "Employment Effects of Minimum Wages, 1938-1950," Journal of Political Economy, October, 1957.

industry found a 13 per cent drop in employment in mills whose *average* wage was less than the minimum when the \$0.25 an hour minimum was imposed in 1938 and subsequently raised to \$0.325 in 1939. This did not include the decrease in employment in mills which went out of business.

Impact on Negro Teen-agers

The incidence of unemployment caused by increases in the statutory minimum wage is falling most heavily on one group. It is a group toward which a great deal of governmental effort is being directed for the purpose of improving their lot - Negro teenagers.⁴ Before the Fair Labor Standards Act raised the minimum wage to \$1.00 in 1956, nonwhite and white male teen-age unemployment both were approximately the same, oscillating between 8 and 14 per cent of those seeking jobs, depending on the state of business. In 1956, when the \$1.00 minimum went into effect, nonwhite male teen-age unemployment surged to levels 50 per cent greater than white male teen-age unemployment. (See Table.) White male teen-age unemployment has stuck at high

levels since 1956, approximating or exceeding 14 per cent of those seeking employment in most years. That is a figure in excess of the maximum unemployment among white male teen-agers in any year before 1956. Negro male teen-age unemployment, however, has gone to even higher levels than white teen-age unemployment since 1956, exceeding 21 per cent of those seeking employment in every year in the last decade. Since the full application of the \$1.25 minimum

RATIO OF	Nonw	HITE T	O WHITE
TEEN-AGE	MALE	UNEME	PLOYMENT
	(Ages	16-19)	

Year	Nonwhite	\underline{White}	Ratio
1948	10.0%	9.8%	1.0
1949	16.5	13.8	1.2
1950	14.9	13.0	1.1
1951	9.1	8.0	1.1
1952	9.0	8.9	1.0
1953	8.2	8.0	1.0
1954	14.2	13.5	1.1
1955	13.7	11.2	1.2
1956	15.3	10.4	1.5
1957	18.4	11.5	1.6
1958	26.9	15.7	1.7
1959	25.2	14.0	1.8
1960	24.1	14.0	1.7
1961	26.8	15.7	1.7
1962	21.8	13.7	1.6
1963	27.2	15.9	1.7
1964	24.3	14.7	1.7
1965	23.2	12.9	1.8
1966	21.4	10.5	2.0
1967	24.0	10.8	2.2
1968 (Feb.)	26.6	11.6	2.3

SOURCE: Manpower Report of the President, 1967, pp. 203-04, 216. Employment and Earnings and Monthly Re-

Employment and Earnings and Monthly Report on the Labor Force, March, 1968.

⁴ Y. Brozen and M. Friedman, *The Minimum Wage: Who Pays?* (Washington, D. C.: Free Society Association, 1966).

in 1965, nonwhite male teen-age unemployment has soared to levels 100 per cent greater than white unemployment. Since the rise to \$1.40 in February, 1967, nonwhite male teen-age unemployment has in some months been 150 per cent greater than white unemployment. This has occurred despite a more rapid decline in the nonwhite participation rate than in the white rate — a decline which carried the nonwhite rate to a level which has been below the white rate since 1961.⁵

How to Raise Wages

The greatest help we can give the Negro today is to repeal the statutory minimum wage. Instead, we are raising it. By doing this, we are foreclosing opportunity for Negro teen-agers. Many are now unable to obtain the jobs where they could learn the skills which would enable them to earn far more than the statutory minimum.

We do want low wages raised. But passing a law is not the way to do it, although it seems so very obvious that passing a law will raise the minimum wage rate. Unfortunately, what it does is to lower the wage to zero for a great many people. When the minimum wage went up on February 1. 1967, nonwhite teen-age unemployment jumped from 20.9 per cent in January to 26.2 per cent in February. The increase on February 1 this year jumped nonwhite teen-age unemployment from 19.1 in January to 26.2 per cent in February (all figures seasonally adjusted).

The lowest wage rates can be successfully raised by improving our technology, by increasing the amount of capital - the amount of tools, machines, and other equipment - and by allowing people entering the labor force to obtain jobs where they can learn the skills which will bring a much higher wage - an opportunity barred to many by the statutory minimum wage. The minimum wage cannot be raised by law without enormous deleterious effects ranging from unemployment for many to riots in the cities where the unemployment is concentrated

Side Effects of the Law

Before passing on to other illustrations of obviously true propositions concerning economic

⁵ Bureau of Labor Statistics, The Negroes in the United States: Their Economic and Social Situation (Washington: Government Printing Office, 1966), BLS Bulletin No. 1511, p. 27. The current participation rate of nonwhite male teenagers has fallen to 46 per cent as compared to a 54 per cent participation rate among white male teen-agers. Employment and Earnings and Monthly Report on the Labor Force, March, 1968, p. 42.

policy which are false, let me mention a few other side effects of the minimum wage statute. Among other things, it has resulted in the maintenance of segregated work forces in plants where segregation would otherwise have disappeared. Since an arbitrary increase in wage rates decreases the amount of employment, employers have found that they could fill the reduced number of jobs in any given plant with the available white workers. Without this forced economization of labor, they find it necessary to hire blacks as well as whites to fill the larger number of jobs.

Another effect has been to force rural and Southern residents to emigrate to Northern and Western cities since the minimum wage has had its greatest impact on disadvantaged areas not close to major Northern and Western metropolitan markets. The result of this is greater population density in Northern city slums, a greater problem of assimilation, and a breakdown of order in the overpacked slum areas.

A third effect is that wage rates in our lowest wage occupations such as domestic service have been depressed by the minimum wage laws.⁶ The people who have lost their jobs in covered occupations have been forced to look for places in noncovered work. People who would have left this work for better jobs in the covered occupations have found no jobs available because of the decline resulting from the rise in the minimum wage. As a consequence, the supply of people for the noncovered jobs has been increased by the minimum wage and has depressed wage rates for these jobs.

Other Policies Producing Unintended Effects

There are a large number of other instances in which the government has intervened with legislation which seemed the obvious method for accomplishing some desired goal. However, the results, as in the case of the minimum wage, have been *opposite* those intended by the well-intentioned supporters of the legislation. Let me summarize these with somewhat less detailed analysis than I have given you in the case of the minimum wage.

A Federal effort is being made to improve deplorable housing conditions for migrant workers in the United States. Instead of improving their lot, it is making farm hands worse off than before.

A law that took effect July 1, 1967, is designed to enforce Federal migrant labor housing stand-

⁶ Y. Brozen, "Minimum Wages and Household Workers," Journal of Law and Economics, October, 1962.

ards. The result is that farm operators are speeding up their mechanization of crop harvesting rather than spend the money on improved housing. Such concerns as Heinz and Stokely-Van Camp are closing their workers' camps. As a consequence, migrant workers' jobs are disappearing and they are being forced out of rural slums into worse urban slums.⁷

The tariff, our tax on imports from other countries, is supposed to protect the levels of living of American workers from the competition of low-paid foreign workers. Instead, it has monopolized low-paying jobs for Americans. It has prevented Americans from obtaining the better-paid jobs in our export industries which would have been available except for the trade barriers we have imposed.8 Jobs in protected industries in the United States pay an average of \$2.00 to \$2.50 an hour, while jobs in our unprotected export industries pay \$3.00 to \$5.00 an hour.

The Federally sponsored and subsidized urban renewal program was supposed to benefit povertystricken slum dwellers. Instead, it has reduced the supply of housing available to the poor. It has forced them to pay higher rentals than they paid before their homes were destroyed.⁹ Also, the urban renewal program has wiped out the livelihoods of hundreds of small business people whose places of business were destroyed.

TVA and REA Programs

The Tennessee Valley program was supposed to benefit a group of people living in a low-income section of the country. What it has done is to slow the migration of people out of low-productivity, low-paving jobs into high-productivity, high-paying jobs. It has subsidized people to stay put where their opportunities are poor. The net result is that per capita income in the Tennessee Valley area has risen less than it would have if there had been no Federal program for the Tennessee Vallev.

The Rural Electrification Administration was supposed to help poverty-stricken rural residents. The subsidies provided for farm-

⁷ N. Fischer, "Bad to Worse: Crackdown on Migrant Worker Camps May Pack the Slums," *Wall Street Journal*, August 22, 1967.

⁸ Y. Brozen, "The New Competition – International Markets: How Should We Adapt?" The Journal of Business, October, 1960.

⁹ Chicago Housing Authority, Rehousing Residents Displaced from Public Housing Clearance Sites in Chicago, 1957-58.

Joel Segall, "The Propagation of Bulldozers," Journal of Business, October, 1965.

Martin Anderson, The Federal Bulldozer (Cambridge, M.I.T. Press, 1964).

ers in the program have had the opposite result. These subsidies have depressed rural wage rates and left low-income rural dwellers worse off than they would have been without these subsidies. Subsidized electricity and subsidized power equipment under the REA program are used to reduce farm labor requirements. The result is lower wage rates for farm workers than otherwise would have prevailed, a consequence of the reduced demand for their services.

Transportation regulation such as that carried on by the Interstate Commerce Commission, in the case of railroads, trucks, barge lines, and oil pipe lines, by the Civil Aeronautics Board in the case of airlines, by the Federal Maritime Commission in the case of ocean carriers, and by the Federal Power Commission in the case of gas pipe lines, was supposed to protect the consumer of transportation services from the exaction of high prices by monopolies and protect small businessmen from discriminatory rates. Instead, prices are higher and transportation rates are more discriminatory than they would be in the absence of governmental regulation.¹⁰ Most of these agencies set

¹⁰ Stewart Joy, "Unregulated Road Haulage: The Australian Experience," Oxford Economic Papers, July, 1964. price *floors*, not ceilings, which is hardly a method of encouraging lower transportation rates.

Usury laws are supposed to protect people from extortionate interest rates. However, the net result appears to be that it simply bars many people from obtaining legal loans because legal lenders will not lend where risks are so high that the legally allowed return is not compensatory. The illegal lending racket has sprung up as a result of usury laws. It is surely true that the borrowers from illegal lenders pay much higher interest rates than they would if there were no usury laws.

When we became concerned about safety on the highway and found that most people did not willingly buy seat belts, padded dash boards, and collapsible steering gear which would not stab the

S. Peltzman, "CAB: Freedom from Competition," New Individualist Review, Spring, 1963.

"The Great U. S. Freight Cartel," Fortune, January, 1957.

John S. McGee, "Ocean Freight Rate Conference and the American Merchant Marine," The University of Chicago Law Review, Winter, 1960.

George W. Hilton, "Barriers to Com-

petitive Ratemaking," I.C.C. Practitioners Journal, June, 1962.

Paul W. MacAvoy, The Economic Effects of Regulation: The Trunk-Line Railroad Cartels and the Interstate Commerce Commission Before 1900 (Cambridge: The M.I.T. Press, 1965).

S. P. Huntington, "The Marasmus of the Interstate Commerce Commission," Yale Law Journal, 1952.

driver in a collision, it seemed obvious that injuries could be reduced by passing a law forcing manufacturers to install these items as standard equipment. What is not so obvious, and is a relevant piece of data which we did not bother to determine, is what this does to the average replacement rate and the average life of automobiles. Since this equipment makes a car more expensive, auto users find it economical to drive their cars longer than they otherwise would. The consequent higher average age of cars may result in more failures of parts, more limited use of the latest advances in making automobiles safe, and more dangerous highway travel with greater frequency of injury and death.

Devices to End Poverty

When we became concerned about poverty, we attempted to meet the situation by such devices as various poverty programs, provision of job training facilities, generous relief programs, more state grants to educational establishments operated by the state, lengthened periods of compulsory school attendance, and an assortment of similar devices. These are the obvious ways. What is unobvious is that the state causes much of the poverty that concerns us, partly by the taxes it imposes to support these programs, partly by its various interventions in the market.

Minimum wage laws create poverty by forcing people into unemployment. Agricultural price support programs make people poor by raising the price of food and by decreasing job opportunities through the production restrictions imposed to maintain high agricultural prices. Transportation regulation prevents industry from moving to disadvantaged regions where the poor live and providing jobs for them. It increases the cost to the poor of migrating to regions where better-paying jobs can be found and prevents them from curing their own poverty. Union-supporting legislation causes poverty by permitting and encouraging union power to grow to the point where it can be and is used to restrict the entrance of the poor into higher-paying jobs.¹¹ The regulation of the field price of natural gas by the FPC increases its price and the price paid by the poor for cooking and heating fuel,¹² thus deepening the poverty of the poor and forcing some over the borderline into poverty. We

¹¹ H. Gregg Lewis, "Relative Employment Effects of Unionism," *American Economic Review*, May, 1964.

¹² R. W. Gerwig, "Natural Gas Production: A Study of the Costs of Regulation," *The Journal of Law and Economics*, October, 1962.

could do more for the poor by the repeal of all this legislation than we can possibly do by the special enactments designed to help the poor.

Brozen's Law No. 2

This brings me to Brozen's second law: Whenever we have an impulse to pass a law to alleviate some problem, the more appropriate action is to repeal a law. Again, permit me to "prove" my law by example.

We are currently concerned about the riots in our cities. The reaction to this problem has been to consider additional legislation. Several proposed acts are before Congress at this moment ranging from making it a crime to cross state lines to foment riots to the institution of new government agencies to do such things as financing and subsidizing the purchase of private dwellings by the poor.

Let us consider one fact: the majority of those arrested during riots for arson, making Molotov cocktails, sniping, looting, and the like are Negro males between the ages of 16 and 20. I would suggest that part of the reason we find such people involved in these activities is that many of them are unemployed. More than 25 per cent of Negro male teen-agers who would like to have jobs and have been serious enough about this to engage in some job-seeking activity are unemployed. Theodore C. Jackson, the Negro manager of the Fifth Avenue branch of the Bowery Savings Bank in New York, has observed that "if a guy's busy enough involving himself in personal betterment, he doesn't have time for rioting." Since a major reason many Negro teen-agers are frustrated in their attempts to better themselves is the minimum wage law, we can do more to end the rioting problem by repealing this law than by enacting additional laws.

I should add that a major element in the Newark riot was the fact that some 22,000 Negroes were about to be deprived of their homes by the Urban Renewal Program. Repeal of this statute would contribute more to ending the riot problem than the enactment of additional statutes.

Still another reason that Negroes are frustrated in their attempts to better themselves is the fact that unions keep Negroes out of many jobs and severely restrict their entrance into apprenticeship programs. Repeal of the Wagner Act and the Norris-La Guardia Act would do more to open up opportunities for Negroes than the Manpower Development Act has managed to do to date or is likely to accomplish in the future. Employers spend \$20 billion a year training people for jobs and they make jobs available for the people they train. The Office of Economic Opportunity spends \$2 billion a year training people for jobs and many of the jobs for which they train people do not exist. The ship's steward training program is a prime example of this. Experienced ship's stewards are finding it difficult to obtain jobs in the dwindling American merchant marine, yet the OEO is training more people for these nonexisting positions. Opening up employer training programs to Negroes by reducing the power of unions to restrict entrance to these programs can accomplish more than additional appropriations for the OEO. The repeal of the Wagner Act would do more to accomplish this than all the state and Federal fair employment practices acts will ever accomplish.13

Disorganized Family Life

Still another factor in producing riot-prone Negroes is the disorganization present in Negro family life. A great many Negro youths come from broken homes and we know the psychological problems this creates and the tendencies toward juvenile delinguency. Many of these broken homes are a result of our Aid to Families with Dependent Children laws. If a mother with dependent children will get rid of her husband, we will pay her handsomely for doing so in twenty-eight states.14 This may be an important factor in accounting for the rise from 30 per cent of the families in some Negro ghettos having no male breadwinners to 44 per cent in the past two decades.¹⁵ Perhaps we should repeal this law, or at least some parts of it.

Let me add another instance where repealing laws would alleviate problems on which additional legislation is being proposed. Agricultural interests are proposing the restriction of imports of Danish cheese and Australian boneless beef. They are also proposing price-support programs for dairy products and additional purchase programs for other products. An enlargement of the Soil

¹³ Harold Demsetz, "Minorities in the Market Place," North Carolina Law Review, February, 1965.

¹⁴ For one example and the consequences, see D. Farney, "Cash Premium to Break up the Family," *Wall Street Journal*, November 30, 1967, p. 16.

¹⁵ "In the 1960's, women have headed about 23 per cent of all nonwhite families, compared to about 9 per cent of the white families." The number of nonwhite families with a female head rose by 47 per cent from 1950 to 1960 while nonwhite families with a husband or other male head rose by 20 per cent and 11 per cent respectively. Bureau of Labor Statistics, *op. cit.*, pp. 36, 182.

Bank Program and other programs for taking land out of cultivation in order to reduce the magnitude of farm-produced surpluses is also being proposed. Instead of enacting programs to take more land out of cultivation, why not repeal the reclamation program and avoid putting more land into cultivation if all this does is make it necessary to take more land out of cultivation?

Previous Applications of Brozen's Second Law

I should say that we have occasionally recognized that the way to solve a problem is to repeal a law rather than enact another. In the late 1940's, we found that little research was being done to develop applications for synthetic rubber and little was being done to reduce the cost of synthetic rubber. It was proposed that Congress should enact a law enlarging the government's synthetic rubber research. Another Congressman proposed, instead, that the law monopolizing the ownership of synthetic rubber facilities by the government be repealed.

The government ownership law was repealed and the Federal government sold its synthetic rubber plants in 1953. Private research on rubber promptly leaped to over \$100,000,000 a year. After that occurred, the price of synthetic began declining, and its use began to broaden enormously.¹⁶

The same sort of action occurred in the case of atomic energy. Complaints had grown to a vociferous level by 1954 that the billions being spent by the Atomic Energy Commission were not producing the hoped-for results in making nuclear energy an economic industry. We had been promised that the power of the atom would be making deserts bloom by 1950, and there were no deserts in bloom. In 1954, we repealed the law monopolizing atomic energy research for the government. Within a decade. three different companies each developed economic means for generating electricity with atomic fuels, although at the pace at which developments had been coming before 1954 it did not appear that this would occur for at least three decades.

Perhaps the most famous instance of a repeal of laws as a method of solving a problem is the repeal of the corn laws in Great Britain in the 1840's. Food prices were high and poverty widespread in Great Britain in the early nineteenth century. With the repeal of British corn laws (i.e., their

¹⁶ R. Solo, "Research and Development in the Synthetic Rubber Industry." *Quarterly Journal of Economics*, February, 1954.

tariffs), one of the most remarkable rises in affluence that has ever occurred in world history took place in the following decades.

Perhaps we ought to pick a few laws to start work on and form a league for their repeal. In England, Richard Cobden and John Bright formed an anti-corn law league and managed the repeal of the laws within a few years. We might start to work. if you wish to start at the local level, on the repeal of city ordinances limiting the number of taxicabs. I find it a problem to obtain a taxi in most cities to which I go except Washington, the only major city which does not limit the number of cabs by ordinance.

At the national level, the most important single law in need of repeal is the Fair Labor Standards Act. I gave its minimum wage provisions as much attention as I did because it is high on my list for priority action. A league to repeal the Fair Labor Standards Act could begin its work by educating people to the iniquitous effects of minimum wage rates. These help to maintain segregation in plants. They cause severe unemployment among Negro teenagers. They block the education of those most in need of education. They force the movement of people from where they would like to live to where they do not like to live. They cause overcrowding of cities and the development of slums. They are a major cause of civil commotion. They breed the rioters who have been burning our cities.

These results should be enough to impeach any law. If we want seriously to work on our problems of slums, segregation, unemployment, and riots, here is the place to begin. Don't pass another law. Repeal this law.

• For a further discussion of the ways in which the good intentions of political planners tend to backfire, FREEMAN readers may wish to review Dr. Brozen's article in the September 1967 issue: "Rule by Markets vs. Rule by Men."



IN 1891, the famous Anglo-Irish writer, Oscar Wilde, wrote an essay titled "The Soul of Man under Socialism." In it, he predicted that under socialism the arts would thrive as never before, and the artist would at long last find his true home. Nor can even the most rugged individualist find fault with Wilde's reasoning that great art is always the work of an individual, accurately summing up what art is in these words: "Art is the most intense mode of individualism that the world has known." But he then went on to propound a fallacy, insisting that socialism would release man's energies and talents as no other system ever would.

Anyone who has lived through the rise of world socialism must see himself as little Alice in a wonderland of fantasy whenever he reads any of the nineteenth century utopian socialists like Oscar Wilde. How so many brilliant men could have guessed so wrong will forever remain a perplexing historical mystery.

The case of Boris Pasternak is typical of what happens to an artist under socialism, and is quite different from Wilde's day dreams. Pasternak, in the judgment of one of the world's outstanding literary critics, Edmund Wilson, deserves to be classed with such giants of Russian literature as Tolstoy, Dostoevski, and Turgenev. Several years ago he won the Nobel Prize for Literature for Doctor Zhivago, a novel critical of Soviet society. The communist leadership ordered him not to accept the award, denounced him in its governmentcontrolled press, and with sys-

Mr. Lipton of San Francisco has been an Army historian, newspaperman, art and literary critic whose articles have appeared in numerous magazines.

tematic and calculated ruthlessness hounded this great man to his grave.

A few years later, two young Russian writers were sentenced to a Siberian concentration camp. Unable to secure publication for their work in the Soviet Union, they had submitted it to foreign publishers. Under socialism this was a crime – although it would have been acceptable practice in any capitalist country.

It is worth noting that these acts were committed by the "liberalized" Soviet state, and not by the old Stalinist tyranny. Not that Stalin's treatment of artists was more gentle. During his regime, for instance, the great Russianborn Jewish painter, Marc Chagall, was denied the right to exhibit his work in Russian museums. The reason is obvious to anyone familiar with Chagall's paintings. They were usually based on religious themes or Jewish folklore, but most certainly did not conform to socialist realism. the prevalent critical mode in the Soviet Union. Chagall was more fortunate than most, for he himself was not living in Russia during Stalin's time.

Recently, China has shown the world just how savage the treatment of artists and their work could be when a socialist state really put its entire will into it. China's leaders attacked artists as a class of undesirables in need of "cultural rehabilitation." Young hoodlums were permitted to humiliate, degrade, and even torture some of the finest artists in the nation. Then they were turned loose on the ancient treasures of China, the works of art it had taken many gifted men centuries to produce. Priceless tapestries were torn from their walls and trampled in the mud. wonderful paintings were ripped to shreds, and exquisitely-wrought sculptural pieces were smashed into rubble. Nor does it take many guesses to figure out what the cultured and civilized Oscar Wilde would have thought of this senseless savagery.

Situation Reversed

Compare the lot of the writer or artist under socialism with one who worked and lived in the United States when capitalism was at its height. Jack London was not only a brilliant novelist but a socialist who wrote fierv essays advocating revolutionary socialism. Yet, he was never forced to seek foreign publication for his work. The largest capitalist publishing firms in the nation gave his writings more than an adequate hearing. His career spanned the presidential administrations of three of the most

ardent believers in capitalism in American history – William Mc-Kinley, Theodore Roosevelt, and William Howard Taft – and at no time did any of them consider using the power of his office against a man whose every political, economic, and social argument must have been repugnant to him.

As a further comparison, we might consider Pasternak's treatment by the socialist authorities of his country against the treatment accorded to the four American Nobel Prize Winners for Literature: Sinclair Lewis, Pearl Buck, Ernest Hemingway, and John Steinbeck. They were all at one time or another vigorous and vocal critics of American society. But none of them was forced to renounce the award won by his own talents. The free press of the nation did not engage in a campaign of slander against any of them. Far from being degraded or humiliated, they were applauded and lionized.

How Socialism Stifles Art

To everyone living in a socialist country, socialism is two things. First, it is a political and legal system; secondly, an economic system. Obviously, no system can do anything for the artist. This is as true of capitalism as it is of socialism. The best thing any society can do is to let him alone to create his work, to think out his ideas, to develop his imaginative concepts. And this is exactly the one thing that socialism will not do, for it is congenitally incapable of letting anybody alone.

Beyond this, socialism restricts the artist in a third way. It forces him to accept critical standards which have little or nothing to do with art. In its extreme forms, as we have seen, it does this with all of the power of its governmental apparatus. In gradualistic types of socialism and welfarism, it is done with more subtle economic, social, and academic pressures but subtle as they are, they are very real to the artist.

The way critical standards are arrived at by the nonartistic socialist-thinker can perhaps best be seen by examining the ideas of the late Mike Gold, long-time literary arbiter of the American Communist Party. The determining factor in worthwhile art. Gold once announced, was its social significance. By this definition, a writer of second-rate, socially-significant novels like Harriet Beecher Stowe would be considered superior to a great allegorical stylist like Herman Melville. In fact. Gold said as much. It was, of course, his right to believe anything he liked about art or literature. As long as they remained just one man's opinion, his views injured no one. Unfortunately, in extreme socialist societies, men like Gold dictate artistic policy, and the arts are inevitably downgraded to the position of propaganda handmaidens for the government.

Swamped with Trash

The decline of the arts in the United States has paralleled the rise of welfarism, and this doubtless is one of the reasons why the beliefs of a brilliant novelist like John Dos Passos have swung from the radical left to the conservative right. He lived to see what any degree of socialism could do to the cultural level of the nation; Oscar Wilde did not.

There are, for instance, more books being published in the nation than at any other time in our history, and yet their general literary quality has never been so low. To understand how this could happen, it is necessary to realize that the publishing industry, more than almost any other industry, is a risk business. And the degree of risk a publisher is willing to take depends almost entirely on his costs.

The break-even point (the publisher's cost of producing a book plus the author's advance against royalties, promotion and advertising costs, and the like) used to be a sale of 4,000 copies of a hardcover book. However, the inflationary impact (caused by taxation necessary to finance a welfare state) and restrictive labor union practices has doubled the publisher's costs until the break-even point is seldom less than 8,000 copies. In practice, the publisher knows that a serious work of literature will ordinarily sell fewer than 5,000 copies, far below his break-even point.

So he does not publish the manuscript of a serious novel which he knows has considerable merit. Instead, he publishes what is known in the publishing trade as a promotable item. Recent examples would include The Green Berets (an adequate adventure story news-pegged to the Viet Nam War) and Valley of the Dolls (a badly-written, prurient look into the private lives of Broadway and Hollywood types). While there is no literary law which says that a promotable item cannot also be a serious work of literature, I know of no instance in the entire history of American literature where such has been the case. The Green Berets could hardly measure up to a war story like The Red Badge of Courage, nor would any knowledgeable critic class the Valley of the Dolls with The Scarlet Letter or Sister Carrie.

What has, of course, happened is that the freedom and oppor-

tunity of the writer has been restricted in favor of the beneficiaries of welfarism and organized labor. But he does not suffer alone. The cultural climate of the whole country is poorer. Nor is the inflationary impact limited to literature. Its unfortunate consequences extend to the other arts as well. Until the last couple of decades, it was the custom of art galleries to nurture painters and sculptors of talent until they could cultivate a demand for their work. Few galleries would be so foolhardy as to attempt doing so these days on any kind of a meaningful scale. Because of the high cost of doing business, galleries increasingly find that they must select their artists not on the merit of their work. but on whether they follow popular trends. Traditionally, American opera and symphony companies have been financed through voluntary subscriptions. Today, they are caught between rising costs on the one hand, and the fact that excessive taxation has dried up their revenue sources on the other

Academic Pressures under Socialized Education

Even more destruction is done to the arts in a socialized state by academic pressures than by economic ones. Economic circumstances may in time be changed

or altered. But bureaucracies once established become almost impossible to root out. And basic to any socialist or welfare system is the bureaucratization of education. Neither art nor writing can be taught. What can, of course, be taught are the technical skills used in the arts. A competent teacher would concentrate on these, and let the prospective artist or writer develop his own imaginative concepts, style, approach, the hundreds of intangibles which go into the making of fine art or literature. But when education is bureaucratized, as it is today, the teacher feels that he must justify his ever-higher salary and status by teaching not the skills, but art itself.

In the past, "schools" of art and literature evolved because some writers and artists had common literary or artistic goals. This, however, is no longer the case. Today, such "schools" are instigated by the colleges and universities which teach art and writing. This has led to what a critic for the *New York Times* has aptly termed "an age of prolix mediocrity."

Although Wilde proved to be a poor social prophet, he could be a perceptive critic. Addressing the art students at the Royal Academy, he warned them: "Those who advise you to make your art representative of the nineteenth century are advising you to produce an art which your children, when you have them, will think oldfashioned." The same thing, of course, could be said about the art being taught in welfare state educational institutions. It defies the first requisite of fine art. It won't last, and it dies a few years later when the bureaucratized educators decide to instigate a new trend.

A variety of social forces which are part and parcel of the welfare state are antithetical to the true

artist. His greatest need is absolute privacy, and every noblesounding concept so beloved by the modern liberal and radical is aimed at tearing away its last shred. Such ideas as "universal brotherhood" and "fraternity" can only destroy the artist who is above all else an individual. It is true of him - as it is of everyone else – that to survive he must have public consumption of his work. But he can never permit public participation in it; and that, in the last analysis, is just what any socialist system will demand.

IDEAS ON LIBERTY

Joint Monopoly

THIS has been the usual evolution of collective bargaining in England and Western Europe and in the United States. Everywhere the same results follow. The employer-union relations become substantially collusive arrangements. Concessions are more willingly granted because everybody makes them simultaneously and because labor concessions can forthwith be translated into price increases which also everybody simultaneously makes. The public interest, then, is subordinated to this new joint interest of capital and labor, or employers and union, and the influence of competition is further impaired.

In practice, under such arrangements, employers' associations join with unions in fixing costs and prices and lose much of the interest competing businesses have in keeping their costs and prices down.

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THE SOLUTION OF PART PROBLEM?

CALVIN D. LINTON

MY TITLE may strike you as odd, whimsical, even wrong-headed. Surely education is a "good thing." It is by its very nature beneficial, not harmful; promethean, not mephistophelean; our saviour, not our destroyer. The more of it the better.

But every one of these popular beliefs is doubtful. It all depends on what kind of education we are talking about, and what kind of people receive the education.

Let me say at once, therefore, that I am speaking of that kind of education which is secular, largely technological, and chiefly aimed at teaching people how to do

things. This is, I believe, the public image. Every member of a liberal arts college has at one time or another confronted bewildered or irate parents who demand to know what, after an expensive liberal arts education, their newly furnished offspring are trained to do – what kind of a job can they get? It is difficult to convince them that the purpose of a liberal education is to develop mental powers. to sensitize one's response to beauty and goodness, to expand and lengthen one's outlook, to teach civilized emotions, and the rest. (It is particularly difficult because, in all conscience, these jobs have often not been done by the liberal arts college. But that is another story.)

The menace of modern education is quite easy to define: Never have so many people, groups, and

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nations been able, because of education, to do so many things and we are all afraid that they will now start doing them! To narrow it a bit: The menace is that of incalculable power (the product of knowledge) in the hands of bad or foolish men. The agonizing question now is not whether we can possibly learn how to do this or that, but which of the things we have the tools to do we should, by an act of will, choose to do. The question, in short, is one of conduct, not of knowledge. With this, education, to its own peril, has little to do.

And yet it is the most anciently recognized of problems. Adam faced it, and chose wrong. His problem, like ours, was not knowing how but knowing what. And the corrective was early stated: "Thou shalt do that which is right and good in the sight of the LORD: that it may be well with thee . . ." (Deut. 6:18). With the spirit of this commandment, modern education has even less to do. Education's answer to man's problems is more education – as if Hitler would have been made a better man if he had taken a degree or two from some good university.

I submit that modern education presents increasingly the fearful aspects of Frankenstein's monster because of the prevalence of five fallacies or myths.

1. The Myth of Automatic Human Progress

The general tendency of ancient thought was that man had fallen from high estate, whether from some Golden Age or from the bliss of Eden. Not until the eighteenth century and the rise of that strangely irrational epoch called the Age of Reason were doctrines of inevitable human progress widely disseminated. Partly, this was the result of a sort of provincial complacency, and partly ignorance of history. How easily in eighteenth century writing flow the condescending remarks about the barbarism of the ancient world, the primitive grotesqueness of gothic cathedrals, the ignorance and ineptitude of Shakespeare!

But it remained for the nineteenth century and the rise of theories of evolution for the views to become the dogma that all environments tend inevitably toward perfection. Why this is so was never clearly stated. There simply is faith that the universe is so constituted. "Chance" will see to it. But chance is simply a nonterm, identifying the *absence* of reason, purpose, intention, and will; it is odd that reason should put its faith in that which is, by definition, nonreason.

Reasonably or not, however, the cult of inevitable progress has, in education, placed improper emphasis on novelty, change for its own sake, the gimmick, True, in the world of technology the view that the latest is the best is usually sound - we properly prefer the up-to-date typewriter, automobile, washing machine. But technology advances automatically, so long as we do not forget the practical lessons of past experimenters. Every engineer begins at the point where the last one left off. Advancement is due not to any improvement in the human brain, but to the mere accumulation of experience. The ancient brains that measured the diameter of the earth, that worked out the basic principles of force, leverage, hydraulics, and construction, were almost undoubtedly greater brains than our age possesses. But the modern technologist stands at the topmost height of achievement of all previous craftsmen. He may himself be a dwarf, but he can see farther than they, for he sits on their shoulders.

Not so in the area of human conduct. Here it is not technology but wisdom that governs. No man becomes virtuous because of the virtue of another. He may be inspired by the wisdom and virtue of others, but he must make that wisdom his own possession. He cannot start out as wise as they simply because they have recorded their wisdom. Every human being, as a moral creature, begins from scratch. Not the *novel* but the *true* controls here.

Julian Huxley once observed that evolution seemingly has not worked in recorded history. Even within the view of evolutionary progress, therefore, there is no ground for believing that the wisdom residing in the most ancient minds was not as great as that held by the latest recipient of a Ph.D. Indeed, in all honesty, most of us would agree that there probably is not alive this day any human being whose wisdom can match that of a Moses, a Job, a Paul, a Marcus Aurelius, an Aristotle, a John - make the list as long as you wish.

And it is precisely this storehouse of ancient wisdom that the Cult of the New denies to the student. How they flock to the latest course presenting results of "an unstructured learning experience bearing upon upward mobility desires in terms of motivational elements in adjustment to a work situation" – but how few choose a course in the ethical teachings of Jesus.

And yet, as we have seen, it is precisely in the matter of choosing wisely what we should do, not in mastering more tools of power, that our future security — if any consists. Bertrand Russell has written: "If human life is to continue in spite of science, mankind will have to learn a discipline of the passions which, in the past, has not been necessary. . . ." In other words, the upward curve of virtue must parallel that of knowledge.

Professor Ginsberg of the University of London in his book, *The Idea of Progress*, correctly states that progress cannot be defined in terms independent of ethics. One can scarcely call it progress if a murderous maniac is progressively handed a stick, a club, a sword, a pistol, a cannon, and finally an H-bomb.

Education must deal with that which has *never* changed: the human heart, its passions and ideals. *There* are the wellsprings of human well-being or human catastrophe. In an address to the Royal Society, Laurence Oliphant, Australia's top atomic scientist, declared: "I can find no evidence whatever that the morality of mankind has improved over the 5,000 years or so of recorded history."

2. The Myth of the Natural Goodness of Man

This is a delicate subject. One sometimes feels that this dogma is simply a corrective to the reverse obnoxious doctrines of extreme puritanism (the sort seen in medieval asceticism and seventeenth-century extremism) that every impulse of man is totally and inherently evil. (In passing, some even conceive this to be the Presbyterian doctrine of total depravity. Actually, of course, the view declares that the *total* man was touched by sin, that no part of his being remained unaffected. It does not attribute total evil to every impulse.)

But the cult of sensibility, as the eighteenth century termed it, is not a corrective; it is an extreme, untenable, and unreasonable dogma that shows up in modern education all the way from first grade to graduate school.

Simply, it may be called the philosophy of "doing what comes naturally." At the intellectual level, for example, it is held that there is some magic value in the uninhibited and uninformed opinion if freely expressed. And so discussion groups are held in the grade schools and the high schools on such subjects as "What do you think about the atom bomb?" or "teen-age morality" or "banning Lady Chatterley's Lover" or "implementing freedom among underprivileged nations" or what not. The poor little dears have scarcely a fact to use as ballast. But no matter. The cult of sensibility believes that continuing, free, uninhibited discussion will ultimately release the inherent goodness of natural instincts and impulses. The fad for "brainstorming" has passed, but not the philosophy behind it.

Now, of course, we must encourage discussion. The young need to be encouraged to think and to speak - the former, anyway. But the deadly assumption underlying this sort of thing is that goodness is not a difficult matter of study. discipline. learning, mastery of tough masses of fact, but just a kind of game. It's fun to do what comes naturally. (On reading about the uninhibited conduct of certain grade school classes, with free discussion, finger painting, group games, or whatever the youngsters want to do, an older man said: "That's not a new feature of education. They had that when I was a boy. They called it 'recess,' ")

Ultimately, this view of ethics believes that there is no objective standard of morality or ethics. If there were, then what one wanted to do would be either right or wrong according to whether it reflected or violated the absolute standard. Rather, it is the view of the cult that society determines morality. The vote of the majority determines the ethical value. To refer to Bertrand Russell again, one remembers his assertion that there is no rational basis for determining ethics. Man, as the random product of an eternal flux of atoms, *feels* certain things chiefly, that he exists; or rather, he experiences an experience he arbitrarily names "existence." Thus, what are "ethical standards" to one may be unacceptable to another. There is no objective basis for deciding between them. One can only hope, therefore, that he lives in a society in which the majority of the people *happen* to like the same ethical standards one does oneself.

The idea that man is basically good and infinitely capable of selfimprovement has ramifications in every area of modern life. It is ardently preached by Freudian psychologists, to whom restraint of any natural desire is bad: by dreamy-eved social and political theorists who believe that "freedom" is the sovereign remedy for the ills of every primitive tribe and nation; by aesthetic theorists who teach that art is an unplanned eruption occurring when the "artist's biography makes contact with the medium of the art"; and by educationists who teach that what Johnny wants to do is what he must be permitted to do. No concept is more widespread. more taken for granted by millions who have never troubled really to think about it

It is important to realize that members of the cult of natural

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goodness believe primarily in the goodness of the *nonrational* faculties — instinct, emotion, impulse, subrational urges. They are not so strong on the natural goodness of the intellect. (The high priest of the cult is D. H. Lawrence.)

There is, consequently, a prevalence of anti-intellectualism in educational circles that manifests itself in a marvelous jargon largely incomprehensible to the rational intelligence. Jacques Barzun gives a fine analysis of this malady in *The House of Intellect*.

3. The Myth of Egalitarianism

This is an even more delicate subject. To seem to question the equality of men is to raise questions about one's attitude toward home and mother and the American way of life. Actually, of course, the situation is not hopelessly complicated. It is simply a matter of identifying those areas in which all men are equal and those in which they are not.

To the Christian, every soul is equal *before God*. All have sinned and come short of the glory of God; all need grace; none is good before God. None can claim social status, investments, political office, or ecclesiastical affiliation to separate him from his absolute equality with all other human souls.

To the believer in the Western tradition of rule by law, every

man is also equal *before the law*. The protection of the law, the responsibility for obeying the law, and the duty of understanding the law are equal in distribution and force, without regard to any circumstances save legal age.

But to declare that all men are equally gifted, equal in force of character, equal in abilities and talents, equally deserving of a share of the world's goods, equally deserving of esteem, respect, and admiration, equally deserving of rewards, equal in cultural heritage and contribution — this is irrational nonsense.

No concept has had a deadlier effect upon modern education than this. It has hindered the identification and encouragement of the exceptionally gifted: it has lowered educational standards to a point where no one, no matter how dull, can fail to hurdle them; it has confused the right of every man to seek an education with the fallacious belief that every man has a right to receive a degree. It has stifled initiative by refusing to grant exceptional reward to exceptional effort. It has encouraged mediocrity by withholding the penalty of mediocrity.

An illustration: A university with which I am very familiar undertook a program to encourage better English in the high schools of the city. The basic idea was competition — the best writers, the most skilled in grammar, the clearest thinkers would be singled out through public contests for reward.

The professional secondary school counselors were horrified. This clearly amounted to "discrimination" – it discriminated between the able and the unable student! In the modern doctrine this is the deadly sin. In sum, the university was permitted to put into effect only a watered-down plan that carefully provided rewards for everyone. Needless to say the program was of only modest effectiveness. Needless to say, too, that high school graduates come to us scarcely sure whether writing is the white or the black part of a page.

I was recently told by a professional-educator colleague that the terrible alternative to belief in complete equality in all dimensions is the inculcation of an inferiority complex. From that, he told me, come resentment, insecurity, antagonism, maladjustment, psychoses of various kinds, rebellion — in short, a wrecked society.

This, too, is nonsense. The thing works both ways. Almost everyone has some talent or ability that could be developed beyond the average level. If he properly receives acknowledgment for this superiority, he will be willing to grant superiority in other fields to other people. Is this not inherent in life itself? Do we feel resentful or guilty because we have not the mental equipment of a Pascal or an Einstein? Physically inferior because we cannot bat home runs like Mickey Mantle? Artistically inferior because we cannot play the piano like Rubinstein or Richter? On the contrary, one of the keenest pleasures of life is to be in the presence of a superior person — and to be very still.

That sort of pride which cannot, without infinite anguish, acknowledge the superiority of any other living being is quite literally Satanic. From it flowed all our woes.

4. The Cult of Scientism

Again, careful qualification is needed. No one can, in the first place, be other than grateful for the marvelous strides science has made in increasing human comfort, controlling disease, providing relief from soul-killing labor. Nor, in the second place, can anyone doubt the validity and effectiveness of the scientific method in its proper place. What I refer to is the religion of scientism, complete with dogma, faith, ethical system, and ritual.

"Science" is a wonderful word. It means "knowledge." Thus the old term for what we today call "science" was "natural philosophy." The study of nature-physical; perceived by the senses; capable of instrumentation. Indeed, modern science may be called the application of instruments to matter for the purpose of gaining understanding of material forces and thus of gaining control over them for our own purposes.

The cultic aspect arises when (1) science is viewed not as *one* way man has of knowing things (and a sharply limited one) but as the way that embraces everything man can, at least respectably, come to know; and (2) when the teachings of its priests are accepted without question by a faithful congregation.

These cultic aspects are perhaps most perceptible in the development of "mysteries" of the faith, open only to the initiated, not to be comprehended by nonscientists. Writes the great Norbert Wiener: "The present age of specialization has gone an unbelievable distance. Not only are we developing physicists who know no chemistry. physiologists who know no biology, but we are beginning to get the physicist who does not know physics." As a consequence, the mysteries known only to the specialists are accepted without question by those without the necessary knowledge to judge for themselves.

Anthony Standen, distinguished British chemist who is editor of a huge encyclopedia of chemistry, writes: "What with scientists who are so deep in science that they cannot see it, and nonscientists who are too overawed to express an opinion, hardly anyone is able to recognize science for what it is, the great Sacred Cow of our time" (Science Is a Sacred Cow, Dutton, 1950).

"Is the universe," he continues, "to be thought of in terms of electrons and protons? Or... in terms of Good and Evil? Merely to ask the question is to realize at least one very important limitation of [science]."

The biologists, he says, try to define "life," with ludicrous results. "They define stimulus and response in terms of one another. No biologist can define a species. And as for a genus – all attempts come to this: 'A genus is a grouping of species that some recognized taxonomic specialist has called a genus...'"

The scientist, says Standen, has substituted is for ought. "That is why," he concludes, "we must never allow ourselves to be ruled by scientists. They must be our servants, not our masters."

The cult has many imitators, all of them injurious to true education. The ritual words of the worship services have been adopted by areas of knowledge where no physical instrumentation is possible: psychology, sociology, aesthetics, morality. When the modern psychologist asks, "What motivational elements predominated in this behavioral manifestation?" he is still simply asking, "Why did he do it?" And the real answer lies far beyond the reach of the cleverest electronic computer or microscope.

In general, the attitude fostered in modern education toward science is unthinking worship. As a consequence, as Martin Gardner states in his recent book, *Fads and Fallacies in the Name of Science*, "The national level of credulity is almost unbelievably high."

The menace of this scientific gullibility obviously goes far beyond the classroom. It is the malady of our age, and one of which we may perish. But my immediate point is simply that an environment of anti-intellectual materialism has seriously hampered the development of students' awareness of the moral and spiritual stature of man, by which alone he stands erect.

Most paradoxical is the cult's dogma that there is no room for faith in any true search for truth. The notion is palpably false. Let me quote Warren Weaver, vicepresident for the natural and medical sciences of the Rockefeller

Foundation: "I believe that faith plays an essential role in science just as it clearly does in religion." He goes on to list six basic faiths of the scientist, including the faith that nature is orderly, that the order of nature is discoverable to man, that logic is to be trusted as a mental tool, that quantitative probability statements reflect something true about nature, and ("A Scientist Ponders so on Faith," Saturday Review, January 3, 1959). In sum, he says: "Where the scientist has faith that nature is orderly, the religionist has faith that God is good. Where the scientist believes that the order of nature is discoverable to man, the religionist believes that the moral nature of the universe is discoverable to man."

Dr. Weaver rejects the wellknown aphorism of Sir Richard Gregory:

- My grandfather preached the Gospel of Christ,
- My father preached the Gospel of Socialism,
- I preach the Gospel of Science.

But many others accept it with fervor. "God has ceased to be a useful hypothesis," writes Julian Huxley. The problem of the nineteenth century, says another, was the death of God; that of the twentieth, the death of man.

Any humanist who speaks in

these terms must be extremely careful, lest he fall into mere carping, deeply tinged by envy of the prominence and prosperity of science. Nothing could be more foolish – or more ungrateful. The lament over the low estate of the humanities in the public mind would be more touching if those responsible for the preservation and dissemination of humanistic studies had something of positive value to say, if they had a Path, a Way of Truth to declare.

5. The Cult of Biologism

I admit that this is a poor term, and perhaps the topic itself were better considered a subheading of the previous one. Essentially, this cult is an outgrowth of materialism, the faith that man is only biology, that he not only has glands but is glands.

As a consequence, whole segments of educational theory consider man precisely as a physicist considers an atom – one purely objective item among others of its kind, clothed with identity only as it is part of a group, the properties and motions of which are to be determined statistically, in terms of average behavior. (Years ago, Irving Langmuir, speaking of the "burden of irrationality" in science, pointed out that the laws, say, of the expansion of gases tell us how a mass of molecules behave under certain conditions of heat and pressure, but that no one can predict how a single one of the molecules will behave.)

To treat man merely as a capacity for response to stimuli, as totally the product of the forces that impinge upon him, without will or conscience, is to divest him of personality, individuality, and dignity. But the whole science of human engineering is based, more or less, on this concept. The only variation is the difference of opinion among the practitioners as to whether there remains in man some slight indeterminate center of being, inviolate to stimulus or statistical confinement, or whether he is totally susceptible to manipulation.

Among the many ramifications of this cult let me mention only two. First, the dogma that all human actions are social in their implications, to be judged purely by their effect on society. And, second, the dogma that emotions, feelings, are not essentially moral in their nature, nor the product of individual, unique, and sovereign personality, but are merely the conditioned reflexes of quivering biology.

The first, the social dogma, conceives of the individual as the physician thinks of the cells of the body – part of an organic whole, subject totally to the welfare of the organic unit (the state, in the social and political parallel), and to be excised through surgery if a cell rebels.

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It is within this belief that a nationally prominent psychologist has defined education as "the engraving of desirable behavior patterns." Through conditioning. teaching machines. Pavlovian devices of various kinds, the individual is created in the desired image. Undesirable behavior patterns are to be eradicated by a form of brainwashing and a new engraving superimposed. Dismissed as utterly outmoded is the view of each human being as a living soul, created in the image of God. with primary responsibilities as an individual to the God of his creation.

And who is to determine what kind of behavior pattern is "desirable"? That's the hitch. The persons who most ardently would like to impose their own behavior patterns on me are the very ones whose patterns I would least like to have engraved.

At worst, this view of human existence is both irrational and evil. It is irrational because it must believe that those who impose the patterns of desirable behavior must be as totally the product of external influence, as completely a consciousness-produced-by-environment, as those who are to be manipulated. It is evil because it denies human dignity and reduces the individual to a cipher.

The second menacing product of the cult of biologism is the belief that emotions and feelings are as purely biological as the purely physiological activities of man. In other words this view denies that the quality of a person's feelings is a measure of his moral stature, of his culture, of his civilization. It denies that the teaching of right feelings is a vital part of true education.

The "natural" emotions of a child are pretty fearful, until they have been civilized, associated with moral values, enriched with culture. Most notably, the child and the savage—is instinctively delighted by cruelty. A child will pull the wings off a fly. A recent account of life among certain savage South American Indians describes the pleasure of the community at the antics of chickens plucked alive, with perhaps a leg or wing pulled off for good measure.

This may be the "natural" feeling of sin, and it may be an instinctive expression of the savage as biology. But it is the work of civilization, of culture, and above all of religion, to eradicate it. "Natural" man must learn the right emotions — what to laugh at, what to smile at, what to frown at.

Show me what makes a man laugh, what makes him weep, and I know the man. It is ultimately a matter of morality, not biology. Education divorced from moral values cannot teach right feeling.

The deepest and most significant emotion of all, the one this world most desperately needs to be taught, is compassion - the emotion most readily associated with the love of God for sinful man. "The tender mercies of the heathen are cruel," says the Bible. Commandments that we deal gently, forgivingly, tenderly with each other are "unnatural" in biology. They are natural only to the regenerated spirit.

Now, this is a broad indictment. I do not pretend that I have said anything new, or that these problems are peculiar to education. They are maladies of our age. They break into dozens of major subheadings, scores of topics, hundreds of subject headings, thousands of instances.

True Education

But the correction is magnificently simple: True education, as Milton said three centuries ago, is to relearn to know God aright. Education divorced from God is capable of infinite and endless complexities and confusions. He alone is the motionless Center that gives meaning to all motion. What *he is*, not what man is, determines what should be and shall be.

Let me end with a quotation from that rough-mannered philosopher, Carlyle (Sartor Resartus, Chapter IX):

"Cease, my much respected Herr von Voltaire," thus apostrophizes the Professor: "shut thy sweet voice: for the task appointed thee seems finished. Sufficiently hast thou demonstrated this proposition, considerable or otherwise: That the Mythus of the Christian Religion looks not in the eighteenth century as it did in the eighth. Alas, were thy six-and-thirty quartos, and the six-and-thirty thousand other quartos and folios, all flying sheets or reams, printed before and since on the same subject, all needed to convince us of so little! But what next? Wilt thou help us to embody the divine Spirit of that Religion in a new Mythus, in a new vehicle and vesture, that our Souls, otherwise too like perishing, may live? What! thou hast no faculty in that kind? Only a torch for burning, no hammer for building? Take our thanks, then, and - thyself away."

Somewhat modified, these words might be addressed to the kind of dangerous education I have been describing.

The Rise and Fall of England

4. THE INTELLECTUAL THRUST TO LIBERTY

THE COUNTERBALANCING of the power of government provided the political foundation for liberty in England in the eighteenth century. But this development did not stand alone, nor would it have been sufficient to provide liberty for long if it had. It was, of necessity, one suspects, accompanied by the development of ideas which supported the balance of powers and a general thrust toward the establishment of liberty. Indeed. a whole new intellectual outlook underlay the thrust toward liberty in the seventeenth and eighteenth centuries. This outlook buttressed

the balance of powers and gave impetus to the formulation of the structure as a principle necessary to liberty (classically expressed as the separation of powers). This intellectual outlook and the related ideas were essential, too, because however powers may be dispersed and counterbalanced in theory, they can still be used for interventionist and oppressive ends if there is not a widespread confidence in the desirability and beneficence of liberty.

There is a popular myth in our era to the effect that men have ever longed for and sought after liberty when they were oppressed, which they usually were. This myth has been given currency by numerous historical novels, stories,

Dr. Carson, Professor of American History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fatelul Turn, The American Tradition, and The Flight from Reality.

plays, movies, and the like. The myth contains, at best, a half truth. It may be true that each individual person has usually longed for more operating room for himself and has sought to remove the restrictions that restrain him. But this urge and drive can be, and frequently has been, something quite different from a devotion to greater liberty for everyone. Quite often, men have been satisfied with special privileges for themselves, at whatever cost in oppression to others, though they may mask their quest for privilege under the guise of the love of libertv.

The Fear of Freedom

The matter goes deeper than mere selfishness, too. Frequently, men have not only failed to make the effort to extend liberty throughout society but have also had a positive fear of and aversion to such a condition. Some of the best minds of the ages have been devoted to erecting elaborate justifications for limiting liberty and maintaining oppression. Nor need these justifications have been insincere, though some of them may have been. In truth, the prospect of liberty can arouse extensive fears, for it raises the specter of chaos, disorder, things out of control, the fabric of society rent. and conflict let loose.

What would happen to religion. men have asked, if the people were not required to attend church and were not taxed to support it? Would the most persuasive support of morality be lost? Would not the binding ties of community become unknit? What would become of the "lower orders" of men? If compulsion were removed. would they not fall prev to the consequences of their natural bent to indulgence and laziness? Would not the people be confused and misguided if they had available for consideration every heterodoxy which a free press might publish? How could authority be maintained if men might characterize it by whatever vagrant thoughts entered their minds? What would happen economically if men were free? Would men in general not fall prey to the consequences of the bent of men to sell as high as they could and buy as cheaply as possible? Who knows what chaos would result, in wages, in rents, in prices, in trade, if they were not controlled and directed?

When these fears of the consequences of liberty have been added to the danger that those in power would lose their special privileges and become the object of retribution by the formerly oppressed, it is easy to see why liberty usually has not been sought with great devotion.

Champions of Liberty in the 17th and 18th Centuries

So it was that at the beginning of the seventeenth century a champion of liberty would have been hard to find in England. No doubt. many would have liked the powers of the monarch reduced, but they would only have turned these same powers over to Parliament, most likely. Yet, before the end of the century not only were there open champions of liberty but many had come to believe that liberty was both possible and desirable. This was largely the result of the development and propagation of ideas favorable to liberty. The great age of such liberal thought got under way impressively around the middle of the seventeenth century and continued more or less unabated until the end of the eighteenth century, and beyond. It begins with such men as John Lilburne, John Milton, James Harrington, Algernon Sidney, and continues through John Locke, Robert Molesworth, John Trenchard, Thomas Gordon, down through Adam Smith, Thomas Paine, and Edmund Burke, among others.

Back of this outpouring of thought about liberty, back of its spread to the point where it had become the common possession of Englishmen with any learning, was an intellectual framework within which the ideas were acceptable and liberty came to be thought of as a jewel almost beyond price. The general intellectual outlook can be described as the natural law philosophy. Its sway in Europe is usually referred to as the Age of Reason and Age of the Enlightenment. The basic ideas associated with it are natural law, natural order, right reason (or, just reason), social contract, and natural rights.

Foundations of Natural Law

The natural law philosophy was not new to the seventeenth century. Its formulation in philosophy can be traced back to classical antiquity where its most prominent applications were made in Rome. Cicero was perhaps the most articulate early spokesman for natural law. He defined it in this way:

True law is right reason conformable to nature, universal, unchangeable, eternal. . . . This law cannot be contradicted by any other law, and is not liable either to derogation or abrogation. Neither the senate nor the people can give us any dispensation for not obeying this universal law of justice.... It is not one thing at Rome, and another at Athens; one thing today, and another tomorrow; but in all times and nations this universal law must for ever reign, eternal and imperishable. . . . God himself is its author, its promulgator. its enforcer, and he who does not

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obey it flies from himself, and does violence to the very nature of man.¹

The tradition of natural law thought was kept alive in the time of the Roman Empire particularly by the Stoics, and it passed also into Christian thought where it was much revered in the High Middle Ages. Europeans recovered and refurbished it during the Renaissance and successive revivals of classical thought in the seventeenth and eighteenth centuries.

It would be true to say, I think, that the natural law philosophy survived and was present in some form from the time of the Roman Republic to the middle of the seventeenth century. But it usually occupied an inferior place to theology, or to other philosophical tenets. It came into its own in the seventeenth century with the impact of scientific developments, developments associated with such Copernicus, Galileo, names as Kepler, Francis Bacon, Descartes, Leibniz, Boyle, and Newton. Men must ever have observed signs of regularity and order in the universe, of the alternation of day and night in a predictable pattern, of the coming in and going out of the tides, of the rotation of seasons, of the rising and going down of sap in trees, of the cycle through which the moon goes, and so on.

Scientific Measurement

Some of these facts have long been put to practical uses. What the scientists did was to explain the phenomena of regularity in the universe in terms of precise mathematical formulae. They demonstrated mathematically that our universe is heliocentric, that the heavenly bodies move in elliptical patterns, that freely falling bodies accelerate at a uniform rate, that heavenly bodies are held in their orbits by their tendency to fall counterbalanced by their attraction for one another (the law of gravity), and so on. In short, they held not only that the regularities existed, that bodies were governed by laws, but that these laws were so precise that they were capable of mathematical expression. Most astounding, these laws can be discovered and known by the mind of man. As Descartes put it.

God has established the laws of nature just as a king establishes the laws of his kingdom. And there is none of them which we can not understand if we apply our minds to consider it, for they are innate in our minds, just as a king would stamp his laws in the hearts of his subjects if he had the power to do

¹ Wilson O. Clough, ed., Intellectual Origins of American National Thought (New York: Corinth Books, 1961, 2nd ed.), pp. 58-59.

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so. . . . They are eternal and immutable because God is always the same 2

The natural law philosophy was mightily revived and buttressed by these astounding new demonstrations. Not only did it gain in authority but also men began early to search for a similar precision in social phenomena. Preserved Smith has said, "The idea of a natural law, a natural ethics, and a natural religion, found in germ much earlier, now became dominant."³ As to what was made of it in the eighteenth century, he savs that there was a "resolute and successful effort to transfer the scientific spirit to other intellectual fields and to propagate it among ever larger strata of the population . . . ," and "to bring under the reign of natural law the social disciplines, philosophy, religion, law, education, and even literature and art...."4

A Secure Footing for a Faith in Freedom

The importance of this natural law doctrine was manifold. In the first place, it provided secure footing for the belief in and thrust

⁴ Ibid., p. 118.

toward liberty. If there is an order in the universe established and maintained by God, man does not have to bring order by the exertion of his will. Chaos and disorder will not be the result of liberty. On the contrary, if men are allowed to follow the laws of their nature, if they are permitted to pursue their own ends, if government pursues its defensive function, if things are allowed to follow their natural course, a beneficent order will prevail. If men may make choice of their own religious faith, religion will be stronger rather than weaker because of the fervor and attachment they will bring to its practice. If all ideas are permitted expression, the best ideas will win in the contest. If men may pursue freely their own economic ends, prosperity will result. Of course, these ideas did not spring fullblown overnight, nor did everyone rush to embrace them when they were presented. But this was the tendency of thought under the impact of a prevailing natural law philosophy. It did provide a framework for confidence that a much greater liberty would result in order and peace rather than chaos and war.

An Authority

Secondly, the natural law philosophy provided an authority to ap-

² Quoted in Preserved Smith, A History of Modern Culture, I (Gloucester, Mass.: Peter Smith, 1957), 191.

³ Preserved Smith, The Enlightenment (New York: Collier Books, 1962, originally published as vol. II, A History of Modern Culture), p. 36.

peal to, one that could be ranged against the established authority. The established authority always has going for it the great weight of its own momentum and past acceptance. It is a perilous undertaking almost always to challenge it. In seventeenth century England, to question the monarch was to court imprisonment. To resist him was to risk death. and that done in most imaginative fashion. But beyond the risk of life and limb involved in challenging the established authority, one needs always a confidence in one's own rightness. This is not easy to achieve by sane men; the established authority has the weight of centuries behind it and the testimony and support of many famous seers. Natural law - frequently combined with an appeal to the authority of the Bible in the seventeenth century - provided an authority whose rightness was superior to custom, tradition, usage, and anything else in history when these ran counter to it. Natural law is antecedent to all manmade law, law established by God himself: he who takes it for a shield has a basis and defense superior to any other. Moreover, reason, the common possession of mankind, could be used in the discovery of it. This could be and was used to justify popular government and to add weight to the authority of the House of Commons in England.

Limited Government — and Progress

Thirdly, the analogy to the way order was maintained in the universe was used to buttress the idea of devices for restraining government. The heavenly bodies are kept in their orbits by a kind of balance of powers exerted from and upon them. So, too, should there be powers and counterbalanced powers in government to restrain and prevent the arbitrary exercise of power.

And fourthly, the natural law philosophy provided the ground for conceiving a different system than the one that prevailed. Most men are apt to accept any going system and suppose that the way things are done under it are the way they should be done. The new outlook provided a method of analvsis and an altered vision from which to consider the reordering or rearrangement of the system that prevailed. The method of approach was to look at the nature. or essence, of things, to consider how they would operate naturally without some arbitrary intervention, and to discover the natural laws that would come into play. In this way, they could arrive at the way things ought to be - thatis, in accord with their natures in contrast to the way they were.

The Role of the Levellers

Some examples will now illustrate how English thinkers applied the natural law mode of thinking over the years in the thrust toward liberty. The first major effort was during the period of the civil war or Puritan Revolution in the middle of the seventeenth century. Among the more thoroughgoing of the reformers were those known as the Levellers, led by John Lilburne. The Levellers believed that government should be authorized and restrained by a written agreement. They proposed to vest government power in a legislature, but they favored many prohibitions upon its actions, these prohibitions indicating mainly how they thought liberty should be secured. One writer describes the prohibitions on the legislature in this way:

It may not compel or restrain any person in matters of religion, nor impress men for military service, "every man's Conscience being to be satisfied in the justness of that cause wherein he hazards his own life, or may destroy others." . . . It may not exempt any person from the operation of the laws on the pretext of tenure, grant, charter, patent, degree, birth, residence, or parliamentary privilege. . . . It may not continue laws abridging the freedom of foreign trade, and may not raise money by excise taxes or except by an equal rate levied upon real and personal estate.... It may not continue tithes.... It may not take away the liberty of each parish to elect its own ministers.... 5

That the Levellers based their arguments upon natural law is apparent from their writings. Lilburne justified the actions of the army under Cromwell by appealing to "the prime Laws of Nature," and "the principles of Saifety, flowing from Nature, Reason, and Justice, agreed on by common consent."6 John Overton, another Leveller, declared that "all men are equally born to like propriety, liberty and freedome, and as we are delivered of God by the hand of nature into this world, everv one with a naturall, innate freedome . . . even so are we to live, every one equally alike to eniov his Birthright and priviledge: even all whereof God by nature hath made him free."7

Those more in the mainstream of the Puritan Revolution also frequently based their arguments upon natural law. John Milton, in explaining the natural right of resistance to tyranny and to depose a tyrannical king, declared "that all men naturally were born

⁶ Quoted in *ibid.*, p. 15.

⁵ Perez Zagorin, A History of Political Thought in the English Revolution (Rutledge and Kegan Paul, 1954), p. 37.

⁷ Ibid., p. 22.

free...," that this "authority and power of self-defence and preservation being originally and naturally in every one of them, and unitedly in them all ...," and that those appointed to govern them are "but to be their deputies and commissioners, to execute by virtue of their intrusted power, that justice which else every man by the bond of nature and of covenant must have executed for himself, and for one another."⁸

Areopagitica

Milton is most famous in political thought, however, for his defense of freedom of the press. Underlying the following argument is the conception of an order within men that attracts them to the true: "And though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do injuriously by licensing and prohibiting to misdoubt her strength. Let Truth and Falsehood grapple; who ever knew Truth put to the worse, in a free and open encounter."9 Similar natural law foundations underlay the work of such diverse figures as James Harrington and Thomas Hobbes. Many – Nedham, Ludlow, Sidney, Neville, and Marvell-took up the cudgels for liberty.¹⁰

The classic statement of the natural rights doctrine based on the natural law philosophy was made, however, by John Locke in connection with the Glorious Revolution of 1688-1689. In his Two Treatises on Civil Government. Locke so felicitously stated the position that it has ever and again been attributed to him, though that would be to overstate the case. Locke's familiar thesis goes this way. In a state of nature-that is, in that condition in which men find themselves naturally if we strip away the socially erected institutions – men have a "perfect freedom to order their actions, and dispose of their possessions and persons as they think fit, within the bounds of the law of nature, without asking leave, or depending upon the will of any other man."¹¹ That is, in a state of nature men have the right to life, liberty, and property, rights derived from and sanctioned by natural law.

However, as Locke sees it, in such a condition the individual would not necessarily be in a position to defend these rights against

⁸ Leo Weinstein, *The Age of Reason* (New York: George Braziller, 1965), pp. 138-39.

⁹ John Milton, *Areopagitica*, Richard C. Jebb, commentary (Cambridge, England: Cambridge University Press, 1918), p. 58.

¹⁰ See Caroline Robbins, The Eighteenth-Century Commonwealthmen (Cambridge, Mass.: Harvard University Press, 1959), pp. 22-23.

¹¹ Clough, op. cit., p. 149.

aggressors. This being so, he enters into community with others for mutual protection and defense, yielding up so much of his powers to government as are necessary to defend him in the enjoyment of his natural rights. The "freedom of men under government is to have a standing rule to live by, common to every one of that society, and made by the legislative power erected in it; a liberty to follow my own will in all things where that rule prescribes not: and not to be subject to the inconstant, uncertain, unknown, arbitrary will of another man: as freedom of nature is to be under no other restraint but the law of nature."12

The Whig Movement

The thrust to liberty in the eighteenth century in England was made primarily by those who thought of themselves as Whigs. This category included politicians and thinkers as well. There are many who might be called up in this connection, but for the first half of the eighteenth century it will suffice here to refer to the work of two of them: John Trenchard and Thomas Gordon. These two, by way of their writings, carried on a broad ranged argument for the maintenance and extension of liberty. They advocated and supported freedom of speech and of press, security of property, religious toleration, and a broad range of rights for men. The foundation of their positions was in natural law, right reason, and natural rights.

Regarding the origin of liberty, Trenchard said:

All men are born free; Liberty is a Gift which they receive from God himself; nor can they alienate the same by Consent, though possibly they may forfeit it by Crimes.¹³

Gordon defined liberty as "the Power which every Man has over his own Actions, and his Right to enjoy the Fruit of his Labour, Art, and Industry, as far as by it he hurts not the Society, or any Members of it, by taking from any Member, or by hindering him from enjoying what he himself enjoys."14 Regarding free speech and property, Gordon said, "Without Freedom of Thought, there can be no such thing as Wisdom: and no such Thing as publick Liberty, without Freedom of Speech, . . . This sacred Privilege is so essential to free Government. that the Security of Property; and the Freedom of Speech, always go together. . . $.^{"15}$

14 Ibid., p. xxxvi.

¹² Ibid., p. 153.

¹³ David L. Jacobson, ed., The English Libertarians (Indianapolis: Bobbs-Merrill, 1965), p. 108.

¹⁵ *Ibid.*, p. 38.

Of liberty in general, Gordon thought it an unqualified blessing. "Can we ever over-rate it, or be too jealous of a Treasure which includes in it almost all Human Felicities? Or can we encourage too much those that contend for it, and those that promote it? It is the Parent of Virtue, Pleasure,

By way of such writings as these, by way of speeches, statements, and philosophical examinations, the tide was turned from the fear of the consequences of liberty to open admiration of the blessings. Though men had from the outset contended for the security of property, they were slow to see the full implications of such a position. At a time (for most of the eighteenth century) when Englishmen boasted of their liberty, when religious toleration had become commonplace, when men could speak freely with little fear of punishment, when many of the shackles had been struck from enterprise, mercantilistic policies still held sway. Though the natural law philosophy had long reached a dominance, it was apparently not easy for men to see that there is a natural harmony of interests in the economic realm, that men of many nations competing for gain do not make enemies of nations but rather work to the benefit of all.

Foundation of Classiclal Economics

There was a tendency for thought in the eighteenth century to move toward the theoretical justification of economic liberty. It can be seen in the writings of Hutcheson and Hume, in the French Physiocrats, Quesnav and Turgot, and among such Italian thinkers as Bandini and Beccaria.¹⁷ But it was Adam Smith who constructed an economics from these and other materials that would become the foundation of classical economics. He did this in his massive work. The Wealth of Nations, first published in 1776.

Smith was not only a master of economic theory but also filled his work with historical examples which displayed his erudition in that area. Much of the burden of Smith's work was devoted to exposing the fallacies of mercantilism. At the same time that he did this, however, he set forth the premises of a science of economy based upon the natural law philosophy. He held that the greatest

¹⁶ Ibid., p. 70.

¹⁷ See Smith, The Enlightenment, pp. 194-201.

liberty in matters economic is consonant with and productive of the widest prosperity, that when each man seeks his private gain he, at the same time, contributes to the general well-being, that in foreign trade all participants benefit, and that consumers everywhere (that is, all of us) benefit from exchange. His argument that there is a natural harmony between private acquisitiveness and public gain is worth reproducing here to show how he used the natural laws to support economic liberty:

But the annual revenue of every society is always precisely equal to the exchangeable value of the whole annual produce of its industry, or rather is precisely the same thing with that exchangeable value. As every individual, therefore, endeavours as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases.

led by an invisible hand to promote an end which was no part of his intention... 18

The intellectual thrust toward liberty continued apace into the nineteenth century, but enough has been said here to show that the stage was set in outlook for freeing men from their earlier oppression, that men were coming generally to prize liberty rather than to fear it. From this came the impetus to change laws and remove obstacles to individual exertions.

A Balance of Powers

Before leaving this topic, however, there is a counter point to be made. Rationalists were behind the thrust to liberty; they based their arguments upon natural law. But in England there were not only Whigs but Tories as well, not only rationalists but traditionalists also, not only exponents of universal truths but men conscious of the value of custom, tradition, and old institutions. These played their part, however backhandedly it may appear, in the establishment of liberty in England.

The rationalist ideas became the common possession of thinkers in western Europe by or before

¹⁸ Adam Smith, *The Wealth of Nations*, Edwin Cannan, ed., II (New Rochelle: Arlington House, n. d.), p. 29-30.

the end of the eighteenth century. Yet, they did not result in stable governments and extended liberty in many lands when applied by enlightened despots or under the impulse of the French Revolution. They did not do so, we judge, because they broke too radically with the past, and did not take into account the peculiar predilections and institutions of peoples.

Britain followed a different course, for the most part. The balance of powers there was a curious blending of ancient institutions – hereditary monarchy, hereditary Lords, elected Commons, common law courts — to safeguard liberty. When the rational assault bid fair to undermine these, defenders of the ancient and tried rose to its defense. Edmund Burke is rightly the most famed of these. For so persuasively declaring that custom, tradition, reverence, awe, and even prejudice are essential to an ordered liberty, he should be reckoned a spokesman for liberty also, and in a goodly company, not one of the least.

The next article in this series will deal with "Liberty and Property Secured."

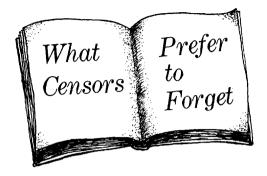


Freedom of Speech

WITHOUT freedom of thought, there can be no such thing as Wisdom; and no such thing as Liberty without freedom of speech; which is the right of every man, as far as by it he does not hurt or control the right of another; and this is the only check it ought to suffer, and the only bounds it ought to know.

This sacred privilege is so essential to free governments, that the security of property and the freedom of speech always go together; and in those wretched countries where a man cannot call his tongue his own, he can scarce call anything else his own. Whoever would overthrow the liberty of a nation must begin by subduing the freeness of speech.

JOHN TRENCHARD (1662-1723), Cato's Letters



NEIL M. CLARK

THE chap-who-knows-what's-best, whether parent, teacher, preacher, politician, or professional dogooder. looks over a boy's (or girl's) shoulder, and says, "Why waste vour time reading trash? Here! Try something good" something he considers good. A Federal bureaucrat soberly tells a House subcommittee that any thought of controlling the subject matter of Federally-aided textbooks is far indeed from his mind: vet he adds that certainly there are ways of encouraging the use of "good" books or discouraging "bad" ones in Federally-aided institutions. Money can be granted judiciously or withheld, can't it?

A11 censors. including some parents, seem to like to forget an important fact about reading: namely, that no one knows for sure what's a good book for anyone at a particular time - or a bad book, either. Serendipity is an unpredictable factor in reading. A chance-found book, even one commonly considered worthless, can have something in it of little significance for ninety-nine readers. yet for a hundredth it may be a magic key that opens doors and changes his life. There is in it. for him, a treasure such as the princes of Serendip were always running into without conscious purpose.

Many will remember how the young sub-editor of an obscure gazette in Pakistan, looking for

Mr. Clark is well known for his free-lance writing in The American Magazine, The Saturday Evening Post, Nation's Business, and many other magazines.

something light to read after work one night, picked up a novel he hoped would enable him to pass a few hours. It was Sir Walter Besant's *All in a Garden Fair*. That author and his book are forgotten now, and never set the world on fire. This book was a simple narrative about a girl and three boys. One of the boys hoped to become a writer.

The young editor had not read far when he was hit a solarplexus blow. The hero, he was suddenly telling himself, was no better fitted for a writing career than he himself was. Further, by some process which he did not analyze, the book conveyed to him the thought that there was no reason why he had to stay on in his humble job. In London, bookmen, publishers, and endless exciting literary activities were waiting. Why not go and try that city's doorsteps?

The young man read and reread Besant's novel, and his thought hardened into intention. With the help of the book he fashioned a dream for his future and began saving money to put it into effect. This he did. Soon he was far better known than Besant. His name was Rudyard Kipling. In writing the story of his life, Kipling gives Besant's chance-found book high credit for shaping his career.

A particular book's impact on

any given reader can never be accurately forecast: too much depends on his circumstances when he reads it. Treasures neither sought nor expected can leap out of printed pages in the strangest ways.

A Youth and a Rabbit

A youth who had no taste for reading because he had never read anything except what he was told to, crawled under a church to capture his pet rabbit when it escaped from its pen. That youth, Joseph Henry, is not forgotten in the history of American science. He pioneered in electromagnetic research and was a leader in many fields. He initiated our weatherreport system, was the first secretary of the Smithsonian Institution, and his name continues to designate the unit of electrical induction. As a boy in tiny Galway, New York, he quit school to go to work in the village store at the age of ten. He gave no early signs of special qualities, and was himself unaware of possessing talents that could lead to a distinguished career.

But he loved his rabbit. And when he saw it disappear through a hole in the foundation of the village church, he disappeared after it. In the dark there, adventure came.

A glint of light caught his at-

tention. Wondering what caused it, he bellied his way to it and found daylight sifting through boards. He shoved them loose aside and squeezed through the opening, emerging in a little room which housed the village library. He took a book from the case. It happened to be Henry Brooke's A Fool of Quality, a slushy novel once famed for "passionate and tearful sensibility." The boy read a few sentences and was snared by the magic of printed words. For the first time in his life he experienced the joy of reading a book he didn't have to. It made him a booklover. He crawled back there time after time, eventually leaving few of those books unread.

This new passion led to his great reading adventure. Having to stay indoors one day because of a slight accident, Henry looked around for a book. The only one he hadn't read proved to be something printed in London "for the use of students and young persons." The author, George Gregory, was a vicar, a doctor of philosophy and the arts, and one-time chaplain to the Lord Bishop of Landaff; and his book was entitled Lectures on Experimental Philosophy, Astronomy, and Chemistry. The owner of the book was Henry's mother's Scottish boarder. When the boy opened it, he found his curiosity deeply stirred. Soon he

was more deeply lost in its contents than he had been in Brooke's soggy novel. Gregory's book asked questions, suggested mysteries, opened vistas which to that boy's mind needed looking into. Here, this boy told himself, was something he could devote himself to passionately. The boarder saw his interest in the book and gave it to him.

"A Remarkable Influence"

What was a rabbit's role in Henry's career? Or. a book read because of a rabbit? James Clark Welling, the scientist's early biographer, repeated the rabbit story but discounted its importance. "The strong intellectual forces which are organic in a great career," he wrote, "do not depend on the casual vicissitudes which ripple the surface of human life." To think so, he declared, is to "convert human history. . . . into the fortuitous rattle and chance combinations of the kaleidoscope." He said Henry was too great a man to have lived without making his mark on the age.

Within limits, Welling was no doubt right. But without the rabbit, would his mark have been the same? Would he ever have bothered to open Gregory's soberlooking volume? At the age of forty, Henry himself penned a paragraph of gratitude on the flyleaf of Gregory's book. "Although by no means profound," he wrote, he confessed that the book had exerted "a remarkable influence" on his life. It opened a new world of thought and enjoyment to him, he said, "and caused me to resolve at the time of reading it that I would devote my life to the acquisition of knowledge."

"Enter at Your Own Risk"

The late Charles F. Kettering knew (few better) the numbing effect of conformity and rut thinking even on scientists working on the frontiers of knowledge in a research laboratory. He also knew how a vagrant idea unsought can lead to unexpected breakthroughs. In 1953 he gave Antioch College \$750,000 to build the new Olive Kettering Library. While building plans were under discussion, he remarked, probably more than half seriously, that it might be wise to carve these words in stone over the portal: Enter here at your own risk. The risk he envisioned was that the browser, without seeking it, might find a book that would alter his whole direction of travel.

It happens. The late Lew Sarett, a poet of whose verse Carl Sandburg once wrote, "the loam and the lingo, the sand and the syllables of North America are here," had a troubled childhood in Chicago. He was beset by fears grow ing out of immigrant parentage a perennially frightened mother and schoolboy bullies. The great drama of his life was his figh against fear. He once told me tha from a boyhood in constant fligh from terrors, he emerged into a new kind of life as a result of reading the Dick Merriwel stories. These have never ranked great literature, and some \mathbf{as} would call them trash. The crude heroes put Lew to shame because unlike himself, they did not rur from danger but met it stoutly at whatever risk.

How naive! Yet this particular reader sternly resolved to act no less fearlessly than they. In his next years. Lew tested himself physically against rivers in flood hoodlums he knew were lurking to half kill him, grizzly bears met eye to eye when he was a Forest Ranger and unarmed, and against the subtler psychological menace of disapproval on public platforms Inspired by the ridiculous Merriwells, his war on fear and the victories he won were foundations on which his poetry was built and his career as a deeply respected university teacher.

"The Blue Book"

A remarkable private library was once housed on an upper floor of a downtown factory and warehouse building in Chicago. In its special field of Elizabethan science, it was perhaps the finest of its kind. There were a number of Shakesperean folios as well as science. Every book was beautifully bound, lovingly cared for; and the owner, poorly schooled but richly educated, was familiar with the contents of every book. Among them was one to which some people would not have given shelfspace. It was printed in the Icelandic tongue.

Chester Hjörtur Thordarson was born in Iceland and was brought to this country when little more than a baby. His father died soon after arrival, leaving the rest of them to find their way perilously in a strange land. Chester's first schooling, and for many years all he had, consisted of two summer sessions in a one-room country school in Dane county, Wisconsin, He learned his letters there, little else. The family moved to the pine barrens of Wisconsin, and later to a North Dakota ranch which was thirty miles from a railroad. In neither place were there schools for the boy to attend. However. in the Icelandic tradition. the Thordarsons carried with them a few books; and one, called "the blue book" by the family because of its blue-cloth binding, was entitled Edlisfraedi, an elementary physics book.

Chester spent many stormy winter days in the house, and reading was his recreation. *Edlisfraedi* became for him far more than a time-passer. He read it so often and carefully that he knew it almost word for word. It had what he called a good section on electricity, and an exciting definition of a scientific experiment. The book made his career clear to him. an unlikely one for a boy so situated: electrical research and development. At seventeen, having attended no other school in the meantime, he went to Chicago to attend school, and was assigned to the fourth grade with the little fellows. He was small-built himself and didn't object, for in the next two years he was able to march through the eighth grade. He had to guit school then and start earning his living.

He never returned to any formal school; but he never stopped extending his education. He became an electrical engineer and manufacturer of electrical equipment, especially laboratory equipment for universities. For Purdue University he built the world's first million-volt 25-cycle transformer. He patented more than a hundred electrical devices. He always said that the shape his career assumed was due to the magic of "the blue book," which hardly a censor alive would have considered fit to be put into the hands of such a boy. He had *Edlisfraedi* rebound in blue calf by one of London's best bookbinders, and considered it the chief jewel in his library.

From Most Unlikely Sources

Acknowledged classics are fine, but they aren't everybody's fare. Unexpected treasures can be found in humble or unlikely books if they serve a reader's need at the time. Would Luther Burbank's plantcreating career have developed as it did had not someone given him, when he was twenty-one, a copy of Charles Darwin's Animals and Plants under Domestication? He often said the basis of his work was nature's method of plant improvement as Darwin described it. Can anyone now say how much Benjamin Franklin's scientific experiments and social views owed to Daniel Defoe's An Essay upon *Projects*, a book unknown to most readers of Robinson Crusoe? Franklin said it was one of two books read at an early age which profoundly influenced him.

Even a poor book, met fortuitously at a moment ripe for impregnation, can breed a rich career; and who is to say it's a "poor" book that does that? I once sat in the Pittsburgh office of the man who had just been elected president of the H.C. Frick Coke Company, a United States Steel subsidiary. The man told me the story of a career, his own that could scarcely be matched to day. He worked underground as a miner till he was twenty-seven and at the time of his marriaghad only the rudiments of an ed ucation. But he already had a pow erful dream which he credited to a book sent to him as a Christma present when he was twelve. Un til he got it, he had never read a book.

He had to wade through thi one at a snail's pace in order to make sure of each word. It wa a campaign biography of Jame A. Garfield, then just elected Pres ident of the United States. To th boy it was a revelation that any one born in a log cabin, as Gar field was, educated in schools n better than those the lad himsel had briefly attended, and earning his living at one time as a mule driver on a canal towpath, could rise so high. A little later h himself was driving mules in th mines. That ephemeral campaign document made him think that even he could make something o himself.

"There is no doubt," he told me "that President Garfield had greater influence on me than an other man, even though I met hin only in a book."

Hoping to guide readers or "im prove" them, do-gooders and bea dledom would impose their notions of what's bad or good in books. Even proponents of closed shelves in libraries, though without vicious intent, to some extent share the guilt of restricting adventures in serendipity in reading. It is true that open shelves invite theft, mutilation, or misplacement. Dorothy Cooper, librarian at the University of Washington, is one who has moaned at the mess freshmen, researching for themes, can make of orderly shelves. But she has observed also that after introducing an open-shelf policy, books that had not circulated for ten years were found and read. "Open shelves," she has written, "are good for our patrons, good for us, and good for public relations."

The reader who has free choice, opens a book without special intent, turns pages idly, is caught by something read — and one more life is never again the same.

IDEAS ON LIBERTY

Uses of History

WE ARE NOT ONLY passengers or sojourners in this world, but we are absolute strangers at the first step we make in it. Our guides are often ignorant, often unfaithful. By this map of the country which history spreads before us, we may learn, if we please, to guide ourselves. In our journey through it, we are beset on every side. We are besieged, sometimes even in our strongest holds. Terror and temptation, conducted by the passions of other men, assault us; and our passions, that correspond with these, betray us. History is a collection of the journals of those who have travelled through the same country, and been exposed to the same accidents; and their good and their ill success are equally instructive. In this pursuit of knowledge an immense field is opened to us: general history, sacred and profane; and histories of particular countries, particular events, particular orders, particular men; memorials, anecdotes, travels.

A Critical Point

HILLEL BLACK is one of those ebullient muckrakers who hits fifty targets and misses fifty others. His investigation of the textbooks used in our elementary grades and in our high schools, The American Schoolbook (William Morrow. \$4.50), tends to concentrate on secondary matters. Most of these are very well worth considering. But he doesn't tackle the fundamental question of why the schools turn out so many functional illiterates who slide through grade after grade without really learning how to read, write, or pursue a logical sequence to a correct conclusion.

What particularly concerns Mr. Black is the fact that our textbook publishers tend to be pusillanimous when it comes to combating the social and moral prejudices of the State Boards of Education. He tells some fascinating stories about the veto which Florida, for instance, exercises on frank discussion of animal reproduction in basic texts on science ("Look, Ma,

No Sperm Cells"). Georgia gets a going-over because several of its school districts won't accept "intercultural" books which include illustrations of whites and Negroes swimming in the same pools occupying the same large or grandfather's chair. Mr. Black complains that fifth grade social studies texts have been kept from picturing such things as cows about to calve ("It is against company policy to show pregnancy in animals"). He also complains about silly southern educators who reject anthologies which contain Shakespeare's Othello (a play about "miscegenation"). He doesn't approve of northern communities which outlaw The Merchant of Venice for fear that it might offend the Jewish population. And he delivers a neat reprimand to the individual who thought Hamlet might be dangerous fare for school children because it depicted a loose-living mother.

When it comes to the history -

pardon me, the social studies textbooks, Mr. Black finds blandness everywhere. Four textbooks. he says, describe Soviet intervention in Hungary but fail to mention U.S. intervention in Guatemala. Other texts omit the Battle of Stalingrad when talking about World War II. An eighth grade textbook used in the Detroit school system once contained a passage about a good-hearted slave-owning family in Tennessee, the Austins, who were nice to their field hands. which hardly seemed "objective" history to the sons and daughters of Negro automobile workers. Texas is duly chastised for making it difficult to mention the theory of evolution. And so it goes.

Learning to Read

With a lot of Mr. Black's strictures most reasonable men and women would agree. But Mr. Black does not get to the bottom of what is the matter with our schools. The main trouble with primary education is that it doesn't concentrate on giving all our boys and girls the intellectual tools which would enable them to read anything, whether it is bland or not. After all, if a boy can read, it hardly matters whether he discovers in grade school that the Russians won at Stalingrad; he will surely come upon that fact at some point in his life if he has any curiosity

about history whatsoever. And as for the failure of biology texts to talk about sperm cells, that is a joke. The grapevine spreads such knowledge at an early age whether the Boards of Education are aware of it or not. So why cry over an omission that really conceals nothing? The important thing is to teach the student to unlock the literature of science for himself when he is of an age to go to the library and look things up.

Ears and Eyes

Mr. Black doesn't seem to be interested in the great controversy that has been raging over phonics versus the "look-say" method of teaching first, second, and third graders to "attack" words. No doubt he would consider this a matter for cranks and crackpots to guarrel over. I would have felt the same way if I hadn't had one child who couldn't learn to read by "whole word recognition" the way his brothers and sisters seemed to do. It became plain to me from experience with my own young that some people are ear-minded and some are eve-minded. A reading system that ignores the predominantly ear-minded students is bound to produce a certain percentage of dropouts.

There was a period when Henry Luce, the publisher, couldn't find good young writers. This was in

the forties and early fifties. Well, the "look-say" method of teaching kids to read was at its most virulent in the thirties and early forties. When the "phonics" partisans began to win some victories, and the more extreme advocates of "whole world recognition" had finally to admit that language has sound and is composed of consonants, vowels, and blends, it became possible for magazine editors to recruit good young writers once more. Mr. Black has been an editor of The Saturday Evening Post, and it is amazing that he doesn't see the relevance of training in syllabic sound to the writing of good rhythmic prose. Quite absurdly, the word "phonics" doesn't appear in his index.

If I hadn't seen Negro children with IQs of eighty-five reading with fluency after a few months of phonics drill in the first grade of the old Amidon School in Washington, D.C., and in one of the worst slum schools in Bedford-Stuyvesant in Brooklyn, I wouldn't consider Mr. Black's oversight to be of any great significance. But I have seen what I have seen, and I know that Mr. Black misses the most important point of all.

A "Liberal" Bias

When it comes to upper grade points about the mastering of language and literature, Mr. Black is much better. He hates such classic Shakespeare adaptations – and abominations – as "Friends, Romans, countrymen, listen to me." He can't stand the juicelessness of committee-written texts. The Dick and Jane type of reader leaves him cold. He is all for incorporating wider racial and cultural horizons in the schoolbooks, but if it's just a matter of introducing Dick and Jane in blackface, it isn't enough.

The best part of Mr. Black's book is devoted to recent changes and improvements in the teaching of mathematics and the sciences. But the sciences - aside from biological theory-aren't controversial. Mr. Black could hardly go into the question of economics texts, for economics is not ordinarily a grade school or a high school subject. But maybe it ought to be and it would be interesting to know what the effect of Mr. Black's obviously liberal bias would be on his judgment of books on economic theory.

The liberal bias does spoil some of Mr. Black's passages on the teaching of social science in the schools. He lumps Chiang Kaishek, a good leader who has enabled Taiwan to solve the land question, with Trujillo, calling them both "reactionaries." If Chiang is a "reactionary," then the word is utterly meaningless. Mr. Black's attack on historian David Muzzey for saying that "the red hand of communism was likewise at work in Cuba where dictator Castro" went in for confiscating American property is hoitytoity nitpicking. For Castro is a communist, as Mr. Black very well knows.

▶ AMERICA'S POLITICAL DI-LEMMA by Gottfried Dietze (Baltimore: The Johns Hopkins Press, 1968), 298 pp., \$7.95.

Reviewed by Edmund A. Opitz

THIS BOOK is an analysis of the theory of Popular Sovereignty as this idea has worked itself out in the American experience since 1789. It takes a somber view of these events, arguing that the development has been away from the libertarian ideals of the framers of the Constitution toward a domestic policy which transgresses individual liberties and a foreign policy which pursues a will-o'-thewisp at a cost which is enormous -however measured. This is a scholar's book, closely reasoned and well documented: but its thesis will displease many in the academic community because it refuses obeisance to the shibboleth of "democracy." The serious student of public affairs, however, will find this book helpful as he surveys the present mess and wonders how we got this way.

Professor Dietze aligns himself with that scholarly opinion which maintains that the American Revolution was not a revolution in the strict sense. "It did not overturn a legitimate order," he writes, "but restored the rule of law and its protection of the individual against the machinations of human lawmakers whose acts, while often legal, were not legitimate." There would not be a monarchy in the United States: sanction for the exercise of rule would be the consent of the people-but with constitutional safeguards. "The democratic principle of popular participation in government." he writes, "was to guarantee the liberal principle of the protection of the individual from the government. Popular government was considered a means for the protection of the individual under a Constitution embodying a rule of law which had been cherished for centuries. The American Revolution was in the mainstream of the constitutionalist development of the common law."

In this nicely balanced equation, liberalism acted as a counterbalance to democracy; liberalism assured a protected private domain for persons, while democracy put political office within reach of all and gave the masses a place at the polling booth. But circumstances conspired to make democracy attempt the work of liberalism, and already in the 1830's Tocqueville warned of the emergence of "democratic despotism." The warning was not heeded.

Some background might be helpful: Many men lust after power, hence the divine right of kings idea which came in with the Renaissance. James I of England liked the divine right idea, for it placed him above the law. James was not accountable to any man, for his authority was bestowed directly on James by God himself. These notions did not go unchallenged, even in James' day, and the famous confrontation with Coke is well remembered.

But today, any power seeker or would-be dictator who claimed his right to rule was authorized by God would be thought mad; today's dictators claim to derive their authority from The People. This century is the age of Totalitarian Democracy, to borrow J.L. Talmon's phrase. Democratic theorv has worked out its answer to the perennial question: Who shall Rule? And, boiled down, democracy's answer is: The People. Sovereignty is thought to reside in The People; and once this answer comes to be accepted without qualification, some people do things

to other people in the name of The People which no people would have done or suffered under any monarch.

These dreadful consequences occur whenever the idea of Popular Sovereignty crowds the most important of all political questions off the boards. This fundamental question has to do with the nature. scope, and functions of government. As the question was phrased by Whig and Classical Liberal theorists it ran: What shall be the extent of rule? Those who pondered this question elaborated the body of doctrine known as liberalism - in the old sense. To be a liberal, then, meant to subscribe to such ideas as limited government, constitutionalism, the rule of law - in order that each inmight have dividual sufficient latitude to pursue his personal goals without arbitrary interference from either government or other individuals. Along with its emphasis on individual liberty. liberalism emphasized a man's right to his earnings and his savings, that is to say, his right to his property.

Once a people embraces the philosophy of classical liberalism, they have accepted an answer to the question: What shall be the extent of rule? They then face the question of choosing personnel to hold public office (Who shall rule?) and, given the temper of the eighteenth and nineteenth centuries, the answer was bound to be that offered by democratic theory: Let the masses participate in the political process. Thus, liberal democracy, or the Federal republic, whose features are laid down in the Constitution and defended in *The Federalist*. We had it all, once upon a time, in these States. What happened to it, and where did it come a cropper? Turn back now to **Pro**fessor Dietze's admirable book.

The theory of Popular Sovereignty had no place in it for civil war; habituated to thinking in terms of large abstractions, it could not imagine how The People could revolt against itself! But the American Civil War, a multidimensioned tragedy, was thrust upon us: and Professor Dietze reopens the academic debate that rages around Lincoln's handling of power. Lincoln did act outside the Constitution, and it might be argued that the means were justified by the ends, so perilous were the exigencies of the occasion. But the occasion passed, whereas the precedents remained, resulting in a growing national unitary state and a greatly strengthened executive. In the postwar period there was governmental intervention in the areas of price control, wages and hours legislation, rate regulation, and restrictions on the freedom of contract. "By the end of the nineteenth century," Dietze writes, "there was a general awareness that free property and free enterprise were in for serious challenges."

America's glacial drift away from its original institutions and ideals was obscured up until World War I because of the growing admiration abroad for America's expanding wealth and power. But as liberalism declined, the strengthened lever of the central government came to be regarded as there to be used by this faction or that for their partisan and personal ends, first on the domestic scene, then anywhere. In the original constitutional plan, domestic and foreign policy were the two faces of one coin. The government was not to try to regulate the peaceful actions of citizens: and in relation to other nations. America was committed to a policy of neutrality and noninterference with the internal affairs of other peoples. "The Federalist," writes Professor Dietze, "proposes a foreign policy in the long-range national interest, a policy which corresponds to an internal policy favoring free government and the long-range public interest." From the days of the French Revolution on, popular passions in America reverberated occasionally to democratic movements abroad, but they did not

sway the makers of foreign policy who were guided by "constitutional reason." The shift from neutralism to internationalism occurred around the turn of the century, but it was the moralisms of Woodrow Wilson which finally opened the floodgates. Hardheaded considerations of national interest make for peace, but they do not convey the same emotional impact as statements about "national integrity," "human rights," and a "world safe for democracy." We abandoned rationality as the guiding principle of our foreign policy, as domestically we had accepted its correlative, majoritarian democracy. Those who manage and further domestic affairs in the interests of the Great Society will also manage foreign affairs; and because these men vibrate in sympathy with their like numbers in other nations where these trends are more advanced, our foreign policy has lost its head-so to speak- and makes less and less sense as the years go by. Pro-

Since the democratization of foreign policy makers in a large measure was brought about by a movement which favored social legislation over laissez faire, "liberalism" over liberalism, absolute majority rule over free government, there was also a good chance that the substance of foreign policy would change. This

fessor Dietze says it better:

could mean that just as foreign policy previously favored liberalism, now it could favor foreign systems and movements that were akin to the programs of the Progressives, the New Freedom, the New Deal and the New Frontier. Since these programs emphasized social rather than property rights, "civil" rather than civil rights, national power rather than federalism, a concentration of power in the political branches of government rather than the separation of powers, foreign policy could well come to favor similar trends abroad. It could even become captivated by foreign movements that went further to the left, such as socialism and Communism.

No one can survey the record of the past generation and argue that the United States has pursued a foreign policy geared to hardheaded reasons of national interest. Rather, with will numbed, we have witlessly stumbled into one bloody situation after another, losing prestige abroad and spreading dissension at home.

What are the prospects? Can we go beyond the present dilemma? History is made by men and men are moved by ideas. When a significant number of people, like Professor Dietze, come to identify the wrong ideas which have generated the present muddle, and discard them for sound ideas, they'll make a different history.

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Teacher with young pupil — from Roman spreaghagus in the Leaver Museum.

MORAL EDUCATION — AND HISTORY

FREDERICE A. MANCHESTER

Dr. Manchester is an educator, feemerly of the Department of English, University of Wiscensin.

A PROMINENT Protestant clergyman, the Rev. Dr. Norman Vincent Peale, has recently been quoted as saving that "We are living in probably the most undisciplined age in history."¹ Well, if this age is indeed liable to so serious a charge, it should be of interest to know whether the past owed its differing condition to accident or whether this may have been related to specific measures which it has taken. What, in this connection, have other ages done? I suggest that we direct our attention to a few examples of past practice.

First, what about primitive cultures? At adolescence boys are given "moral instruction, including tribal usage relating to obedience, courage, truth, hospitality, sexual relationships, reticence, and perseverance."² – "Sometimes long periods of silence are imposed upon novices in connection with the puberal ceremonies of most primitive peoples. . . Australian boys go alone into the bush, and are required to maintain silence for long periods. African lads are required to remain

¹ U.S. News & World Report, March 4, 1968.

² W. D. Humbly, Origins of Education Among Primitive Peoples, 1926, cited in The History and Philosophy of Education Ancient and Medieval, by Frederick Eby and Charles Flinn Arrowood, 1940, p. 15. silent and immobile for long periods. Such practices test a boy's obedience and self-control, and render teachings associated with them especially impressive."³

In Ancient Egypt

As to education in ancient Egypt, we are told that morals were its "central feature.... Civilization demanded the evolution and enrichment of moral life. To this end the Egyptians sought to train and instruct their young in the art of virtuous living. Their method of moral cultivation was a great advance beyond the simple training of primitive society, and yet it was similar in character. Their chief writings were a series of moral aphorisms and incidents. the distilled experience and wisdom of the fathers, set down for the instruction of their sons. The boys learned this wisdom by copying the 'wisdom literature' again and again as their daily lessons. It was literally 'line upon line, precept upon precept': but these were learned by writing and not by memorizing them. - The sage old vizier, Ptah-hotep, in the twentyseventh century B. C., wrote, 'Precious to a man is the virtue of his son, and good character is a thing remembered.' This is said to be the first recorded use of the word *character* in literature. Some

five centuries later in the Instructions written for King Merikere, his father, who was the Pharaoh, referred to 'God, who knoweth character.' The Egyptian use of the word *character* signified 'to shape, to form, or to build.' It had in view especially the work of the potter, in molding clay on his wheel. . . . The literature of remote antiquity had a distinct pedagogical purpose. The first and deepest of all human interests, or, one might say, the first of all sciences, was the knowledge of how to live. Not how to secure food, but how to live with, and act toward, one's fellows, that is, to live in human relations."4

Hebrew Education

Of Hebrew education it has been said that it "is unlike any other whatsoever in that it made God the beginning. It began, therefore, by teaching the child the most general and universal, and not the particular. It began with the social, and not the individual; with the personal and ethical, and not with things. It began with the abstract and unseen, and not with the seen and the concrete; with obedience to law and reverence for God, and not in the acquisition of the arts of reading and writing. Truth was deduced from this divine, original principle, and

³ Eby and Arrowood, op. cit., p. 17.

⁴ Ibid., pp. 87f.

not learned by induction. Jewish education was spiritual, and therefore it stood in direct contradiction to the empirical and naturalistic systems of other peoples. The fact that it has outlasted every other system whatsoever makes it the most successful educational experiment ever staged in the history of civilization."⁵

The Culture of India

In ancient India, a boy belonging to any one of the three upper of the four castes had to live with his parents until he had been invested with the holy thread and initiated into the sacred Gavatri-Mantra. "But as soon as he got his initiation, at the age of eight or ten, he had to leave his father's house and go to the house of his would-be teacher and live with him until he was twenty-five. when he would have become master of all the branches of learning. The life spent in the professor's house is called the life of Brahmacharya. This was exactly the opposite of what we call a comfortable and luxurious life. However rich his parents might be, a new student would be treated equally with his compeers."-"The celibate students of the classical days were trained to be hardy and robust and were not only learned in the lore of the day but were

also sober and thoughtful. Brought up in the self-renouncing atmosphere of the preceptor's family, they were able to discharge the duties of the householder's life (their life in their second twentyfive years) with strong otherregarding tendencies and with their passions and appetites subdued or moderated. Devotion to duty and spiritual exercises practised long in the preceptor's family made them loving, friendly, broad-minded, truthful and happy."⁶

... And of Greece

Of education in ancient Greece, we can catch a glimpse in the following sentences from the Protagoras of Plato (Jowett's translation): "Education and admonition commence in the first years of childhood, and last to the very end of life. Mother and nurse and father and tutor are quarreling about the improvement of the child as soon as ever he is able to understand them: he can not say or do anything without their setting forth to him that this is just and that is unjust; this is honorable, that is dishonorable; this is holy, that is unholy; do

⁵ Ibid., p. 157.

⁶ The two quoted passages are from For Thinkers on Education (Mylapore, Madras, Sri Ramakrishna Math, 1948) the first, here slightly edited, from Book One. p. 3; the second from the anonymous Introduction. p. xi.

this and abstain from that. And if he obeys, well and good: if not. he is straightened by threats and blows, like a piece of warped wood. At a later stage they send him to teachers, and enjoin them to see to his manners even more than to his reading and music; and the teachers do as they are desired. And when the boy has learned his letters and is beginning to understand what is written, as before he understood only what was spoken, they put into his hands the works of great poets, which he reads at school: in these are contained many admonitions, and many tales, and praises, and encomia of ancient famous men. which he is required to learn by heart, in order that he may imitate or emulate them and desire to become like them. Then, again, the teachers of the lyre take similar care that their young disciple is temperate and gets into no mischief; and when they have taught him the use of the lyre, they introduce him to the poems of other excellent poets, who are the lyric poets: and these they set to music. and make their harmonies and rhythms guite familiar to the children, in order that they may learn to be more gentle, and harmonious, and rhythmical, and so more fitted for speech and action: for the life of man in every part has need of harmony and rhythm."

The Wisdom of the Chinese

In ancient China, we are told, "The most important thing [in respect to 'rightness of relationship'], which all children were taught, was the relation between themselves and other people. There were Five Relationships (just as there were Five Virtues [kindness, good manners, knowledge, uprightness, and honor]) to which every man must be true. These were the relation between parent and child, between husband and wife, between ruler and subject, between older brother and younger brother and between friend and friend. If everyone were true to these five, then truly there would be no unhappiness in the world. If friends are faithful and helpful to each other: if the elder brother protects and guides the younger, and if the younger brother respects and obeys the elder; if the subject is loyal to his ruler and the ruler's first thought is to care for his people; if wife and husband live together in perfect harmony . . . : if the child honors and serves his parents and the parents cherish their child, where is there any room for evil doing? These five lovalties were to the Chinese what the Ten Commandments were to the Jews and the last one was the most important. For if the son truly honors his parents, he will

do nothing wrong, since that would bring sorrow and shame upon them, but he will always do his best, in order to give them pride and joy in him. This commandment has held the Chinese people together from Yao's time [Yao was an ancient, legendary king] until this present century, and has had much to do with the amazingly long life of their nation."⁷

The details given are of great interest, but the unique and perhaps the most striking fact about education in China is - or rather has been until very recently-its relation to the government. Confucius (551-479 B.C.) was, as everyone knows, the teacher par excellence of his nation. the revered transmitter of the moral wisdom of his people accumulated through untold centuries. As early as the reign of Wu Ti (140-87 B.C.) examinations based on Confucian classics were employed as the means of selecting state officials, and subsequently this system has been characteristic of China-at least from and including the Tang Dynasty - until the twentieth century. One of the Confucian classics is the Analects. This book. then, among others, was the object of the closest possible study by youth aspiring to a post in the government. If, therefore, we wish to know the sort of ethics that inevitably came to their attention, we have only to turn to its pages. From it I quote a number of passages: all of them are (or contain) sayings of Confucius:

"A virtuous ruler is like the Pole-star, which keeps its place. while all the other stars do homage to it." – "If a man can reform his own heart, what should hinder him from taking part in government? But if he cannot reform his own heart, what has he to do with reforming others?" - "At home, a young man should show the qualities of a son; abroad, those of a vounger brother. He should be circumspect but truthful. He should have charity in his heart for all men, but associate only with the virtuous. After thus regulating his conduct, his surplus energy should be devoted to literary culture." -- "The princely man never for a single instant quits the path of virtue; in times of storm and stress he remains in it as fast as ever." -- "The nobler sort of man is proficient in the knowledge of his duty; the inferior man is proficient only in money-making." -"The subdual of self, and reversion to the natural laws governing conduct - this is true goodness. If a man can for the space of one day subdue his selfishness and revert to natural laws, the whole world will call him good. True goodness

⁷ Elizabeth Seeger, The Pageant of Chinese History, 1962, p. 45.

springs from a man's own heart." - "Make conscientiousness and truth guiding principles, and thus pass on to the cultivation of duty to your neighbor. This is exalted virtue."-[Confucius, being asked, "Is there any one maxim which ought to be acted upon throughout one's whole life?"] "Surely the maxim of charity is such: -Donot unto others what you would not they should do unto you."-"With coarse food to eat, water to drink, and the bended arm as a pillow, happiness may still exist. Wealth and rank unrighteously obtained seem to me as insubstantial as floating clouds."8

Mexico Before the Spanish

From the Old World I now turn for a moment to the New, specifically to Mexico, and to this at a comparatively early period. We are told that here, at the time of the Spanish conquest -

"From a very early age the training of the child was very strict.... With such strict training it is not strange that the Spaniards were astonished at the high moral tone of the natives, and their reluctance to tell a lie. Unfortunately contact between the two civilizations soon led to a rapid moral degeneration of the native code. "Boys of what might be termed the middle class . . . were handed over to special priests for education at about the age of six, or even earlier. They were lodged in special boys' houses in an organization which might be compared to a modern boarding school, save that the discipline in the Mexican schools was much stricter. . . . Education included a very strict moral training. . .

"Another college existed for the education of the sons of the nobility.... Here the education was even stricter, and the discipline more rigid.... During the whole period of the training, which varied from about six to eight years, the boys were under a very strict supervision. They slept in the college building, and, apparently, seldom saw their parents....

"Girls of the nobility and middle classes were prepared for married life by instruction in girls' schools patterned after those of the boys. They entered these at about the age of five. . . Discipline, as among the boys, was very strict, and long periods of silence were imposed upon them. They were never allowed to leave the college precincts unless accompanied by an old woman, who served as chaperon. This rule was not relaxed even when exercising in the school gardens. Should they meet anyone not connected with

⁸ From *The Sayings of Confucius*, by Lionel Giles.

the school, they were forbidden to speak or even raise their eyes from the ground. – Punishment for infractions of these rules was severe... Even daughters of the rulers were subjected to the same discipline."⁹

Early American Methods and the Christian Influence

I come now, very briefly, to the post-classical period in the Occident-with special reference to America. "In the progress of western education," it has been said, "Christianity has been the supreme influence. It is impossible to understand the institutions and culture of occidental civilization during the past two thousand vears without this new ethical force."10. . . "Our earliest American Colleges were founded on the model of those of British universities: and here, as there, their avowed design, at the time of their foundation, was not merely to raise up a class of learned men. but specifically to raise up a class of learned men for the Christian Ministry. . . . This was the system which time had honored at Oxford and Cambridge, and which time

continued to honor on this continent, with very slight modifications, down nearly to the close of the eighteenth century."¹¹ "The old education," said Irving Babbitt in 1924, referring to the early American college, "was, in intention at least, a training for wisdom and character."¹²

So much for our American colleges; now the schools. "The most prominent characteristic of all the early colonial schooling was the predominance of the religious purpose in instruction. One learned to read chiefly to be able to read the Catechism and the Bible, and to know the will of the Heavenly Father. There was scarcely any other purpose in the maintenance of elementary schools."13 Of Horace Mann (1796-1859) it has been said: "His twelve carefully written Reports on the condition of education in Massachusetts and elsewhere, with his intelligent discussion of the aims and purposes of public education, occupy a commanding place in the history of American education, while he will always be regarded as perhaps the greatest of the 'founders' of our American system of free public schools. No one did more than he

⁹ J. Eric Thompson, *Mexico Before Cortez* (New York, Charles Scribner's Sons, 1933), Chapter II: "The Cycle of Life." Omissions from the quoted passages include details of harsh disciplinary punishments.

¹⁰ Eby and Arrowood, op cit., p. 578.

¹¹ F. A. P. Barnard, 1872, as cited in *Public Education in the United States*, by Ellwood P. Cubberley, 1947 edition, pp. 33f.

¹² Democracy and Leadership, p. 303.

¹³ Ellwood P. Cubberley, op. cit., p. 41.

to establish in the minds of the American people the conception that education should be universal. nonsectarian, and free, and that its aim should be social efficiency. civic virtue, and character, rather than mere learning or the advancement of sectarian ends."14 From this last quotation it appears that though Mann was an outstanding agent in the transforming of American popular education he meant to preserve ethical values among its aims. Again we encounter the crucial word character.

What, then, if anything, to return to our starting point, have past ages done to bring about, or to maintain, a disciplined society? To judge from the examples I have adduced, two things are obvious. One is, emphatically, that they have done something. They have not been passive. They have not been "permissive" - if by being permissive we mean allowing youth to grow up in uninhibited responsiveness to their native impulses and desires. The other thing is that they have subjected their children to a process, definite and in some cases severe. of moral education. In short, they would appear to have shared in no small degree the view I have seen curtly expressed, more or less facetiously no doubt, to the effect that each

new generation is a fresh invasion of barbarians. They have developed systems of training all unquestionably aimed, whatever their specific nature, at producing disciplined men and women, and if the societies they have created have all been, as Dr. Peale would appear to think probable, more disciplined than ours, the inference is plain.

What Can We Do?

And we in mid-twentieth century America, what, if anything, are *we* doing to civilize *our* incoming barbarians?

By what is perhaps universal belief, the most effective agency for moral training is the home. What of the home in contemporary America? According to Dr. Peale. it lacks discipline, morality, spirituality, and even love. "Two generations of parents who abandoned the old American home quality of discipline have caused our universities to inherit neuroses, neglect, permissiveness, creating a student generation that thinks it can get what it yells for, even student power or control of the universities themselves."15 Whether or not completely subscribing to these views, probably most observers who reflect on the subject would agree that the American home, partly because of the increasing

¹⁴ Ibid., p. 226.

¹⁵ For source, see footnote 1 above.

break-up of the family and consequent loosening of its ties, is functioning most inadequately as a moralizing force. Another potential moralizing force, once no doubt secondary in importance only to the home, is the organized church. Here my own testimony must be mainly inference and surmise, but it would seem to me inevitable that with the widespread shift of emphasis in religion from its former task of purifying and elevating the individual soul to concern with social amelioration and the forwarding of humanitarian causes, its effect upon traditionally basic morals would be greatly diminished; and I am unaware of contradictory evidence. Still another potentially major force for right conduct, a force vigorously operative, as we have seen, in colonial times, and no doubt still more or less operative at least as late as a century ago, is formal education - the schools and the colleges. What has become of that force today? My own impression is that apart from religious schools and colleges it is virtually nonexistent.

The emerging contrast between what we are doing in America today in the way of moral education (or rather what we are *not* doing), and what, if the examples I have adduced may be considered reasonably representative, past ages have done, is tremendous even, perhaps some will feel, startling. What in the way of positive action on our part does the contrast suggest as desirable — even mandatory?

The Answer Comes Clear

The answer to this vital question is luminously clear - even, one might almost contend, logically inescapable - provided the following propositions are true: (1) that what purports to be history and what we read as such is substantially authentic: (2) that my examples are in fact substantially representative: (3) that human nature, within the limits of recorded history, has not significantly changed; and (4) that we in America today are seriously dissatisfied with the moral condition of our culture.

As to the first of these propositions there has been scepticism. One recalls the comment – how seriously made I do not know – that history is a lie agreed upon: *un mensonge convenu*; and an outstanding American industrialist has been quoted as saying, comprehensively, that "history is bunk." Such scepticism, serious or otherwise, can, I think, be summarily dismissed.

Of the truth of the second proposition — that my examples are in fact substantially representa-

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tive -I leave the reader to judge.

The third proposition - that human nature has not significantly changed since history was first written - is probably accepted by most people, though I dare say there are some, dazzled by the marvels of modern science and technology, who are firmly convinced that the world has lately begun anew and that mankind has been more or less transformed. It would not much surprise me to hear of a new book, amply supported by laboratory statistics. entitled Human Nature Today. In a recent number of Reader's Digest (February, 1968) I see Eric Hoffer quoted as observing: "The remarkable thing is that we really love our neighbor as ourselves: we do unto others as we do unto ourselves.... It is not love of self but hatred of self which is at the root of the troubles that afflict the world" - and all this despite the fact that genuine religion everywhere has as a main objective the subdual and destruction of the ego! In the passage cited from Mr. Hoffer he does not remark that he thinks human nature has changed, and if he does not think it has done so for, say, two thousand vears, he is attributing to the Founder of Christianity an exercise in superfluity that is truly gigantic. The second commandment, said Jesus to the tempting Pharisee, is like unto the first: "Thou shalt love thy neighbor as thyself."

There can perhaps be no plainer proof of the impotence of current criticism than the willingness of an author to expose himself to ridicule by an assertion diametrically opposed, beyond all question, to the moral experience of mankind.

Of the truth of the fourth proposition – that we in America today are seriously dissatisfied with the moral condition of our culture -I leave the reader to judge.

To what, then, if all these propositions may be accepted as corresponding with the facts, does the argument plainly lead? It leads to the conclusion that an imperative requirement of our time is an allout drive toward intensifying the moralizing activities of the home. the church, and all other relevant social agencies, and the establishment, at all levels, of a definite plan of moral education, wherever it does not now exist. in our educational institutions. To ignore this requirement, in view of the world outlook of the moment, and especially of the consequent urgent demand for political and other leaders trained, not merely technically, but pre-eminently for wisdom and character, might seem to reasonably prudent minds to verge on madness. ۲



JOHN OTTERSON

WHEN we feel we know others it is remarkable, understanding as little as we do about ourselves. The human personality is immensely complex. The person is a great deal more than a name, far more than certain physical, mental. and emotional characteristics. It is only in the human being that untried ideas are born, and by him that discoveries are made and poems written. Perhaps the true person is the hidden dweller in all things. We have resident within us not one nature, but many. We house a myriad of selves superimposed upon each other like endless reflections in opposing mirrors. Which is the true Shakespeare, the man who wrote the

powerful, violent horror of Titus Andronicus or the creator of A Midsummer Night's Dream!

The human is an extraordinary mixture of tendencies and strains. And from the time of first young vears, certain feelings, certain directions grow stronger, feed their appetite, and begin to hold audience. It is a wondrous thing, both delightful and sometimes frightening, to witness this genesis of growth in the young. And we evolve as a grown person not by advancing all our capacities on an even front, but by the selective development of a few of these and by integrating them into a functioning totality. We are both chemist and crucible in this decision-making process.

If we choose any positive rela-

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tionship to life, we tacitly accept its hazards and handicaps, its dissonance and harmony. Opposition comes to every man who aspires. Dissonance and consonance are as inseparable as the two sides of a coin; they are ceaseless rhythms in life. But what of the challenges: will they be masked or unmasked; will they come as a whisper or as a clap of thunder; will they inflict mere surface scratches, infected wounds, or mortal blows? And what of our direction: is it determined; is it straight as the pull of a magnet or are we like the ancient God, Janus, with two faces looking in opposite directions? Have we permitted ourselves to be caught in a revolving door? When Alice in Wonderland asked the Cheshire cat which path she should take through the forest, the grinning cat simply replied that it would depend on which way she wanted to go and then added that they all lead somewhere.

It may be the crisis moment that ultimately reveals what we are. Or it may be the "long haul," calling for infinite patience and tenacity, determining the endurance values by which we live. There are those whose hopes have been broken again and again, but they will manage to find the resiliency to never be "used-up"; they can "take it" and frame new hopes. And does not the strength of caring, of how much we care, does this not signal the inconveniences one will suffer, the risks one will chance? Half-hearted interest did not take an Albert Schweitzer into his jungle hospital and keep him there year after year. Gigantic battles are waged, fought without bow and arrow. without shield, without helmet. or javelin or cannon, without bayonet or rifle. One can move through the most intense conflicts with serenity. One may hear the command to surrender and yet not give up.

A flower is held before a mirror; the mirror reflects the flower, but has no knowledge of it. And the human eye has no more knowledge, no more awareness, no more consciousness of the flower than the mirror. But our inner eye, our inner reaction to what the physical eye has imaged, projects to the flower its consciousness, its meaning or feeling to us. And this might tell quite a story about the person we are; and what we mean to ourselves.

Every waking moment, consciously or subconsciously, we select, we respond, reject, accept. To live is to be for some things and against others; but always understanding that confusion destroys purpose. We listen, talk, we walk

or ride. With each breath we project or reflect the results of inner selections, our emotional roadblocks, our mental foxholes: our choosings, likes or dislikes, our appreciations, loves, sensitivities or insensitivities, our enthusiasms and our beliefs, the impoverishment or richness, the peace or war within our being. All are part of our working-out whole; they are the members of our cast, the ingredients of our recipe, the thoughts, the feelings, our way. In closing lines to one of his poems Robert Frost wrote: "The road diverged in a wood, and I -I took the one less traveled by, and that made all the difference."

Stone skeletons, the wrecks of past civilizations, lie scattered in awful silence across the earth's surface. These human societies declined and fell when inner decay became their disease. As we move closer together, do we grow further apart! Do we forget that one of the greatest needs, yearnings of the human being is a sense of the worthwhileness in living? And it is the quality of self-renewal that builds this sense of worthwhileness. With continual effort opposition becomes a time for growth. Do we wish to merely exist, to vegetate, to become "it-things" emotional strangers on earth? This earth is our home! Do we turn our backs to its natural world - the natural world with its gifts, its sights, its sounds, its colors and inexhaustable forms, its vast spaces and intricate detail? Have we been as absentees for too long a time from its wonders; have we lost our sense of proportion and developed emotional myopia? Have we lowered our eyes from the hills and mountains? And what if beauty has wings; do we grasp only a feather as she flies by? Does not the sunset allow a star to shine more brightly?

Do we let our heads and hearts and those of our young ones grow away from the earth? It is not the education but the preservation of virgin sensibilities that is vital. Can we still taste from a mountain spring; have we treasured the desire to dream? Anatole France writes, "to know is nothing, to imagine is everything." Are we in too much of a hurry to pause; are we too in a hurry to share this pause with some young one? We open the pages of The Little Prince: "And a brilliantly lighted express train shook the switchman's cabin as it rushed by with a roar like thunder. 'They are in a hurry,' said the little prince. 'What are they looking for?' 'Not even the locomotive engineer knows that,' said the switchman."

The farmer looks for rain, the fisherman waits for the tides, the

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sailor watches the stars. Let us discover within ourselves. Inquisitive man must part the curtains; he must seek beyond the evidence; his is the lure over the horizon as his lighted candle reveals more darkness. And the individual who has all the answers; could he be the one who is afraid not to have them? What vistas lie ahead of the words, "I do not know." One of the most exciting traits of science is an intense desire to overcome its own ignorance.

Frequently, we refer to a beyond: beyond belief, beyond endurance, beyond understanding. But are we not thinking of the outside beyond rather than the beyond within our being? What frustrations result from inner. bottled-up beyonds? Charles Dickens told of such a situation, a Mr. Creakle, a man of undisciplined passion; but he, unfortunately, could not speak above a whisper. The searcher, the discoverer will see beyond a threatening present; he can sense possibilities and moves into each situation with an alive interest. To him life is not a sordid circus, or a comic satire; it is not a playground for hypocrisy or retarded naivete. Cvnicism and bitterness have not injected their venomous solutions into his veins. He is not trapped in stifling corridors with

no exits. Nor is he "sleeping away the unreturning time." Within his vision the eve of a needle can be an opening for the longest thread. He is the owner of flexible responses: he is the human being not fighting himself, and he reflects a sound measure of selftrust. A blade of grass pushes through concrete in its journey to reach the sun; the spring crocus reaches upward, cracking a solid crust of winter's ice. Fabre found a universe hatched by the sunlight in a stagnant pool only a few feet wide.

And what of the boy or girl dreaming alone on the hillside? Must our lostness label them antisocial: must we smother them with the suffocating vocabulary of togetherness? Has the game of the individual been called because of darkness! No-we hear the bird. the tree, the warmth of time, the quality of moonlight - they whisper "this way." And accolades to Don Quixote, to Cervantes -Quixote is as much a child as his author was a genius, and as much a genius as his creator was a child. O, to scour that rusty suit of armor: to transfigure the country lass into a great lady; O, to mount that ramshackle steed Rozinante and ride fearlessly into life. Is this not the world of our waking dreams! And is it not the love of life for what it truly is, not what

man attempts to squeeze into his stuffy mold? Do we escape the normal undulations of routine; do we lift ourselves above despair! Long ago a wise man said, "The flowers of tomorrow are in the seeds of today." We stand, now, not in the past, not in the future. The seeds burst with life; we hold a rainbow in our arms; we delay the sunset's blush for another moment; we shelter the breath of twilight; we touch the rising moon.

Solitude; her hours belong to us; she is the immense stillness; a great tenderness, an at-one-ment, a vast loneliness with no lonely being. Have we both eye and vision: beyond knowledge there must be insight, beyond judgment there must be love. An opened seed joins the wind: a spark from the volcano; a snowflake from the mountain, a heartbeat from the swamp, from the slough of cities, from forgotten towns, a heartbeat from the belly of a ship, from the agony of battlefield.

Columbus wrote in the log of his first voyage across the unknown Atlantic, "This day we sailed on." Nietzsche exhorts man to get off his knees, to stand on his feet, and then he collapses. Tschaikovsky says, "I'm sick again" and writes a symphony; Wagner grabs his stomach in pain and composes Parsival; Renoir, hands crippled by arthritis, has a brush strapped to his arm and paints some of his finest canvases. And what of Lincoln: in the mixed shame and blame of two clashing civilizations, often with nothing to say, he said nothing; frequently, he slept not at all and on occasions he was seen to weep but in a way that made weeping appropriate, decent, majestic.

Wait! a miracle: a woman alone in her tiny home and blind for twenty years suddenly regains her sight. The joy nearly overwhelms her; the colors, the rooms, the furniture, the world she has never seen, she must share this, tell it to all. Her grown daughter walks through the front door. The mother, her unblinded eyes filled with tears, says, "Darling, I see you."

Again a whisper – come lead the way: it is the music of daybreak; it is the pageant of the seasons; it is gentle rain falling through the leaves; it is the fresh morning dew spreading silver over the fields. We feel the mystery; some seals cannot be broken. Man's will for hope. We look above the electric lights, above the neon tubes, and see the stars.

Separation of Powers

and the Labor Act

I. CONGRESSIONAL POLICIES versus LABOR BOARD POLICIES

How a delegation of judicial power to an executive agency has brought about a loss of policy-making legislative power to the congress

Sylvester Petro

WHEN the Senate was considering the Taft-Hartley Bill in 1947, Senator Joseph H. Ball, though himself a leading proponent of the Bill, called attention to its outstanding weakness. He said: "The rights guaranteed to employees... could be made a complete dead letter overnight by a National Labor Relations Board that was so inclined."¹

One of the major objectives of the Taft-Hartley Act was to secure a fairer administration of the national labor policy, an application of the Labor Act more faithful to Congressional intent. than the Labor Board had provided under the Wagner Act.² Congress hoped in 1947 that such a result could be achieved by a number of provisions which exhorted the Labor Board to operate more in the manner of a regular court.³ Unfortunately, however, the Labor Board members were asked to produce judicial results without being given one of the essential characteristics of Federal judicial office – life tenure

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¹ This and subsequent footnotes will be found at end of the article, page 412.

- and without being placed in the only branch of the Federal government which can, if it wishes, devote itself essentially to nonpolitical, disinterested interpretation and application of law – namely, the Federal judiciary. Asking the short-term, politically oriented Labor-Board members to act as a court was much the same as asking a baseball pitcher to call his own balls and strikes. This is what disturbed Senator Ball. His fears have been borne out.

The labor policies prevailing today are as much those of the Labor Board as they are those declared by Congress in the National Labor Relations Act. The two are radically different in certain critical respects. Since the Labor Board is an *administrative* agency, and since the Constitution delegates all policy-making, legislative powers to Congress, a miscarriage of the principle of the separation of powers has occurred.

This miscarriage was *not* brought about by any defect inherent in the principle itself. It was brought about by a violation of the principle. Influenced by plausible error, Congress merged into a short-term politically oriented executive agency significant aspects of administrative, judicial, and legislative power. That merger upset the delicate balance which the Constitution establishes

It gave the administrative branch a critical edge over and above the natural advantage which it possesses as the activist branch of government—the only branch which possesses and wields substantial and sustained aggressive *power*, much money, and hordes of personnel.

The observable result is that Congress's labor policies now prevail only to the extent that the United States Courts of Appeals continue to exercise in Labor-Act cases the fragments of their constitutional judicial power that Congress and the Supreme Court permit them to exercise.⁴

It adds up to this: If Congress wishes to preserve its legislative policy-making supremacy, it must respect the judicial supremacy of the Federal courts. We attain the height of practical realism today when we rediscover what Americans learned in the eighteenth century, what Englishmen learned and relearned a dozen times from the eleventh century to the seventeenth century, and what Aristotle discovered in the fourth century. B.C., namely, that executive power is strong stuff which must be carefully guarded.

Principles Pertaining to Separation

Here are the practical principles which should influence thought on the Separation of Powers: • 1. That a wary legislature and an independent court system with complete and unfragmented judicial power — even working as deliberate allies — are by no means over-matched against an ambitious executive;

• 2. That if the rule of law is to be roughly approximated, executive power must be confined to pure administration, even when plausible arguments, based on convenience or on necessity, are made in favor of adding legislative and judicial powers to the executive power;

• 3. That if all the inordinately complex and intersecting interests of this nation are to be harmonized and reconciled tolerably, it is going to have to be done by policies and legislation wrought from the kind of deliberation and compromise available exclusively to the representative branch of government, namely, Congress;

• 4. That the executive branch is physically and politically unable to confine itself to disinterested interpretation and application of Congress's policies and statutes – especially those conceived and enacted in past times;

• 5. That an independent judiciary such as that envisioned by the Constitution may perhaps not be *sufficient* to insure faithful interpretation and application of the laws, owing to the possibility that men inherently lacking the requisite moral and intellectual virtues will be appointed for life to judicial office; but that nevertheless life tenure in judicial office, as the Constitution requires, is absolutely *necessary* if the policy-making legislative supremacy of Congress is to be preserved; and that, to repeat, if Congress wishes to maintain its constitutional legislative supremacy, it is going to have to accept and affirm the constitutional judicial supremacy of the Federal judges.

There is more at stake here than an academic exercise in political theory. The nation is in Some of this trouble trouble. directly to the traces Labor Board's usurpation of the policymaking power and its clumsily biased exercise of judicial powers. While producing no perceptible social benefit, the Labor Board's administration of the Labor Act has been the source of definite social harm. Since its policies are materially at odds with those of Congress and since Congress represents public opinion far better than the Labor Board does, we may conclude that public sentiment is being flouted. That is evil enough in a country which values representative government. But there are other evils. Perhaps the worst product of the Board's unrepresentative labor policies has been a chronic, debilitating threat to the viability of the American economy, upon which rest both the well-being of American citizens and the hopes of decent men and women everywhere in the world.

The Principle of Free Employee Choice

Occupying the vital center of the labor policies declared by Congress is the principle of free employee choice. This principle was not worked out overnight in Congress. On the contrary, it emerged from over a half-century of legislative experimentation. It is visible in primitive and fragmentary form as far back as the Erdman Act of 1898. It figured implicitly in the Clayton Act of 1914 and explicitly in the Railway Labor Act of 1925, the Norris-LaGuardia Act of 1932, and the labor relations legislation of the mid-thirties. It has come to rest in complete and definitive form in the central, dominant provision of the National Labor Relations Act. Section 7, the most significant and most carefully considered expression of Congress's fundamental labor policy. Section 7 declares that:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities....

Added in 1947, the italicized clause expressed what may be called a "quantum jump" in public and Congressional evaluation of employee rights and collective bargaining. Prior thereto, as illustrated by the Wagner Act, public and Congressional opinion seemed convinced that collective bargaining was so unqualifiedly in the public interest that there was no need to subordinate it to any other principle or even to place any Federal restraints upon trade-union activities. however coercive, designed to spread collective bargaining. No doubt employee rights to freedom of choice in collective bargaining were even then favorably evaluated: Section 7 of the Wagner Act stated them. and Section 8 was comprehensively designed to forestall employer coercion of employee rights. However, the absence of any prohibition upon union activities designed coercively to impose unionization upon unwilling employees implies that Congress rated collective bargaining superior to employee freedom of choice.

Events during the Wagner Act period (1935-1947) brought about what has proved to be a permanent change of mind both in the general public and in Congress. Whereas previously unions and collective bargaining were thought to be unqualifiedly in the public interest, most people began seeing in the late thirties and forties that unrestrained power and privilege in trade union officials and a monolithic pro-collective-bargaining policy could produce serious damage in the form of both abuse of individual employees and weakness in the economy.

Still unwilling to discourage either union expansion or collective bargaining, however, Congress decided to subject them to another principle, the principle of free employee choice, and did so, as we have seen, by expressly declaring a right in employees to refrain from joining unions, or bargaining collectively, or participating in other union activities. There can really be no doubt that in so legislating Congress faithfully represented persistent public opinion. The Congressional majority in favor of the Taft-Hartley Act was overwhelming. It remains so. So far as I can tell, and this is the field of my major long-run interest, public opinion today is more than ever suspicious of unrestrained power and privilege in trade unions. Legislative trends are toward more control of trade unions and collective bargaining, not less. The principle of free employee choice, Congress's basic principle in labor relations law, is not only congruent with the traditions of the country; it is also in accord with the present wishes of the American people as a whole.⁵

Notwithstanding all that, the Labor Board, sometimes blatantly, more often hypocritically and disingenuously, but ever persistently has been attempting to restore the state of affairs prevailing under the Wagner Act. It has been trying, often successfully, to re-elevate union organizing privileges and collective bargaining over the principle of free employee choice.⁶

Favoring Unionization

Upon occasion one may observe the process clearly at work. The relatively recent Garwin case⁷ is an example. There the Board ordered an employer to bargain with a union even though none of his current employees belonged to that union. According to the Board, the order was necessary in order to remedy prior unfair practices. The fact that the order would have fastened upon employees a union which they obviously had not chosen seemed less important to the Board than the desirability of maintaining the bargaining status of the union involved. Fortunately, a panel of judges was formed on the Court of Appeals for the District of Columbia a majority of which considered itself duty-bound to challenge the Board's evaluation of the policy issue. That Court, which does not habitually question the Board's policy determinations when they favor unionization or collective bargaining, held in this case that free employee choice is the paramount principle of the national labor policy and that the Board had incorrectly subordinated it to the bargaining principle.8

An almost equally egregious displacement of Congressional policy may be seen in the collective-bargaining rules which the Board has laid down. Congress guardedly and conditionally approved collective bargaining as an institution potentially in the public interest. The approval was conditional upon the free choice of employees: there was to be no collective bargaining unless a majority of employees in the appropriate unit desired it. Moreover, the duty to bargain was carefully guarded by an explicit qualification in Section 8 (d) to the effect that neither concessions nor agreements were required.

Employer Harassment

Defying these unmistakable indications of Congressional intent. the Labor Board has held in hundreds of cases that employers must make concessions if they are to satisfy the good-faith bargaining requirement.⁹ In the hands of the Labor Board, collective bargaining has become an institution encouraging unreasonable, uneconomic demands by unions and discouraging resistance to such demands by employers.¹⁰

It is true that the Board does not straightforwardly and explicitly compel concessions - as Judge Wright in an extraordinary opinion recently said it should do.11 But any specialist in the field will agree that the employer who adamantly refuses to make any concession can expect to be harassed indefinitely by the Board. no matter how honest he is. As a result, employers tend to make concessions or offer counterproposals whether or not they think it correct or economically feasible to do so. As a further result, collective bargaining practices are developing in an unwholesome way, and the law of collective bargaining surpasses the comprehension of even able practitioners.

A long string of NLRB decisions might be presented - each one requiring sustained and complicated analysis - in illustration of the Labor Board's persistent determination to replace Congress's policies with its own.¹² However, being less interested in the substantive minutiae of current labor law than in the general aspects most relevant to the separation of powers, I confine myself to an account of only some of the outstanding examples of the Board's negation of Congressional policies in favor of its own.

One of Congress's dominant purposes in labor legislation over the past twenty years has been to apply equal rules to employers and unions in organizing campaigns. Even a superficial glance at the parallel subdivisions of Section 8 of the National Labor Relations Act will convincingly reveal an intent to govern evenhandedly the activities of these normal rivals.13 Again, this approach faithfully mirrors public opinion, which has always favored the equal rule of law. Yet again. the Labor Board has flouted both Congressional sentiment and the community consensus. The Board has stretched the rules relating to employer conduct to the point where infringement of constitutional right is a daily occurrence.14 On the other hand, it has confined regulation of even the most aggressive, coercive, and monopolistic union conduct to the level, at most, of mere annoyance.15

Whereas Congress in Section 8 (c) of the NLRA expressly immunized expressions of opinion in order to make sure that employees would hear both sides in union organizational campaigns, and could thus register an informed choice

on the issues, the Labor Board has steadily constricted those free speech rights. So much so that it is dangerous nowadays for an emplover to open his mouth at all during an organizing campaign.¹⁶ And yet, as an outstanding Federal judge. Judge Friendly of the Second Circuit. has said. "If Section 8 (c) does not permit an employer to counter promises of pie in the sky with reasonable warnings that the pie may be a mirage, it would indeed keep Congress's word of promise to the ear but break it to the hope."17

Common sense would seem to suggest that an employer cannot coerce employee free choice by unconditionally offering benefits. Yet the NLRB, with the approval of the Supreme Court, has been holding that an employer violates the Act in granting even the most innocuous benefits, or merely promising them, during an organizational campaign.¹⁸ This may not seem a vastly important point. The fact is, though, that, together with the extrastatutory limitations imposed upon employer free speech and other strained extensions of the law, it has made it possible for the Board to find employers guilty of unfair practices whenever they vigorously resist an organizational drive. The Board's apparent objective is to quell all resistance to union expansion. If

it succeeds, employees and their freedom of choice will be the principal victims.

The Bryant Chucking Grinder Case

With its powers in such formidable array, the Board is in a position to impose collective bargaining virtually at will, quite regardless of the preferences which employees might register in the secret-ballot elections which the Board is tending to avoid. And this in spite of the fact that Congress has indicated that the preferred - if not the exclusive means of establishing bargaining status for unions and imposing bargaining duties on employers is the secret-ballot election.¹⁹ The tortured, devious methods by which the Board has thus flouted Congressional intent is well worth serious attention. The recent case of Bryant Chucking Grinder Co. v. NLRB²⁰ will serve as an example of how the Board is managing to impose collective bargaining, either without elections or, worse, in spite of election defeats. Here is an outline of the case.

1. A union had been defeated in a secret-ballot election in 1959.

2. In 1962 that union began another organizing campaign. The record showed that the union circulated employee authorization cards on the basis of both public and private representations that the cards would be used in order to secure another election, not in order to secure immediate recognition of the union as exclusive bargaining representative.

3. Cards were signed by 198 of the 337 employees in the bargaining unit, but the employer refused to recognize the union on the basis of the cards, insisting instead upon an election (as the law permits the employer to do).

4. An NLRB-conducted secretballot election was held in November, 1962. The union was rejected in this election by a vote of 184 to 124.

5. In December of 1962 the union filed objections to the election alleging employer interference.

6. Entertaining the objections, the Board ordered a new election.

7. After the Board ordered the new election, the union (for reasons not explained) withdrew both its objections to the past election and its petition for a new election; instead, in January of 1963, the union filed unfair labor practice charges against the employer based on his pre-election conduct.

8. The NLRB Regional Director dismissed these charges on the ground that they were disqualified by the Board's decision in *Aiello Dairy Farms*,²¹ establishing the rule that charges would not be entertained when they related back to pre-election conduct.

9. The union appealed the dismissal to the NLRB General Counsel.

10. The General Counsel sat on this appeal for roughly two years while prosecuting other cases in which he argued that the Board should overrule the Aiello Dairy Farms decision.

11. Finally, in Bernel Foam Products Co., $Inc.,^{22}$ the Labor Board overruled Aiello.

12. The General Counsel thereupon ordered the Regional Director to issue a complaint based on the charges filed by the union in this, the Bryant Chucking Grinder case.

13. Owing in part to delays common in the Board's general processes and in part to *exceptional* ineptitude on the part of the Board's Trial Examiner, an NLRB decision was not reached till late in 1966 some four years after the events in issue and the union's defeat by a vote of 184 to 124.

14. This NLRB decision²³ held: (a) that the employer had never been entitled to the 1962 election because he had not had a reasonable basis for a "good-faith doubt" of the "majority status" established by the 198 signed authorization cards proffered in 1962;

(b) that the employer's conduct prior to the election interfered with the free choice of the employees and thus invalidated the election; and

(c) that the employer had a duty to bargain with the union from late 1966 on, despite the election defeat, because of the card majority in 1962. The employer appealed to the Second Circuit.

Writing the court's decision, Judge Hays enforced the Board order with little attention to the facts of the case. Judge Friendly concurred specially, broadly indicating that he would much rather have denied enforcement of the Board order. He went along with Judge Hays, he said, because the Supreme Court's decision in NLRB v. $Katz^{24}$ "was couched in terms so strong that to impose an exception requires more boldness than I possess."²⁵

Judge Anderson, dissenting, took the position that it was not a matter of boldness at all but simply one of keeping the Board from inflicting another travesty of Congress's policies on the nation. He pointed out that the employer's pre-election conduct was innocuous; that the union had misrepresented the purpose of the cards, thus disqualifying them as evidence of representative status; and that the Board's decision was imposing a bargaining representative upon employees who had shown only, if they had shown anything. that they did not wish to yield their individual rights to a union. Perhaps the most impressive fact adduced in Judge Anderson's powerful dissent was the difference in the bargaining unit in 1967 from what had been in 1962, when the 197 cards were signed. There were 337 employees in the unit in 1962. There were 400 in 1967. Equally significant, at least sixty of the card-signers had left Bryant Chucking in the intervening years. Thus, Judge Anderson concluded, the Board was giving the union exclusive bargaining status for over 400 employees in 1967 on the basis of signatures by roughly 135 employees in 1962 - signatures gained, moreover, on the representation that the cards would be used to secure an election!²⁶

The importance of the process illustrated by the Bryant Chucking case can scarcely be exaggerated. In the last two or three years that process seems to have become the preferred method of establishing bargaining status. If this is true, a wholesale departure from Congressionally declared rules and policies has occurred. It is not a matter only of abandoning the secret-ballot elections which Congress so clearly envisioned as the main means of establishing bargaining status. The full nature of the travesty cannot be appreciated unless one knows that the Board itself has frequently characterized authorization cards as unreliable methods of ascertaining employee choice.27

Moreover, the rigged processes evident in *Bryant Chucking* illustrate another radical departure from Congressional intent. One of the main objectives of the 1947 amendments of the Wagner Act was fairer and more judicious conduct by the Labor Board. The 1947 amendments sought to induce Board members to deal more scrupulously with the facts and to give more sensitive heed to due process requirements.²⁸ But the Labor Board has repaid this Congressional solicitude in customary coin. Since 1947, and especially in the last few years, the Board has issued a long series of decisions which, in terms of arrogant factdistortion, questionable legal interpretation, and callousness toward due process requirements, at least equal and often surpass the worst that it had produced under the Wagner Act.²⁹

NLRB and the Kohler Case

Perhaps the outstanding historical example of such Board conduct is to be found in its decisions in the Kohler case. Since I have written a book³⁰ about the NLRB's first decision³¹ in the case and an article³² about the second,³³ I do not think it necessary to spend time and space on that affair here. Suffice it to say that, in my opinion, that litigation provides in itself sufficient basis for a re-evaluation by Congress of its grant of judicial power to the NLRB.

So disturbing has the Board's performance been that it seems increasingly to try the restraint of Federal judges.³⁴ The Federal circuit-court judges habitually bend over backwards in an effort to respect the limits on their reviewing power which Supreme Court decision and the statute to some extent impose. Judge Friendly's comment reflects the sentiment of a good many of his brethren on the Federal bench and will be found repeated in one form or another in dozens of decisions each year. In short, the U.S. courts of appeals frequently enforce Board orders even when it is perfectly clear that, given a freer hand, they would vacate them.³⁵ In the opinion of easily a majority of the Federal judges, I would say, the NLRB has a policy of its own which only accidentally intersects and coincides with the policies of Congress.

It would be inaccurate to conclude, however, that *no* vestige of Congress's policies survives today in labor relations law and practice. Those policies do survive to some extent. And in this fact resides another fact of significance to this inquiry into the separation of powers: Congress's labor policies survive in about the same proportion and to about the same extent as do the reviewing powers of the Federal courts of appeals.

A subsequent article will consider the constitutional validity, the practical worth, and the consequences of Congress's having transferred so much judicial power from those courts to executive agencies.

FOOTNOTES

¹ 93 (Daily) Cong. Rec. 5013, 2 Leg. Hist. of the LMRA 1947, p. 1495.

² Cf. Rep. No. 105 on S. 1126, pp. 1-3, 8-10 (80th Cong. 1947); H. Rep. No. 510 on H.R. 3020, pp. 36-38 (80th Cong. 1947).

³ Ibid. And see Sec. 9 (c) and Sec. 10 (b) and (c) of the Act as amended. An amendment to 10 (b) is typical. It exhorted the Board to follow the rules of evidence and procedure prevailing in the Federal district courts, but only "so far as practicable."

⁴ The U.S. Courts of Appeals cannot vacate NLRB findings of fact unless there is no substantial evidence in the record considered as a whole to support those findings. Cf. Section 10 (e) of the Act and Universal Camera Corp. v. NLRB, 340 U.S. 474 (1951). Obviously circuit judges will vary considerably in both interpreting and exercising such reviewing power as this necessarily vague standard imposes. Cf. the varying views of Judges Knoch and Schnackenberg in Lincoln Mfg. Co., Inc. v. NLRB, 55 CCH Lab. Cas. ¶ 12044 (7th Cir. 1967). With Judge Hays' view in Bryant Chucking Grinder Co. v. NLRB, 56 CCH Lab. Cas. ¶ 12344 (2d Cir 1967), compare that of Judge Anderson, dissenting in the same case. With Judge Bryan's opinion compare that of Judge Boreman in NLRB v. Dove Coal Co., 54 CCH Lab. Cas. ¶ 11604 (4th Cir. 1966).

⁶ For particularly able criticisms of the Board's distortion of the Congressional policies, see the notes: Card Checks and Employee Free Choice, 33 U.Chi. L. Rev. 387 (1966); Union Authorization Cards, 75 Yale L. J. 805 (1966).

⁵ I have discussed the evolution of Congressional labor policy at greater length in *The Labor Policy of the Free Society* at pp. 125 et seq. (Ronald Press, 1957).

⁷ ILGWU Local 57 v. NLRB; Garwin Corp. v. NLRB, 54 CCH Lab. Cas. ¶ 11664 (D. C. Cir. 1967), opinion by Burger, J., Bastian, J., concurring; McGowan, J., dissenting on the critical issue.

⁸ Judge McGowan dissented on the

ground that the Board, "if it is to mediate between clashing interests with moderation and restraint, must have scope for inventiveness and experiment." Ibid. at pp. 18084-85. This is about as close as one normally comes to an explanation of the rationale which affirms the existence and endorses the exercise of policy-making discretion in the Board.

⁹ The outstanding example of the Board's insistence that employers must make concessions to the union's demands (concessions to employees and obvious good-faith intent to reach an agreement not being enough) is the General Electric case, 150 NLRB No. 36 (1964).

¹⁰ For typical examples of NLRB decisions requiring concessions from employers as an aspect of the duty to bargain, see California Girl, Inc., 129 NLRB No. 21 (1960); Cummer-Graham Co., 122 NLRB No. 134 (1959); Fetzer Television, Inc., 131 NLRB No. 113 (1961); James Rubin, 155 NLRB No. 37 (1965). The Board rarely reveals the facts in its decisions, tending as a rule simply to endorse the findings made by the trial examiner in his frequently prolix reports, and the reader is accordingly required to piece out the basis of the holding.

¹¹ Cf. United Steelworkers v. NLRB (Porter Co.), 56 CCH Lab. Cas. ¶ 12332 (D.C. Cir. 1967) (Miller, J., dissenting) and the same case at an earlier stage; 53 CCH Lab. Cas. ¶ 11238 (D.C. Cir. 1966).

¹² I cite the following cases as a mere cross section of decisions in which the U.S. courts of appeals have found more or less serious shortcomings in the Board's handling of fact or law. In some cases, the court completely denied enforcement: in others, partly, The classification is in the numerical order of the circuits: Caribe General Electric Co. v. NLRB, 53 CCH Lab. Cas. ¶ 11094 (1st Cir. 1966); NLRB v. Purity Foods, Inc., 55 CCH Lab. Cas. ¶ 11896 (1st Cir. 1967); Cooper Thermometer Co. v. NLRB, 55 CCH Lab. Cas. ¶ 11868 (2d Cir. 1967); NLRB v. Nichols, 55 CCH Lab. Cas. I 12016 (2d Cir. 1967); Firestone Syn-

thetic Fibers Co. v. NLRB, 55 CCH Lab. Cas. 1 11783 (4th Cir. 1967); NLRB v. Logan Packing Co., 56 CCH Lab. Cas. ¶ 12278 (4th Cir. 1967); Home Town Foods, Inc. v. NLRB, 55 CCH Lab. Cas. 1 12019 (5th Cir. 1967): NLRB v. Ortronix, Inc., 56 CCH Lab. Cas. # 12051 (5th Cir. 1967); Southwire Corp. v. NLRB, 56 CCH Lab. Cas. | 12110 (5th Cir. 1967); Rivers Mfg. Corp. v. NLRB. 55 CCH Lab. Cas. ¶ 11902 (6th Cir. 1967); NLRB v. Swan Super Cleaners, Inc., 56 CCH Lab. Cas. ¶ 12239 (6th Cir. 1967); Frito-Lay, Inc. v. NLRB, 56 CCH Lab. Cas. 1 12264 (7th Cir. 1967): National Can Corp. v. NLRB, 55 CCH Lab. Cas. 1 11771 (7th Cir. 1967); Dierks Forests, Inc. v. NLRB, 56 CCH Lab Cas. ¶ 12274 (8th Cir. 1967); NLRB v. Frontier Homes Corp., 54 CCH Lab. Cas. [11701 (8th Cir. 1967); NLRB v. Transmarine Navig. Corp., 55 CCH Lab. Cas. ¶ 12028 (9th Cir. 1967); NLRB v. TRW Semi-Conductors, Inc., 56 CCH Lab. Cas. ¶ 12299 (9th Cir. 1967); J. C. Penney Co. v. NLRB, 56 CCH Lab. Cas. [12150 (10th Cir. 1967); NLRB v. Groendyke Transport, Inc., 54 CCH Lab. Cas. [11690 (10th Cir. 1967): Retail Clerks v. NLRB. 54 CCH Lab. Cas. 1 11653 (D.C. Cir. 1967); Clothing Workers v. NLRB, 53 CCH Lab. Cas. 1 11335 (D.C. Cir. 1966).

¹³ Section 8 (a) (1)-(5) defines employer unfair practices; Section 8 (b) (1)-(7) defines roughly parallel or analogous union unfair practices. Sections 8 (c)-(f) establish certain principles and provide for certain types of rules applicable to both unions and employers.

¹⁴ See the cases cited in note 12, supra.

¹⁵ Documentation of this assertion is beyond the scope of this paper. The process has been too long and too tortured for any kind of brief treatment. I have, however, written two books which demonstrate in painstaking detail how-contrary to Congressional intent—the Board has liberated unions from any serious control by the NLRA. See: How the NLRB Repealed Taft-Hartley (Labor Policy Assn., 1958); and Power Unlimit ed: The Corruption of Union Leadership (Ronald Press, 1959). See also my labor law articles in the N.Y.U. Annual Survey of American Law dating back to 1951, and my Unions, Housing Costs, and the National Labor Policy in 32 Law and Contemp. Prob. 319 (1967).

¹⁶ Cf. NLRB v. TRW Semi-Conductors, 56 CCH Lab. Cas. ¶ 12299 (9th Cir. 1967); National Can Corp. v. NLRB, 55 CCH Lab. Cas. ¶ 11771 (7th Cir. 1967); Southwire Corp. v. NLRB, 56 CCH Lab. Cas. ¶ 12110 (5th Cir. 1967); Amalgamated Clothing Workers v. NLRB (Hamburg Shirt Corp.), 54 CCH Lab. Cas. ¶ 11609 (D.C. Cir. 1966).

¹⁷ NLRB v. River Togs, 56 CCH Lab.
 Cas. § 12097 at page 19624 (2d Cir. 1967).
 ¹⁸ NLRB v. Exchange Parts Co., 375
 U.S. 405 (1964).

¹⁹ See the note, Union Authorization Cards, 75 Yale L. J. 805 (1966), against which the only authority of any significance is the Supreme Court's opinion in UMW v. Arkansas Oak Flooring Co., 351 U.S. 62, 71-72 (1956). As Judge Friendly has pointed out, the brief discussion of the question found in that case "would hardly preclude Supreme Court re-examination of this issue." See NLRB v. S. E. Nichols Co., 55 CCH Lab. Cas. ¶ 12016 at page 19359, note 1 (2d Cir. 1967).

²⁰ 56 CCH Lab. Cas. 1 12344 (2d Cir. 1967). The facts here recounted are drawn mainly from Judge Anderson's dissenting opinion.

21 110 NLRB 1365.

22 146 NLRB 1277 (1964).

23 160 NLRB No. 125.

24 369 U.S. 739 (1962).

²⁵ See 56 CCH Lab. Cas. ¶ 12344 at p. 20476.

²⁶ Judge Anderson said: "... I think a bargaining order, by imposing on respondent's employees a form of representation concerning which a substantial majority has never had an opportunity to express a preference, disregards the employees' Section 7 rights, and undermines the most fundamental policies of the Act." Ibid. at page 20476. ²⁷ See: Union Authorization Cards, 75 Yale L. J. 805, 828-31 (1966).

²⁸ See notes 2-3, supra.

²⁹ A goodly number of these will be found among the cases collected in note 12, supra.

³⁰ The Kohler Strike: Union Violence and Administrative Law (Regnery, 1961).

³¹ 128 NLRB 1062 (1960).

³² "Reward the Guilty," Barrons (Jan. 1965).

33 148 NLRB 1434 (1964).

34 In NLRB v. Purity Foods, Inc., 55 CCH Lab. Cas. ¶ 11896 at page 18952 (1st Cir. 1967). Judge Woodbury said after reviewing the testimony: "The Board's conclusion to the contrary flies in the face of reality." This is among the milder of the many critical references which circuit judges continue to make to NLRB findings. In NLRB v. Getlan Iron Works. Inc., 55 CCH Lab. Cas. 1 11950 at page 19116 (2d Cir. 1967), Judge Feinberg said: "Because this is one of those rare instances where we find a lack of substantial evidence to support one of the Board's key findings, we decline to enforce the order to bargain and remand for further evidence." I doubt that Judge Feinberg could find any considerable number of other Federal judges who share his confidence in the Board's factfinding.

35 Year after year numerous court of appeals decisions contain the following observation in one or another form: "... we have no hesitancy in saying that were we the fact finders we would have difficulty finding support for the charges of unfair labor practices." NLRB v. Witbeck, 56 CCH Lab. Cas. [12148 (6th Cir. 1967). See also: Int. Tel. & Tel. v. NLRB, 56 CCH Lab. Cas. 1 12101 at page 19643 (3rd Cir, 1967); NLRB v. Plymouth Cordage Co., 56 CCH Lab. Cas. 1 12135 (5th Cir. 1967); NLRB v. Elco Corp., 55 CCH Lab. Cas. [11898 (9th Cir. 1967), where the court said: "Had this court been called upon to pass originally on the merits of this case, we might have disagreed with the ultimate conclusion of the Board."

Confiscation & Class Hatred

HENRY HAZLITT

LONDON-When politicians in power in any country have wrong, fixed ideas, not even the worst crisis will lead them to abandon those ideas. They will only administer still greater doses of the same quack remedies that brought on the disease.

The budget measures recently announced by Roy Jenkins, the British chancellor of the exchequer, are a perfect illustration. They have been praised both there and abroad for their harshness and brutality. It is true that they impose further sacrifices on the British taxpayers, but most of these are unnecessary and irrelevant. In the long run the new measures can only discourage effort, saving, investment, and production.

To restore confidence in the pound the budget should be balanced, of course; but it should be balanced by reducing grossly inflated welfare spending. Instead, the new budget actually increases total spending to \$27.6 billion in fiscal 1969 compared with \$26.1 billion in the preceding fiscal year. The surplus is to be achieved by even more onerous taxation. Revenue for fiscal 1969 is estimated at \$30.9 billion, up from \$26.8 billion. This would leave a nominal surplus of \$3.3 billion, compared with a surplus of only \$718 million in fiscal 1968, which ended March 31.

Even before the announcement of the new levies, Britons paid Draconian taxes. The standard income tax rate is $41\frac{1}{4}$ per cent. On top of this are imposed surtaxes which bring marginal rates as high as $91\frac{1}{4}$ per cent on income and 80 per cent on estate duties.

The Jenkins proposals, imposing stiff increases on "purchase taxes" (up to rates of 50 per cent

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on items like phonograph records and cameras) were praised because they did not increase ordinary personal income, corporation, or capital-gains taxes. But to make up for this, the new budget imposes a savage additional tax (ostensibly to run only for one year) on investment income over \$7,200 a year. The rate progresses from 10 per cent on that amount to 45 per cent on amounts over \$19,200. Because this special impost comes on top of the regular income tax and surtax, it actually makes the total tax on investment income in the higher brackets more than 100 per cent. In fact, a man with investment income of more than \$19.200 could pay a total tax of 136 per cent on amounts over that figure.

An added grim feature of this confiscatory tax is that the recipient of investment income is not allowed to escape it even by giving that income away.

There are various other follies in the new Labor Party measures. The stupid "selective employment tax" has been increased by 50 per cent. Wage and dividend increases are to be limited to $3\frac{1}{2}$ per cent a year. The government is to be allowed to roll back individual prices that it considers too high. All of these measures will restrict, discourage, and distort production. Yet the most ominous measure is still the expropriation of investment income, in a country once considered to be the most responsibly governed in the world.

Even the London Economist, today far from a conservative journal, gagged at this. "The spectacle of people purposelessly enjoying the despoiling of somebody else is very nasty; and as a great roar of delighted *shadenfreude* greeted the levy, the Labor backbenches suddenly looked extraordinarily nasty and loutish."

The act of confiscation is totally irrelevant to restoring confidence in the pound. It can only undermine that confidence. Even on the government's own calculations it will bring in less than 1 per cent of its total revenues. It penalizes precisely saving and investment, the most essential element for the increase of production, real wages, and economic growth. It was imposed solely to satisfy a blind envy and class hatred.

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SOME LESSONS OF RHODESL

WILLIAM HENRY CHAMBERLIN



Salisbury City (Courtesy of Rhodesia National Tourist Board)

THERE IS NOTHING like a visit to a distant and controversial land to give a sense of perspective and realism. I have recently returned from such a visit to Rhodesia, a landlocked country of 150,000 square miles in south central Africa, which has been under economic siege by the United Nations – with the participation of the United States – for much of the period of two and a half years since its declaration of independence in November, 1965.

The basic cause of Britain's refusal to accept Rhodesia's selfproclaimed independence—a status it has accepted for many former dependencies with less literate and educated electorates — was a difference of opinion with the Rhodesian government, headed by Ian Smith, as to how far and how fast the African population (about 4 million, compared with some 235,-000 whites, mostly of British and South African stock) should be enfranchised. Rhodesia had been practically self-governing for almost half a century; the British connection had been mainly formal, finding expression in such details as the nomination of a governor-general as representative of the Queen. There had been no British interference in Rhodesian domestic legislation.

The United Nations Charter does not authorize the imposition of such sanctions and trade restrictions as have been imposed on Rhodesia because of domestic legislation. So the excuse for this declaration of economic war was

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out a shred of serious proof. It should be noted that Rhodesia, unlike South Africa, is not a country of racial apartheid. There are 13 Africans in the 65member legislature. There could be more if the two radical African parties, Zapu and Zanu, had not demanded a one-man, one-vote system and urged a boycott of elections until this was established. Under the present system, the franchise is limited by property and educational qualifications. Fifty members are elected on an A roll, with higher gualifications; fifteen on a B roll, where the qualifications are lower.

Hotels and higher education in Rhodesia, again in contrast to South Africa, are multiracial. Perhaps of greater significance is that more than half the police force is African and a considerable part of the small army is composed of Africans. Notwithstanding the UN's curious excuse for sanctions. Rhodesia has never sent any military force outside its own borders. There have been two invasions of its territory by terrorist guerrillas, mostly refugees from Rhodesia who received training in sabotage and guerrilla warfare in adjacent Zambia (formerly Northern Rhodesia) and from communist-ruled countries farther afield: Cuba, the Soviet Union, and Red China. Both incursions failed to achieve anything except virtual wiping out of the guerrilla forces and minor casualties for the Rhodesians. Significantly, an African unit, the Rhodesian African Rifles, bore the brunt of the second incursion, and with no apparent strain on its loyalty.

Since the declaration of independence, Rhodesia has been under double attack, from hostile incursions across the Zambezi River on its northern border, and from such forces of African nationalist subversion as may exist within the country. It has also been the object of an economic blockade, first launched by Great Britain, then extended by the United Nations.

Signs of Tranquillity

The British Viscount plane used by Rhodesian Airways landed at Salisbury, capital of Rhodesia and named after a famous British Conservative Prime Minister of the late nineteenth century. I should not have been surprised to find here and there signs of tension and unrest. But nothing of the kind appeared on the horizon. Salisbury on a Sunday afternoon in the clear heat of its high prairie altitude was about as peaceful a spot as one could imagine.

There were few police and no soldiers in sight. Many Africans lay stretched out in the city parks. quite at ease. Rhodesian acquaintances told me that unscrupulous foreign photographers took pictures of these recumbent figures and published them with captions indicating that here were victims of repression. Our acquaintances drove us into the suburban environs of the capital, where we enjoyed a typical British tea at the country home of some friends. If those present were sitting on a powder keg, they gave a pretty good impression of being totally unaware of it.

These friends and other Rhodesians I met reported that the state of public order had very much improved since UDI (unilateral declaration of independence). This, so they told me, was because previous governments had been weak on law enforcement. The African political groups, Zapu and Zanu, had taken advantage of this situation to run a fierce competition for recruiting new members at high entrance fees. Europeans were not much endangered; but law-abiding Africans who refused to pay were apt to have crude bombs hurled through their windows: their thatched huts were set on fire and the occupants beaten and left for dead. Tribal chiefs (most Rhodesian Africans live under the traditional tribal organization) were stabbed, shot, strangled, and clubbed.

Keeping the Peace

The Smith regime put a stop to these disorders, using some methods that would not be approved by the American Civil Liberties Union, notably detention and reof residence without striction trial. The leaders of the two parties. Nkomo and Sithole, and some other agitators were placed in detention. According to Minister of the Interior Nicolle, some 20 to 30 persons are held in indefinite detention. A larger number, perhaps three or four hundred, are subjected to residence restriction and forbidden to move out of their own districts until the authorities are convinced they are bent on no mischief.

Practically all the Europeans in Rhodesia and probably a considerable number of Africans (although here the only testimony has been the marked absence of unrest since UDI) believe that restraints on the liberty of a few hundred individuals, reaching the rigor of detention for perhaps thirty of them, is a price worth paying for domestic order.

Of two factors that might have shaken the stability of the Rhodesia Front regime-internal subversion and harassment by guer-

rilla bands from abroad – both have so far proved nonstarters. Rhodesia is an open country, which welcomes a quarter of a million tourists every year and incidentally offers some scenes of great natural beauty such as Victoria Falls and some fine preserves of African wild life. Had there been serious trouble from domestic insurrection or foreign invasion, it could not have been concealed. There was no such trouble: and this might suggest to an inquiring mind that African as well European Rhodesians welas comed the measures taken to stop arson, assaults, and thuggery. As a result of these measures, residents of Salisbury, Bulowavo, and other Rhodesian towns could sleep a good deal more soundly in early April than could those of Washington, Chicago, Baltimore, Pittsburgh, and other American cities plagued or threatened by hoodlumism and vandalism.

Sanctions No Problem

What of the economic war declared on Rhodesia, first by Great Britain, then by the United Nations? This interference with the normal course of the country's import and export trade has inflicted some damage on Rhodesia's economy, but not nearly enough to induce any talk of running up

the white flag of surrender. Tobacco, formerly a principal export and fairly easy to identify, has been hard hit and has caused some shifting to other crops and to a different type of tobacco which the Rhodesians hope will be easier to market abroad. Sugar exports also have been affected; and the inflow of foreign capital, while it has not stopped altogether, has slowed down. Ironically enough. this slowing down of the economic growth rate has injured less the Europeans than the Africans, for whose welfare the British Labor Party and the United Nations profess so much concern. It is the Africans, with their high birth rate, who are most in need of new job openings.

Rhodesia is self-sufficient in food and cannot be starved, or even inconvenienced. into surrender. The United Nations could have struck a harder blow if it had been able to make its oil sanctions effective, because Rhodesia has no domestic source of this fuel. But oil sanctions have become a joke. In the beginning, their effect was blunted by improvised shipments from Rhodesia's friendly southern neighbor. South Africa. which rushed supplies by train and truck. Sympathetic students at the University of Pretoria, the capital of South Africa, rolled a big drum of oil to Salisbury as a gesture of solidarity.

Now, the need for these emergency shipments is over. Rhodesian oil supplies come in regularly through the port of Laurenco Marques, in Portuguese Mozambique. Thence, they are shipped through South Africa to Rhodesia. The price has gone up a little; but no Rhodesian motorist is seriously inconvenienced.

The sanctions have also speeded up considerably the development of Rhodesia's home industries, notably in the field of clothing. Rhodesian manufacturers not only have begun to supply many home needs; they also have pushed energetically into the nearest available export market, South Africa, and so vigorously that South African firms are asking for protection.

British Meddling

British-Rhodesian relations, which at one time had seemed close to a settlement following a conference of Prime Minister Ian Smith with British Prime Minister Harold Wilson, took a turn for the worse in March when Wilson invoked an authority never before claimed for the British Privy Council and also pushed Queen Elizabeth into the situation by having her reprieve three convicted African murderers whose sentences of death were about to be executed.

The Rhodesian government went ahead with these executions, then with two more of Africans who had committed murder under especially heinous circumstances. The left-wing press in England and some Afro-Asian circles at the UN had a field day denouncing "Hangman Smith." There was no reflection of this sentiment in Rhodesia. where it was felt that some shabby common criminals had been given an utterly undeserved status as martyrs in an atmosphere of ignorant emotionalism. It was felt, however, that the government had made its point with five executions, decisively rejecting British interference with the course of Rhodesian justice. So, there was no protest when some thirty other Africans held in cells reserved for those condemned to death were given commutations of sentence.

I had an opportunity for a personal talk with Mr. Ian Smith, head of the independence movement and Prime Minister of the existing government. (Incidentally, Mr. Smith was recently refused permission to visit the United States to accept a speaking invitation at the University of Virginia. Mr. Smith had fought on the allied side during World War II as an aviator and suffered serious facial injuries, requiring consider-

able reconstruction surgery. With what may be considered a rather strange scale of comparative values, the same State Department that barred Mr. Smith as a presumably undesirable alien was willing to spread out the red carpet for Mr. Oginga Odinga of Kenva, who has been strongly linked by rumor with Chinese communist activities in Kenva. Mr. Odinga, notorious for his hostility to what he calls neo-colonialism, i.e., Western economic and financial aid, was only prevented from coming at the time because his own government withheld his passport.)

Mr. Smith conveyed the impression of being a straightforward, outdoor type of man, a good representative of his countrymen and as frankly outspoken as might be expected of the Governor of Kansas or Nebraska.

Willing and Able Leader

Had all prospect of agreement with Britain disappeared with the executions?

Mr. Smith made it clear that he did not believe this was necessarily the case. The executions were a matter of internal Rhodesian jurisdiction, with which Britain had never claimed the right to interfere in the past. If, however, the British government was inclined to press the situation to the point of a final breach, Rhodesia was prepared to go it alone as an independent republic. "We are independent now," Mr. Smith emphasized. "But we still consider ourselves in the Commonwealth and recognize the sovereignty of the Queen."

The Prime Minister dismissed as quite unrealistic a question about the possibility of black rule in Rhodesia. He declared that Rhodesia's military and police security forces could easily handle the problem of guerrilla infiltration across the border from Zambia. To a question whether some form of federation with South Africa might follow a complete dissolution of the tie with Great Britain he remarked that this subject had not come up for consideration, although the possibility could not be ruled out. A number of South Africans came up with the first pioneer settlers with Cecil Rhodes (who gave his name to the country) and Rhodesia's ties with South Africa have always been closer than with any other country.

Reason for Optimism and Lessons to be Learned

Mr. Smith expressed confidence that the African population supports the present regime. Most of them live, he said, in a tribal form of organization, where the chief sets forth the sense of the tribal group after consultation with village headmen. Discussing the subject further, he said: "So far as the educated African is concerned, he can be consulted and he can express his opinion. These people are the minority. The majority don't even understand what a constitution is. So it is difficult to ask them to express an opinion on a particular type of constitution."

Expressing gratitude to Americans who had shown understanding of the situation in Rhodesia, Mr. Smith topped the interview with the following statement of confidence in the future of his country: "We are winning the economic war without any question: sanctions have advanced the output of our domestic economy by five or ten years, or even more. As far as security is concerned, I think the record shows that we have less trouble now than we had before our independence. I think we have less trouble than most other countries in the world, and with a lower ratio of police than in your own country and Britain, and a lower ratio of armed servicemen. also. We are a happy, peaceful, prosperous, and expanding economy. I would say all these things give us just cause to be optimistic."

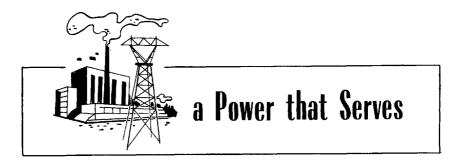
I left Rhodesia with the feeling

that several lessons may be learned from its recent experience.

First, a politically conscious, well-educated group of people, convinced that their civilization and way of life are at stake, can maintain a predominant political position, provided there is no strong movement of rebellion. So far, there are no signs of any such movement in Rhodesia.

Second, sanctions applied against such a group are much less effective than is commonly supposed. There are always loopholes in the machinery, and the energy and skill of the Rhodesians in evading economic boycotts considerably exceed the will and ability of the outside world in enforcing them.

Third, while it is always difficult to predict the longevity of administrations. I think it is quite likely that Mr. Smith, with the support of the great majority of his countrymen, will outlast more than one head of a contemporary African state, and also his principal opponent, Mr. Harold Wilson. Britain's Labor Party is in a decline and Rhodesians are confident that an alternative Conservative administration would leap at the chance to find some face-saving means of burying the dismal fiasco of sanctions.



WALTER L. UPSON

IN September, 1903, I went to work in the Testing Department of the General Electric Company in Schenectady. Later that fall. I was one of half a dozen ordered to report at the New Power Station to help with some testing of a new steam turbine-electric generator. This was at a time when steam turbines were a new and quite exciting development. Parsons turbines had been developed in England and the Westinghouse Company had secured rights from this company for America. General Electric Company then obtained rights for the Curtis turbine and was pushing these as fast as possible. This turbine-generator unit was of the vertical shaft type in contrast with the horizontal Parsons type. The General Electric Company had already built one 2,000 kilowatt unit which was successfully installed and working in the New Power plant. Now a much larger unit of 4,000 kilowatt capacity was ready for testing. It was for this that I was assigned. The machine was quite impressive, standing, I should say, about fifteen or perhaps twenty feet high. It was running when we arrived and made a considerable roar.

We testers took our places before the various meters, or measuring instruments, and proceeded to take readings as load was applied to the generator. Suddenly there was a flash; something had gone wrong and the great machine was slowed to a halt. We were all amazed. Then, someone found on the floor part of a broken bolt about two inches long that had evidently been involved. The man in charge was E. B. Raymond, very much the boss, big and commanding. Mr. Raymond showed us the

Mr. Upson, now retired, was for many years a professor of electrical engineering. Besides his books on the subject, he has written numerous scholarly and scientific articles.

broken bolt and demanded that we find the other part of it. We scurried around everywhere looking, but to no avail. Then he announced that the one who found the piece would be given a week's vacation - just at Christmas time - at full pay.

This was indeed a temptation; certainly it was to me. Then I remembered that Mr. Elmer Sperry had once told me that when I lost anything I was not to waste my time looking wildly around but rather to stop and think where it would naturally be. So I did just that, and decided that the piece sought must be somewhere inside the generator. I got a wire, put a hook on it, climbed to the top of the machine, and began to probe around as best I could down inside. It was a very difficult thing to get into, and my effort was futile. Finally, the order was given to tear down the machine, for nothing could be done until the trouble was found. And then it was found, embedded in the laminations of the armature, right where I had been trying to probe. I did not get my holiday.

Now, I have told this story to impress on you that a 4,000 kilowatt turbogenerator at that time was something to stand in awe of. Not many years earlier it had required ten pounds of coal to generate one kilowatt-hour of elec-

tricity; now, with much larger and more efficient generators only three pounds were required, and engineers were working hard to bring about still greater perfection. This meant reducing the price of electricity to you and me. which was done when most everything else was costing more. The only reason why our monthly electric bills did not go down was that we kept using more and more electricity as it became available for more and more uses. That march of progress has kept going to this day, spurred by advancing technology in a free society.

Continuing Progress

In February, 1910, it was my privilege to go with a large group of engineering students on a sightseeing trip to Chicago. Of the many engineering wonders there on display, none was more impressive than the great new Fisk Street electric station nearing completion. It had been designed to consist of eight or ten huge 5,000 kilowatt turbogenerators of the vertical type giving a total capacity of forty or fifty thousand kilowatts, a great help toward meeting Chicago's growing needs for electricity. But the most surprising thing was that before the last machine was installed orders. came to tear it down, and to tear the others down in turn. For while

this was going on, new and larger units were being substituted in their places. It had been found that the same station could accommodate 12,500 kilowatt units making the station two and a half times as large, and again reducing the cost of electricity. On our inspection we were warned not to get too close to these giant machines which contained such concentration of power.

Now we jump to the new station at Cahokia, across the river from St. Louis, and to the year 1930. Turbogenerators were getting so huge that it was found best to discard the vertical type and go to the horizontal. Here, the plan was for eight 20,000 kilowatt machines, giving a total capacity of 160.000 kilowatts. In order to reduce the cost of electricity still further, every new device was adopted. Here, the great supplies of coal were at hand and the coal was pulverized and blown into the boilers. The steam was superheated, and the Mississippi River was called on for cooling water to the extent that it was said the station used six times as much water as the entire city of St. Louis. But the planned-for units were never completed, for again it was found that larger ones would be more efficient. The 20,000 kilowatt units were taken out and 60,-000 kilowatt machines were put in their places. Again, electricity was cheaper for the public.

How Far?

How far was this process to go? Do not think it is all a case of the size of the machines: far from it. Every item of use in the electric system was being subject to intense scrutiny and research by the engineers and scientists who worked under the free enterprise system which has prevailed in America and still prevails except in a few notable cases where public ownership advocates with political support have succeeded in gaining control. The real progress in this great field can be said to have been the exclusive result of the efforts of the free workers. Public ownership does not make for progress; all the progress it can show is what it has adopted from the free workers. That story has been told many times, and I do not intend to spend more time on it here. I firmly believe that nothing we have of a like nature is so well done, so inexpensive, so reliable, and still so progressive, as the privately-operated electric power plants. We do not half appreciate them.

Now I have taken you from the small turbogenerators, considered huge in their day, from 2,000, 4,-000, 5,000, 12,500, 20,000 and even 60,000 kilowatt capacity, which culminated in 1930. But that is not all, for still⁻the great machines grew and grew. Three years ago, we were apprized that they had reached 500,000 kilowatts, and today there are on order several machines which will have a capacity of 800,000 kilowatts each, large enough in fact for one machine to provide electricity for a city of half a million population. These great machines no longer demand ten or three pounds of coal per kilowatt-hour. They have been made so efficient that they require only seven-tenths of a pound for each kilowatt-hour produced, thus saving great quantities of coal and still lowering the cost to the users.

Freedom from TVA

I firmly believe that were the Tennessee Valley Authority turned over to private operation with no more government intervention than is now given our private electric companies, the people of Tennessee could still have their lowcost rates without having to rely on the rest of the United States to make up annual deficits. At the same time, operation would be at a profit and a substantial tax would be turned in each year to the Federal treasury, thereby, theoretically, at least, reducing the burden upon each one of us. And the service would be at least as good, if not better.

One other point I wish to make here: You should not overlook the fact that electric power is an engineer's field of action. You may not know what this implies, but I tell you its great implication is that the work will be done honestly, straightforwardly, efficiently, and in the best-known, up-todate engineering manner. For that is the way engineers work.

AS ON LIBERTY Voice of

Voice of Experience

Do you know what amazes me more than anything else? The impotence of *force* to organize anything. There are only two powers in the world – the spirit and the sword. In the long run the sword will always be conquered by the spirit.

NAPOLEON BONAPARTE, Paroles de Napoleon

CLARENCE B. CARSON

5. LIBERTY AND PROPERTY SECURED

The Rise and Fall of England

With this power of creation and this passion for independence, property has reached an ideal perfection. It is felt and treated as the national life-blood. The laws are framed to give property the securest possible basis, and the provisions to lock and transmit it have exercised the cunningest heads in a profession which never admits a fool. The rights of property nothing but felony and treason can override. The house is a castle which the king cannot enter. The Bank is a strong box to which the king has no key. Whatever surly sweetness possession can give, is tasted in England to the dregs....

RALPH WALDO EMERSON, 1847

Now a considerable proportion of the law defining the rights of the individual and delimiting the power of the state over him was constructed in the eighteenth century....

E. NEVILLE WILLIAMS

THE intellectual thrust to liberty and a government with its powers counterbalanced eventually bore fruit in the form of practical liberties protected by law. These protections to and extensions of liberty were mainly the work of the Whig Party acting in Parliament and of judicial interpretations by the courts, though others played some part in it. The great age of the expansion of English liberties falls generally within the years from the adoption of the Bill of

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

Rights in 1689 to the final repeal of the Navigation Acts in 1849, the latter culminating a long effort to establish free trade. This prolonged movement to secure liberty and property runs parallel with England's rise to greatness and world leadership, a parallel that is hardly an accident. The progressive expansion of liberty released the energies of the English people for the role they were to play.

To appreciate the growth of liberty, it will be useful to view it in contrast to the oppression which preceded it. Since a general survey of this subject has already been presented, it is only necessary here to make a summary presentation of the state of liberty, or oppression, as it was in 1688 prior to the onset of great changes.

In 1688 religious intolerance and oppression was still fully established. Not only was there an established church, but also dissenters and Roman Catholics were prohibited to exercise their religion, barred from political participation (by the Test Act), and otherwise underprivileged by law. Government by law was continually threatened by monarchical suspension of laws. Publishing was hampered and restricted by licensing requirements, by censorship, by virtual monopolies granted to certain printers, and by strenuous laws against libel. Property was hardly an individual possession, since its use was hampered by all sorts of restrictions and limitations inherited from a long past. Laws still prohibited enclosure; guild and apprenticeship regulations hampered the entering of trades: monopolies granted by government shut off commerce to newcomers; and export and import taxes stood in the way of trade. Medieval relics and mercantilistic interventions smothered initiative and placed heavy burdens upon enterprise. Freedom of speech, press, of the use of one's faculties, and protections for the constructive use of one's property were still forlorn ideals.

Gradual Changes Linked with the English Heritage

It is not practical in the short scope offered here to recount in detail the story of the successful struggle for liberty that occurred over a century and a half. That would require a book, at the least. It will be possible here to touch only a few of the high points, to indicate some general trends, and to suggest how it was accomplished. In general, it should be pointed out that the establishment of liberty and protection of property in England was not accomplished by drastic changes or revolution. On the contrary, it was achieved by gradual changes within the context of the English heritage.

The movement falls very roughly into three periods: first, the Glorious Revolution and a decade or so after, from around 1689 to the early 1700's; second, a slow growth and expansion spread over much of the eighteenth century. followed bv some reactionary measures during the French Revolution and Napoleonic Wars: third, a new surge in the second quarter of the nineteenth century.

It is important to note, too, that the thrust to liberty embraced the whole spectrum of liberties, ranging from freedom of the press to the securing of property to individuals. One writer calls attention to the phenomenon in this way: "It should be emphasized ... that the press was an integrated part of the entire social organism affecting and being affected by the society of which it was a part. For example, the decline of government controls in the eighteenth century parallels the growth of private enterprise capitalism and the increase in democratic processes in government. . . . All three were inextricably interrelated."1 That liberty is all of a piece appears to be borne out by historical tendency.

One other general point needs to be made before surveying the highlights of the securing of liberty and property. Historians frequently write as if there were some close connection between the degree of political participation by the people and the extent of liberty. It is true that a popularly based government may be limited in its exercise of power by the electorate. But this is not necessarily the case, as evidenced by the existence of numerous despotic governments in the twentieth century which nonetheless have universal suffrage. The connection between political democracy and liberty does not appear sufficiently close to warrant discussing the two together or including in this study an account of the movement for and extension of the franchise.

Toleration Act of 1689

The confines of government power were greatly loosened to allow much greater individual liberty by the Glorious Revolution of 1689 and the acts of the next few years following that event. Religious toleration, of sorts, was established by the Toleration Act of 1689. This act was of particular benefit to Protestant dissenters, for they were not only relieved of penalties for observing their faith but also permitted to hold meetings, to have their clergy, and to

¹ Frederick S. Siebert, Freedom of the Press in England (Urbana: University of Illinois Press, 1965), p. vi.

carry on many of the activities hitherto reserved to conformists. However, they still suffered certain disabilities for their nonconformity, i. e., exclusion from political participation by the Test Act. the payment of taxes for support of the Church of England, among others. Such toleration was not extended to Roman Catholics or to non-Trinitarians.² In practice, however, there was considerably more toleration after this than the law allowed, if strictly interpreted. Religious enthusiasm abated in the eighteenth century, and with it the desire to persecute in matters of faith and observance. The way to remove disabilities was even made easy for those who would go through the motions of conformitv.

A long stride toward establishing freedom of the press was made in 1695 when the House of Commons refused to renew the Printing Act. This Act had embodied a variety of evils including licensing requirements, a virtual monopoly to the Stationers Company, restraints on the import of foreign books, a special privilege of printing to one gentleman, and so on.³ Of the general conditions that prevailed after the lapsing of this act, one writer says: "At the close of the seventeenth century several important trends in the liberation of the press can be discerned. The prerogative powers of the crown were gone forever. The licensing requirements had been abolished. and the printing trade was at last free from commercial regulation. The powers of the Stationers Company as a trade monopoly had been finally smashed."⁴ While there were still some restrictions on free expression, such as for libel and sedition. England was very near to having a free press.

Rights of Individuals

The Glorious Revolution also set the stage for greater protections to the individual from arbitrary imprisonment. Not only was the monarch restrained in this regard but also the courts adopted new rules and procedures which removed much of the arbitrariness from trials and punishment. The Bill of Rights prohibited cruel and unusual punishments, and men were no longer flogged to death. Also, no more women were burned alive after 1688. "After 1696 two witnesses had to be produced against the accused in treason trials; the accused were entitled to full use of counsel, and to a copy of the indictment, together

² See E. Neville Williams, ed., The Eighteenth Century Constitution (London: Cambridge University Press, 1960), pp. 42-46.

³ See *ibid.*, pp. 399-401.

⁴ Siebert, op. cit., pp. 301-02.

with a list of crown witnesses and of the jury. In 1697 the last Act of Attainder in English history was passed. . . . Judges began to protect even Quakers from the Church courts. . . The inadmissibility of hearsay evidence. . . at last won general acceptance after 1688."⁵

However, the penalties prescribed as punishment for crimes were still quite harsh. It was not until 1736 that witchcraft ceased to be a crime. Moreover, following the Glorious Revolution and through much of the eighteenth century there was a great increase in the number of crimes for which the death penalty was prescribed. This was particularly true for stealing. From one point of view, these harsh penalties indicate a determined effort to protect property. As one writer says, "There was a tendency in William's reign for the law to be made more savage in protection of private property. Statutes made shoplifting and the stealing of furniture by lodgers punishable by death."6 Debtors' laws were tightened as well. "By the end of George II's reign no less than 160 felonies had been declared worthy of instant death..., among them being such minor offences as sheep-stealing, cutting down a cherry-tree. . . . and petty larcenies from dwellinghouses, shops, or the person."7 The aim of this legislation may have been quite laudable. The population was increasing as was its mobility. There existed no regular police for the protection of property, and there was much determination that property should be respected. However, the harshness of the laws frequently led juries not to convict. In consequence. rather than the absolute protection of property as intended, there was a resulting uncertainty as to punishment.

Trade Restraints Lifted

A much clearer benefit of the Glorious Revolution was the great reduction of the obstacles to trade and business. There followed a great assault upon chartered monopolies and special trading privileges. "'Trade,' Parliament declared in 1702, 'ought to be free and not restrained.' In 1701 a Chief Justice said that roval grants and charters in restraint of trade were generally void because of 'the encouragement which the law gives to trade and honest industry.' Such charters were 'contrary to the liberty of the sub-

⁵ Christopher Hill, The Century of Revolution (New York: W. W. Norton, 1966), p. 290.

⁶ Ibid., p. 289.

⁷ Basil Williams, *The Whig Supremacy* (London: Oxford University Press, 1942), p. 60.

ject." "8 Nor were these empty words. T. S. Ashton says, "In 1689 the Merchant Adventurers were shorn of most of their powers, and ordinary Englishmen became free to export cloth to all but certain reserved areas. In 1698 it was enacted that anyone might trade with Africa. . . . And in the following year commerce with Russia and Newfoundland was declared open to all." Some monopolies persisted (and the Navigation Acts still bound colonial trade), but "most of the field lay open to competition."9 There followed a great surge in trade and commerce.

For much of the eighteenth century, the extension of liberty was gradual and undramatic. Frequently, it occurred as a result of nothing more than failing to enforce restrictive legislation. For example, there existed authority for fixing wages and prices, but little positive (or negative) action came of this power. Or, the effects of a law might be ameliorated without actually repealing the law. For example, from 1743 onward an Indemnity Act was passed annually by Parliament allowing religious nonconformists an extension of time to qualify politically

under the Test Act. One writer observes that as many as twothirds to three-quarters "of those employed in all branches of the public service had never complied with the law — some had never even heard of it; and Lord Goderich informed the House of Lords that he had never been called upon to qualify till he was made Chancellor of the Exchequer.⁷¹⁰ The British were hardly in an experimental mood so far as legislation was concerned for much of the eighteenth century.

Private Ownership of Land

There was, however, a major development during that century in the matter of private property in land. It is known as the movement for enclosure of lands. Much of the farm land of England was still unenclosed at the beginning of the eighteenth century. This meant, in effect, that such farms were not consolidated units under the control of a single farmer. On the contrary, the land was divided into small strips, and one man's holdings would consist of a number of such strips dispersed among the holdings of others. The problem was further complicated by the existence of Commons - pasture. woods, or idle lands to which those

⁸ Hill, op. cit., pp. 263-64.

⁹ T. S. Ashton, An Economic History of England: The Eighteenth Century (London: Methuen, 1955), p. 130.

¹⁰ William L. Mathieson, England in Transition (London: Longmans, Green, and Co., 1920), p. 236.

who lived on an estate claimed common privileges in its use. These arrangements, which were relics of medieval organization, were major obstacles to the effective use of the land. It was very difficult to introduce improvements in farming techniques, in seed, or in pasture use. Any change in the way the land was utilized would affect the privileges of others. In short, most of the advantages of private property were missing.

Prior to the eighteenth century. sporadic efforts at enclosure had been going on for two centuries or more. But whenever they occurred. a hue and cry was usually raised against them. They were blamed for depopulating the countryside. for making the lot of the poor harder, and for upsetting the social arrangements of England. Parliament passed various acts of a general nature to inhibit enclosures. Any exception, to permit enclosure, required a special act of Parliament. These, however, became increasingly easy to obtain in the eighteenth century. One historian summarizes the progress in this way: "And their number increased year by year as time went on: there were three Acts only in the twelve years of the reign of Queen Anne; from 1714 to 1720, about one every year. During the first half of the century the progress, though grad-

An Act of Enclosure spelled out the procedures by which the ancient titles to strips of land and privileges to the use of Commons could be extinguished and these lands be consolidated into individually owned farms. For example, if an individual had title to thirty dispersed strips of land consisting of one acre each, he might receive a thirty-acre farm plus his portion of the land used in common, perhaps ten acres more. Mantoux says, "In fact, all this was tantamount to a revolution throughout the parish - the land being, so to speak, seized and dealt out again among the landowners in an entirely new manner, which, however, was to leave untouched the former rights of each of them."12

¹¹ Paul Mantoux, *The Industrial Revolution in the Eighteenth Century* (London: Jonathan Cape, 1961, new and rev. ed.), pp. 141-42.

¹² Ibid., p. 168.

By this means, then, lands were widely brought under private ownership and control. There was, in addition, much consolidation of holdings by purchase.¹³ One effect of all this was not long in being felt in England: much increase in agricultural productivity.

Labor Relations

There were some important changes affecting employers and workers in the last years of the eighteenth and in the early years of the nineteenth century. A major obstacle to technological change was the attitude of workers to new machines and techniques. There were a considerable number of riots in the latter part of the eighteenth century in which machinery was broken up and sabotage by workers occurred. Earlier in English history the government had actually intervened on occasion to prohibit the introduction of new techniques. Now, however, the government no longer opposed new machinery, and acts were passed for the suppression of such riotous and destructive activities. Government forces were used to protect property and allow manufacturers to make innovations on many occasions.¹⁴ In 1799, the famous (or infamous) Combination Act was passed, to be fol-

lowed the next year by a modified act along the same lines. "The Act of 1799 laid down that any person who joined with another to obtain an increase of wages or a reduction of hours might be brought before a magistrate and, on conviction, sentenced to three months in prison."¹⁵ The Act itself may have been unjust, but it illustrates the determination to leave decisions to individuals. In 1813. a clause of an Elizabethan Act empowering Justices of the Peace to fix wages was finally dispensed with.¹⁶ In 1814, the Statute of Apprentices was repealed, and most of the obstacles to the entry into a trade were removed. "And with the repeal in 1824 of the Spitalfields Act of 1773, which had provided agreed wage rates in the uneconomic silk industry, legislative interference with wages vanished completely until 1909."17

Progress to 1850

The movement toward the establishment of individual liberty did not, of course, always proceed in a nice straight line over the years, with no detours or rever-

¹³ See *ibid.*, p. 172.

¹⁴ Ibid., pp. 400-08.

¹⁵ T. S. Ashton, *The Industrial Revolution* (New York: Oxford University Press, a Galaxy Book, 1964), p. 93.

¹⁶ Mantoux, op. cit., p. 456.

¹⁷ R. K. Webb, Modern England: From the Eighteenth Century to the Present (New York: Dodd, Mead, and Co., 1968), p. 153.

sions to the old ways. There was considerable repression of some liberties during the period of the French Revolution and the Era of Napoleon. There was much fear among the English political leaders that the revolution in France would take root and spread in England. Still, the general tendency over the years was in the direction of the expansion of liberty.

The last great surge of that movement got under way in the 1820's and continued to the 1850's, or thereabouts. Under the impulse of the ideas of such men as Adam Smith. David Ricardo. Jeremy Bentham, Richard Cobden, and John Bright, among others. and following the political leadership of such men as Robert Peel. the remaining obstacles to individual liberty and free use of private property were largely swept away during these years. The Test and Corporation Acts were repealed in 1828, virtually removing the political disabilities of Protestant dissenters. Of course, dissenters had to consent to the continued existence of the established Church of England, but they were now otherwise free. An Act emancipating Roman Catholics was passed in 1829; Catholics could now serve in political office legally.

In the wake of vaunted electoral reforms of 1832, some important blows were struck for lib-

erty. An act of Parliament in 1833 provided for the abolition of slavery in the British colonies. There was an attempt to accomplish this great reform with as little damage to vested interests and property as possible. Twenty million pounds were paid in compensation to West Indian slaveholders. In addition, complete abolition was to be achieved over a period of years. "All Negro children under six were to be unconditionally free after the passage of the act, but those over six were to be held in apprenticeship. . . . If all their wages were kept by their 'employers,' the apprentices could earn their freedom in seven years." In the same year, too, the East India Company lost its last monopoly, that of the China trade, and the Bank of England lost its monopoly of joint-stock banking.18

Repeal of the Corn Laws

There is much else that could be told, but it will suffice to conclude this summary of the highpoints of the securing of liberty and property by discussing the establishment of free trade. Mercantilism died hard in England, and the last aspect of it to be cut away was the protectionism of tariffs and related interventions. The most famous of the tariffs were the Corn Laws. They ac-

¹⁸ Ibid., p. 219.

quired such great fame because an Anti-Corn Law League was organized in 1839 under the leadership of Richard Cobden; the League mounted such an attack upon these laws that their repeal was a *cause celebre*. Historians, too, have generally made the repeal of these laws the symbol of the triumph of free trade.

The Corn Laws were the result of enactments on a number of occasions in the seventeenth and eighteenth centuries. Their object was to encourage the export of wheat and other grains and to discourage the importing of grains. More broadly, they were a part of a mercantilistic effort to increase exports and decrease imports. To effect this, a bounty was sometimes paid on grain exported while tariffs discouraged imports. Adam Smith charged that these laws aimed "to raise the money price of corn as high as possible, and thereby to occasion, as much as possible. a constant dearth in the home market."19

To Help the Poor

It was, as can readily be seen, a particularly good place to launch an assault against protection. The tendency of such protection, if it fulfilled its aim, would be to drive up the price of bread in England. And even the poorest of men will generally have bread. Important changes were made in the Corn Laws in the 1820's, along with other tariff reductions. However, it was not until the 1840's that the work was finished.

In 1845, 430 articles were removed from the tariff lists, and other duties greatly reduced. In 1846, the hated Corn Laws were finally repealed. In a mopping up exercise, the Navigation Acts also were repealed.20 One economic historian describes the upshot of these developments in this way: "In a broad view the repeal was the coping stone of the edifice of free trade; it marked the final stage in the struggle against mercantilism. Henceforth for nearly a hundred years England discarded the system of economic nationalism . . . in favour of international co-operation."21

It should be clear that much of the work of securing liberty and property in England consisted of what would nowadays be called negative actions, of the removal of privileges, of the repeal of laws, of the withdrawal of intervention, of allowing restrictive legislation to lapse, and so forth. Yet the im-

¹⁹ Quoted in Ashton, An Economic History of England, p. 49.

²⁰ See Gilbert Slater, *The Growth of Modern England* (London: Constable and Co., 1939), p. 614.

²¹ E. Lipson, *The Growth of English* Society (London: A and C Black, 1959), p. 317.

pact was far from negative. Just as land can be irrigated by opening the sluice gates of a dam which has held the water in confinement, so the energies of a people can be released by removing the restrictions. It was so for the English. As the water in an irrigation ditch rises when the sluice gates are opened, so rose England to greatness as the restrictive legislation was repealed.

The next article of this series will discuss "The Moral Base" for England's rise.

IDEA'S ON LIBERTY The Power of an Idea

THE FREE-TRADE CAMPAIGN started under the most difficult odds. Four-fifths of the Members of Parliament represented landlords benefiting from protection – even though the average farmer and the farm laborer did not. The Chartist movement also opposed Corn Law repeal, charging that the League wanted the reform in order to reduce wages. Nevertheless, as a result of Cobden's energy, Bright's eloquence, and the influence of Adam Smith and his disciples, Parliament finally repealed the Corn Laws in 1846 – under the leadership of the great Tory statesman, Robert Peel. Britain now gradually abandoned protectionism in favor of free trade....

As a result Great Britain now entered into its greatest period of prosperity, which lasted, except for cyclical interruptions, until World War I. Large areas of the world profited materially. The British workers profited as much as the employers.

RAYMOND LESLIE BUELL, in Fortune, May, 1942

ALBERT NOCK'S JOB

NICHOLAS SILIA, JR.

OCCASIONALLY the smoke-screen generated by public opinion polls, manipulated news media, and other socio-political forms of gamesmanship tends to daunt even the most ardent proponent of liberty. For we are all human, and yield at times to discouragement.

However, it is during such times that we should try to marshall our inner strength and re-examine our outer goals, for things are not always what they seem. It is, therefore, in our own best interest, as well as the interest of liberty, not to judge by appearances, but in terms of the realities involved.

But how to distinguish one from the other, you ask? Perhaps Albert Jay Nock, founder and editor of the old *Freeman*, has the best solution.

For example, in his classic essay, "Isaiah's Job," Nock made it abundantly clear that his goal was not to convert the masses to any particular philosophy.

"The mass-man," wrote Nock, "is one who has neither the force of intellect to apprehend the principles issuing in what we know as the humane life, nor the force of character to adhere to these principles steadily and strictly as laws of conduct; and because such people make up the great, the overwhelming majority of mankind, they are called collectively the masses."

So, Nock's duty as he saw it was to tend the Remnant, those unique individuals who had, or were willing to develop, the necessary insight and ability to understand and employ ideas on liberty. In distinguishing them from the masses Nock noted: "The line of differentiation between the masses and the Remnant is set invariably by quality, not by circumstance. The Remnant are those who by force of intellect are able to apprehend these principles, and by force of character are able, at least measurably, to cleave to them. The masses are those who are unable to do either."

So Nock's primary purpose,

Mr. Silia, a member of The Nockian Society, is a free-lance writer and poet.

then, was not to alter public opinion, manipulate news, or convert others to his way of thinking. He merely sought to improve himself and thereby become ever more capable of furnishing other seekers with the inspiration and insight which might further their own personal unfoldment. His job, in short, was to be a sort of catalytic agent for the Remnant.

Knowing beforehand that the masses were not to be transformed or converted, Nock did not become discouraged in his task of servicing the Remnant. And once you clearly see his point you will understand its soundness.

In other words, if your goal is to reform the world to your liking, you are slated for failure from the outset. For that task is impossible – as well as unnecessary. But if your goal is to reform yourself, and incidentally present the truth as you know it to others, then you cannot fail.

Whether anyone accepts the ideas you present is immaterial to your goal. Even though you may convert no one, you still improve society by improving one of its units – yourself.

Nevertheless, you can be sure that your self-improvement will attract the Remnant's attention, although you may not be aware of it. Or as Nock said, ". . . in any given society the Remnant are always so largely an unknown quantity. You do not know, and will never know, more than two things about them: first, that they exist; second, that they will find you. Except for these two certainties, working for the Remnant means working in impenetrable darkness."

This, then, was Nock's job. It is likewise the job of all those who are interested in promoting the cause of liberty. And to them, Nock offers this bit of encouragement: "If, for example, you are a writer or a speaker or a preacher, you put forth an idea which lodges in the Unbewusstsein of a casual member of the Remnant and sticks fast there. For some time it is inert; then it begins to fret and fester until presently it invades the man's conscious mind and, as one might say, corrupts it. Meanwhile, he has guite forgotten how he came by the idea in the first instance, and even perhaps thinks he has invented it: and in those circumstances, the most interesting thing of all is that you never know what the pressure of that idea will make him do."

This endeavor will, of course, strike a responsive chord only in those rare individuals who are ready to work for the Remnant. \circledast

Write THE FREEMAN for a complimentary copy of "Isaiah's Job," Nock's story of The Remnant. Quantities, 10 for \$1.00; 100 for \$7.00.



THOSE with long memories will recall the bitter criticism leveled at Herbert Hoover for believing that free enterprise prosperity would benefit everybody. They called it the "trickle down" theory, and were quite sarcastic about it.

Hoover, thou shouldst be living at this hour, if only to turn the tables on your critics! For if there was ever a "trickle down" situation, it is the sort of thing that is described in Shirlev Scheibla's Poverty Is Where the Money Is (Arlington House, \$5.95). The billions have gone out for the Jobs Corps, the Community Action programs, the Head Start kindergartens, the Child Development Group of Mississippi, the United Planning Organization of Washington, D.C., and all the other taxpayer-financed contraptions run by the Office of Economic Opportunity, and very little of lasting benefit has trickled through to the "worthy poor" at the bottom of the pyramid.

The difference between Hoover's free capitalism and Sargent Shriver's OEO Welfarism is not to be discovered in the official justifications of two ways of letting riches flow to the bottom. The theoretical justification of capitalism is that it produces savings that provide the man at the bottom with more tools, and therefore with a steadily increasing income. Sargent Shriver would, no doubt, claim a somewhat similar benefit from tax money spent to give skills to young men in the Job Corps. Unfortunately for Shriver, the Hoover theory, save for occasional interruptions (as of 1929), has paid off in practice ever since the beginnings of the

industrial revolution, whereas the theory of OEO Welfarism has yet to produce anything but a fiasco.

Reading Shirley Scheibla's story of the War on Poverty is a most uncomfortable experience. You feel like laughing at the farcical things that have been going on in the administration of the poverty programs, yet you are constantly aware that real people, not comic strip characters, are being victimized by the social worker jokesters. So you end up feeling rather miserable as Mrs. Scheibla, a Washington correspondent for Barron's, unrolls her vast tapestry of ineptitude, cupidity, and plain nonsense.

Disappointing Results

The intentions behind the creation of the Jobs Corps may have been good. But what has become of it all? Mrs. Scheibla tried verv hard to get firm figures about job placements resulting from training at Job Corps centers across the country, but nobody has any decent records, and OEO has had to fall back on pollster surveys to find out what becomes of its "graduates." A Louis Harris poll, dated March 1967, showed that 57 per cent of graduates and dropouts were working after leaving the Job Corps, whereas 58 per cent were doing so beforehand. Only 6 per cent had kept their new jobs more than six months, and less than half with jobs were working at what they were trained for in the Corps. The median pay per hour was \$1.32, fifteen cents an hour better than before their very expensive training. In the meantime we had had inflation.

Mrs. Scheibla recounts the scandals that beset the Job Corps program. Razor slashings, public drunkenness, lead-pipe bludgeonings, and sex crimes have bedeviled the camp directors. Of course, the same people would have probably been misbehaving in identical ways elsewhere if they hadn't been tapped for rehabilitation through work, so you can't blame it on the OEO. But the point is that there hasn't been much rehabilitation.

Not even the big corporations -Westinghouse Electric, Litton Industries, IBM, Xerox, and so on have been able to do very much with the training programs which they undertook at Sargent Shriver's behest. The cost figures for the entire Job Corps adventure have been terrific. Representative Edith Green of Oregon, an early advocate of the Corps, put it sharply when she quoted from a letter from a constituent. The let ter read: "How can I possibly pay taxes to support people in the Job Corps centers at \$13,000 : year? Our total income is \$6,000

a year, and we have three children. We had hoped that we would be able to send our three children to college. Instead of that you are passing a program in the Congress of the United States which says I am to pay taxes to support one person at \$13,000 a year."

Says Mrs. Scheibla: "Even figured for enrollees, costs exceeded \$13,000 at some centers. According to Senator Strom Thurmond, they came to \$22,000 at Camp Atterbury, and Representatives Fino and Goodell found the costs per graduate came to \$39,205 at St. Petersburg, Florida."

Loaded for Bear

If the Job Corps have not done the job that old-fashioned vocational training and business apprenticeship programs once did, the Community Action programs across the country haven't done much better. In places, the local action projects have been means for paying \$25,000 salaries to directors in cities whose mayors get \$18,000. The projects have been havens for Maoists, anarchists, and even orthodox communists whose pasts have been an open book. Before being cut off by OEO. LeRoi Jones's notorious Black Arts Theatre had received \$115,-000 from New York City's Haryou-ACT (an amalgamation of Harlem Youth Opportunities Un-

limited and Associated Community Teams). Jones's credo is apparent not only in his poetry and drama but in some of his more dogmatic utterances. "The force we want," so he has written. "is of twenty million spooks [i.e., Negroes] storming American cities with furious cries and unstoppable weapons. We want actual explosions and actual brutality." When New York policemen raided Jones's theater, they discovered an arsenal of deadly weapons. a rifle range. sharpened meathooks, pistols, knives, and a cache of ammunition.

Head Start to Nowhere

The most appealing of the War on Poverty ideas was the project called Head Start. I am probably a softy, but I still see some potential merit in the idea of creating a pre-kindergarten program for slum children who never see an educational toy, a book, or the evidence of any other cultural amenity, at home. Alas for my lingering hopes, Mrs. Scheibla tells me that the only public evaluation of Head Start shows that the "initial advantages" gained by children in the OEO-sponsored pre-kindergartens lasted only for the first few months when they went on to upper grades. "The teachers themselves." so Mrs. Scheibla quotes from a report.

"were a more decisive factor than participation in Head Start . . . Head Start children scored higher if they had good teachers, but lower . . . if they had poor teachers. We can easily predict that even the finest pre-school experience for deprived and segregated children will wash out and disappear as these children pass through the grades."

Reading Mrs. Scheibla's summary of OEO appropriations (\$1.7 billion for fiscal 1968), I recall Tommy Corcoran's cynical prescription for "spreading the wealth." Back in the nineteen thirties, at the height of WPA, Tommy shook his head and said that the government might do a better job if it "threw the money out of airplanes."

▶ THE NEW ORDEAL BY PLAN-NING: The Experience of the Forties and the Sixties by John Jewkes (London: Macmillan, 1968, 42 shillings)

Reviewed by Peter P. Witonski

IN "Henry IV," Glendower proudly declares, "I can call spirits from the vasty deep." To which Hotspur caustically replies, "Why, so can I; or so can any man; but will they come when you do call for them?" During the past twentyfive years, Britain has twice fallen victim to Glendower's illusion. Twice within less than one generation the British electorate have submitted to the socialist fantasies of a Labour Party bent on summoning spirits from the bathos of economic planning. Twice the Labour Party has carried Britain into the abyss of economic despair.

Britain's postwar experiment with socialism inspired Professor John Jewkes of Oxford University to produce his memorable book entitled Ordeal by Planning (1948). It is an illusion, he argued, to believe that elaborately constructed economic blueprints. written by some socialist theoretician in London, can successfully determine the rate of growth and the general health of the economy. "I believe that the recent melancholy decline of Great Britain," he wrote, "is largely of our own making. The fall in our standard of living to a level which excites pity and evokes the charity of many other richer countries, the progressive restrictions on individual liberties, the ever-widening destruction of respect for law, the steady sapping of our instinct for tolerance and compromise, the sharpening of class distinctions, our growing incapacity to play a rightful part in world affairs these sad changes are not due to something that happened in the remote past. They are due to something that has happened in the past two years. At the root of our troubles lies the fallacy that the best way of ordering economic affairs is to place the responsibility for all crucial decisions in the hands of the State."

The tragedy of the centrally planned economy, as the British experience has plainly demonstrated, is that the plan almost invariably fails to achieve its promised ends. Indeed, more often than not, it backfires in unexpected and calamitous ways. But not even a succession of failures convinces the planner that the philosophy behind planning is all wrong. If economic disaster results from his plan, the planner simply comes up with another. Today, in the midst of Britain's second major flirtation with planning, the Labour Party dirigisme has succeeded in virtually destroying the economy; and yet the socialist planners continue to turn out "new" and "better" plans. So, once again, Professor Jewkes has taken up the cudgels on behalf of the free economy, re-issuing his magnum opus under the title, The New Ordeal by Planning: The Experience of the Forties and the Sixties. To the original work he has added a profoundly vivid and perceptive analysis of the failures of central planning since 1961.

It was hard for those Britons

who endured the failure of the first wave of planning in the forties to accept. let alone understand, the new wave of planning initiated by the Conservative Government of Harold Macmillan in 1961. In 1964 the Conservative Plan - a rather primitive attempt to stop economic growth and then get it started again when the planners felt the climate was right - was rejected by the electorate in favor of socialism, which promised "a coherent, long-term plan." The socialist plan was little different from the conservative plan, and in the end the entire country found itself in one of the most tragic economic binds in recent history.

Indeed, the present economic plight of Britain is so dire that many informed persons are now persuaded that the idea of planning has been permanently discredited. Certainly the population at large is fed up with planning. And yet, somehow the myth survives, and this is what horrifies Professor Jewkes. The planners will be defeated at the next General Election, simply because they have failed again; but this will not necessarily spell the end of planning in Britain. The British voter has thrown the planners out before and lived to invite them again. Professor Jewkes back fears yet a third renaissance of

volume, and all the new information contained therein, as a warning against just such a contingency.

It is Professor Jewkes' firm belief that the British Government, like all governments, has only limited power to do good, but virtually unlimited powers to do harm. Government must get its priorities straight. Instead of experimenting with all sorts of fantastic planning schemes, it should get back to its primary duties of providing for national defense. curbing internal violence, and maintaining the value of the currency. In recent years, the British government has failed in all these tasks. Instead, it has created a welfare state that is threatening the very existence of Britain as an economic entity.

"The people never give up their liberties," Edmund Burke wrote, "but under some delusion." It is clear that the British were deluded into believing the promises of both the Conservative and Socialist planners, and that they are only just now – at the nadir of their country's political history – beginning to face up to the evils of planning per se. Economically depressed, deprived of many of their traditional freedoms, they are fast turning away from the ideology of planning, hopefully toward the kind of free economy Professor Jewkes advocates. Until the fallacious thinking behind central planning is properly refuted economic progress will be almost impossible. Professor Jewkes has written such a refutation, and it is sincerely hoped that his views will reach a large public on both sides of the Atlantic.

▶ GEORGE WASHINGTON in the American Revolution (1775-1783) by James Thomas Flexner (Boston: Little, Brown & Co., 1968), 599 pp., \$10.00.

Reviewed by Robert M. Thornton

THE EARLY American scene was crowded with great men – Adams, Jefferson, Franklin, Madison, and Hamilton, to name the most prominent intellectual leaders, 1764-1789. But none of these worthies could have filled the shoes of the military leader of the American "revolution," George Washington. And he had the strength of character and devotion to the good cause to stick at a difficult job for eight long years.

The real humanity of our first great national hero has been obscured, on the one hand, by portraying the man as a demigod, and, on the other, by debunkers who write him off as a self-seek-

ing and philandering plutocrat. The scholarly multivolumed study by Douglas Southall Freeman avoids these extremes but sometimes loses Washington amidst all the detail. And the sheer mass of works on Washington tends to scare off some who are interested in learning about the man. Now at last we have Flexner's work (the book under review is the second of a projected three-volume study) which not only avoids the extremes of opinion but carries its scholarship lightly and never loses sight of its subject. Washington is the central figure of this canvas and Flexner, for all his admiration. has not been afraid to paint him, warts and all.

Washington was not a great orator whose words we can memorize and cherish; neither was he a fiery commander brandishing his sword over his head as he leads singlehandedly an attack on the enemy. His much less glamorous job can be fully appreciated only by those who have themselves had the responsibilities of leadership, no matter on how small a scale. Consider, if you will, the difficulties Washington had to overcome. (1) In his previous military experience he had held only minor commands but here he was, in 1775, the commander in chief. (2) He was not the warrior type, along the lines of a "Stone-

wall" Jackson or a George Patton, but a man of peace, in love with his home and his land, and always yearning to return to them. (3) Trained officers were scarce and those with foreign experience often looked down on him as a provincial, sometimes doing more harm to the cause than to the enemy. (4) His forces were more rabble than army, hard to keep together and resistant to discipline. (5) Logistics was a constant nightmare, his men often suffering from lack of food, clothing, and shelter in a land of plenty. (6) Congress dragged its feet on touchy matters and eagerly passed the buck to General Washington on many occasions. (7) Individual states, jealous of each other and of Congress, failed to respond when called upon. (8) Congress lacked the power to tax so the Continental army was nearly always broke (the paper money printed by the Continental Congress was "not worth a Continental"). (9) Civilian leaders were wary of the military so they often hampered Washington's efforts to make his army more efficient. (10) Many colonists were, if not opposed to independence from Great Britain, not very helpful to the patriots: and there were the usual faint hearts too cautious to take any definite stand. This list could be extended but surely the point

is already clear: given Washington's job, few men would have stuck it out.

But what really sets Washington apart from other men was his absolute refusal to accept the dictatorial powers some wanted to grant him after the war for independence had dragged on and on without victory. After the years of frustration it must have been very tempting to Washington to accept the proffered power and use it to bring order out of the chaos and put down opposition to the cause. But he flatly refused.

Flexner closes his book with an essay on Washington that reminds us why among the leaders of our young republic there were so many men of integrity, why the best men, it seems, got to the top more often then than now. Leaders of Washington's day, writes Flexner,

did not normally kowtow to the electorate. They did not wander the fields taking public opinion polls.

They gained ascendancy by being willing and able to bring their intelligence and property to bear in effectively helping their less powerful and less informed neighbors to achieve ends which they persuaded their followers were for the common good. Nothing in Washington's Virginia training urged him to seek popularity by shaking hands and grinning. And his elevation to leadership in the Revolution had not resulted from electioneering - quite the reverse. He had sought to evade the responsibility which had been forced upon him.

Since Washington did not have to stoop to conquer, "no important outside pressure impeded [his] efforts to steer by the highest stars. He could wholeheartedly pursue his conviction that he could serve his fellowmen best by serving the great principles." And, declares Flexner, "it was in his ability to recognize the great principles that Washington's most fundamental greatness lay."

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The War on Poverty

EDMUND A. OPITZ

MOST PEOPLE who have lived on this planet have been desperately poor, and most societies even today are by no means affluent. Never before in history has a society entertained the hope that poverty might be eliminated: such a notion in any other society but mid-twentieth century America would be put in the same category as perpetual motion. Only in a nation where unparalleled prosperity was the rule could people regard poverty as the exception. No other society has ever been wealthy enough to even think of launching what we call a War on Poverty. I shall ask you to keep this thought in mind as I submit the program to critical analysis.

All men of good will can meet on the common ground of shared goals. The common aim of liberals and conservatives alike is to enhance the economic well-being of all men. We all want to see other men better off; better fed, better housed, better clothed, better educated, healthier and with better medical care, more recreation and more leisure. There is little disagreement as to goals such as these; the continuing debate between liberals and conservatives is not over ends; it is over means. We differ as to the means we must employ if we are to attain the ends we say we want to reach.

The Great Society has a ready answer to all such problems: Pass a law. The typical liberal of our time has unlimited faith in legislation designed to redistribute wealth and income: Taxes for all, subsidies for some. Is there a slum? Replace it with a government housing project. Is there a "depressed area"? Build a "defense plant" there. Is X industry in trouble? Give it a subsidy. Does the economy need a shot in the arm? Hand out a veterans'

The Reverend Mr. Opitz of the Foundation staff is active as a lecturer and seminar leader.

bonus. And so on and so on; the list is endless. Each of the items, however, has something in common with all the others; each one proposes to correct an economic problem by political action. In short, the liberal invokes governmental action to achieve economic goals.

Emphasis on Production

Now, the natural way to go about achieving the economic ends of higher all round living standards - one would suppose - is by employing economic means and becoming more productive. It is only in a productive, prosperous economy that share-the-wealth programs make any sense at all: and it is only by expanding the methods which explain our present prosperity that the less prosperous can hope to improve their circumstances. Otherwise, the situation might shift into reverse: if we employ the wrong methods for getting rid of poverty, we might find that we have eliminated prosperity instead!

Government is not an economic institution; governmental action as such does not produce food, clothing, or shelter. The provisioning of men's material needs involves economic action, with government standing by to protect the producer and keep the trade routes open. Government has no

economic goods of its own, so any wealth it bestows on this or that person must first be taken from the people who produced it. If government gives Peter a dollar, it must first deprive Paul of a portion of his earnings. The nature of political action is such that government cannot possibly be used as a lever to raise the general level of economic, physical, and intellectual well-being. If governmental action does increase the income of one segment of the population, it is only by disadvantaging other sectors of society in a kind of seesaw action. If, therefore, our concern is to upgrade the general welfare-the overall well-being of all citizens we must rely on economic rather than political means; that is, we must rely on men and women in a market economy, working competitively, with government acting as umpire seeing to it that the rules of the game are not being violated.

Let us try to get this matter of poverty into perspective. Most of us have had some encounter with poverty. Our memories go back to the stock market crash of October, 1929, and to the Great Depression of the nineteen thirties. Most of us experienced poverty in our own families or, at any rate, in our neighborhoods. In the nineteen thirties there were millions of men without jobs, through no fault of their own. As a consequence of widespread unemployment, many American families had to scrimp in order to get along. They pulled in their belts and ate less well than they would have liked; some wore cast-off clothing: houses went unbuilt or unrepaired. People did without, and America went through the wringer. But during this same period - the nineteen thirties - more than five million people died of starvation in the Ukraine: nothing like this happened in America. America has never had a famine. not even during the Great Depression of the nineteen thirties. The mass starvation in the Ukraine was of a different order of magnitude from the hardship endured by the people of America during the Great Depression.

Twenty-five years ago I stepped off a troopship in Bombay. We were surrounded by beggars. A swarm of little boys were diving into Bombay Harbor for pennies; loincloth-clad stevedores—scrawny little men—began to unload the ship. Several of us hired a taxi which drove us around this exotic and teeming city. Returning to the ship late that evening, we drove through miles of city streets and saw hundreds of thousands of Bombay citizens sleeping side by side on the sidewalks. These peo-

ple were not simply ill-fed and illclothed; they literally had no housing! This was poverty of an intensity so great that, by comparison, the poor in American cities or the impoverished in the rural areas of the South, even during the depths of the Great Depression, would seem affluent by comparison. There is affluence in India as well as an enormous amount of poverty, but the poor in America live at a level which would put them among the affluent in India-or Africa, or China, or in many parts of Europe.

Pinning Down the Definition: Poverty Is Relative

I draw these comparisons only to suggest that we are badly in need of a definition of our major term, poverty. We live in a generation which prides itself on its expertise in semantics. The semanticist has taught us to look for the referent. A piece of steel, the semanticists point out, is not a piece of steel merely. We must specify steel of a certain carbon content, with certain dimensions, at a certain temperature, and at a given time. A piece of steel now will be a blob of rust a century from now, so the time element is important. The Office of Economic Opportunity acknowledges the problem in a sense, by offering us an arbitrary definition of poverty. A couple without dependents, we are told, with an income of three thousand dollars a year, is living at the poverty line. But in 1936 one of the early New Dealers, an economist named Mordecai Ezekiel, wrote a book entitled Twenty-Five Hundred Dollars a Year. An annual income of two thousand five hundred was held up then as an economic target for America. The book was regarded as utopian, as a wild prophecy of the level of prosperity to which Americans might aspire. And now an annual income 20 per cent above this is called the poverty line!

Now, prosperity is not measured by numbers of dollars alone; prosperity depends upon the prices of the things these dollars are used to buy. And, as everyone knows, the government has inflated our dollars to the point where each one is now worth about 39 per cent of what it was worth thirty years ago. The dollar today buys - on the average - what 39cwould buy in the period just before World War II. Three thousand dollars does not buy much in 1968. A couple which earns only three thousand dollars a year are declared by the national government to be existing on the ragged edge of poverty. But what is the very first thing this government does to them? It steps over and exacts more than three hundred dollars from them in taxes. This action violates what Tolstoy declared to be our first duty toward the poor. We should, he said, get off their backs!

I do not believe that all things are relative, but I do believe that some things are relative: and what we call poverty is one of them. A thirteenth century English serf living in Northumberland was desperately poor - not relative to other serfs living in Northumberland or Wessex, but relative to his Norman overlord. And that Norman baron lacked the amenities we deem necessary. and which are today enjoyed by all but a fraction of American citizens.

A Wave of Immigration

America has, until recent years, been looked up to by the world's people as the land of opportunity. Immigrants by the millions came to these shores in the period 1820-1930, in order to be free of the restraints they suffered from in other parts of the world. They sought a land where they might worship freely; a land where the barriers of class and caste were largely nonexistent; a land where a man might rise by his own efforts. What were these people doing here during these decades? They were farming, manufactur-

ing, pushing west, building railroads across the continent, supplementing their diet by fishing and hunting, finding a new way of life, and so on. These people were producing food, clothing, shelter, and the amenities at an accelerating rate, and by so doing they were fighting poverty. They were overcoming poverty by their productivity - and poverty can be reduced in no other way - only by production. The general level of economic well-being in America rose decade by decade. Many people went from rags to riches: but even those whose ascent was not so dramatic did share in the general prosperity. I am critical of much that went on in nineteenth century America, but let's at least give the period its due. These people fought and largely won what might be called the great war on poverty. A whole society came to enjoy a level of affluence hitherto "beyond the dreams of avarice."

Americans continued to expand their productive capacity so that by mid-twentieth century we have sent our surpluses around the globe in various foreign aid programs. Despite the fact that America has given more than 122 billion dollars worth of goods to various nations since the end of World War II, Americans still enjoy a personal level of

prosperity far above that of most other people. America's greatness is not, of course, to be measured by monetary income and material well-being; but it is interesting to note how well Americans have done economically with the resources available to them. The United States is only one-sixteenth of the land surface of the world. and Americans are only about one-fifteenth of the world's population. Nevertheless. Americans own three-quarters of all the automobiles in the world, one-half of all the telephones, one-half of all the radios. three-quarters of all the television sets. Americans consume about two-thirds of all the petroleum products in the world. one-half of all the coffee, twothirds of all the silk. An American factory worker can buy four suits of clothes with a month's wages: his counterpart in a totalitarian country can buy half a suit with a month's wages. An American can buy six pairs of shoes with the results of a week's work: his totalitarian counterpart can buy one shoe. These figures prove only one thing. They demonstrate with what dramatic success Americans have waged the great war on poverty.

We had become so prosperous by the mid-nineteen fifties that this fact was cause for alarm in the eyes of some people. For example, the National Council of Churches convened a study conference in Pittsburgh in 1956, on the general theme: "The Christian Conscience and an Economy of Abundance."

"Can we stand abundance?" asks a brochure which came out of this Pittsburgh meeting. "The human race has had long experience and a fine tradition in surviving adversity. But now we face a task for which we have little experience, the task of surviving prosperity." Among the conference resources was a booklet by Leland Gordon and Reinhold Niebuhr giving "information and insights on the economic and religious aspects of mounting prosperity in the U.S.A." In 1958. John Kenneth Galbraith provided the phrase we were looking for to characterize the era when he entitled his book The Affluent Society. The man in the street phrased it somewhat differently: "We never had it so good," he said.

The prosperity enjoyed by the bulk of Americans during the mid-twentieth century does not mean that American society neglected those who did not share in the general prosperity. In 1963, the then Secretary of Health, Education, and Welfare observed that 42 Federal programs have "a direct application to poverty." In addition, every local community had its locally based welfare projects and so did every state. According to the *Social Security Bulletin* for November, 1963, we were spending in excess of fortyfour billion dollars a year on welfare and welfare-type programs. Then, in 1964, Congress passed the Economic Opportunity Act and a one billion dollar War on Poverty was announced with great fanfare.

How the Great War Was Won

Now the very fact that we have a so-called War on Poverty is itself eloquent testimony to the general affluence of our society. In a society where almost everyone is poor - and this has been the condition of almost every human society of the past and it continues to be the condition of most people in other parts of the globe today - talk of eliminating poverty is a pipe dream. It is only in America that the idea of ridding ourselves of the last vestiges of poverty would occur to anyone. So successfully have we waged the great war on poverty that we entertain the notion that in a piece of further legislation we can eliminate what might be called residual poverty.

It goes without saying that before we can share our prosperity we must be relatively prosperous. Thus, it is imperative that we ex-

plain the question: How did we achieve that level of prosperity which makes it possible for us to entertain the notion of eliminating poverty altogether? The average American is somewhat taller than his ancestor of a century ago, and somewhat heavier; he has had a longer period of schooling. But our prosperity gains are not to be accounted for by the fact that the twentieth century American is bigger, stronger, and smarter than his nineteenth century counterpart. Does he work longer than his forebear of a century ago? No, to the contrary, the work week has been cut almost in half in the past hundred years. The answer lies in better tools and more of them. The average American worker of today has at his disposal far more and better machinery than any other worker in history, and as a result the American worker is the most productive worker of all times. In America machines do more than 90 per cent of the physical work. Tools and machines are called capital. and it is the immense amount of capital invested per worker in America which accounts for the American's productivity. In the average manufacturing plant there is more than \$21,000 invested per worker. In the automobile industry the figure rises to \$25,000 invested per worker in machines

and tools: in chemicals the investment is \$45,000 per worker; and in petroleum the figure skyrockets to \$141,000 of invested capital. A society becomes more prosperous - the material well-being of people increases - when people are encouraged to save, when earnings are protected, and when these savings are invested in tools and machines. At the present moment in America about \$21,000 worth of tools and machines - on the average - are put at the disposal of each man who works in a factory. As a consequence, the average American worker produces more efficiently than his counterpart in other nations, and more goods are available for everyone. Because he produces more his wages are higher; his wages rise in lock step with his increased productivity. This was how the great war on poverty was won.

Progress through Freedom

This result has been obtained within the free economy, or the free market, as it is sometimes called. The free society is one which gives the individual citizen elbowroom by limiting government by constitutional, legal, and moral restraints. The idea is to retain a protected private domain within which people may freely choose and freely pursue their personal goals – just so long as their actions injure no one else. In such a society the economy will be free, and as a result of economic freedom it will attain to maximum prosperity. But no matter how prosperous a society becomes, wants and demands will increase faster than material goods can be produced.

Henry David Thoreau remarked that he was rich in the number of things he could do without; but this is not the modern temper. The mood of our time is reflected in Samuel Gompers' response to the question, "What does labor want?" "More," was his reply. There is a Parkinson's Law in operation here: The higher the general level of prosperity, the more keenly do we feel the nagging wants and demands for even more things. The general principle is: Human wants and demands always outrun the means of satisfying them. This is a fact of our human situation as such, and we need to discipline our emotions into line with reality.

These emotions are easily exploited by demagogues who suggest that mankind might move into a utopia of abundance, except that wicked men bar the way and keep us poor. The coordinator of the National Council of Churches' Anti-Poverty Task Force, for example, makes the assertion that "Poverty would not continue to exist if those in power did not feel it was good for them." Such a sentiment as this is a gratuitous insult aimed at dissenters: but moreover, it is a silly sentiment. We live in a commercial and manufacturing culture, and mass production is the rule. Mass production cannot continue unless there is mass consumption, and the masses of men cannot consume the output of our factories unless they possess purchasing power. To suggest that those who have goods and services to sell have an interest in keeping their customers too poor to buy is nonsense. In a free economy, everyone has a stake in the economic well-being of every other person.

"The Science of Scarcity"

Economics has been called the science of scarcity, but as the word "scarcity" is used in economics it is a technical term. Let me try to explain. If we are to properly evaluate the war on poverty, we must keep in mind that there is on this planet a built-in shortage of the things men want and need. To qualify as an economic good a thing must exhibit two characteristics. It must, in the first place, be wanted; and, in the second place, it must be scarce. Every one of us wants air, but air is not an economic good because each of us can breathe all

the air he desires and there's still a lot left over for everyone else. Ordinary air is not a scarce good. but conditioned air is another matter. Air that has been cooled or heated has had work performed on it and it is in relatively short supply; there's not enough of it to go around and, therefore, we have to pay for it: we have to give up something else in order to obtain air that is heated or cooled. The second feature of an economic good is its scarcity. Now, beriberi is a scarce thing in this part of the world, but it is not an economic good because no one wants it.

Economics is indeed the science of scarcity, but it's important to realize that the scarcity we are talking about in this context is a relative scarcity. In the economic sense, there is scarcity at every level of prosperity. Whenever we drive in city traffic, or look vainly for a place to park, we are hardly in a mood to accept the economic truism that automobiles are scarce. But, of course, they are, relative to our wishes. Who would not want to replace his present car or cars with a Rolls Royce for Sundays and holidays, plus an Aston Martin for running around?

The economic equation can never be solved; to the end of time there will be a scarcity of goods, and unfulfilled wants. There will never be a moment when everyone will have all he wants. "Economics," in the words of Wilhelm Röpke, "should be an anti-ideological, anti-utopian, disillusioning science." And indeed it is. The candid economist is a man who comes before his fellows with the bad news that the human race will never have enough. Organize and reorganize society from now till doomsday and we'll still be trying to cope with scarcity.

The point needs to be stressed: Scarcity now and forever, no matter how high we jack the society above the subsistence level. Poverty, in other words, is not an entity like smallpox, say, or polio. By research, and by investing a great deal of money, time, and brains, we have wiped out several diseases which once plagued the human race. There is no analogy here to the situation we confront as regards poverty. No matter how far a society climbs up the ladder of prosperity there will always be a bottom 20 per cent; some folks will always be better off than others. A college president says that they carefully screen the students entering his institution, and during the four years of college the students are exposed to the best teachers around. But despite all their efforts. 50 per cent of the students graduate in the bottom half of their class!

1968

Every society, no matter how prosperous, will still be trying to cope with vestigial poverty — even though the people comprising this residue of poverty are affluent by comparison with the masses of Asia.

Poverty through Intervention

Scarcity, as I have said, is in the nature of things, but there is also artificially induced scarcity. There has been less of institutionally generated and sanctioned scarcity in America than elsewhere, but there has always been a certain percentage of our poverty artificially created by unwise and unwarranted political interventions. If government did not do so much to hurt people, there would be less excuse for its clumsy efforts to help them. Let me briefly cite several examples: The farm program costs about 7 billion dollars a year. This hurts mainly the masses of moderate and low income people who are first taxed to pay for the program, and then are hit again by the higher prices they are forced to pay for food – which is a far larger item in the budget of the poor (in proportion) than it is in the budget of the rich. The money taken from these people is given to farmers who use it to buy equipment and fertilizer to grow more food for which there is no

market so that government can store it or give it to people who are hurt by receiving it.

Look at the damage done by the Renewal Program. Urban Mv source here is the study by Professor Martin Anderson, sponsored by the Joint Center for Urban Studies of M.I.T. and Harvard, published as The Federal Bulldozer. In the decade under examination, Professor Anderson found – among other things – that the Urban Renewal Program has demolished about 120,000 dwelling units with a median rental value of \$40 per month. During the same period, some 25 to 30 thousand dwelling units have been built with a median rental value of \$180 dollars per month. The poor have been evicted from their crowded and unsatisfactory housing into housing that is even less satisfactory and more crowded. The people who can afford to pay \$180 a month are enjoying subsidized housing at public expense. During the period when Urban Renewal has shown a net loss of 90,000 housing units, what has private enterprise been doing? Something like 18,000,000 housing units have been constructed in the private sector of the economy!

Then there are minimum wage laws. Liberal and conservative economists see virtually eye to eye on this point; they agree that min-

imum wage laws throw men out of work - especially teenagers and especially Negroes. After 1956. when the minimum was raised from 75e to \$1.00 the nonwhite teenage unemployment rose from 7 per cent to 24 per cent while white teenage unemployment went from 6 per cent to 14 per cent. It is easy to understand why. Wages are a cost of doing business, and if something begins to cost more, we start using less of it-other things being equal. When labor costs more per worker. fewer workers will be used. Some marginal plants will shut down altogether.

Similar reasoning applies to monopoly labor unions. The aim of these unions is to raise wages above the market level; and if they succeed in so doing, a number of workers are thereby disemployed. Former Senator Paul Douglas wrote his book on wage theory in 1934, demonstrating that if wages are artificially raised 1 per cent by union pressure on employers, between 2 and 3 per cent of the work force will lose their jobs. Unemployment is institutionalized.

Then there is the matter of investment. The welfare state's pattern of taxation drains off money that otherwise would flow into capital investment, with the result that we have fewer tools and machines than otherwise would be the case, and are that much less productive in consequence. Being less productive, we are poorer than we need to be. It boils down to the truism that we can conquer poverty only by production, with the corollary that every restraint on production sabotages the real war on poverty. Nor is there any political alchemy which can transmute diminished production into increased consumption.

The fact of the matter is that the restrictive political practices of today — which bear such labels as Liberalism, Collectivism, and the Great Society — are the consequence of wrong-headed theories of yesteryear and last century. We embraced unsound ideas and engage in uneconomic practices as a consequence. The late Lord Keynes said it well:

Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas.

It is ideas which rule the world, for good or ill, and in this struggle none of us is a mere spectator.



Leonard E. Read

WHAT a thought-provoking title, "The Undiscovered Self" !1 For it implies a dark continent in the mind awaiting exploration, and suggests that the discovery and development of the inner life is the only way to lengthen the perimeter of all that man can call reality. The expanding universe, in this sense, is but the measure of man's expanding mind. Only a moment ago, in evolutionary time, this orb of ours was thought to be flat. The expanding self – increasing awareness - not only is responsible for that correction but accounts for the appearance of the electron, countless galaxies. and numberless other wonders that recently have come within the

range of man's concept of all that is real. And the end will never be in sight!

Nor need we confine our observations on the significance of the expanding self to the physical universe. As the inner life is more successfully explored, spiritual qualities are increasingly perceived, embraced, and experienced: creativity, inventiveness, piety, love, justice, charity, integrity, a moral nature.

We conclude, therefore, that man's destiny, earthly goals, purposes, aspirations – properly focused – are linked inextricably tc a deeper understanding and meaning of expanding selfhood.

And, by the same token, we car infer that any abandonment of selfhood is dehumanizing; it is devolutionary as distinguished from evolutionary; it is collapse

¹ The Undiscovered Self by Dr. Carl Gustav Jung (New York: The New American Library of World Literature. A Mentor Book).

The collapse has numerous manifestations: strikes; riots; mass hysteria; political chicanery; licentiousness in the name of art, music, poetry; in a word, public bawdiness; in classrooms and pulpits alike the pursuit of excellence is more pardoned than praised. The signs, to say the least, are ominous.

It is, thus, of the utmost importance that we try to pinpoint the cause of this dwindling selfrespect for, as I see it, this is the taproot of the deplorable effects we observe.

The mere phrasing of the collapse or decline as "the loss of self-respect" comes close to suggesting what the cause really is: a marked removal of responsibility for self. And while the individual who is forced to relinquish responsibility may take comfort in the fact that he did not divest himself voluntarily, the end result - coercively taken or willingly given - is no responsibility for self. Next to life itself, self-responsibility is the most precious possession one can lose, and it matters not how he loses it.

Talents to Be Tested

Before discussing the careless and lackadaisical attitude toward self-responsibility, let's review its importance. For, unless an individual is aware of its deep meaning, he will regard it lightly and will not cling to it as one of the most priceless of all possessions.

Frederic Bastiat sets the stage for my thesis: "We hold from God the gift which includes all others. This gift is life – physical, intellectual, and moral life. But life cannot maintain itself alone. The Creator of life has entrusted us with the *responsibility* of preserving, developing, and perfecting it. In order that we may accomplish this, *He has provided us* with a collection of marvelous faculties."²

Marvelous *potential* faculties would be more to my liking. A faculty is marvelous only when there is some attempt to realize its potentiality. There is nothing marvelous about the faculty of sight if one will not see, or of insight if one lets it lie forever dormant. The "marvelous" quality rises and falls with the development or atrophy of faculties. Put our faculties to use and they develop; neglect to use them and they decline.

Tie the arm to one's side and it withers; cease exercising the mind for a prolonged period and thinking can no more be recovered than spoiled fruit can regain its freshness. It is use, practice, exercise

² The Law by Frederic Bastiat (Irvington-on-Hudson, N. Y.: The Foundation for Economic Education, Inc.), p. 5.

that gives muscle to the faculties, all faculties – intellectual and spiritual as well as physical.

Observe a person in extreme difficulty – over his head in water, financial problems, or whatever. Except in rare instances, he'll frantically hope for someone to rescue him. But what happens when no helper is to be found? He finds only himself; he's on his own responsibility; it's sink or swim, as we say. And nine times out of ten he'll work his way out of the mess he's in. Faculties, if not too far gone, rusty though they may be, will rise to the occasion; creakily they'll begin to function.

Responsibility for self not only rescues the faculties from nonuse and atrophy but serves to renew, invigorate, and expand them; these faculties are the very essence of self, that is, of one's life. Further, self-responsibility has no substitute; it is *the* mainspring of the generative process.

Any individual who intelligently interprets and identifies his highest self-interest – the growth or hatching of faculties – and then clearly perceives the role self-responsibility plays in achieving this objective, must cherish, prize, and cling to its retention. Toward this right of being responsible for self he has a defiant possessiveness; it is among the last of all rights he will permit others to take from him — next to life itself. And the idea of voluntarily transferring one's self-responsibility to someone else is unthinkable. How could anyone call such a thought his own?

Shedding Responsibility

But what, actually, is the situation? Millions of citizens are doing all within their power to rid themselves of responsibility for self as if it were a dreaded burden. They implore government to be responsible for their prosperity, their welfare, their security, even their children.³ They voluntarily drift – nay, militantly march – toward total irresponsibility.

And on the other side of the coin are the governmental power seekers – all too ready to accommodate. Members of the hierarchy who devoutly wish to assume responsibility for the people's lives and livelihoods – with the people's

³ The child is but the extension of parental responsibility. So far as responsibility is concerned, parent and child begin as one and the same. Ideally, parental responsibility is relinquished as the offspring acquires responsibility for self; self-responsibility thus suffers no loss. But, to an alarming extent, this proper transition is ignored. Instead, the responsibility for children - education, for instance - is more and more turned over to government, an apparatus incapable of transferring the responsibility it has assumed to the child. It is this parental irresponsibility which accounts, in no small measure, for the juvenile delinquency we observe all about us.

money! — are greeted less with resistance than with eager acceptance. Laws are then written to enforce compliance; that is, government forcibly takes the responsibility for problems, as much from those who oppose as from those who applaud the transfer of responsibility.

Together – those who eagerly shed responsibility and those who as avidly assume it for others – they present not only a collapse of self but a landslide to tyranny.

Strikes, riots, and other provocative demonstrations are but the actions of a people bereft of selfrespect. These millions are no longer anchored to responsible behavior; they have cast themselves adrift, their trade union or the government or some other "benefactor" assuming the responsibility for their lives. The disciplined behavior required for social felicity, which responsibility for self imposes, is so lacking that they suffer no obvious penalties for their follies. To absolve human beings of this corrective force is to populate the world with people recklessly on the loose, every base emotion released, vent given to the worst in men

Individuals responsible for self are rarely found in mobs. They concern themselves, rather, with spouses, children, perhaps aged or helpless relatives and friends – others who are less fortunate than themselves. Above all else, they pay attention to an emerging, expanding selfhood. In a word, there's work to do - no time or even inclination to indulge in actions unrelated thereto.

Paternalistic Government

So, when lamenting the current trends, point the finger of blame where it belongs, at The Establishment, namely, at the preponderant thinking of our day: the mischievous notion that it is the role of government to look after "its people."⁴ Point the finger, also, at the dwindling respect for our most priceless right: the right to look out for ourselves.

Observe that the finger of blame points at the mischievous notion of paternalism and the loss of selfrespect — not at discrete individuals. Without question, we make a grave error when we try to shame persons because they espouse ideas which we believe to be false. One can take no credit for this tactic; it is as shallow as, indeed, it is identical to, name-calling. Such personal affronts generate only resentment; under this kind of fire, these human targets of our criti-

⁴ Many of the persons who deplore riots are those who support one or another Federal handout – free lunches, Medicare, subsidies, the Gateway Arch, you name it – little realizing that their type of action set the riots in motion.

cisms rise to their own defense and are thereby hardened in their ways. Utter silence is preferable to this.

We should, instead, work at the impersonal level, which means coming to grips with the ideas at issue. All of us share in common a feeling of gratitude toward those who keep us from making fools of ourselves. That it's the function of government to look out for "its people" is no more valid than the ancient belief that the earth is flat. Were we adequately to work at the intellectual level, the former notion would no more be upheld than the latter, and for the same reason: its invalidity!

It is clear that expanding selfhood is possible only in a state of freedom. And it is equally clear that freedom is out of the question among an irresponsible people, seemingly a vicious circle. Yet, this circle can be broken, the collapse ended, and a reversal begun by little more than a recognition that self-responsibility is the master key. Man then may see that his earthly purpose is not to be a ward of the government but *his own man*, under God – self-respecting and self-responsible.

IDEAS ON LIBERTY A Harmony of Interests

THE SOCIALISTS believe that men's interests are essentially antagonistic. The economists believe in the natural harmony, or rather in the necessary and progressive harmonization, of men's interests. This is the whole difference. . . .

To be sure, if men's interests are naturally antagonistic, we must trample underfoot justice, liberty, and equality before the law. We must remake the world, or, as they say, *reconstitute society*, according to one of the numerous plans that they never stop inventing. For self-interest, a disorganizing principle, there must be substituted legal, imposed, involuntary, forced *selfsacrifice* – in a word, organized plunder; and as this new principle can only arouse infinite aversion and resistance, an attempt will be made at first to get it accepted under the deceptive name of fraternity, after which the law, which is force, will be invoked.

FREDERIC BASTIAT, Justice and Fraternity (1848)

CLARENCE B. CARSON

The Rise and Fall of England

6. THE MORAL BASE

THERE was more to England's rise to greatness and leadership of civilization than the establishment of liberty. It has been made clear that this rise was preceded and accompanied by the laving of political foundations for liberty - by the separation and counterbalancing of power, by substantive limitations on power, by the widespread veneration of and intellectual support for liberty, and by legal efforts to secure liberty and property. But liberty only releases the energies of a people; it does not direct and control them to positive ends of achievement. Edmund Burke pointed out regarding the supposed establishment of liberty in France during the French Revolution that if people are to be free to do as they please, "we ought to see what it will please them to do before we risk congratulations...."

Of course, Burke knew that liberty does not consist in simply doing what one pleases. It is only possible when men are constrained to behave in ways that will not intrude upon the equal liberty of others as well. But his point is well taken, even so. Liberty is only conducive to greatness when a people are under the sway of a noble vision of the purpose of life, when they are motivated to the constructive employment of their

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

faculties, when they are inwardly constrained to peaceful pursuits, and when they generally abide of their own will by certain high principles. In short, liberty provides the opportunity, but positive achievement proceeds from an ethos, an ethic, a morality, a religious or spiritual base.

So it was for the English, at any rate. In the broadest sense. the ethos which gave meaning to the lives of Englishmen, impelled them to their accomplishments. and provided the moral code for individuals to control themselves came from Christianity. Christianity is an unusual fusion of Old and New Testament teachings. From the Old Testament particularly comes the high moral code for conduct conducive to peaceful living in this world. The Decalogue reduces this code to a few simple commandments. The last five of these command a strong and explicit respect for life and property:

You shall not kill.

You shall not commit adultery.

You shall not steal.

You shall not bear false witness against your neighbor.

You shall not covet. . . .¹

The New Testament goes beyond these to place great emphasis upon inward purity of heart, of motive, and of desire. Both Old and New Testament show man as inherently bent to sinfulness, as naturally alienated from God. as prone to serving the things of this world rather than doing the will of God. Both evoke in sensitive souls a sense of tension between man as he is and man as he should be - a tension in the broadest sense between This World and the Next. The Counsel of Perfection, taught by Christ, revealed such an exacting level of behavior as good and virtuous that living up to it would be entirely beyond the natural capacities of man.

Norms of Christian Living

Christianity not only revealed and held up perfect and impeccable norms for human conduct but also offered a means of redemption for sinful man. More, Salvation was not only made available but also almost irresistibly attractive - a pearl beyond price. This is not the place to enter upon a discussion of the mysteries of religion, however, even if the writer were competent to do so. The bearing of these matters upon history is great, nonetheless. The fact is that Christianity, in providing a way for the redemption of individuals, did not remove the tension between This World and the Next: if anything, for the very sensitive it heightened it. A man

¹ Exodus 20: 13-17 (RSV).

still had to live out his years in this Vale of Tears. He still had to inhabit the flesh, be subject to its temptations and resist them, live in relationships with other men, and live in an abiding consciousness of how far from the ways of God are the ways of the world. The gift of salvation carried with it the freely incurred obligation to observe the moral norms.

There developed within Christianity, then, a particular attitude toward this world. It was, in the traditional language, a snare, a delusion, a place of temptation, at war with the spirit, temporary, destined for destruction, and so on. What posture a Christian was to take toward this world was a matter that engaged the intellects of the greatest thinkers and the heroic efforts at exemplification of many of the saints. The positions taken ranged all the way from the rare one of pantheism to complete rejection of, say, a Simeon of Stylites.

There have been, however, two main postures taken by Christians toward this world, that of Roman Catholics and that of Protestants. England was under the sway of Roman Catholicism for nearly a thousand years, from the Synod of Whitby in 664 until the Act of Supremacy in 1534. England's time of greatness and world leadership came under the Protestant impetus, but the importance of this will be clearer by examining first the Catholic posture toward this world.

Catholic Practices

Actually, there are two postures implicit in Catholic practice regarding this world. There is one for those of a strong religious bent - for the unusually sensitive souls - and another for the generality of men. The generality of men must perforce live in the way of the world, and they will do so, in any case. They must marry and give in marriage, go into the marketplace and trade, produce and consume, make war and maintain law and order, use that force and those means necessary to keep things running. Since they live and participate in the way of the world, they are subject to the great temptations there and are likely ever and again to fall into grievously sinful actions and habits. For such men to be redeemed they must benefit from unearned Grace. On the other hand, those of deep and abiding religious inclinations may withdraw from the world-spiritually-to live in convents and monasteries. They renounce the world to live unto God. By living apart from the rest of the world, by living under rigorous discipline and observing a regular

order of devotion, these may be able even to store up Grace that may benefit the generality of men. The social import of all this is that those of a deeply religious and devout nature were set apart for religious devotion rather than directing their energies toward this world, so to speak.

The Church of England

Very shortly after the break with the Roman church, the monasteries and nunneries were suppressed in England. Their lands and properties were taken from them, and they had to seek other means of livelihood and to make themselves useful in the world. The Church of England was soon set on its course which it has generally tried to follow throughout its history, a course which would provide a middle way between that of the Roman Catholic on the one hand and that of other Protestants on the other. Like other Protestants, Anglicans would allow their clergy to marry and would have a reduction of the sacraments. Like the Roman Catholics, they would continue the practice of episcopal succession and be governed by an hierarchy, among other things. Like any compromise, however, it did not entirely satisfy a considerable number of people.

Mainly, the Anglican church did

not satisfy those with unusual religious zeal. It largely denied the monastic outlet for those of such an inclination and did not replace this with any great moral fervor directed toward life in this world. It is not to denv that the Anglican church has provided religious solace to its communicants, nor to deny that it has numbered among its clergy men of great intellect and religious steadfastness, to point up what was largely lacking from its make-up. The truth is. however, that the Anglican church has not generally played up the tension between This World and the Next. It has obviously been a support of the powers that be in This World. It has discouraged any great degree of zeal which might disturb existing arrangements or lead to transformations.

Evangelical Protestantism

The moral base and animating drive from Christianity which was so important for England's rise and greatness came mainly from evangelical Protestantism, then, even to an influence on the Anglican church itself. There were two great waves of evangelical Protestant fervor to sweep over England, accompanied by several rivulets. The first of these was brought by the Puritans, the second by John Wesley and Methodism. The Puritan impact reached its peak in the middle of the seventeenth century. The second wave came in the latter part of the eighteenth century and continued on into the nineteenth century until it could be said that the evangelical Protestant outlook held sway in England.

The contrast between the Puritan attitude toward this world and that of Roman Catholics is great indeed. The Puritans were capable of the most vivid language to describe the sinfulness of this world. To their spokesmen, this world was indeed a snare and delusion. and the Christian a pilgrim and a stranger in it. On every hand, man was beset by temptations which he was unable of himself to overcome. Life was conceived as a great struggle between the commands to righteousness of God and the bent of man to pursue his own fleshly way. Yet the Puritan did not in the least approve of efforts to withdraw from the world. That we should live out our time in the midst of the temptations of this world was a part of the plan of God for man. To withdraw would be to run away. Christians were called instead, they held, to plunge into the affairs of this world with zeal, to show forth the character of their faith by the performance of their tasks here.

One historian of English Puritanism has described their attitude toward life in this world in the following fashion:

... The preachers endeavored by precept and example to show how the elect, while living according to the code of saintliness, must use their gifts and opportunities in this life. The Puritan code was much more than a table of prohibitions. It was the program of an active, not a monastic or contemplative, life.... The saint had no reason to fear the world or run away from it. Rather he must go forth into it and do the will of God there.²

The Puritan Posture

The Puritan posture toward this world comes out clearly in the doctrine of The Calling. To Roman Catholics, the clergy, monks, and nuns were supposed to have a special calling or vocation. To the Puritans, by contrast. all those chosen by God (elected) were called to whatever their earthly undertakings might be. John Cotton, an English Puritan who migrated to America, set forth this doctrine very explicitly. He said, "First: faith draws the heart of a Christian to live in some warrantable calling. As soon as ever a man begins to look towards God and the ways of His grace, he will not rest till he finds out some warrantable calling and employment."

² William Haller, *The Rise of Puritanism* (New York: Columbia University Press, 1938), p. 123.

He makes it clear that a warrantable calling may be any lawful employment so long as it serves the public as well as the individual involved and that it be such an undertaking as an individual is led to by his talents, interest, and the counsel of others. Cotton sums up his message in this way:

It is an use of instruction to every Christian soul that desires to walk by faith in his calling: if thou wouldst live a lively life and have thy soul and body prosper in thy calling, labor then to get into a good calling and therein live to the good of others. Take up no calling but that thou hast understanding in. and never take it unless thou mayest have it by lawful and just means. And when thou hast it, serve God in thy calling, and do it with cheerfulness and faithfulness and an heavenly mind. And in difficulties and dangers, cast thy cares and fears upon God, and see if he will not bear them for thee; and frame thy heart to this heavenly moderation in all successes to sanctify God's name. And if the hour and power of darkness come, that thou beest to resign up thy calling, let it be enough that conscience may witness to thee that thou hast not sought thyself nor this world, but hast wrought the Lord's works. Thou mayest then have comfort in it. both before God and men.3

The Puritan, then, was supposed to go about the affairs of the workaday world with a zeal enlivened by his religious faith. He was to show forth the character of his faith by the quality of his work. The virtues he particularly admired were such as might well lead to success in an earthly calling: industry, sobriety, diligence, honesty, and steadfastness. Puritans did, indeed, throw themselves into the affairs of the workaday world with an almost unprecedented zeal, for the purpose, in purest doctrine, of glorifying God and keeping themselves pure against the Day of Judgment, though many of them may well have become enamored of the means and forgotten the end.

After the Restoration

The great age of the Puritans was the seventeenth century. In England their ranks numbered such stalwarts as John Milton. Oliver Cromwell, Edmund Spenser, John Bunyan, among others. The Puritan experiments during the Interregnum (1649-1660). however, left a bad taste for their faith in the mouths of many Englishmen, and the following of the Puritan faith waned after that. Puritans were never again to occupy so prominent a position among the English. With their decline came also a decline generally

³ Perry Miller, ed., *The American Puritans* (Garden City: Doubleday, 1956), pp. 173-82.

of the nonconformist or evangelical Protestant appeal for a good many years.

Historians are generally agreed, too, that there was a general letdown in morality after the Restoration (1660) and extending well into the eighteenth century. In the first half or so of the eighteenth century the upper classes were reputed to be much given to wine drinking and gaming. "They tell me," George III once said to Lord Chancellor Northington, "that you love a glass of wine." The reply was, "Those who have informed your Majesty have done me a great injustice: they should have said a bottle." Gout was a common disease, reputed to be the result of drinking huge quantities of cheap port. Gin could be had cheaply, and many of the poor drowned their sorrows in it. according to report. Industry and sobrietv were not vet well established in England.

Whitefield and Wesley

Evangelical Protestantism began to make a comeback in the eighteenth century. With it came a renewed religious zeal and a revival of what was, in many respects, the Puritan posture toward this world. Several denominations and sects played a part in this: Congregationalists, Baptists, and Quakers; but the most prominent role was played by John Wesley and the Methodists. There were two leading figures in a revivalist movement which was underway in the 1730's and 1740's: George Whitefield and John Weslev. Whitefield was the first to take to open-air preaching - that is, preaching to throngs of people who gathered in an open space. His preaching was characterized by much enthusiasm and a powerful emotional appeal. John Wesley was to adopt this as his method too, and over a long career was to address such crowds on many occasions.

Of the influence of Wesley and Whitefield upon their time, as well as upon later generations, there should be no doubt. One historian says that their work "brought about the regeneration of a living faith in England. They appealed to the vast mass of their countrymen who had, most of them, either never been inside a church in their lives, or, if they had, were untouched by the formal services they found there - the poor, the degraded, no less than the honest working folk, repelled by the cold, lifeless, and perfunctory ministrations of the beneficed clergy."4

Wesley and Whitefield preached

⁴ Basil Williams, *The Whig Supremacy* (London: Oxford University Press, 1939), pp. 96-97.

salvation by faith and personal piety. Though they frequently addressed the poor, they were neither radicals nor revolutionaries. Their message was directed to individuals, not to classes. So far as Wesley was concerned with the material conditions under which people lived, he bade them to improve by their own efforts. More, he bade them to be diligent in their earthly affairs:

The generality of Christians after using some prayer, usually apply themselves to the business of their calling. Every man that has any pretence to be a Christian, will not fail to do this: seeing it is impossible that an idle man can be a good man: sloth being inconsistent with religion. But with what view? For what end do you undertake and follow your worldly business? "To provide things necessary for myself and my family." It is a good answer, as far as it goes; but it does not go far enough. For a Turk or a heathen goes so far; does his work for the very same ends. But a Christian may go abundantly farther: his end in all his labour is, to please God; to do not his own will, but the will of him that sent him into the world: for this very purpose, to do the will of God on earth, as angels do in heaven.5

Christian Virtues

The Doctrine of the Calling was revived in Methodist teachings. It will be worthwhile, too, to go over those virtues that Wesley accounted worthy of a Christian:

... Do you love, honour, and obey your father and mother, and help them to the utmost of your power? Do you honour and obey all in authority? all you governors, spiritual pastors, and masters? Do you behave lowly and reverently to all your betters? Do you hurt nobody, by word or deed? Are you true and just in all your dealings? Do you take care to pay whatever you owe? Do you feel no malice, or envy, or revenge, no hatred or bitterness to any man? . . . Do you speak the truth from your heart to all men, and that in tenderness and love? . . . Do you keep your body in sobriety, temperance, and chastity, as knowing it is the temple of the Holy Ghost. . .? Have you learned, in every state wherein you are, therewith to be content? Do you labour to get your own living, abhorring idleness as you abhor hell-fire? The devil tempts other men; but an idle man tempts the devil. An idle man's brain is the devil's shop, where he is continually working mischief. Are you not slothful in business? Whatever your hand finds to do, do you do it with your might? And do you do all as unto the Lord, as a sacrifice unto God, acceptable in Christ Jesus?6

⁵ Herbert Welch, comp., Selections from the Writings of John Wesley (New York: Methodist Book Concern, 1918), pp. 97-98.

⁶ Ibid., pp. 308-09.

The teachings of Wesley and others like him, says one historian, brought solace to those poor huddled in their misery in new factory towns in the late eighteenth century and eventually "helped to make them the deeply religious and self-respecting people which the lower middle class of factory workers and shopkeepers of the manufacturing areas had become by the nineteenth century."⁷

John Wesley was an ordained Anglican clergyman and remained one throughout his life. He professed much love and veneration for the "mother church." Yet after his death the Methodists became a separate denomination. Even so, the impact upon the Anglican church remained great. By the late eighteenth century there were many of an evangelical temperament within the established church, and they taught doctrines similar to those of Wesley. As one writer puts it, "Like the Methodists, the evangelicals within the Church of England were firm supporters of the social order. Reformation of manners, not reformation of social evils. was their main concern: and to most of them righteousness and radicalism seemed to go ill together."8

Another historian says of the impact of the evangelicals within the Church of England, "Although this movement had passed its climax in 1815, it still represented the most active section of the church. The leaders set a pattern of strict and pious life. . . . They maintained a serious and unselfish attitude towards public affairs. They used their wealth conscientiously, and, on the whole, to good and noble purpose."⁹

Victorian Morality

In the first half of the nineteenth century, the evangelical denominations grew greatly in numbers and influence. "The number of Congregationalist chapels increased three and a half times between 1801 and 1851; the number of Baptist meeting places multiplied fourfold; and the number of Methodist halls multiplied more than fourteen times during these years.... Revival meetings on the American model were popular among many nonconformists, and the evangelically minded 'Low Church' remained a prominent facet of Anglicanism."10 A religious census in 1851 indicated

⁷ Williams, op cit., p. 97.

⁸ Derek Jarrett, *Britain: 1688-1815* (New York: St. Martin's Press, 1965), pp. 358-59.

⁹ Llewellyn Woodward, *The Age of Reform* (London: Oxford University Press, 1962, 2nd ed.), p. 504.

¹⁰ Walter L. Arnstein, *Britain: Yes*terday and Today (Boston: D. C. Heath, 1966), p. 80.

that of approximately 18 million people some 7 million were regular churchgoers.

The influence of the evangelical Protestant ethic reached its peak in the nineteenth century. It eventuated in the dominance of what has been termed Victorian morality. One historian describes Victorian morality "as a set of ideals about efficiency and thrift. seriousness of character, respectability, and self-help. . . . The maxim 'honesty is the best policy' was to serve not merely as a slogan but as an accepted and demonstrable truth.... Bankruptcy was regarded not merely as a financial but as a moral disgrace. Morality in government was given similar, perhaps even greater stress...."11

Bible-reading in the Home, Sermonizing in the Church

By truncating a sentence by G. M. Young, historian of the Victorian Age, the relation of evangelicalism to this morality can be stated: "Victorian history is the story of the English mind employing the energy imparted by Evangelical conviction. . . ."¹² He says that "Evangelicalism had imposed on society, even on classes which were indifferent to its religious basis and unaffected by its economic appeal, its code of Sabbath observance, responsibility, and philanthropy; of discipline in the home, regularity in affairs; it had created a most effective technique of agitation. . . . "13 Or again, "To be serious, to redeem the time, to abstain from gambling, to remember the Sabbath day to keep it holy, to limit the gratification of the senses to the pleasures of a table lawfully earned and the embraces of a wife lawfully wedded. . . ."14 The testimony of yet another historian will drive the point home:

No interpretation of mid-Victorianism would be sound which did not place religious faith and observance in the very centre of the picture. The most generally accepted and practised form of Christianity at the time was that which may be broadly called evangelicalism, with its emphasis upon moral conduct as the test of the good Christian.... Its basis was biblical. Bible-reading in the home was as popular as sermonizing in church. Its highest virtue was self-improvement. Its emphasis lay not on sacraments or ritual, but on organized praver and preaching, and on the strict observance of Sunday. . . .¹⁵

¹¹ Ibid., p. 77.

¹² G. M. Young, Victorian England: Portrait of an Age (London: Oxford University Press, 1936), p. 5.

¹³ Ibid., p. 5.

¹⁴ Ibid., p. 2.

¹⁵ David Thomson, England in the Nineteenth Century (Baltimore: Penguin Books, 1950), p. 107.

The moral base for the rise and greatness of England, then, was to be found mainly in a Christianity as it was interpreted and exemplified by evangelical Protestants. Men did not, of course, profess Christianity that England might be great or even, ideally, that they might be successful as individuals in acquiring worldly goods. Protestant Christianity spoke its message to the individual soul in its yearning toward God and eternity. If they did put spiritual things first, they were told, then they might have earthly goods in plenty. We cannot know, of course, how far and to what extent men did indeed put spiritual things first. What we can be certain of is that they had imbibed an outlook toward this world and were taught a morality which did make for material success and greatness.

The Freeing of Human Energy

The energies of Englishmen set free by liberty were controlled and directed toward positive accomplishment by an ethos which held that any lawful undertaking, be it ever so humble, was a calling of God to a Christian engaged in it. The way in which he performed his work would be a sign of his

election and the state of his soul. Careful workmanship, diligence in labor, charitable benevolence, respect for other men in what was theirs was deeply ingrained in this outlook. In a sense, this outlook did make of all of life and every undertaking a kind of spiritual exercise, and of the whole world a monastery. To put it another way, all legitimate human effort was pervaded with spiritual overtones and meaning. Even that part of life that has to do with material things, their production, acquisition, and disposal was given spiritual import. Not because of the importance of material things but because of the transcendent importance of the immortal soul which was engaged with them for a little while, and in the manner of its engagement showed forth its faith.

The drive which carried the English to their peak of achievement, then, had a profound basis. The morality by which they were constrained in the conduct of their affairs was equally deeply based. From about the middle of the eighteenth century onward the English began their surge to greatness. The base from which they moved has now been explored.

WHERE BURGLARS GET BETTER BREAK THAN BUSINESSMEN

LOWELL B. MASON



MILLIONS of law-abiding businessmen are now subject to treatment the U. S. Supreme Court has ruled unlawful when applied to common criminals.

The courts, cheered on by liberals everywhere, have moved dramatically and forcefully in recent years to safeguard individual rights. But the plight of the businessman in his relations with Federal administrative agencies, which regulate most of interstate commerce in America, has been overlooked.

Supreme Court decisions hold that police and prosecutors are not allowed to put defendants to inquisition. The accused also must be advised that they need not confess and that counsel will be provided for them if they want it.

Many other provisions long have been part and parcel of what is generally referred to as due process — such as:

• All men are presumed innocent until proven guilty by a greater weight of the evidence.

• The officer who prosecutes a

case cannot be the same man who sits in judgment nor can he impose the punishment, if any.

There is no doubt that the recent Supreme Court interpretations of our Bill of Rights incline many thoughtful citizens to the growing opinion that the rights of law-abiding citizens have been subordinated to those of criminals.

All of this criticism could be avoided if the Supreme Court treated burglars the same way it treats the American businessman. Most of the safeguards to overly speedy justice are avoided when dealing with businessmen charged with violating Federal laws regulating interstate commerce.

Why should burglars and other criminals, who pay no taxes on their estimated \$40 billion annual take, get better treatment than businessmen who are the government's main source of income?

Why should the many businessmen who come under the jurisdiction of administrative law accept the special strictures this law applies exclusively to them?

Certainly they do, with considerable docility.

A successful businessman follows established rules of conduct. He pays his bills, honors his contracts, and obeys the law whether he likes its provisions or not, else

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he soon finds himself outside the pale. He accepts the fact that for over a half century the established role of administrative law allows the score of Federal regulatory agencies which prosecute him to judge him also.

This may disturb him at first, but he is somewhat reassured when he goes to trial to hear the prosecutors refer to themselves as a quasi-judicial court. It seems to him he is in front of a court. It has all the appearances of one.

The commissioners of Federal regulatory agencies sit on a high bench just like judges. Everybody arises when they enter the room. Witnesses are sworn; decorum and dignity are the order of the day. But the businessman will find out there is a great difference between the quasi-judicial treatment he gets and the real judicial treatment accorded a burglar.

Burglars Get Better Break

To illustrate, take two cases: One involving a businessman and one a burglar. Assume both are guilty or assume both are not guilty. We are not concerned with what they did, but with how and why two widely divergent methods are used in dealing with these two suspects. There is a tender set of laws for burglars and a tough set for businessmen.

In other words, the government

practices what it does not preach. It practices discrimination. And in this case, it is against the majority — not the minority. We hear much these days about de facto discrimination — favoritism not recognized by law, but nevertheless practiced. The discrimination against businessmen is not only *de facto*, it is also *de jure*. It is recognized and enforced by law.

For businessmen there is no freedom from inquisition, a presumption of innocence until they are proved guilty by a preponderance of evidence, a trial before an impartial judge and a jury.

If a burglar got the same treatment the businessman gets, his house could be searched regularly. The function of prosecutor, judge, and jury could be consolidated in the hands of one agency.

The commissioners of some Federal agencies, who devote their efforts to rooting out bad commercial practices, believe they have become so expert that when a businessman comes to trial before them, it is not necessary to waste time proving his guilt by a greater weight of the evidence. The commissioners, having originally prepared the charges against him, apparently instinctively sense whether or not the man is guilty. All that the administrative law requires is for them to put some evidence in the record or, if there

is no evidence, at least some inferences upon which guilt may rest, and the Supreme Court will not interfere with their judgment.

FTC in Action

Let me give an actual case which was tried when I sat on the Federal Trade Commission.

There was a businessman whom the commissioners suspected was injuring some of his customers by giving quantity discounts to others. So a complaint was filed against him. At his trial, testimony was sought from those who were injured. FTC personnel traveled all over the United States and couldn't get a single customer to say he was injured.

If the agency had been ordinary prosecutors and had to try that case before a judge and jury, it would have lost. But being quasijudicial, FTC just inferred the customers were injured, and found the man guilty right away. He was mad, of course, and appealed our decision. But when a quasijudicial commission says a man is hurt - he is hurt.

This conclusion the Supreme Court heartily approved on the grounds that either all the witnesses were too dumb to know they were hurt or were not smart enough to object—and besides, why should the court question the judgment of a bunch of experts like Federal Trade Commissioners?

I've always been proud of my decision in the case. I voted against the order.

FTC expertise has reached such occult dimensions that even if the defendant had done no wrong at the time we sued him, if we predicted his acts might develop evils later on, we issued an order against him anyway.

Just think of all the robberies and murders that could be prevented if a combination policemanprosecutor-judge were endowed by statute with the same wisdom and authority. Then they could lock up everybody who had "the tendency and capacity" to do evil.

But these plenary powers apply only against businessmen. If a witness is not a businessman but a communist, and his organization is on trial before another quasijudicial court (the Subversive Activities Control Board), the statute strictly forbids a finding of guilt unless there is a preponderance of evidence to support it.

Legal Counsel Barred

One Supreme Court decision points out that, under the authority of an Ohio statute, a businessman being questioned regarding incidents damaging to the economy in a general administrative inquiry is not even allowed to have his lawyer present.

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If this businessman had been accused of a criminal act, an arresting officer would have to caution: "You don't have to say anything or answer any of my questions if you don't want to. We'll let you have a phone so you can call your lawyer or a friend or relative. If you can't afford a lawyer, one will be furnished to you if you want one."

And what about inquisition in America?

Federal agencies that regulate businessmen have power to require them to file answers to specific questions, as to their work, business, conduct, and practices.

They have far more power than the courts possess. These Federal policemen can not only investigate, but even snoop and harass.

Here's what the Supreme Court said about them in the Morton Salt Co. case:

"It [the Federal agency] has a power of inquisition, if one chooses to call it that, which is not derived from the judicial function....

Even if one were to regard the request for information in this case as caused by nothing more than official curiosity, nevertheless, law enforcing agencies have a legitimate right to satisfy themselves that corporate behavior is consistent with the law and the public interest.

"Official curiosity" can cover a lot of territory.

And if conducted by a state official or anyone he designates to do the job, an investigation may be in secret. All friends, relatives, and defendant's attorneys are strictly excluded, for as the five to four majority of the Supreme Court said: Advisers to a witness might encumber the "proceeding so as to make it unworkable or unwieldy," and "the presence of lawyers is deemed not conductive to the economical and thorough ascertainment of the facts."

As students of history remember, there was an alarming rise in the French crime rate before the French Revolution, just as there is here in America today. M. Seguier, a chief prosecutor under Louis XVI, demanded many of the same shortcuts to speedy convictions that are being urged today. He got them. Later on the same sort of instant justice was gleefully applied to send Louis and his cohorts to the guillotine.

Will Court Relent?

But does history have to repeat itself?

While, I predict, we'll never treat burglars as badly as we do businessmen, what are the chances of government treating businessmen as politely as it does burglars?

I'm not too optimistic about this, though recent decisions indicate the Supreme Court is getting fed up with wearing two faces – one for burglars – one for businessmen.

Here's what these decisions were all about.

Everybody knows a burglar's home has always been his castle. If government agents wanted to break in and look under his bed, they first got a warrant to do so. This was because the Constitution says anyone suspected of burglary can't be forced to convict himself.

But ordinary citizens?

They weren't suspected of anything, so it was all right for agents to wander through their bedrooms, parlors, and baths without messing around with warrants. All the agent had to do was bang on the door and yell, "Hey, you! Lemme in!"

Now the Supreme Court says, "No more discrimination. When it comes to a man's home – treat him just as nice as you do burglars."

But one swallow doesn't make a summer.

What about the other judicial discriminations against the business community? What about inquisition? What about quasijudicial officials prosecuting their own cases, then sitting in judgment on their own prosecutions?

Sixty years of legal custom have sanctified it.

For 11 of those years, as a Federal Trade Commissioner, my colleagues and I investigated thousands of charges against businessmen. When we determined there was "reason to believe" the laws of the marketplace were violated, we filed complaints against them.

Then hastily donning our judge's robes behind the bench (figuratively speaking) we solemnly marched into our courtroom. Seating ourselves on our high bench and looking benignly down on the hapless culprits, we would say, "Now tell us what this case is all about."

Some bureaucrats (who would have been glad to see me off the Commission) thought I should resign in protest against this direct repudiation of the American concept of separation of powers. Ridiculous – I had no truck with officials who resigned in protest as long as there was any chance to make known their beliefs.

Thanks to President Truman, I had this chance. My dissents, during these 11 years, brought more fruit to freedom than if I had sulked outside the tent.

There's still a long road to travel. But while there's life, there's hope.

Who knows?

Maybe some day government will treat businessmen with the same consideration it gives burglars.



Where in the World?

RALPH BRADFORD

WHERE IN THE WORLD would I rather live, than in the United States of America? This is a question that I have been asking myself rather frequently of late; and I always come up with the same answer: Nowhere!

I have asked it also of a good many much-traveled friends who are of conservative persuasion, like me; and after an initial startled look that fades fast into thoughtfulness, they invariably give me the same reply: Nowhere.

There is something significant in this, for the world has many beautiful and interesting places. It has been my own privilege in the past dozen years or so to visit 42 countries of this wobbly world, some of them several times. Nearly all offered features that I liked: the people, the climate, the scenery, the music, the language, the food — something good. There is hardly a land I have visited that does not occupy a warm corner in my memory. I think of them often.

England - vast, noisy London, the smoky midlands, the lovely lakes, the fine people. Scotland the ruined abbeys, the Trossachs, and especially the Castle glooming over the reeking chimney pots of "Edinbur-r-rv" in a misty twilight. Italy – not the highly organized Tourist Trap, but the rugged home of a fascinating people. Greece . . . palimpsest of the ages. Thailand, country of fabricated, fragile beauty. Argentina, southern twin of the United States. Chile, the Italy of the New World. - You name it, and I'll love it . . . for some fondly remembered thing: a white cone of mountain rising from a misty lake – like

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Osorno . . . or Fuji; a sea-pierced gorge, like the Kotar Gulf of Yugoslavia; the mighty gash of the Corinth Canal: a glimpse of the Corcovado Christ looming through the clouds high over Rio: a fisherman's dinner beside the Tagus in Lisbon; a surprising bit of wine, like the Tsara of Baalbek or the resin-flavored Retsin of Argolis: or maybe a simple act of human kindness - as when the young Scotch woman who shared our compartment south to Keswick. seeing that we were much burdened with baggage and no porters at hand, left her baby on the seat and came trudging down the corridor after us. lugging one of our heavy bags!

Yes, always there is some good or beautiful or gracious thing to remember. Always, or nearly always, I would like to go back.

But to *live*? Which country would I choose above my own? And the answer is: none. Literally, none. Partly, I suppose, this is due to the love, the accustomedto-your-face feeling that we all have for our native place. We are somewhat like O. Henry's Cosmopolite, who was largely and magnificently tolerant of the whole world – until somebody happened to disparage the two-by-four village in which he had lived as a boy.

But aside from such geographic

preferences and nostalgic prejudices (I ask myself, and of late I ask my friends) — aside from all that, think it over carefully, and say which country you would prefer to the United States as a place in which to live. I have yet to find an American who said he would choose to live elsewhere. I know there are such, expatriates by choice, for one reason or another that seems good to them — but I have never met them.

A Disturbing Trend

The occasion for these musings is this: For a good many years I have been concerned with the direction my country is going. Like many other Americans. I have been opposed on principle to the idea of a deficit economy, not because I worry about an occasional year in the red (which is ordinary experience in business and even in private, domestic life) but because I have seen the devastation that can be wrought by an extended application of the fatuous spend-borrow-and-never-pay aberration. It is easy to list a number of modern nations whose middle class - the saving and investing element that provides much of the capital for industrial and other development - has been sold into loss and bankruptcy by that fatal philosophy. When I see my nation headed the same way, I protest, I

cry out, I argue-I even denounce. I get all hot under the collar! And so do a lot of other people who share my conservative views on the philosophical, as well as the fiscal, need for solvency in our national affairs. And we get all the hotter when left-wing devotees of progress-through-inflation accuse us of being "concerned only with money" – as though we had neither fiscal sense, political wisdom, nor social vision!

As a result, we become easy targets for the scornful shafts of the disciples of debt, compulsion, and superstatism, who call themselves "liberals." They accuse us of wanting a "static" economy, of looking backward, and especially of being always against things, never for anything. All this, of course, is a lot of nonsense. We have a positive, not a negative, program. We are for a number of things that are fundamental to the long-term welfare and safety of all the people. We want the economy to be active and healthy: we want production and employment; we want everybody to earn and save and invest and enjoy security and comfort. We want the American dream, as expressed in the American Constitution, to be fully realized in the prosperity. the freedom, and the progress of the American people. We believe that the Constitution provides both the safeguards and the opportunities for such progress; but if, in our developing society, conditions arise that were not foreseeable when the Constitution was written, then we want the Constitution amended by the process provided, and not nullified by bureaucratic manipulation or set aside by judicial dictate.

The Need for Law and Order

We believe that when Congress was empowered to coin money and "regulate the value thereof," it was intended that the value of that money should be protected and maintained, and not diminished or destroyed, and that it is the present duty of Congress to thwart, rather than aid and abet, those policies and persons that are systematically undermining the strength of our currency, and thereby lessening the security of our people.

We believe that "law and order" is something more than a phrase. Life and liberty can be realized and protected only in a society that has adopted rules for its conduct, and for the conduct of the people who are members of that society and live under its form of government. We are not interested in punishment or retribution as ends in themselves. We are content, indeed, we desire, that justice shall be tempered with mercy

-a humane concept that is pretty well guaranteed by our jury system. Few indeed are those who look upon law enforcement as a mere matter of vengeance. But no society can long continue unless its laws are enforced; the alternative is anarchy and the destruction of social and political values that have been the foundation of that society. Therefore, when we see the laws openly disobeved in the name of "protest": when zealots for this or that cause announce that they will determine for themselves which laws they will obey and which ones they will flout: when we see riot, arson, and murder condoned and even defended by high officials of our government, we are appalled, we are angered – and we are frightened.

When we read that a Justice of the Supreme Court, attending a procommunist conference, compared the Bolshevik revolution of 1917 with the American Revolution of 1776 and advocated "forceful revolution" as the only way to correct the "intolerable conditions" under which he said 85 per cent of the world's people live when we read such things we are outraged - and again, we are frightened. When we read that the High Court, in decision after decision, seems to show greater concern for the legal rights of admitted criminals than it does for the

rights of their victims; when we see the Attorney General of the United States, our highest law enforcement officer, go on national television to let the world of riot and arson know that he favors a "soft line" in dealing with their depredations-then, however much we may favor and support the human and civil rights which the rioters are pretending to espouse, we begin to ask ourselves what is ultimately going to happen when the law is so weakly regarded and so feebly enforced by those who are hired and paid and sworn to defend it?

Evil Must Be Opposed

When year after year goes by with no effective action on the part of government officials to bring expenditures into balance with receipts; when there is a constant proliferation of the Federal bureaucracy, always at the expense and seldom to the benefit or service of the taxpayer; when we see the idea of compulsion becoming more and more the main reliance (in everything but law enforcement, that is) of the controlling political methodology: when we learn to our dismay that nearly 48,000,000 people are now the recipients of regular monthly checks from the state and national governments – confronted with all this, what choice have we but to

be negative? How can we avoid being "against" such things?

What we are *for* is a great and growing and free society in which every citizen shall have opportunity for the highest degree that he can attain of comfort and security. What we are *against* are the policies and projects and practices that weaken, that jeopardize, and that may destroy that society. And since such destructive policies are being constantly advanced and cleverly promoted, it follows that there is a lot to be against.

And we owe nobody an apology for being "against" such things. Indeed, the outcry that conservatives are always against and never for things is a rather slick device of the radical Left. Unfortunately. many conservatives have let themselves be bamboozled by it. They, too, often say, "Yes - that's a very bad thing - but we can't say so. We mustn't be negative!" To be negative has come to be a kind of public relations sin. It sounds better to be "for" things; it seems positive and affirmative - and these, in current semantics, are "good" words. By an extension of this never-be-negative logic, if you were to learn that I planned to burglarize your house, you shouldn't do anything so negative as to notify the police and get me into the clutches of the law. Dear me, no-that would mean

you were against something! It would be negative! Your proper procedure would be either to keep still, or else to offer a positive alternate suggestion — such as that I should rob your neighbor's house, instead. Or better yet, that I should rob a bank, which might help in effecting a much-needed redistribution of the money which the bank had (no doubt, wickedly) amassed!

Reviewing the Ideal

So much for a few of the things we are against. So much for the central vision that we are for. And so much, in brief and perhaps inadequate declaration, for the reasons that impel us to our faith, and to our espousal of what we believe are the necessary conditions for freedom and progress.

But there is a danger in such advocacy. We hear much these days of alienation, the scholar's term for a sense of rejection, of not belonging. We, too, we who warn of danger, are threatened with a kind of alienation - of separation from the dream, from the political and socio-economic structure, that is our nation! When we see so much that may injure, and that is injuring, that nation, so much that we know is wrong and dangerous, we are apt, all unconsciously and without intent. to make a fatal substitution – the

thing contained for the container: the bad policies about our country for the country itself. "They" are doing so many things that are economically dangerous and morally indefensible that in our complete withdrawal from them we are in danger of separating ourselves, imaginatively, from the physical territory, the political government, the economic structure and the social concept that is the United States of America. And this would be suicidal - for us. I mean; for it would convert us into emotionally stateless persons: and without the spur of patriotism -though it is no longer fashionable, and in some quarters is considered bad taste to use the word - without its stimulus our lives. and especially our efforts to preserve freedom, would have little purpose.

After all, why do we concern ourselves over inflation, or crime, or injustice, or bureaucracy rampant, or the trend toward compulsion and the lessening of freedom? Is it because we love liberty? Yes, of course - but it is also because we love our country! Oh, we are no longer mere jingoistic patriots. We are capable of self-analysis self-criticism. We do not and think our country has always been flawless. Our statesmen have made grave blunders. Our policies have often been unwise. We have been. on the whole, a somewhat violent people. In common with other industrial nations, we went through our period of exploitation. We know all that. But we know, too, that our transgressions have been no worse than those of contemporary nations. Like most of them. the American people and the American State were the product of the seventeenth and eighteenth centuries, with all that this implies in the way of nobility - and venality. We can lay the record of our country alongside that of any other great power, confident that we shall come off well in the comparison. If this is not a basis for pride, neither is it an occasion for shame: and our current critics in England, France, and Germany, not to mention Sweden and Switzerland, may please take notice.

So Much to Approve

But at the mere suggestion of our "alienation" from the United States, theoretical speculation abruptly ceases and we face facts: One, we are inseparable from the United States, physically and emotionally. Two, we wouldn't live elsewhere if we could. Three, squirm and wriggle as we may over admitting to emotionalism, we *love* our country! And we love it, aside from habit and the compulsion of instinctive filial devotion, because it is still, despite all we have done to stifle initiative, the land of opportunity. With all the ridiculous and hampering restrictions we have placed in the way of individual growth and development, it is still the land of the free.

The picture of America, aspresented to the world and to us Americans, by the press, television, books, the theater and the movies, has been a sadly distorted one. If you read current bestselling books or look at top-rated movies, you will get the impression of an America of free love, sex deviation, self-indulgence, and violence. If you follow TV news releases vou see only violence mobs. marches. "protests." riots. arson, looting. But these things are not normal. The very fact that they are not normal is what, under the code of the newsmen. makes them newsworthy!

The Path to Progress

Consider riots. (And let it be here recorded that the writer of this article is a supporter of the rights of all minorities, and is against discrimination because of race or religion. He is also a longtime advocate of slum elimination, both as a humanitarian measure and a social and economic necessity.) Well, the riots have been bad and bloody. But what is the obverse of their gloomy medallion?

On the one hand, you see fire, smashed windows, looted stores, flaming Molotov cocktails, screams of hatred – a grim and ghastly picture. That is the dark side – the side that is flaunted to the world. But in all the cities where racial rioting occurred, not more than a few thousand persons took part. The participating whites, of course, were negligible in relation to the total white population. But what of the Negroes? Surely not more than twenty thousand, all together. A large number of rioters? Yes - but there are *twenty* million Negroes in this country!

There is no doubt that they have a grievance against the American society. They have been discriminated against, mistreated, degraded. This we know, as they do. But they also know that the white-dominated society that has wronged them is making a sincere effort to redress that grievance. And of the 20 million Negroes. despite their frustrations, probably less than one-half of one per cent have taken any part in riots. The others, conscious that America has not been fair to them. realize, nevertheless, that their best hope is with this country. They, too, in spite of all, love it. It is *their* country, too. They want no part of senseless violence. And this is one of the good things about America.

Over-publicized Hippies

A minor occasion for dissatisfaction with the American scene as currently presented has been the advent of the so-called hippies. and especially the spate of mawkish stuff that has been written about them. Seldom have so few had so much written about them by so many, and rarely have such efforts been made to magnify the minuscule and glamorize the unsavory. They have been portraved as heralds of a new religious concept, symbols of a divine discontent. Seeing them, and reading about them, one grows a little sick. Is this America? It can't be - and vet this is being hailed as "the hippie generation."

What nonsense! By their own wildest claims, the hippies number not more than 200,000 of all kinds. But the age group – the "generation" – to which they belong numbers over 15,000,000! A thing wrong with America is that even one per cent of our youth are socially maladjusted, or incorrigible, or hooked on drugs – or just plain silly. But the other side of the coin, the thing that is right about America, is that 99 per cent of our young people are not that way.

Of course, some of them invite criticism, too. That young people should take a keen and critical interest in the educational institutions they attend is well and good. It is their future that is involved, and their opinions should be heard. But when they follow mob tactics, halt classes that others wish to attend, seize buildings, destroy property – then they have forfeited any right to consideration.

This spring we had the spectacle of Columbia University being forcibly taken over by a small group of illegal entrants. After that act of vandalism, the issues which the students and their friends claimed to represent became irrelevant. They were superseded by a new issue – the maintenance of authority and the observance of the law. If the students had been ten times right, they had no license to become lawbreakers.

The trend toward hooliganism in colleges, very marked in the past year or two, is one of the things that is wrong with America. But here, too, there is a bright side -a right side. It is found in the fact that these student mob actions are nearly always perpetrated by a small, minority group. At the University of Denver (where prompt and courageous action by the school authorities put an end to the attempted seizure) only 40 students were reportedly involved. At Columbia something less than 700 joined the mobsters, while over 17,000 refused to have anything to do with it. The ratio in the Berkeley insurrection was about the same. The law-abiders, the respecters of authority, far outnumbered the mobsters. There is always more good than bad.

But at this point it may be objected that the great majority should "do something about it." It may be asked, "Why do they allow a handful of their numbers to get away with such outrages?" But what should they do - become lawbreakers themselves, and engage in bloody battle with the offenders? They have a right to assume that the discipline of the school will be asserted and maintained by the school authorities. and that criminal acts will be dealt with by the police. The only way they could rout the lawbreakers would be to become lawbreakers themselves. No - they are correct on both counts, first, in not joining the rioters, and second, in not starting riots of their own to suppress the other rioters.

The Challenge

All these contrasts of what's wrong and what's right with our country present part of the challenge we must face—"we," in terms of this article, being those who, under various names (conservatives, libertarians, constitutionalists, traditionalists) want to advance and protect the interest of the American people by emphasis on solvency, safety, and self-reliance, rather than on debt, economic adventurism, and socialistic intervention.

Our job, while not hesitating to expose the bad, is to offer the positive alternative of proclaiming, and trying to preserve and extend, the good. The miracle of modern times is not only our high levels of production. employment. and earnings, not only our economic and social achievements. but also and primarily the fact that our economy has had the stamina to withstand and survive the handicaps of debt, taxation. and restrictiveness that have been placed upon it in the name of progress. Our power to create, and produce, and distribute, and consume, though shackled needlessly, is of enormous consequence. When this is coupled with widespread academic training and high intelligence, plus the willingness to work, a very tough mechanism for survival is provided. Our job is to teach the possibility of that survival, even against the odds we ourselves, we Americans, have imposed. Our job also is to proclaim and explain the reasons for our great achievements, even as we carry on the battle to remove conditions that are a constant long-range brake upon the continuance of those achievements.

And especially we need to hold fast one central conviction that is easily demonstrable – namely, that the United States is incomparably the earth's greatest nation, rich in freedom, opportunity, and accomplishment – and that our aim, our dedication, is to keep it that way!

We do not look backward. We look forward – with apprehension, yes; but also with confidence. We know what great things have been achieved by self-reliant people in the past; and we also know that it is precisely such self-reliant people who are continuing to build a great society here in our America.

There are those who would shackle that society with debt, taxes, inflation, and the restraints of supergovernmentalism. These we must resist with the power of opposing ideas, because they are negative thinkers, with their eyes fixed upon the outmoded statism of the seventeenth century. They are the backward-lookers, who must be taught the lessons of freedom. We must counter their negativism, not with counsels of despair nor the pessimism of doom-saying, but with the aggressive faith of those who are deeply convinced that freedom, given a chance, will work!

And if at times we grow despondent and wonder if the game is worth the candle, we can rekindle the lamp of our belief by asking ourselves....

Where in the world would I rather live than in the United States of America?

.... and getting the answer: NOWHERE!

IDEAS ON LIBERTY

Civil Liberty

THE NOTION of civil liberty which we have inherited is that of a status created for the individual by laws and institutions, the effect of which is that each man is guaranteed the use of all his own powers exclusively for his own welfare. It is not at all a matter of elections, or universal suffrage, or democracy.

> WILLIAM GRAHAM SUMNER What Social Classes Owe to Each Other (1883)



DAVID SKIDMORE

IF THE TITLE of this article seems self-contradictory, it is in keeping with the political and economic language of the times. Such is the present state of semantic confusion that even the most devout atheist would be sorely tempted to accept a literal interpretation of the story of the tower of Babel. The problem may be seen in other areas perhaps, but nowhere with more disastrous results than in the conflict between individualism and collectivism.

Those who advocate varying degrees of collectivism are labeled, in the news media and in everyday speech, as "liberal," "radical," or "progressive," all of which imply eagerness to change. From the labels often applied to the increasingly socialistic trend in our "mixed economy," one might conclude that it is something new and beneficial for freedom lovers everywhere. Alas, such is not the case. The direction in which most of our "social" legislation is carrying us, is not forward, but back. If we attempt to follow the "liberal" road far enough, we shall be attempting to go back to the days of serfdom and outright slavery.

Perhaps it seems unfair to say that the ideals of collectivism are identical to those of slavery. I have drawn this conclusion, however, not from the statements of its opponents, but from those of its supporters.

Consider, for example, the slogan of socialists (and of many "liberals") the world over: "From each according to his ability, and to each according to his need." How would this slogan, as a policy,

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differ from slavery? The fruit of a slave's labor is taken from him according to his ability, as judged by his master, and refusal or failure to produce for the master according to his need (again decided by the master) results in punishment for the slave.

Socialism demands a system of punishments, but not rewards. since rewarding effort does not take "from each according to his ability." True, some socialist nations do reward superior production in specific areas, but even these are only sporadic attempts to imitate the "evils" of capitalism. The second part of the slogan, "From each according to his ability and to each according to his need," assumes that the slavery implied in the first part will produce enough to satisfy all needs. The periodic famines in the communist countries indicate that this assumption is tragically wrong.

Social legislation is often portrayed as a boon to mankind whereby the means of production are taken from the hands of capitalistic "robber barons" and placed under central control for the good of all. Here again, our language shows signs of serious deterioration. Those advocating centralized control of the means of production are called "progressive" and "liberal," although they recommend, implicitly if not explicitly, a return to the times when people were considered primarily as resources.

What, exactly, are the means of production for human beings? A factory produces, but the building and operation thereof require a process of thought. The operation of a farm, a mine, a fishery, or an oil field requires systematic, rational, intellectual procedures. The basic human means of production, upon which all other human means of production depend, is the mind. The collectivist demand for centralized control of the means of production, is a demand for control of the human mind. The war on private property is in reality an attempt to destroy the distinction between people and property.

Those who advocate individual initiative, the free market, and in general, the radically unconventional notion that Man, the individual, belongs to himself as an individual, are labeled - and too often accept the slander - as "reactionary," "anachronistic," or less severely, "conservative," Admittedly, the last epithet is not invariably derogatory, although lately it has come to suggest an idolater of the Status Quo. The others, however, would seem to imply that competitive enterprise is an attempted return to a bygone

era of "robber barons" which is better forgotten.

The opposite is true. Competitive enterprise or capitalism is the one economic system which is not dominated by coercion or beggary, but by voluntary production and voluntary exchange. The element of choice which distinguishes a free society from an unfree one is an individual phenomenon rather than a collective one; a slave by majority rule is still a slave, and no less so because slaves may constitute a majority. The distinguishing characteristics of capitalism are free trade and its prerequisite, private property.

Although there are various ways by which you or I can take advantage of the efforts of another, they all fall into one of two categories; we can gain at his expense, or we can gain, but not at his expense. Obviously, if we rob or defraud him, our gain is his loss. Likewise, if we beg from him, our gain is his loss, even though it is voluntarily accepted. Only if we *trade* is our gain also his gain. Trade, however, must be voluntary; when forced, it becomes just another form of robbery.

Competitive enterprise is based upon free trade, and is therefore the one economic system which does not require victims. This, the self-named "liberals" would have us believe, is an attempted return to a cruel, tyrannical past. I submit that the "wave of the future," if freedom is to have a future, is capitalism.

IDEAS ON LIBERTY

Conflicting Policies

POLICIES of interventionism and socialism tend to immobilize the population and capital of the world, thus bringing about or maintaining the world divergencies of productivity, of wealth and income. A government that nationalizes efficient industries producing for the world market and then mismanages them not only hurts the interests of its own people but also those of other nations living in a world community.

These international conflicts are inherent in the system of interventionism and socialism and cannot be solved unless the systems themselves are abolished. The principles of national welfare as conceived by our progressive planners conflict with the principles of international cooperation and division of production.

Separation of Powers

and the Labor Act

II. "EXPERTISE," SEPARATION OF POWERS, and DUE PROCESS

Sylvester Petro

IT IS sometimes said that, whatever their constitutional defects, quasi-judicial administrative tribunals are vital to good government because of the complexities of the modern world. One used to hear, too, that such tribunals are necessary in order to get speedy justice and broad-minded, flexible, sophisticated decisions. Lately, with the NLRB and other administrative agencies demonstrating a truly remarkable talent for delay and for hide-bound mechanical decisions,³⁶ one does not hear the latter encomium of administrative agencies so much. But "expertise," one still hears, is as necessary in government as it is in the other vital aspects of advanced, intricate, delicately interdependent contemporary society.

According to this view it is unrealistic and "reactionary" to expect the regular courts either to possess, to develop, or consistently to exercise the requisite expertise in so specialized and complicated a field as, for example, labor relations. There, a tribunal manned by experts is needed. One does not ask a general handyman to build or repair a computer. In the same way, a judge of general jurisdiction cannot be expected to perform well in the complex, specialized

³⁶ For footnotes, see page 506.

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area of labor relations. There, a specialized expert tribunal such as the National Labor Relations Board must do the job.

It will be observed that this rationale is built around two assumptions: (1) that labor relations are a distinct, inordinately complex field; (2) that a specially qualified agency is thus required to administer them.

It is true that the employer-employee relationship is distinct from such other relationships as husband-wife, parent-child, buyercontractor-subcontractor, seller. government-person, and teacherstudent. It is not self-evident, however, that the employer-employee (or union-employee or union-employer) relationship is either more sensitive, more complicated. \mathbf{or} more critically a matter of public interest than those and other human relationships. Society is a sensitive complex of human relationships: all human relationships are relatively subtle and complicated. It is not possible to maintain a priori that labor relations are more so. Such an assertion has to be proved. No one has ever done so - probably because it would be impossible to do so.

Complexity Requires Freedom

Even if it were conceded for the sake of argument that labor relations are exceptionally sensi-

tive and complex. it would not follow that - the nation's fundamental policies being what they are a specialized agency of government is necessary. The fundamental policies of this nation call for the administration of labor relations mainly by employers and employees and, to some small degree, by trade unions and arbitrators. The more complex relationships become, indeed, the more necessarv does it become to leave to individuals the freedom to adjust their own relationships. The effect of thoroughgoing regulation of complex relationships is only frustration for both the regulating body and the persons regulated. Regulating an infant is relatively easy; the child grows more difficult; the teenager almost impossible - all because the relationships have grown more complex. It is the nature and supreme advantage of a free society, as distinct from a command or totalitarian society. to leave the *conduct* of all human relations essentially to the persons immediately involved, or to their agents, subject only to general rules, equally applied.

Congress has followed this policy in the Labor Act. It has never empowered the Labor Board to administer labor *relations* (although that agency has frequently had to be reminded by the Supreme Court, by the U.S. Courts of Appeals, and by Congress of the limited reach of its commission). Congress has empowered the Labor Board and its General Counsel to administer the National Labor Relations Act, not the labor relations of the country.

No Need for Monopoly

The General Counsel's functions are mainly to decide which charges should be prosecuted and then to prosecute them. The functions of the Labor Board and its subordinates are (1) to conduct hearings; (2) to interpret and draw conclusions from written and oral evidence; (3) to apply Congress' law to the facts found in accordance with congressional intent; and (4) to issue appropriate orders.

No one has ever advanced a convincing reason for giving a prosecutional monopoly to a lawver entitled "General Counsel of the National Labor Relations Board" as against vesting this power, say, in the Department of Justice. Moreover, no one has explained why either policy or justice in labor law is served by denying private parties - employees. employers, or union officials - the power to prosecute their own cases which private parties are accorded under the antitrust laws. No one has even attempted to justify this - again probably because it would be impossible to do so.

On the contrary, the General Counsel's prosecutional monopoly works against both policy and justice. Denying persons the right to a day in court more markedly denies justice than does a denial of due process. It is a denial of all process. This denial cannot be justified on "policy grounds," either, for its effect has been and must continue to be to inhibit and frustrate the development of labor law.

As matters now stand, only such developments occur as the General Counsel wishes; dozens of decisions could be cited to the effect that there is no appeal from a refusal by the General Counsel to issue a complaint. Without in any way impugning the good faith of the General Counsel, it remains self-evident that he and his limited personnel cannot possibly equal the range, the vigor, and the litigational fertility of the nation at large. Even if it be conceded - as I do, at least for the sake of argument - that the General Counsel's staff includes lawyers as learned and as clever as those in private practice, the fact remains that the latter are more numerous and more zealous to serve their clients. The General Counsel's prosecutional monopoly should obviously be withdrawn.

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Expertise in What?

If it is difficult to understand why the General Counsel should have a prosecutional monopoly, it is at least equally unobvious that human beings who become members of the National Labor Relations Board are more qualified to perform the judicial functions which Congress created in the National Labor Relations Act than are the men who occupy the Federal bench. Conducting hearings, ruling on sufficiency of complaints and answers, admitting or excluding evidence, evaluating testimony, interpreting documents, drawing inferences, arriving at conclusions of fact and of law. fashioning appropriate orders these are all activities requiring certain level of competence. a training, and experience. The "man in the street" is not likely to carry out these functions very well without special training and experience.

The question, however, is not whether the NLRB is more qualified than the man in the street to carry out these functions. For the purposes of this investigation into the separation of powers, the main question must be whether Congress has a reasonable basis for delegating judicial powers to an administrative agency, rather than to the judges of the Federal bench. Admitting that "expertise" is a good thing, we must then ask: expertise in *what*? If it is expertise in legal administration — in the arts and skills of *judging* prima facie, at least, one would think that career-judges are the true experts.

In a period when principled analysis counted for more than it does in these "pragmatic" days, it would have been enough to point out that the members of the National Labor Relations Board are appointed for limited terms of office. That fact would alone serve to disgualify them for the exercise of any part, however small, of the judicial power of the United States. For the Constitution insists that the judicial power of the United States be exercised only by men appointed to the Federal bench for life.

The times being what they are, the analysis must extend beyond and behind the Constitutional standard, even though in doing so it will only confirm the acuteness and the wisdom of that standard. Two integrated inquiries suggest themselves: (1) Are Board members and their subordinates better qualified than Federal judges to carry out the judicial functions created by the Labor Act? (2) Are the Congressional policies embodied in the Labor Act likely to be accepted with better grace and more faithfully effectuated by the Labor Board or by the Federal courts?

The Judicial Temperament

No extensive "empirical research" is necessary in order to establish that the Labor Board members and their subordinates begin their careers with no significant training or experiential advantage over the men who are appointed to the Federal bench. As a matter of fact, the only rele*vant* specialist training for the functions under consideration is legal training. All Federal judges nowadays, so far as I have been able to discover, are legally trained. Most Labor Board members and personnel have likewise had legal training, although some have not. There is a stand-off here, and I doubt whether it could be resolved by reviewing the lawschool records compiled by the judges and the Board people respectively.

As far as experience is concerned, it is quite probable that Labor Board personnel, if only for being younger on the whole, have had less general experience at the beginning of their Board careers than the Federal judges (who come mainly to office after years of practice) have had in the beginning of their judicial careers. On the other hand, Labor Board personnel, since their efforts are confined to the labor law field, tend to build a concentrated and extensive experience in *labor law* much more quickly than the Federal judges are ever likely to acquire.

Careless thinking might lead one to conclude from the foregoing that the Labor Board people soon *acquire* a significant advantage, even if they do not begin with one. More careful consideration leads to a different conclusion, however.

Of course, a person specializing in labor law is likely to know more about *that subject* than the person who does not specialize in it. No court of general jurisdiction will ever be able to match a specialized court in the mastery of the minute detail of the substantive law in which the latter specializes.

It is a serious mistake, however, to regard this as a significant point. What we desire primarily in judges is not exhaustive mastery of the substantive details of any particular field of law. It is the job of the opposing lawyers to bring all the relevant law and doctrine to the court's attention.

A solid grasp of basic principles of law in the various fields is more than enough such equipment for any judge. What a democratic society wants essentially from its judges, however, is a complex of

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other qualities. It requires what is perhaps best comprehended within the term "judicial temperament": a strong but open mind: a habit of reserving judgment till all the facts are in and disinterestedly evaluated; a willingness to listen – really *listen* – to argument; patience; respect for the opinions of other judges; a good logical mind which will adequately distinguish the relevant from the irrelevant facts and the cogent from the illogical arguments; an inclination to start out every case believing that the facts, the law, and the arguments - not the identity of the parties - should determine the decision. There is no basis for the belief that NLRB members, trial examiners, or other Board personnel rank higher than the Federal judges on this all-important standard of judicial temperament. Quite the contrary.

In a representative government, there is one more supremely desirable judicial quality. If representative government is to function properly, the judges must be satisfied to leave the policy-making to the legislature; they must be committed to interpreting and applying the statutes which the legislature has passed, not to competing with the legislature as a lawmaking, policy-making organ of government. For neither judges nor administrators can ever represent the nation and its people in the way that Senators and members of the House of Representatives do. It is physically impossible for judges and administrators to constitute themselves the deliberative and consultative microcosm of the nation which the House and the Senate do without even thinking about it.

Leave Policy to Congress

When judicial officers take on a legislative role, they make a mess all around. They produce neither good legislation nor good decisions. Litigation, the courtroom, and the judicial opinion are functionally neither adapted nor adaptable to either gathering the sense of the whole community or expressing it in legislative form. On the other hand, litigation, the courtroom, and the judicial opinion are the best means thus far devised for applying established law and policy to the facts of the individual dispute which every case or controversy involves.

This is why it is good for legislatures to stick to legislating and for judges to stick to judging. It may be all right for legislatures to care little about the facts of particular cases when they are contemplating general legislation. But the judicial officer who fails to attend excruciatingly to the facts of the *particular* case he is deciding, on the contrary, is fundamentally and dangerously untrue to his function and duty.

One of the characteristic defects of the NLRB is that it is continually forcing the facts to fit its predetermined policies. Instead of fitting Congress's law to the facts as they exist, the Board persistently manhandles the facts so that they will produce the results it wants. The Board wants every employee in the nation to wear a union label. If Congress says that employees need wear a union label only when it fits them, the Board does what it can to make a fit. If the facts don't fit, the Board will make them fit. If there are no material facts at all, the Board will frequently use adjectives to make up the deficiency. Thus in Rivers Mfg. Co., the trial examiner delivered himself of the following comments: "In this setting of intensive and extensive [sic] interference. restraint and coercion. the Respondent terminated the employment of nine employees . . . known by management to be union adherents. . . . The evidence sustaining General Counsel's allegations that these October 2 discharges were designed to discourage further self-organization is overwhelming."37

After a painstaking examination of the entire record, Circuit Judge O'Sullivan concluded that the trial examiner's characterizations were not only exaggerations but "without foundation." "A right to *infer*," he said, "is not a right to *create*."³⁸

The point is that it is unrealistic to expect patient, painstaking analysis of fact and application of existing law from committed ideologues; for they are interested more in molding the world to their desires than in doing justice in the immediate dispute. The closely related point is that such ideologues cannot be expected to subordinate their policy wishes to those of the legislature. Hence, if Congress wishes its policies to govern the country, it must insist upon judges who are willing to confine themselves to judging and to leave the policy-making to Congress.

The Representative Function

Some will perhaps challenge this view of the necessity of Congressional policy-making supremacy. We have heard a great deal of talk in recent years, for example, about the superior representative qualities of the presidency. However, disinterested analysis of the relevant facts must quickly dismiss such talk. As remarkable as the Presidents of this country have been, it is impossible for any one man - even before being elected President - to equal

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Congress' representative capacity. And it is simply absurd to expect him to sustain a broadly representative character after he takes up the consuming burdens of office. No one man can even meet and know as many people in as many places as five or six hundred Congressmen and Senators can. Still less can he reconcile within himself the kind of consensus or compromise which is possible in a multitudinous consultative assembly originating in all the geographically distinct areas of which the country is composed.

If the President wished realistically to gather the consensus of the whole country on all issues. he would as a practical matter have available to him no better mechanism for doing so than the one already available in the House and the Senate. There is really a very peculiar meaning in the assertion that the President represents the whole country better than Congress does. Persons using such language mean that they have been able to convince the President of the worth of their proposal while Congress has remained unmoved. But when Congress remains unmoved - it being the genuine representative of the whole country-the meaning is that the whole country is not ready to endorse, as the President may be for his own reasons, the desires of the pressure group involved.

No Job for the President

Many Presidents have agonized over the "loneliness" of their position. This phenomenon, grown more frequent of late, is of potentially great significance to any study of the Separation of Powers. The lament grows out of the condition of executive power which. presumably, the person who gains the presidency has more or less actively sought. Executive responsibility must ultimately be concentrated in one person. In this country, with government grown so great, presidential responsibility absorbs as much time and energy as the incumbent is willing and able to give it. An executive decision always has to be made. one way or another, clean-cut or ambiguous. There is no way in the world for the President to share his responsibility in the way that Senators and Representatives not only can do - but must.

This is not to say that Senators and Congressmen do not have to make "lonely" and difficult decisions with respect to their own personal choice of action. Of course they do, as all human beings must. But it is in the nature of legislation in a representative government that the responsibility for every legislative act is a well-divided and broadly shared responsibility, arrived at deliberately with each Congressman or Senator in a position to be fairly confident that his vote either reflects the majority sentiment of his constituency or at least does not violate that sentiment sufficiently to lose him his office. It is physically impossible for a single person over any sustained period, however delicately tuned his antennae, to maintain such rapport with the whole nation, especially when he has heavy executive responsibilities to dispatch. He can take only one position on an issue at a time. That is the ineluctable consequence of being a single human being. Five hundred or so elected representatives can take five hundred positions, and each, theoretically, may be satisfying his duty to his own constituency.

The merit of representative government in the form established by the Constitution of the United States lies mainly in its realistic response to such practical considerations. No better way to run a country in accordance with the dominant wishes of the community has as yet been discovered.

The Labor Board Out of Order

If it is true that the President - the outstanding politician of the country (I use the word with no pejorative intent) - cannot repre-

sent the sum of the country's policy wishes as well as the Congress does overall, it would seem to go without saying that no bureaucrat. no administrative agency, no judge or body of judges can do so. This is why, in a country which prides itself upon being a representative government, it is supremely desirable that anyone exercising judicial power be content to leave the policy- and lawmaking to Congress. For the alternative involves the abandonment of representative government and a substitution in its place of rule by the one or the few. In Aristotle's terminology, the commonwealth gives way to democracy, and democracy to tyranny.

If judicial temperament and a willingness to leave policy-making to the legislature are the two basic and reciprocal requirements for a proper exercise of judicial power, it is difficult to see how Labor Board members and personnel qualify better than do Federal judges. On the contrary, a Federal judgeship is far more likely to secure those qualities than is an administrative appointment. Consideration of our second basic question will further illuminate this matter.

That question is whether the Congressional policies embodied in the Labor Act, and with them the supremacy of legislative policymaking, are likely to be better enforced and preserved by the Labor Board or by the Federal courts.

I happen to believe that, over the years, decisions of incomparably higher quality, greater fairness, and more cogency have been produced by the United States Courts of Appeals than by the National Labor Relations Board.³⁹ But it is not enough simply to register the opinion that better decisions have come from the courts than from the Board. I assume that the reader is interested in looking into the question whether there is something inherent in the character of Federal judgeships or Board memberships on

the basis of which a fair prediction about the future conduct of the respective incumbents can be made.

Human beings, customarily with legal training, man both the Federal courts and the NLRB. We must assume, if we are to avoid interminable and inconclusive personality comparisons, that agency members and judges begin with equal moral and intellectual characteristics. The question then focuses on the respective institutional settings and the probable effects of those settings on the performance of their judicial duties. This will be the subject of a concluding article in this series. \circledast

FOOTNOTES

³⁶ It took the NLRB fifteen years to bring the Mastro Plastics case to a conclusion. Cf. NLRB v. Mastro Plastics Corp., 354 F. 2d 170 (2d Cir. 1965). The excuse proferred by this "expert" agency: a shortage of competent personnel.

³⁷ Quoted in Rivers Mfg. Co. v. NLRB, 55 CCH Lab. Cas. ¶ 11902 at pages 18977-78 (6th Cir. 1967).

³⁸ Ibid. at pages 18977, 18978.

³⁹ I have undertaken a comparison of the court decisions cited in note 12 with the NLRB decisions which they reviewed, and have been greatly impressed with the acumen, the intellectual flexibility, and the large-mindedness of the judges as compared with the contrary characteristics in the NLRB decisions or trial-examiner reports. But for the reviewing power of the Federal courts, I am convinced that we should be experiencing in labor law today a succession of travesties of justice such as has not been seen heretofore in either England or America.

RIGHT LIFE

JEROME TUCCILLE

Is THE WAR in Vietnam the major issue confronting us here in America today? Or is it perhaps the malignant spread of crime and violence in our streets? Then again, maybe it's the race question? - or the growing concern over an urbanized society? - or birth control? - or abortion reform? - or education?

The true answer lies at the root of all these issues. For the above are merely the symptoms, the effects, the natural by-products of a deeper fundamental issue which lies at the heart of virtually every malady that faces us today. This root cause can be stated concisely in a single phrase: the deterioration of individual freedom.

Either an individual born into society has the right to his own life, or he does not.

Either he has the right to life, liberty, and the pursuit of happiness, or he does not. Either this fundamental right is his by nature, by the very fact of his existence, or it is an arbitrary gift which can be granted to him by society, or revoked by that society according to the whim of the moment.

Either an individual's life belongs to himself alone, or it is an object of public domain which can be manipulated by and sacrificed to any group that puts a claim upon it.

It is my assertion here that there can be no such thing as civil rights, or human rights, or economic rights, or any other kind of "rights" unless there is first and foremost an understanding of the true nature of individual rights. Unless we understand and affirm the principle that each and every individual is born a free agent into society, that this freedom is a natural right and is not granted to us by governmental decree, and that this basic right entitles the individual to use his life as he sees fit. to aim it in whatever direction his reason and ethical judgment advises him to - as long as he does not interfere with the same right of his fellow human beings - there can be no such thing as peace on earth, no such thing as respect for law, no such thing as racial justice, no such thing as harmony in our cities, no such thing as satisfactory educa-

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tion, no such thing as morality in our personal lives (for morality presupposes freedom of choice). Unless each and every individual is free to direct his own life, free to make the decisions that are necessary for his own welfare and survival, none of us is totally free.

It is important to remember that, for every individual whose rights are sacrificed for the "general welfare," there is someone at the receiving end of each coercive sacrifical offerings dictated by the state. And just as the state may demand that one individual be sacrificed today for another, so tomorrow it may change the rules and today's recipient may become tomorrow's victim.

There can be no such thing as peace on earth as long as the state is permitted to draft its citizens from private life into the ranks of an internationalist police force.

There can be no such thing as order in our streets as long as people do not recognize and respect the right of other individuals to own and maintain property, to walk the streets without threat of physical attack — in short, as long as people do not respect the right to life itself.

There can be no such thing as racial justice as long as we insist on categorizing individuals as members of a particular collective – as Jew, as Negro, as Wasp, and so on ad infinitum – rather than judging a person according to his worth as an individual.

There can be no such thing as "decent education" as long as the state is free to authorize a public curriculum, and then make every citizen support it through taxes regardless of whether or not he believes in it and wants to make use of it for his own children.

There can be no such thing as freedom of religion as long as particular religious sects organize lobbies to pressure for governmental favors, thus dissolving the barrier between church and state which was the direct cause of religious freedom in the first place.

There can be no such thing as morality, itself, unless each individual is free to make decisions that affect his own personal life indeed, the most personal elements of his life.

The most important issue confronting us here in America today - across the entire face of the earth for that matter — is the attack by the collective mentality on the freedom of the individual. It is an attack on the right to life itself, and only by recognizing this fact and meeting it head on will we achieve the freedom and justice that is so dearly cherished by all rational men.

ACCENT on the RIGHT

KARL RADEK, after the umpteenth communist mistake in the Soviet Russia of the nineteen twenties, said to journalist Ernestine Evans that "there must be something to this Marxism, for we're still alive." What Radek missed was the fact that the power of the communist bureaucracy had been saved by a strategic retreat to voluntary features with the New Economic Policy, which, for a crucial span of time, let the peasants produce as they pleased.

Communism is always being saved by retreats which deny its own premise. Staying close to home, Leonard Read applies this insight to our own variety of collectivism. His Accent on the Right (Foundation for Economic Education, \$2 cloth, \$1.25 paper) should be a convincing answer to the many Fabian Radeks among us who attribute the economic strength of the United States to government interventions, which is equivalent to saying that the brake is what makes the automobile move.

To the Fabian Radeks, Leonard Read says, in effect: "There must be something to this voluntarism, for we're still much more alive than they are in Moscow and Peking." True, we are always doing violence to the rule that affluence derives from liberty. At one point in his book Mr. Read lists some of the prohibitions on our freedom of choice. We pay farmers for not growing peanuts and cotton. We support socialist governments, in Yugoslavia and elsewhere. We take tax money from the people in order to put a man on the moon. We subsidize below-cost pricing in lots of things, and pay for the subsidies by funny-money shenanigans that inflate the prices of everything else. We "renew" slum areas, driving the poor people out to create new slums on the other side of town. We keep businesses from hiring apprentices and from putting teen-agers to work by our insistence on a minimum wage law. We refuse to let private enterprise deliver first-class mail. We even prevent people from going out of business if they happen to be having trouble with union labor.

First, Identify the Problem

Mr. Read is unflinchingly honest when it comes to recognizing the hobbles on our freedom of choice. But he is not one for maintaining a defeatist posture. "Find the wrong," he says, "and there's the right" - meaning, of course, that the identification of sin always suggests its opposite in something better. Despite "profuse expenditure, heavy taxation, absurd commercial restrictions, corrupt tribunals, disastrous wars, seditions, persecutions, conflagrations, inundations" - the quotation is from Lord Macaulay, who wrote in 1839 - we do not seem to be "able to destroy capital so fast as the exertions of private citizens have been able to create it." Or. as Leonard Read adds, quoting some Brazilian entrepreneurs, "We get things done while the politicians sleep."

Our inventiveness and ability to specialize have, ever since the time of Adam Smith, always managed to race far ahead of the restraints on willing exchange. Regress has not been able to keep pace with progress. So Leonard Read continues to count his blessings. He is, as Ayn Rand would probably say disapprovingly, something of a mystic. But only to the extent that he sees Creation going on around him as the world changes and mutations occur. Mr. Read likes the free market, in goods, services, the exchange of ideas, ideals, knowledge, wisdom, information, faiths, doctrinal concepts, discoveries, inventions, and intuitions - because it is in harmony with "Creation: Capital C." Competition, in short, is in the grain of things.

Government-Induced Poverty

Leonard Read doesn't listen much to politicians, for he considers it a delusion to expect that government can end poverty. Government has nothing to hand out except what it garnishees from taxpayers. Obviously, says Mr. Read, this subtracts from private ownership and is a dead-end road. Savings are drained from those who have, which is not conducive to the capital formation on which production - and even taxation rests.

The alleviation of poverty, as Mr. Read says, is a by-product of private ownership and the free market. Conversely, it should be stated that poverty is a by-product of government intervention. The migration of the Negro poor who have been pouring into the deserted inner core areas of our cities is a government-created phenomenon. It all began in the nineteen thirties, with the best intentions in the world. The big thinkers of the day decided that too much cotton was being raised. So we had politically decreed acreage reduction, plus subsidies to owners for the land that was taken out of use for the "soil bank" and such. The bigger farmers who got most of the subsidy money poured some of it into fertilizers which enabled them to grow more cotton on less land. And, with the rest of the subsidy money, they went in for the new planting and harvesting equipment that enables them to dispense with the Negro cotton chopper.

No doubt the mechanization of farming would have come anyway. But the process was accelerated by the politicians. And the Negro poor, displaced all at once, have not had the time or the opportunity to make an orderly transition to new ways of life.

Technological Impact

We see something similar happening in California. To get rid of Mexican labor, the government has put hobbles on the so-called bra-

ceros who used to cross the border from Sonora, Chihuahua, and Lower California to pick tomatoes. The idea was to make room for Americans as field hands on the California ranches. But the Americans, for one reason or another, failed to come out from the cities to take the jobs. Unable to get their tomatoes picked, the California farmers put in a hurry call to the inventors and the agricultural cross-breeders. Within an amazingly short time the crossbreeders had perfected a tomato plant which bears fruit that ripens all at the same time. And the inventors came up with a machine to pick the fruit of the new plant. Result of the whole process: The poor Mexicans have been deprived of the opportunity to get capital in sufficient amounts to buy land of their own below the border. And the Americans who were expected to take the place of the Mexicans in the fields are still living on relief in the skid rows of Los Angeles, San Francisco, and other West Coast cities.

Mr. Read, who believes in the necessity of mobility, would have a hard time explaining our policy to the Mexican government, which has been surprisingly silent on the subject of the hobbles we have placed on bracero labor. If I were the President of Mexico, I would be hopping mad. Not only do we create poverty by government interventions at home, we also export poverty to our neighbors.

Luckily for Mexico, she can absorb the blow. The reason: The Mexican middle classes have been creating capital faster than the politicians, many of whom still pay lip service to the "revolution," have been able to drain it away by taxation. The Mexicans might echo Mr. Read's Brazilian friends: "We get things done while the politicians sleep."

History of Intervention IDEAS ON LIBERTY

THE HISTORY of government limitation of price seems to teach one clear lesson: that in attempting to ease the burdens of the people in a time of high prices by artificially setting a limit to them, the people are not relieved but only exchange one set of ills for another which is greater. Among these ills are (1) the withholding of goods from the market, because consumers being in the majority, price fixing is usually in their interest; (2) the dividing of the community into two hostile camps, one only of which considers that the government acts in its interest; (3) the practical difficulties of enforcing such limitation in prices which in the very nature of the case requires the cooperation of both producer and consumer to make it effective. . . .

> From an address by MARY G. LACY, Librarian of the Bureau of Agricultural Economics (U. S. Department of Agriculture), delivered before the Agricultural History Society on March 16, 1922.

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MISREPRESENTATIONS OF CAPITALISM

PROPONENTS of laissez-faire capitalism find, like Socrates, that their most implacable and influential accuser is nameless: a great and almost infinite mass of historical distortion. This distortion takes two forms. One consists in the presentation of what never was fact as historical fact. A case in point would be the mephitic butchering practices depicted in Upton Sinclair's The Jungle and in the multitudinous accounts of the meat-packing industry that trace their lineage to that libelous figment of Mr. Sinclair's imagination. The other form consists in presenting as fact what was fact, but putting upon the facts an interpretation that entirely discolors them. In certain respects, this last method of denigrating laissez-faire capitalism is more persuasive, as it is more common, than the first. Plain misstatement of fact can be easily hit and exploded. Colored interpretations of fact offer a tougher target, off which even well-directed fire can glance harmlessly.

In this essay, I shall concentrate upon the last form of distortion. Although helpful, general considerations and arguments cannot disarm these distortions. Like the repressions in hysteria, they must

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be disarmed by concrete exposure - one by one. This is slow work, but there is no substitute for it.

So, let us begin with a recent article in that popular but prestigious emporium of the American Past, the magazine, American Heritage. The article, "The King of the Ranchers,"¹ is a description by Bernard Taper of the life and career of the cattle-raiser, Henry Miller.

Distorting the Picture

By interpreting in emotively denigrating terms various facts of Miller's life and activities which seem prima facie praiseworthy, and which by libertarian standards are praiseworthy. Taper manages to produce a picture of the laissez-faire capitalism of the American Past that depicts it as something distasteful, even immoral, and deservedly displaced. The analogy that comes to mind is of a person who holds up to a gleaming white snow-scape a red-colored pane of glass and, beckoning us to look through the glass, then tries to convince us how ghastly and bloody the snow is. But let me now substantiate this claim in detail. I shall use for my witnesses Taper's own statements of fact.

We learn from Taper that Miller was born in 1827 "in the little town of Brackenheim in Württemberg, Germany," the son of a butcher. He was apprenticed to the trade at eight and at fourteen he ran away to the United States. Nine years later, when 22, he made his way to the goldbooming California of 1850 with six dollars in his pocket. When he died in California in 1916. his "estate was appraised at forty million dollars, a sizable increase [Taper notes] over the six dollars he had started with. . . ." This estate consisted almost entirely in farm and cattle-land and cattle.

In summary, then, Miller, a German immigrant without friends or fortune, came as a very young man to this country and after a few years, with six dollars in his pocket, arrived in California, where he died 66 years later leaving an estate in cattle-land and cattle worth forty million dollars. In the older tradition of Horatio Alger, we should want to praise this progress from rags to riches and think of it as exemplifying the rewards of virtue, hard work, invention, and thrift. How does Taper refer to it? He quotes from Carey McWilliams' tendentious work, Factories in the Field, to the following effect: "His [Miller's] career is almost without parallel in the history of land

¹ Bernard Taper, "The King of the Ranchers," American Heritage, August, 1967.

monopolization in America. He must be considered as a member of the great brotherhood of buccaneers: the Goulds, the Harrimans, the Astors, the Vanderbilts." In this quotation Taper clearly intends to be presenting his own interpretation of Miller. Thus, he, too, wants to convince us that Miller was a "land monopolist" and a "buccaneer."

How Big Is a Monopoly?

In dissecting this harsh accusation we might pause first over the epithet "land monopolization." Now what can land monopolization by a private individual consist in? If one owns a certain amount of land in his own name. is he a land monopolist? If, then, I own in my own name a half-acre lot in suburbia, am I a land monopolist? Predictably, neither Mc-Williams nor Taper means that. But by the same token, if I owned one thousand acres or a million acres. I should not for that reason alone be a land monopolist.

What could an individual possibly be taken to mean if he said, "I have a monopoly on land"? Surely, he could only mean that he had some kind of exclusive control of the ownership of land. Thus, if uttering such a remark in the United States, he would have to mean either that he owned all the land in the United States or that he had some sort of charter that gave him exclusive control over the ownership of land in the United States. Plainly, Miller was as far as Taper himself from falling into either category; for, as we have seen, ownership of *some* land (as opposed to all land) does not make one a land monopolist.

Actually, it is inconceivable that any private individual could be a land monopolist. This sort of monopoly, like most others, would have to reside in the State, and typically it has. In the face of such obvious discrepancy with fact and theory, what then can be the point of McWilliams' and Taper's description of Miller as a land monopolist? We can think of only one possible answer. In the "Brave New World" laboratories of Marx and his latter-day followers, the term "monopoly" has been given a sense denoting demons and demonocracy and, just as unfairly, has been reserved for private individuals and private business (instead of government where its older and true application lav). Whatever McWilliams' and Taper's conscious intention may have been, therefore, in calling Miller a land monopolist, the point is made that Miller and his activities were somehow diabolical. By obvious implication, the virtues and ideals of laissez-faire capitalism are also sullied.

Pirate Without Portfolio

Do we find any closer fit of phrase and fact in the description of Henry Miller as a "buccaneer"? According to Webster's dictionarv, a buccaneer is "a pirate; esp. one of the freebooters preving upon early Spanish-American vessels and settlements in the 17th and 18th century." Since Miller lived in the nineteenth and twentieth centuries and had only a brief and nodding acquaintance with the sea, we must assume that Taper and his authority. McWilliams, are here being purely fanciful. Presumably, what they mean, if they mean anything factual, is that Miller obtained his wealth and possessions through robbery of one sort or another. Let us see then what facts Taper adduces for this serious charge.

Four paragraphs following his stigmatization of Miller as a buccaneer, Taper describes in specific detail Miller's general outlook and methods. We find that Miller abjured easy and capricious ways of making a fortune for sheer hard work, industry, honesty, and thrift. Taper tells us:

From the beginning, the gold mines had no lure for Miller. He was as fully certain as the miners that the West was the land of opportunity, but he expected to have to work hard for his reward, not to have it handed to him as a pile of nuggets. He became a butcher's assistant, laboring early and late seven days a week and indulging in none of the pleasures of what was then the most riotous, fun-loving city in the country. A contemporary gives us a telling glimpse of young Miller at the start of his career in 1850. The writer was wending his way home at dawn after a night of carousing and passed Miller on the street. Miller was on his way to open the butcher shop. He was bent over, carrying on his shoulders a calf he had slaughtered an hour earlier in the stockade at the other end of town.

Are we reminded by this description of anything resembling robbery? I trust that we are not. Does the fact that Miller worked and saved while much of San Francisco caroused suggest piracy? Surely, it does not.

Taper several times refers to Miller's foresight, organizing genius, and consummate knowledge of the cattle business. According to Taper, Miller had "a fabulous memory, brilliant organizing power, and a fanatic devotion to work." He rode day and night supervising his vast holdings and herds, composing meanwhile an almost endless stream of insightful and knowledgeable memoranda covering an amazing variety of details and topics:

As Miller travelled there used to emanate from him a steady stream of letters to the various supervisors, agents, foremen, and other satraps (sic) of his business empire. Written on cheap ruled paper at any opportune moment of the day-before sunup, late at night, during pauses on the dusty roads and trails - Miller's letters contained advice and instructions on the most minute details of his far-flung operations: how to make use of cow chips as fuel to run the farm machinery, what to do about anthrax and blackleg, the advantages of opening havstacks at the south side. Miller's displeasure at finding canned milk served in his hotel in the heart of the dairy country, the importance of rubbing salt over a hide to keep it from shrivelling, etc. . . A good many of the thousands of letters of instruction he wrote have been preserved, and they are quite remarkable documents, constituting something of a comprehensive manual of cattle raising.

To judge from this presentation of fact Miller was not only a hardworking and prudent businessman but an imaginative and scientific one also. And this impression is borne out by some later remarks of Taper's. Consider these statements:

He [Miller] affected the development of the Far West, particularly of California, in a number of unique and significant ways. He put the business of raising livestock onto a systematic basis for the first time. He developed a breed of cattle particularly suited to the West – a mixture of Hereford, Devon, and Durham – and improved the breeds of sheep. He has been credited with being one of the first agriculturists in California to experiment with the strange new crop called alfalfa, and he was among the first to plant cotton and rice, both now staples of the state's agriculture.

Of even more far-reaching consequence were his reclamation and irrigation projects... Miller was also the first to do something practical on a large scale to assure a constant water supply — he built thousands of miles of levees and irrigation ditches, three major canals with a total length of 190 miles (!), and a 350foot dam across the San Joaquin River. It is estimated that he thereby made fertile over 150,000 acres of near-desert land.

Land Acquisition

To almost anyone of uncorrupted mind and feelings, this account of Miller would seem to picture, not a malefactor and robber of men, but a creative genius of the highest order and a benefactor of both his own generation and subsequent generations. We therefore repeat: what possibly can Taper and McWilliams mean *factually* by calling Miller a buccaneer or robber? Did Miller perhaps steal his land holdings and cattle from other men? This does not seem to be true either.

The first land Miller owned was

purchased in 1863 with some ten thousand dollars he had saved from working (as we have seen) in a butcher's shop and then operating one himself in San Francisco. As far as one can tell from Taper's article, whatever land Miller acquired from individuals or the government, he acquired by purchase or other legal means. He forced no one to sell land to him, an innuendo of Taper's to the contrary notwithstanding. Says Taper:

Like many of his contemporary titans of private enterprise, Miller had few scruples to deter him in his quest for gain. One of his methods of acquiring land was to buy out one or more of the heirs to a Spanish land grant. This would give him grazing rights over the whole ranch and before long he would so dominate the land that the other heirs would sell out to him at a nominal price.

"Facts that Can't Stand Close Examination"

Let us examine this colored version of Miller's "method" more narrowly. Miller would buy out one or more of the heirs of a Spanish land grant. There is nothing unscrupulous in that! "This would give him grazing rights over the whole ranch and before long he would so dominate the land that the other heirs would

sell out to him at a nominal price," adds Taper. But unless greatly enlarged upon and those enlargements substantiated in all sorts of detail, this blanket indictment carries no weight whatsoever. It does not even make much sense. Buying out one heir would not give Miller sole grazing rights over a ranch if there were other heirs. He would possess just so much right as his portion of the estate entitled him to. Had he nurchased a controlling interest? Then, of course, he "dominated" the ranch, but what would one expect? If the other heirs possessed the controlling interest, they and not Miller would "dominate" the ranch. Did the heirs to Spanish grants really sell out to Miller at "nominal prices"? What were the exact circumstances if they did? Was the land unimproved and did its improvement entail a great deal of expense which they were not prepared to share with Miller? These are guestions that minimum fairness would demand be answered before accusing a great and gifted man like Miller of sharp practices, and, in particular, such a seedylooking practice as "so dominating the land" that heirs to Spanish grants were forced "to sell out at a nominal price." From what we learn elsewhere about Miller's abilities and achievements, he neither did engage in sharp practices in order to obtain business success nor did he have to.

But, again, Taper tells us with testy indignation that Miller "also engaged in the practice of making extensive loans on farm properties and then foreclosing on the mortgages." Let us suppose this were so. Miller forced no one to accept the loans in question. On the contrary, one can imagine that those who received the loans would have been outraged had Taper raced up during one of the said transactions and cried, "You dare not - you cannot - borrow this money from Miller!" Did Miller foreclose on unpaid loans on farm properties? Suppose he did. How could one possibly remain solvent if he did not? Does the government waive foreclosure when not paid on loans to it or when its coercive tax-levies are not paid? But even Taper's imputation that Miller avariciously foreclosed on farm mortgages whenever he could and indeed loaned money on farms just in order to be able to foreclose on them is invalidated by his own subsequent testimony. For soon afterwards he tells us that "one day during the depression of the nineties he [Miller] called everybody in the region who owed him money and gave back all their IOU's. 'It's time for a clean start.'

he said gruffly, wiping \$350,000 off his books." Let us put this fact in the scales against the charge, for whatever weight it has, that Miller loaned money to farmers simply in order to foreclose on them and gain possession of their lands. Here was his supreme opportunity, and he did the very opposite from what the charge predicates. Surely, therefore, the charge in question weighs out as mere vilification.

Stolen Cattle

Can it be maintained, perhaps, that though Miller did not rob others of their land, he robbed them of their cattle and for this reason deserves the appelation, "buccaneer"? Once more the facts rise in opposition. What we learn is that — far from robbing others of cattle — Miller was the constant target of such robbery and that, moreover, the government courts, instead of protecting Miller from this robbery, condoned and abetted it. We read:

Miller's attitude toward those who attempted to rob him was realistic. He knew that he was a natural target and that it was a rare jury that would bring in a conviction against a person accused of stealing from the man who owned more livestock and land than any person in America. In one case a defendant was acquitted after being caught red-handed. After the trial he said reproachfully to one of Miller's superintendents, "I'm surprised at Mr. Miller. He ought to be a better businessman than to prosecute me. It cost me a thousand dollars to bribe that jury. Look at all the cattle I'm going to have to steal now to get that back."

We are tempted to exclaim: Mr. Taper, these are the facts by your own admission! Look at them for heaven's sake! Now who were the buccaneers? Indeed, except for just Henry Miller, who was not!

Taper is not satisfied with calling Miller a "buccaneer": he calls him a "grasping, dominating, humorless man." These ugly traits are evidently supposed to lie behind and explain Miller's being a buccaneer or, what seems to come to the same thing in Taper's Lexicon. a successful businessman. A successful entrepreneur just has to be grasping, dominating, and humorless! What truth is there in this first article of the anticapitalist's creed? Once more we shall let Taper's own statements be our witnesses.

Acts of Benevolence

Let us take the accusation that Miller was grasping. We have already cited the instance of his returning \$350,000 worth of IOU's in the depression of the nineties. This act of benevolence, we discover, was merely one of a great many. For example, Miller "was apt to leave a twenty-dollar gold piece in one of his boots as a tip for the maid who shined them" a queer form of graspingness, one must say! Or consider these policies of Miller's as set down by Taper:

[Miller] never prosecuted anyone -- settlers or bandits -- who killed his cattle for food. Miller asked only that whoever killed any of his steers should hang the hides on a tree where Miller's cowboys could find them. Hides, after all, were worth four dollars apiece. It was surprising how often even bandits took the trouble to comply with this request.

He let it be widely known that any settler should feel free to pick up a Miller cow on the range and take her home as a milk cow for the family, provided the settler saw to it that the unweaned calves did not suffer.

Miller had a long list of people to whom he regularly sent gifts, and he knew better than to try to stint or economize here. "There's nc use giving a person a turkey and expecting him to appreciate it unless it is in fine condition," Miller once said to a penny-pinching foreman "It's better not to send a gift at all.'

Miller's prudently calculated generosity extended to tramps and other vagrants, to whom he gave severa thousand free meals a year.

Humorless?

Taper's charge that Miller was humorless – and certainly that is a charge of which, for all we know, Taper himself might be guilty – is not so easy to counter. What strikes one person as humor is apt to strike another as not humor. For my own part, I detect wry humor in Miller's instruction for "the care of hoboes":

Never make a tramp work for his meal. He won't thank you if you do. Anyhow he is too weak to work before a meal and too lazy to work after a meal.

I detect a twinkle of humor in Miller's leaving twenty-dollar gold pieces in his boots for the maids who shined them. But suppose Miller lacked any sense of humor: how uncharitable to bring this fact up against Miller as if enumerating the counts of an indictment: grasping, dominating, humorless!

In a widely read and admired journal devoted to the history of this country, then, we find a great entrepreneur of our recent past described as a "buccaneer" and, given the harshest intonation, "grasping." Our vision being colored by these interpretations, we are apt to think that we are reading an account of some unmitigated thief and scoundrel. When we look hard at the facts provided us, we find instead that the person being described was in reality intelligent, industrious, imaginative, saving, prudently generous, and completely honest, and that his immense success in business stemmed from these virtues and from a corresponding lack of vice.

Destroying the Founders Denies Our Heritage

I have gone to these lengths to demonstrate the distortion and deception that have been practiced in Taper's article for reasons that are not negligible. Taper's distortion and deception are not isolated. They are representative of the treatment accorded for many years now and still accorded to the great geniuses of this country's laissezfaire past. In so denigrating these men, historians and economists have also blackened the virtues and achievements of such persons. In doing this, they have made it seem that one ought to be ashamed of the very traits, persons, and achievements that in another time it was perceived one should rightly be proud of. The tragic upshot of this denigration of laissezfaire history, achievement, and virtues is that the present generation, taken in by the deception, finds itself emulating, not the true heroes of civilization like Miller. but the constant oppressors of mankind, the Castros, Mao-tse-

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tungs, and Lenins. One hardly needs to point to the already terrible devastation of mind, morality, spirit, and material well-being that this subversion of truth and history has produced in America. In less than two generations, "the land of the free and the brave" has become the limbo of the coerced and the fearful; the land of opportunity, the limbo of despair; the land of the beautiful, the limbo of the ugly.

Taper, McWilliams, and their fellow anticapitalists, while pointing at the Millers and Carnegies of our past and shouting "robber," have themselves engaged in the most frightening robbery of all: first, robbing great men of reputations fairly won and the gratitude that we owe them; and second, in doing so, robbing us of a rich heritage. It is important that what has been taken from us by deception be taken back by force of fact and demonstration.

The country's great past and its great men-the Fords, Rockefellers, Vanderbilts, Astors, Millers, Jim Hills - have been buried under a mountain of muckraking innuendo, misrepresentation. and outright libel. Our future lies buried under this same mountain of collectivist refuse. One of the maior tasks of the libertarian scholar – perhaps the first of his tasks is to remove this kitchen midden of hatred and envy that obscures the past greatness of America and so retrieve the visible foundations of a right civilization and right philosophy.

Failure of Politics

GEORGE HAGEDORN

PROSPERITY is another name for abundance. A nation can have an abundance of goods and services only if it produces an abundance of goods and services. It can produce an abundance of goods and services only if it is organized in such a way as to release the energies, initiative, and skills of such of its citizens as possess those qualities.

Unfortunately energy, initiative, and skill are not distributed

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evenly among all the groups in any society. They are not evenly distributed among the nations of the world. It is likely that the differences are not so much genetic as they are cultural. But in any case the disparities exist and they are wide.

This gives rise to a feeling – it is a world-wide phenomenon – that where abundance is lacking it is because the group affected is (or has been) exploited by someone else. The road to prosperity for all is to suppress the exploiters by political action, rather than to provide goods and services by productive action.

This is the prevailing sentiment in most of the undeveloped nations of the world. It is the chief barrier to their development into prosperous members of the family of nations. It is a rising sentiment in many of the industrial nations and is the chief threat to their continued prosperity.

Case histories are abundant. In Bolivia a revolutionary government nationalizes the tin mines. What had been the chief national asset under private ownership becomes, under government control, an inefficient and wasteful operation. An enormous influx of foreign aid from the U.S. is thrown down the drain in subsidizing socialistic government enterprises or corrupt government officials. The story is much the same in other parts of Latin America, in Indonesia, and in many of the new nations of Africa. For reasons which should, but don't, embarrass the governmental leaders, the departure of the "exploiters" produced more widespread poverty rather than the promised universal prosperity.

There is a small number of nations which illustrate the opposite side of the coin. Hong Kong and Malaysia have encouraged private enterprise. Their prosperity and productivity shine out from an otherwise dismal picture in the less developed world.

At the same time we see some of the advanced nations going the other way. In France a large segment of the working population. animated by revolutionary fervor. has decided to give itself pay raises of 10 per cent to 15 per cent, together with longer vacations. It is truly astonishing to see the illusion, in an intelligent and sophisticated nation, that everybody's welfare will be improved by higher pay for less work.

In the U. S. the belief that poverty is the result of robbery by an exploiting class has not yet become the dominant mode of thinking. But it is making progress. In certain circles the middle class is more likely to be despised for its "affluence" rather than admired for the productivity which affluence possible. made that Henceforth, it is urged, we must work to eliminate poverty through redistributive political action rather than through productive action in the mill and market place. At least this is what many of the programs advocated to eliminate poverty - a higher level of government social action supported by higher taxation, or a negative income tax - seem to come down to.

The spirit of enterprise among Americans – that willingness to invest one's own sweat and resources in opportunities one finds for oneself – is a tough bird and will be hard to kill. But it can be seriously crippled both by verbal abuse and by higher levels of taxation. Worse, it can be misdirected, by government intervention, into unproductive or counterproductive channels. And those who don't share the spirit of enterprise will suffer along with those who do.

Individuals who are resourceful by nature will usually make out in any kind of society. In a free enterprise society, persons who combine native resourcefulness with high ability will often rise to the top, by activities which benefit everyone else. In a society where economic decisions are made by a political power struggle, the natively resourceful (whether genuinely able or not) will take prominent parts in that struggle. But their efforts are unlikely to contribute anything positive to the welfare of their fellow citizens.

A society which rewards its participants in proportion to their contribution to the production of goods and services other people want is, on the record, the most effective in reducing the prevalence of poverty. All this is elementary in principle and abundantly illustrated in practice. We only express astonishment can that it has become the fashion in intellectual circles to ignore it. It is as though we were to agree that, since the fact that grass is green is an old and trite truth rather than a fresh new one, we will henceforth believe that grass is red.

Raising taxes on the productive groups in society in order to expand antipoverty programs isn't essentially different from expropriating the owners of tin mines in order to make the Boliviar populace richer. And it isn't likely to be any more successful.

Life Begins at SEVENTY

LEONARD E. READ

POPULAR EXPRESSION has it that "life begins at forty," thirty years ahead of my suggested figure. But life really begins each moment one grows in awareness, perception, consciousness; that is, the budding process is a continuous beginning. The moons that have come and gone do not necessarily measure growth or its ending; now and then life flags in the teens; on occasion it accelerates in the nineties. If seventy seems less likely than forty for a new beginning, the reason is that so many have died on the vine in that interval.

Glory to the man who can truthfully attest, "Life begins at ninety!"

Twenty years ago - at the age of fifty - I discovered this: "The normal human brain always contains a greater store of neuroblasts than can possibly develop into neurons during the span of



life, and the potentialities of the human cortex are never fully realized. There is a surplus and, depending upon physical factors, education. environment. and conscious effort, more or less of the initial store of neuroblasts will develop into mature, functioning neurons. The development of the more plastic and newer tissue of the brain depends to a large extent upon the conscious efforts made by the individual. There is every reason to assume that development of cortical functions is promoted by mental activity and that continued mental activity is an important factor in the retention of cortical plasticity into late life. Goethe . . . [and others] are among the numerous examples of men whose creative mental activities extended into the years associated with physical decline. . . There also seem sufficient grounds

for the assumption that habitual disuse of these highest centers results in atrophy or at least brings about a certain mental decline."¹

And now, on rereading Ortega, I find: "As one advances in life, one realizes more and more that the majority of men - and of women - are incapable of any other effort than that strictly imposed on them as a reaction to external compulsion. And for that reason, the few individuals we have come across who are capable of a spontaneous and joyous effort stand out isolated, monumentalized, so to speak, in our experience. These are the select men, the nobles, the only ones who are active and not merely reactive, for whom life is a perpetual striving, an incessant course of training."2

Enter into Life

There is more to the observation of these two scholars – a biochemist and a philosopher – than first meets the eye. A worthy ambition, they quite correctly imply, is "to die with your boots on" or "go down with your colors flying." For what other reason are we here than to get ever deeper into life? And if there be any certain key to personal happiness, it involves the use and development of the faculties – the expanding mind being the most important and, by and large, all that remains for the elder citizen.

But there is another reason for looking so favorably on those who insist on "a perpetual striving, an incessant course of training": Each of us has a vested interest in these "select men, the nobles."³ We can live our own lives to the fullest only insofar as they dwell among us. The society in which we live - the environment - is conditioned by the absence or presence of those who persistently pursue excellence. The rise and fall of society depends upon this kind of nobility. These "select men" are essential to us. and striving to be numbered among them is a worthy aspiration.

Yet, many persons lack such aspiration. Analogous is the tree with every appearance of health, its blossoms beautiful to behold, fruit developing normally toward full size. But, alas, before it ripens, the fruit falls to the ground - big and well-shaped, but useless!

We witness so many promising individuals falling by the wayside, stepping away from life, forsaking

¹ See Fearfully and Wonderfully Made by Renee von Eulenburg-Wiener (New York, N. Y.: The Macmillan Company, 1938), p. 310.

² See *Revolt of the Masses* by Ortega y Gasset (New York, N. Y.: W. W. Norton & Co., Inc., 1932), p. 71.

³ Thomas Jefferson: "There is a natural aristocracy among men. The grounds of this are virtue and talents..."

the effort essential to life's full cycle, just when the process of maturing is to begin! In a word, the fruit of life abandoned!

To associate old age with mature judgment is indeed a mistake. simply because, as Ortega suggests, too many elders react only to external compulsion. The inner development that is prerequisite to maturity tends to terminate too soon. Old age, more often than not, can be associated with senility. Yet, the greater the age, the richer the maturity, assuming, of course, that the budding process is alive and functioning. In these rare cases, old age and mature judgment go hand-in-hand; the older the wiser!

If I am not mistaken, freedom is to be expected only in societies distinguished by a significant number of mature and wise men. And maturity and wisdom of the quality required is reserved to those who can retain the budding phenomenon – cortical plasticity – into those years normally associated with physical decline, that is, into the period when maturing of the intellect becomes at least a possibility.⁴ In any event, I am certain that the type of maturity here in question will never issue among those who, for whatever reason, permit themselves to "die on the vine." Thus, it is of the utmost importance that we reflect on the obstacles to maturity. If they can be identified, we can, hopefully, reduce them.

The Urge to Quit

The most formidable obstacle on the way to maturity is covered by the idea of *retirement*! Two forces move us toward retirement, namely, temptation and compulsion.

Many are congenitally lazy, if not physically, at least mentally, Their mental activities have stagnated, leaving them uninteresting even to themselves, let alone to others; they cannot stand their own company or abide being alone with their thoughts. They seek merriment and diversion supplied by others, like a man walking down the street with a radio glued to his ear. Any excuse, however flimsy, to avoid thinking for self! Such persons have no fruit to ripen, no mental activity to mature.

There are others who have had no thought since early adulthood

⁴ Conceded, many a young person reaches a higher state of maturity than does the octogenarian. This is because some are born more highly endowed than others. However, my point is not aimed at such comparisons but, rather, at the

need of maturity regardless of how high or low the endowments. Mankind loses most when those of high endowment fail to mature.

but to "get it made." By the time that goal is achieved, abstract thought has been too long neglected for reactivation or renewal; half-hearted attempts prove unrewarding, so the temptation is to forswear any conscious effort. Mature thoughts are out of the question.

Ever so many persons of high potential look to a vocation for fame or fortune and forget to choose one in harmony with their unique capabilities. As a consequence, the job is likely to be boring; holidays and vacations – little retirements – are highlights of the seasons; and as the years pass, full retirement seems more and more attractive. There is no incentive to extend mental activity to its maturity.

Relative Retirement

The thought of retirement is anathema to me. I have not experienced any of the temptations and, thus, can list only a few of the more obvious examples. But it seems clear that there would be little drive for compulsory retirement if retirement were not a common goal. It seems to add up to this: Let's formalize and legalize that which the vast majority so ardently favor! The following examples of compulsive forces stem from these common temptations.

Retirement, of course, is a relative term. The shortened work week, enforced by edict, is a case in point. One must retire, not work beyond the legal forty hours, or the employer will be forced to pay a higher hourly rate, in effect, a fine.

Legal holidays seem never to be abandoned even after the cause they were meant to celebrate has been forgotten. Instead, there are countless excuses for increasing their number. Minor retirements en masse!

Social security payments are withheld from senior citizens who elect to work and earn. Activity is penalized; inactivity is rewarded.

Governmental unemployment payments often exceed what some persons could earn by working, thus inducing retirement.

Most corporations, educational and religious institutions, chambers of commerce, trade associations, and other organizations compel retirement at 65; many make it attractive to retire at 60: and we hear more and more of retiring at 55. The sole criterion is the number of moons that have come and gone; whether the budding process is dead, or at its very peak, is not even considered. As a consequence of this indiscriminate. rule-of-thumb procedure, many of the nation's best men are "put out to pasture."

These illustrations suffice to emphasize the retirement syndrome. It is, today, the common fetish and the end is not in sight. Under these circumstances, it is remarkable that even a few individuals are capable of spontaneous and joyous effort, that is, are able to experience the maturing period. No wonder that the perceptive Ortega observed such individuals to "stand out isolated, monumentalized"!

In one sense, it is lamentable that those who have advanced in wisdom and maturity should "stand out isolated, monumentalized." Far better if there were more such persons – the few less conspicuous than they are. Not everyone will make it, of course, but maturity surely is within the reach of thousands at the modest price of conscious, persistent, dedicated, prayerful effort. The reward for realizing one's potentialities, whatever they are, may be the highest earthly life has to confer.

That my life still begins with each moment can be assigned in part to a stroke of good fortune vocation and avocation are identical; work and pleasure are one and the same.

Beyond this, I have a first-rate retirement policy: short of effective compulsions to the contrary, I propose to ride my bicycle till I fall off!

IDEAS ON LIBERTY

Accept the Challenge

IT IS MEN who have counted struggle as a blessing who got the big rewards of life. As Emerson said, "God keeps an honest account with men."

The hard surgical cases, where life hangs on a heart beat, do not go to the dilettante surgeon. The tough engineering problem, like building a bridge across a mighty river, does not go to the engineer who has always looked for the easy jobs. And the same for lawyers and top executives in business.

If at times you feel that you have not had the same chance that others have, ask yourself what chance did Abraham Lincoln have? Remember that "it is not so much the size of the dog in the fight that counts, but the size of the fight in the dog."

The Rise and Fall of England

7. THE INDUSTRIAL SURGE

THERE was a great surge of productivity accompanied by increasing exchange activity in England in the latter part of the eighteenth century and extending into and through most of the nineteenth. This productivity occurred in almost every field and was by no means confined to what is usually thought of as industrial. There were, for example, considerable increases in production of basic agricultural commodities. As one authority says, "Statistics of the output of grain are few and unreliable. It is, however, beyond doubt that annual production rose considerably in the second half of the century." Not only was more land brought under cultivation but also there were considerable increases of production per acre, as much as one third in the yield of wheat between 1750 and 1800.¹

There appears to have been a similar increase in the production of cattle for market during roughly the same period. In 1750, a little under 71,000 head were sold at the major market at Smithfield. In 1794, there were over 109,000 offered for sale.² It is generally held, too, that the average weight of cattle offered for

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

¹ T. S. Ashton, An Economic History of England: The 18th Century (New York: Barnes and Noble, 1955), p. 51. ² Ibid., p. 245.

sale had greatly increased. One writer says that the average weight of oxen offered at Smithfield had increased from 370 pounds in 1710 to 800 pounds in 1795.³

Sheep for sale at this market did not increase quite so dramatically: from approximately 656,000 in 1750 to about 718,000 in 1794.⁴ But sheep were getting much heavier on the average than formerly, also.

Manufacturing

The surge in manufacturing production was much more marked than in farming. The most dramatic increase occurred in the making of cotton goods. Ashton says, "The number of pieces of broadcloth milled in Yorkshire rose from an average of 34,400 in 1731-40, to one of 229,400 in 1791-1800. Between the first and last decade of the century the annual output of printed cloths grew from 2.4 million to 25.9 million yards. . . . "5 The woolens industry expanded much less rapidly. A vigorous pottery industry, however, was developed in the latter part of the eighteenth century.

Mining and iron and steel man-

- 4 Ashton, op. cit., p. 245.
- ⁵ Ibid., p. 124.

ufactures developed at a rapid pace. "The output of pig-iron in Great Britain in 1788 was 68,000 tons. In 1796 it was, for England and Wales alone, 125,000 tons, and a few thousand tons must be added for Scotland's contribution. In 1806 the British total had swollen to 258,000 tons."6 As for coal, "There are no valid statistics of the production of coal, but the annual figures of exports from the great northern field may serve as a guide. For the decade 1701-10 they give an average of 183,000 Newcastle Chaldrons; for 1791-1800 the figure is 758.000." Indications are that production increase elsewhere was even greater.⁷

Shipping and Trade

Perhaps the best indicators of the great surge of production are the shipping and trade figures. The most reliable statistics exist for these undertakings also. The tonnage of boats leaving English ports in 1700 was 317,000 registered tons; by 1751 it was 661,000 tons; it had reached 1,924,000 in 1800.⁸ In pounds sterling the value of English exports in 1700 was about $7\frac{1}{2}$ millions; in 1750, 15 millions; in 1800, 42 millions. Im-

- 7 Ashton, op. cit., p. 124.
- ⁸ Mantoux, op. cit., p. 100.

³ Paul Mantoux, The Industrial Revolution in the Eighteenth Century (London: Jonathan Cape, 1961, rev. ed.), p. 161.

⁶ J. Steven Watson, *The Reign of George III* (London: Oxford University Press, 1960), p. 505.

ports had risen comparably, as might be expected.⁹ The export of cotton goods rose precipitately within a few years. The total value of such goods was only about 360,000 pounds sterling in 1780. By 1800 it was more than five and a half millions. The import of cotton as raw material for manufacturing shows a similar increase: in 1781 it was 5,300,000 pounds of cotton and by 1800 it had risen to 56 million pounds.¹⁰

The Spirit of Innovation

The great surge of production and increase of trade was preceded as well as accompanied by mechanical inventions, new practices, new processes, reorganizations of production, and improved transportation facilities. The spirit of innovation, change, and invention seemed to be abroad in the land in the latter part of the eighteenth century. Samuel Johnson observed cryptically that "the age is running mad after innovation." that "all the business of the world is to be done in a new way; men are to be hanged in a new way; Tyburn itself is not safe from the fury of innovation."11

The inventions which were most

impressive in that day and are the best known to this day were the machines which were applied to textile manufacturing. Earliest inventive attention was given to speeding up spinning, for in the early eighteenth century it took about ten spinners to provide the varn for one weaver. This disparity was increased by John Kav's flying shuttle, patented in 1733, which enabled the weaver to work without the former assistance he needed. Lewis Paul developed a device for roller spinning in 1738 which was supposed to aid in the task of spinning: but in the form that he contrived it. it was never much used. Much more effective was the spinning devised by James Hariennv greaves in the 1760's. It simply linked several spinning wheels together so that a spinner could spin several threads rather than one with the same motion.

Another step in accelerating spinning was Richard Arkwright's water frame, a machine that was operated by water power, patented in 1768. In the 1780's, Samuel Crompton developed the mule, a contrivance that could spin a great number of threads at once that would be of very high quality. The speeding up of weaving now became most important. The Reverend Edmund Cartwright designed an effective power loom in

⁹ Ibid., p. 102.

¹⁰ *Ibid.*, p. 252.

¹¹ Quoted in T. S. Ashton, *The Industrial Revolution* (New York: Oxford University Press, 1964), p. 10.

1784.¹² Most of these inventions were rather quickly adopted and thus began the transformation of textile manufacturing.

Improved Farm Practices

These were probably among the most famous inventions of the eighteenth century, but they were by no means the only important innovations for increased productivity. Almost every area of productivity was enhanced by changes in processes or practices. Certainly, a great deal of ingenuity went into improving farming practices and propagating them. Jethro Tull was one of the early leaders in farm improvements. He published a book in 1731 in which he advocated intensive farming. "He recommended deep hoeing and ploughing, and a system of continuous rotation of crops. thanks to which the land could bear, without exhaustion, a succession of varied harvests, and the wasteful practice of fallows could be suppressed or reduced. He explained the importance of winter food for the cattle and showed to what account could be turned nutritious roots such as turnips and beets."13

At about the same time, Lord

Townshend showed on his estates how wasteland could be reclaimed by drainage, manure, and the planting of grasses. Robert Bakewell was the most notable innovator in developing new breeds of cattle and sheep. "He began his work in 1745, scouring the neighborhood for the breeding animals which came nearest to his ideals. and later breeding in and in from his own stock only, selecting the best and selling the less good rams and bulls to other breeders." So successful was he that "visitors came from far and wide, Russian princes and German grand dukes included, to see his farm and stock, and pick up all the information with regard to his methods that he could be induced to impart."14 Horses began increasingly to be substituted for oxen to pull plows in the course of the eighteenth century. Along with this change, there was increasing use of iron in the making of plows.

New or improved techniques and inventions appeared in many fields. Thomas Newcomen invented a steam pump in 1709, and James Watt constructed an effective steam engine in the 1760's. This latter was used mainly for pumping water out of mines at first, but

¹² Michael W. Flinn, An Economic and Social History of Britain (London: Macmillan, 1961), pp. 163-65.

¹³ Mantoux, op. cit., p. 158.

¹⁴ Gilbert Slater, The Growth of Modern England (London: Constable, 1939, 2nd ed.), pp. 190-10.

by the nineteenth century its use to turn machinery was being exploited. The overshot water wheel replaced the undershot wheel. Coke was effectively used to make iron by Abraham Darby. Henry Cort patented processes for rolling and puddling iron in the 1780's. In textiles the use of chlorine and other chemicals greatly accelerated the bleaching process.

Better Transportation

One of the developments which greatly facilitated the productive surge was that of improved transportation facilities. In the latter part of the eighteenth century there was much building of improved roads in England, and the era of canal building got underway. These were aided both by new processes and engineering feats which were the marvel of the day. At the beginning of the eighteenth century roads in England were probably in no better shape than they had been five hundred years before. "Apart from London, there was not a single town which had permanent business connections with the rest of the country." About the middle of the century, turnpikes began to be authorized on a large scale. "Between 1760 and 1774 Parliament passed no fewer than four hundred and fifty-two Acts in connection with the construction and

upkeep of roads." The most effective turnpike builder in the century was John Metcalf, a blind man. He developed a process for making a firm surface over bogs, and repaired and built many good roads.¹⁵ These pikes did link England fairly well by the beginning of the nineteenth century; but it was by the efforts of Telford and Macadam after 1810 that superior roads were built.

The first of the great canals was the Worsley canal built for the Duke of Bridgewater by James Brindley. He undertook the building of it in 1759 and completed it in 1761. A few years later the great Mersey canal was begun. Work on many others soon followed suit: the Grand Trunk, the Bolton, the Bury, and the Kendal.¹⁶ The peak of canal building was reached between about 1795 and 1815. "Between 1793 and 1805 the Grand Junction canal linked London with Warwickshire. with a side line to Oxford. The Leeds and Liverpool canal was being pushed up 600 feet to cross the Pennines by locks and so, via the old Aire and Calder navigation. linked up with the Humber. Birmingham was connected with the Severn."17 So it was that England's great cities became canal ports.

¹⁵ Mantoux, op. cit., pp. 108-17.

¹⁶ Ibid., pp. 124-25.

¹⁷ Watson, op. cit., pp. 518-19.

Entrepreneurship Increased Production

Inventions, processes, methods, and technical know-how might well have gone for naught had it not been for the development of entrepreneurship during this age. Entrepreneurs emerged to link together capital, labor, and raw materials and organize them for effective productive purposes. A good example of the new type of farmer entrepreneur was Coke of Holkham. He introduced new implements and methods, encouraged his tenants by granting long leases, and by careful husbandry increased the value of his estate during his lifetime.¹⁸ tenfold Such attention to estates became quite the fashion in the eighteenth century. "George III had a model farm and welcomed the title of 'Farmer George.' Of Sir Robert Walpole, England's first 'prime minister,' it was said that 'he opened the letters of his farm steward' before state correspondence. . . . When Fox visited the Louvre, his mind was filled with the thought 'whether the weather was favourable to his turnips.' "19

But entrepreneurship reached its epitome with the manufacturers. These were the men who not only brought together capital, labor, and materials but also made the great innovation which we know as the factory system. The power needed to turn the ever larger machines could not be conveniently provided in the homes; hence. workers, machines, power, and materials were concentrated in factories. (Of course, on a small scale such concentrations had long existed in such activities as milling.) Among the most famous of such men - themselves sometimes inventors or introducers of new processes - were Josiah Wedgewood, Mathew Boulton, Richard Arkwright, Jedediah Strutt, Samuel Oldknow, Robert Dale Owen, Thomas Walker, and Robert Peel.²⁰ These men and others like them gave great impetus to the industrial surge.

No Real Revolution

The changes and developments discussed above are ordinarily described as the Industrial Revolution. They have been generally so-called since a book by Arnold Toynbee was published under that title in 1884. H. L. Beales notes some rather strong objections to the phrase, "The Industrial Revolution." He says, "The changes

¹⁸ Mantoux, op. cit., pp. 160-61.

¹⁹ E. Lipson, *The Growth of English* Society (London: A. and C. Black, 1959, 4th ed.), p. 140.

²⁰ Witt Bowden, Industrial Society in England towards the End. of the Eighteenth Century (New York: Barnes and Noble, 1965, 2nd ed.), pp. 137-38.

which are described as revolutionary rose spontaneously from ordinary economic practice, and they were constructive in that they gave an increasing power of satisfying wants. It is impossible, too, to find a beginning or an ending of these developments. The inventions on which rested the enlargement of industrial enterprise established themselves only slowly.... The extended probings of scholars . . . seem to show that there never was an industrial revolution at all."21 Nonetheless, he and most others have continued to use the phrase.

Though the present writer has no illusions that his preferences will have any effect, he prefers a much less loaded phrase, such as the "Industrial Surge" to describe the early developments, and refers to the old usage only for identifying what is being discussed in conventional terms. That there was a considerable surge of productivity there can be no doubt. That this surge got under way in England before it did in other lands is a matter of universal agreement. That the innovations and organization which promoted it spread from there and continue to enliven production wherever they are employed should be clear also.

Lessons for Today

Much attention has been focused upon the early years of this industrial surge in England. In view of the great concern at the economic present time with growth it would be understandable if a great deal more interest were shown than is. Certainly, anyone wishing to industrialize might expect to find instruction in what happened during these years. Economic historians, and others, have given considerable attention to describing and attempting to account for the surge.

The usual approach is to account for industrialization by a complex of conditions which set the stage for it. Before going into these, however, it will be well to discount one explanation that is sometimes given. Namely, some have attributed the rise of productivity in England to the impetus provided by the wars England participated in, more specifically, to those of the French Revolution and the Napoleonic Era. If that were the case, it would still not be clear why Engpreceded other countries. land because they were engaged in warfare also and some of them had similar pressing needs.

But the evidence does not even point in this direction. The most dramatic spurt in productive activity occurred during the 1780's,

²¹ H. L. Beales, *The Industrial Revolution* (London: Frank Cass, 1958), p. 28.

after peace had been made with the United States and other countries. Ashton says. "After 1782 almost every statistical series of production shows a sharp upward turn. More than half the growth in the shipments of coal and the mining of copper, more than three-quarters of the increase of broadcloths, four-fifths of that of printed cloth, and nine-tenths of the exports of cotton goods were concentrated in the last eighteen vears of the century."22 It is true that the impetus continued after war broke out in 1793, but it was already well underway. Neither evidence nor logic supports the notion that the development can be attributed to war.

Some writers propose, too, that increased demand accounts for greater output. When rightly understood, this claim is both true and irrelevant. It is of the same order of explanation as that which would explain the sleep-inducing quality of the sleeping pill by its soporific character. Or, the demand theory amounts to claiming that increased productivity is caused by increased productivity. When we keep clearly before us the realization that money is a medium of exchange, that effective demand arises from goods and services (not from money), it is

not difficult to understand that the demand theory really explains nothing.

Many Contributing Factors

Such fallacies aside, however, the explanation in terms of several conditions has merit. The following is an example of such an explanation, one that is along the lines of the background which has already been dealt with in this work in earlier chapters:

Many circumstances thus combined to create a condition favorable for mechanical improvements. The incoming of independent-minded and skilled artisans from the Continent; the escape, especially in the north, from the monopolistic restrictions of corporations and gilds; the social ferments tending to dissolve the traditions opposed to change; the rise of rationalism and experimental and applied sciences...²³

He would add to these also the teaching of evangelical Protestants and the opportunity for profitable application of machinery.

Ashton adds to the above such factors as lower interest rates, the role of entrepreneurs, the part played by dissenters, the stimulation and impetus given by various societies, and so on.²⁴ And

²² Ashton. An Economic History of England, p. 125.

²³ Bowden, op. cit., p. 65.

²⁴ Ashton, The Industrial Revolution, pp. 10-17.

the list of the particular conditions which set the stage for industrialization in England could probably be extended.

The present writer shares with these and other historians the the conviction that industrial surge arose out of the particular conditions that existed in England plus the efforts of men. Yet he feels that an enumeration of circumstances which could be extended almost indefinitely does not satisfy. It does not satisfy because it does not pin down what impelled the development, because it does not distinguish between what was essential and what merely adventitious, and because it does not provide that instruction which we would have from history. In the final analysis, it does not satisfy because there is a way of dealing with all the essential conditions by reducing them under a single heading.

"Economy" the Key

Economy is the key to the industrial surge. Men were impelled to the adoption of new procedures and the making of inventions by the desire for economy, and it was economy in operation that enabled them to increase production so rapidly. Evidence for this and examples to show it in operation need to be examined, but before doing this a profound theoretical objection to it needs to be dealt with.

Economy would not appear to be an appropriate heading for an historical explanation. Economy can be considered a constant, while history deals with change. In its basic meaning, men are bent by nature toward economy. The root meaning of economy is the thrifty use of resources. More broadly, to be economical is to employ as little as possible of the resources of production - land, labor, and capital - to achieve the largest amount of goods and services. It would seem likely that men have ever been inclined to do this.

No doubt. each individual is inclined to behave economically in the employment of his resources. He is inclined to put forth as little effort as possible, to use his capital sparingly, and to employ as small amount of materials as possible to effect the greater increase in his income. As such, this penchant might be expected to be a constant throughout history. But what is economical for an individual is not, under certain circumstances, economical for people generally. That is, it is possible for an individual to be quite thrifty with his resources and increase his income without increasing the general store of goods. Stealing is the obvious example. But all use of force to

effect an increase of somebody or other's goods is of a similar character. The most common such use of force is government intervention in the economy.

Special Privilege

When government intervention is general in a land, it is frequently economical for individuals who benefit from it not to increase the general supply of goods and services. An individual who has a monopoly can actually increase his income by decreasing the goods offered at a particular time. The price of services can be enhanced by keeping newcomers from offering theirs. The mercantilism which was rife in Europe in the sixteenth through the eighteenth centuries affords numerous examples of the economy for individuals of possessing special privileges. So does the feudalism which preceded it. Whole ages have been dominated by the efforts of men to get and keep special privileges from government for themselves. It is this that makes the practice of *Economy* the subject matter of history and appropriate for historical explanation.

If men cannot use force to increase their incomes, they must increase the supply of goods and services in order to do so. By a kind of common consent this is what men have agreed to call economy. Since the latter part of the eighteenth century there have existed elaborate explanations of how in the absence of force when an individual increases his own income he is at the same time behaving in a way economically beneficial to society.

Away from Privilege

The productive surge came in England when a sufficient portion of the people turned their attention away from getting special privileges to finding ways to save resources and increase production. Even the spurt of productive activity which came in the 1780's illustrates the point. After 1782. British merchants no longer had special privileges on continental America. There was not only a spurt in shipbuilding in England, since they could no longer use the American colonies as a source. but also reinvestment of funds in such undertakings as domestic manufacturing which had formerly been employed in the maintenance of markets for which British merchants had exclusive privileges.

But Englishmen had been turning toward economy and away from special privileges for a considerable period before the 1780's. For more than 150 years the assault on privilege had been going on, in mounting fervor from the 1640's, and it was to continue on into the nineteenth century. Indeed, the battle between Economy and Privilege was a long and bitter one. Every step of the way, the attempt to practice economy was contested. Kings tried to cling to their monopoly-granting powers. Then Parliament took to granting monopolies when the power had been wrested from the king. Rural enclosures by which the land could be economically employed were only accomplished by the grudging consent of Parliament and over the emotional protests of poets. New processes encountered tremendous resistance from those accustomed to the old. Workers sometimes rioted against the introduction of new machines.

Yet, skirmish by skirmish, Economy won the day in England. It won as special privileges were removed and restrictions which obstructed economy lost the force of law. It won as men witnessed the superiority of new techniques and machines. It won as enlightenment as to its public benefits gained sway over superstitions of the past.

There should be no doubt that the inventions, processes, methods, and organizations which led to the industrial surge were economical. The horse saved labor, for the same workman could plow a great deal more land with the fast-stepping horse than with the plodding ox. New breeds of cattle turned feed to greater amounts of flesh and less to bone. The overshot water wheel could provide the same amount of power with much less water used. One man could produce six times as much thread by turning the spinning jenny as he could formerly with the spinning wheel. The canals saved an immense amount of time in shipments of heavy goods. The steam pump made it possible to utilize mines much more fully and completely. The list could be extended but the point has surely been made.

Knowledge Is Power

That Englishmen were increasingly aware of and concerned with economy can be shown in many ways. Thrift was much advanced by banks and savings associations. Inventions were promoted by various societies. Daniel Defoe explored the rudiments of economy in his fictional *Robinson Crusoe*. Jethro Tull had focused attention on rural economy by his writings. Adam Smith made a definitive case for economy in *The Wealth of Nations*.

And, the conditions which set the stage for the industrial surge were conditions which permitted economy. The limitations of government which preceded and accompanied it freed the energies of the English people to behave economically. The security of liberty and property enabled men to behave economically as individuals and made it necessary for them to behave economically in a way to benefit society if they would prosper. The moral base which directed the energies of men to constructive purposes inculcated a sense of stewardship which would have men be thrifty and industrious. The very thrust of men to employ reason in more and more areas was a thrust to economy of thought.

In short, as men established conditions which made individual economy socially beneficial, they directed their energies toward achieving Economy. This was a product both of the struggle of certain elements for political power, which resulted in the limitation of power, and increasing knowledge born of new ways of learning.

The industrial surge continued into the nineteenth century. The great productivity provided the material base for the greatness and leadership of England. It is now in order to make an account of England at the height of her leadership role in Western Civilization, in the course of which it will also be possible to indicate the more specific benefits to Englishmen of productivity.

The next article of this series will describe the Pax Britannica.

IDEAS ON LIBERTY

Mass Production

THE OUTSTANDING FACT about the Industrial Revolution is that it opened an age of mass production for the needs of the masses. The wage earners are no longer people toiling merely for other people's well-being. They themselves are the main consumers of the products the factories turn out. Big business depends upon mass consumption. There is, in present-day America, not a single branch of big business that would not cater to the needs of the masses. The very principle of capitalist entrepreneurship is to provide for the common man. In his capacity as consumer the common man is the sovereign whose buying or abstention from buying decides the fate of entrepreneurial activities. There is in the market economy no other means of acquiring and preserving wealth than by supplying the masses in the best and cheapest way with all the goods they ask for.

LUDWIG VON MISES, Human Action

CHEATING

WITHOUT KNOWING IT

PAUL L. POIROT

THE JUDGE was about to pronounce sentence upon the convicted confidence man. "You should be ashamed to cheat those who trust you," he admonished.

"But, Judge," came the response, "who else can I cheat?"

Most of us presumably know the rewards of serving rather than cheating those who trust us. How many times this very day have you served others to obtain what you wanted from them? Did you not buy or sell some commodity or service — thus serving a trusted and trusting friend? Did it occur to you to cheat, even if dealing with a stranger who might not know whether to trust you?

Presumably, we know it is wrong to cheat and know why it is wrong. The something he gains through fraud is subtracted from the character of the cheater; it degrades him. To cheat another is to cheat oneself in the process. To cheat knowingly is serious enough; but perhaps worse is to cheat without knowing it, for this leaves less chance of catching the culprit and correcting the problem.

Did I cheat today? Perhaps without knowing it? Let's approach this difficult question from another direction: Was I cheated today? Reflecting on my various purchases at the barber shop, restaurant, grocery store, service station, it seems unlikely. These friends surely would not cheat me, nor would I knowingly cheat them. As far as I know, these suppliers held clear title to their wares, delivering them to me as represented and unencumbered by other claims. Likewise, the money or whatever else I willingly gave in exchange was mine and now is theirs - entirely acceptable for their own use or as a medium for further exchange. We traded because each of us wanted to, each gaining something more valuable to him at the time than the property he relinquished. And we will express our mutual satisfaction through similar transactions tomorrow or next week or next month or whenever the need arises. But not if one of us thought the other had cheated. In that case, the one injured might seek restitution or take his business elsewhere - probably both. To continue to trade with one who cheats would be to work for nothing; and most of us are allergic to work on those terms!

Some persons, of course, are allergic to work on any terms; and this may tempt such a person to try to cheat. An employee, for instance, might "soldier" on the job, producing far less than he could or should in return for his wage. A butcher with a heavy thumb, a short-change artist at the cash register, trash in the bottom of the basket, rocks in the coal, checks that bounce, building lots under water or inaccessible to water, counterfeit currencyplenty of ways to cheat if one wants to try. But it's no way to build a steady business with satisfied customers. There's no great future in it. And perhaps this explains why most of us rarely encounter such fraudulent practices in our daily affairs.

Possibly we may conclude that none of us knowingly cheated today. And how very nice for all of us! But let's have one final check before closing the books on this knotty problem.

The New School Building

What of the gathering this evening in the home of a neighbor to discuss plans for the new \$6,000,000 high school? Any cheating going on there? These are good neighbors, hard-working, God-fearing, helpful and friendly people, none of whom would think of cheating. They will carefully discuss the importance of education for all children in the growing community. Some will recall the amounts by which schooltaxes have risen over the past ten years; they will understand that the new school means a 10 per cent tax increase next year and probably for many years to come. They will conscientiously review the facts and circumstances, each trying to decide how to vote in the coming school election.

But will it occur to any one of them that such a collective decision-making process, the results of which are to be binding upon every taxpayer in the district, might be something like cheating? What of the young Jones couple who had counted on that extra \$50 of school-taxes to help defray the costs of an operation for the baby? Or the elderly Smith couple, barely able now to maintain their modest home and cover the other necessities of life? Or the hundreds of other needs other families in the school district face that to them might seem more urgent at the moment than a \$6,000,000 new high school and the attendant costs for operation and perpetual care?

True, everyone will have had an opportunity to be heard, a chance to vote. But in the final analysis, some will be compelled to buy educational facilities which they neither want nor can afford. And the compulsion will have been applied by their friendly, kindly, well-meaning neighbors who consider education to be one of the proper functions of the police power.¹

Public Housing

Perhaps it calls for too harsh a judgment upon one's most intimate friends to conclude that they are cheating when they compel others to help build the schools that some believe to be needed. That such action involves cheating surely must be a minority point of view in most communities, if it is believed at all. Nevertheless, it may serve to illustrate the possibility of our cheating without realizing it. If we were to use such tactics to compel the Mormons of our community to help build Sunday school facilities in the local Presbyterian church, many persons would think we were cheating.

Good Presbyterians, of course, would never do such a thing! Those concerned would pledge their own resources to build and operate their own church school. But what of the proposal considered this evening by the ruling elders: Should the Presbyterian church join other churches of the community in support of the Interfaith Housing Corporation? Any cheating here? Certainly not on the surface, at least. The church pays \$25.00 a year to become a voting member of the corporation - no strings attached or other obligations. The purpose of the corporation is to alleviate the shortage of low-rent housing, especially for families of minority groups some of whom may be displaced by a proposed new highway. Surely a project worthy of the cooperation of the various religious groups in the community! But what is a thoughtful Chris-

¹ The value of education or need for it are not at issue here – only the methods used. The case for voluntary rather than compulsory schooling is discussed at length in the book, Anything That's Peaceful by Leonard E. Read. (Irvington-on-Hudson, N. Y.: The Foundation for Economic Education, 1964), pp. 180-221.

tian to do when he later discovers that the Interfaith Housing Corporation is simply a front to request Federal funds for housing to be built, not voluntarily by concerned individuals and religious groups of the community, but by the coercive procedures of the tax collector and the police power? Isn't it something like cheating to compel someone else to carry out one's own charitable impulse?

Organized Violence

To cross a union picket line. either to fill a vacated job or to buy goods or services from the besieged supplier – or to actively question the propriety of a student sit-in or campus demonstration - is thought by many to be a form of cheating. It is to be a "scab," "strike-breaker," "Uncle Tom"-at the very least, a "square." But how can it logically be anything but cheating when men organize to prevent others from performing essential services which they themselves refuse to perform? It is, or used to be, considered cheating to copy another student's answer on a quiz and claim credit for it as one's own. But isn't it also a form of cheating on the part of any organized group of students when they attempt by force or threat of force to foreclose an institution of learning or some part of it

from use by other students and by faculty members wishing to engage in the peaceful pursuit of knowledge? Are we not cheating others if we deny them, in whole or in part, the use of their faculties or their property for any peaceful purpose they might choose?

The ways in which man may cheat are perhaps infinite. Even a tiny child, when he puts his mind to it, will baffle many an adult. And among adults are experts at the art of deception. But it is not the diverse and deliberate efforts of unorganized individuals to obtain something for nothing that most seriously concern us. This is not our real problem. By and large, we may and we must trust one another to behave as best each knows how.

The form of cheating most harmful to us as individuals and as a society occurs when we hide in a majority and quite thoughtlessly act to achieve our ends at the expense of somebody else.² We heedlessly authorize the government to do for us what we could never, in serious contemplation, bring ourselves to do on our own. Thus does one become the victim of his own irresponsibility, cheating without knowing it, and cheating himself most of all.

² See "The American System and Majority Rule" by Edmund A. Opitz, THE FREEMAN, November, 1962, pp. 28-39.



FREEDOM CUTS TWO WAYS



ROBERT C. TYSON

ABRAHAM LINCOLN, speaking in Baltimore in 1864, beautifully brought out the double-edged nature of freedom. He did this through a parable, after first explaining that the word freedom for some may mean for each man to do as he pleases solely with himself and the product of his labor, while for others the same word may mean for some men to do as they please with other men and the product of other men's labor.

The parable had to do with a shepherd, a sheep, and a wolf. The wolf feels free to attack the sheep. But the shepherd drives the wolf from the sheep's throat. The sheep thanks the shepherd as his liberator, while the wolf denounces him for the very same act. Plainly, Lincoln noted, the sheep and the wolf are not agreed on a definition of freedom.

To me the parable illustrates the conflicting meanings derived from freedom. Today we hear of freedom as never before, but just what does it mean? We hear of Freedom Workers, Freedom Marchers, Freedom Fighters. We hear of Freedom Now, Freedom for Students, Freedom from Want, Freedom from Authority, and, for all I know, maybe even Freedom from Freedom.

Yet in all this clamor over freedom, I find little or no reference to what I think is the necessary

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concomitant of freedom, the very thing that gives man his essential dignity, the factor that makes a society livable, creative, and truly free: namely, responsibility.

Without responsibility – by which I mean primarily self-responsibility – liberty becomes license, morals become elastic, and society becomes predatory, its people tending to become like the wolf in Lincoln's parable, lunging at the other fellow's throat.

Neither License Nor Anarchy

No, as I understand it, freedom is not license: it is not anarchy. Under freedom, no man is free to do entirely as he likes. After all, freedom involves morality: it involves discipline. an inner discipline, a conscience within the individual ever reminding him that his freedom stops where the other fellow's freedom begins, that no man is really free if he renders another man less free. And it makes no difference who lessens freedom, whether it stems from private or public sources. The fact is that most usurpation of freedom has stemmed from the latter. As liberal reformer Woodrow Wilson noted: "The history of liberty is a history of the limitations of governmental power, not the increase of it."

Indeed, this was the design for the American dream, for our Constitutional society. The design was carefully laid down by the Founding Fathers. They realized that freedom was not a grant of government. Such a grant would then be but a slender reed. for what government could grant, government could clearly also take away. In fact, freedom stems from a much Higher Authority than government. The Declaration of Independence holds "that all men are . . . endowed by their Creator with certain unalienable Rights. that among these are Life. Liberty, and the pursuit of Happiness "

So through the Constitution and the Bill of Rights, the authors of our Federal Republic insisted for the sake of liberty that men in public office could not be blindly trusted, that they had to be made accountable and responsible, that the American government was to be strictly limited in its powers, subject to checks and balances, and expressly prohibited from infringing on the endowed freedom of the individual. Ours was to be a government of law, not of men.

Political Foundations of Freedom in America

Thus, the theory of government put forth by the designers of the Constitution was something unique in the history of government. They laid down the founda-

tions of a society that was essentially dependent on individual conscience, on self-government, on each individual's sense of responsibility, love of justice, and respect for the framework of due process of law - that is, respect for the other fellow's freedom. Hence, our society was built on not one but many centers of governing authority, beginning with the governing authority within the person himself and extending to families and churches, communities and states, business enterprises. and other voluntary associations.

So ours is a society - thanks to self-government, to self-realization - that strives to encourage every individual to achieve whatever rank or distinction of which he is capable. It is a society with Constitutionally guaranteed freedoms of press, speech, assembly, and petition. It is a society of political freedom of choice for the individual citizen. It is a society whose economic system is built upon individual enterprise and ownership within the framework of a free market. As you know, this economic system has made us the most productive people in all history with the world's highest living standards. The system furthermore provides far and away our greatest weapon in the War on Poverty.

Signs of Sickness

Yet, because the responsibility side of freedom has been somehow lost sight of, our society and economy are not well; indeed, they are sick, and the evidence of this sickness can be readily found in the daily headlines, notwithstanding all the so-called references to freedom. Rioters in the streets are beleaguering our major cities. Crime rates keep on hitting new records, with more vouthful offenders than ever before. Teenage shoplifting is a mounting problem for our stores. Drug addiction, especially by young people, is an increasingly corruptive and corrosive social problem. Family ties are weakening. Promiscuity is rising.

In higher education we have also seen a marked deterioration in moral standards. Cribbing during exams, for example, has always been a problem, but today more and more students seem to attach no dishonor to it whatsoever. Students talk of Student Power but precious little of Student Responsibility. Students have even taken over academic buildings by force and have held captive campus recruiters, deans, and administrators other college ironically and clearly diminishing the freedom of the captives, all too often in the name of civil liberties and civil disobedience. Even the

code of civil disobedience calls for accepting responsibility in terms of the consequences for infractions of the law. Yet when apprehended by the authorities, what is the first "demand" of the disobeying students? It's *amnesty*. But such amnesty hardly squares with responsibility.

One more point on campus rioting: In practically all the disturbances at our educational institutions, a small but noisy nihilistic minority has commandeered facilities and effectively blocked the freedom of the student majority to attend classes. The adversely affected majority all too often has been silent and has looked the other way. This response of indifference also strikes me as irresponsible. I do not suggest that the majority do battle with the disturbers, but rather that they rally to the cause of peace and rational discussion of issues, that they support the university administrators who are trying to maintain order and so to protect their freedom.

Inflation Attends the Welfare State

Economically, we also see signs of fever — and lack of responsibility. Maybe you heard of the response of the man getting his annual physical checkup to the doctor who told him that he was as sound as a dollar; the man shot back: "Doctor, am I that bad?"

Well, is the economy really sick? The answer depends on how you measure economic symptoms. Certainly, signs of inflationary stress and strain abound. The Federal budget is in perennial and ever rising deficit. The U.S. balance of payments is also in perennial and ever rising deficit. Our stock of gold has been dissipated to a dangerously low level. All manner of controls have been applied to American lending and investing overseas, although history is replete with their failure in previous applications. And, although the socalled "voluntary" wage-price guideposts proved to be a demonstrable failure, talk persists of new controls over wages and prices, while little is done about the underlying fiscal and legislative forces of inflation. That inflation is compounded by wage and salary demands by leaders of organized employees both private and public, both professional and nonprofessional, far beyond any semblance of productivity or merit. It is compounded by demands for all manner of handouts from the government - local, state, and especially Federal. In the name of welfare, these demands are for more and more - not tomorrow but today. These demands strain the body politic - and economic – and erode the foundations of our liberty.

In all these examples of social and economic sickness we see abuse of freedom: we see abandonment of discipline and responsibility - of self-discipline and self-responsibility - by those in private and public life. In other words, we see the emergence of the kind of freedom exemplified by the wolf in Lincoln's parable. The wolfish freedom may not always be overt and violent. It can be covert and subtle. It can be seen in disrespect for due process of law. It can be seen in a growing moral laxness, in indifference to corruption, in an ethical softness that is steadily eating away at our values and virtues, in the credit that every man is a law unto himself.

I guess what I am trying to say boils down to this: The other side of the coin of individual freedom is individual responsibility. You can't have the one without the other. Before you and I can govern others, each and every one of us must first learn to govern himself. Before any of us can blithely dismiss our external restraints, each of us must assume a solemn moral obligation to restrain himself.

IDEAS ON LIBERTY Character Must Be Earned

WHEN a man is on his own, an individual responsible for himself, he must earn a character-a personal character that is perhaps his first necessity. Others may then learn and imitate his qualities and capabilities. In a planned society he has no need of a character, for no such thing is wanted. No national or universal plan can afford to take the least notice of his personal character.

As an individual responsible for himself, a man must also acquire credit. Others must be convinced that he is credit-worthy; that he can be trusted; that what he undertakes he will perform to the limits of his ability. But when he is planned, nothing so troublesome is in the least necessary.

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Separation of Powers

and the Labor Act

III. JUDICIAL COURTS versus ADMINISTRATIVE COURTS

Sylvester Petro

THE institutional setting of each member of the National Labor Relations Board is a five-year appointment to what is known as a quasi-judicial tribunal, located by law, fact, and tradition in the executive branch of government. Appointment is by the President. with the advice and consent of the Senate. The duties are essentially judicial in character. One hears varying opinions, concerning whether or not the Board members should conceive of themselves as essentially policy-making participants in any current Administration, on the one hand, or judges on the other. The "Eisenhower

Board" avowed and to some extent adopted a judicial stance; the "Roosevelt-Truman-Kennedy-Johnson" Boards, while still not entirely disavowing a judicial role, have on the whole adopted an essentially policy-making stance conformable to that of the Administration in power.

Federal judges also are appointed by the President, with the advice and consent of the Senate. To this extent, the institutional setting of Federal judges and NLRB members is the same. But to this extent alone. No Federal judge has ever asserted that his job is to effectuate the policies of a given executive administration. On the contrary, when Federal judges discuss the question, their uniform affirmation is one of obedience to the Constitution and to the Con-

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gressional intent expressed in valid legislation.

The Supreme Court of the United States has been accused of policy-making ambitions, both currently and in the past. Whether or not you or I credit such accusations is not material to the present inquiry. For no one can validly accuse the Supreme Court of a peculiar policy bias conceived and pursued essentially because that policy is favored by the incumbent administration.

Supreme Court justices have been a constant source of surprise to the presidents who appointed them. Justice Holmes's contempt for antitrust law and policy – a shock to the President who appointed him – is only one example of a number of such cases. It is incorrect to believe that the present Supreme Court, "activist" though it may well be called, is acting the way it is because it believes that the present or any past Administration wished it to act in that particular way.

A Case for Tenure

We come, then, to the first of two sharp distinctions between membership in the NLRB and Federal judicial office: the fiveyear terms of the former and the life tenure of the latter. The fiveyear term of office goes far toward insuring allegiance in each NLRB member to the Administration which appointed him, to the one with power to re-appoint him, or to both. There is no need to oversimplify the situation. Tradition may call for a "pro-union" Administration to appoint one or two "pro-employer" types to the Board. In such a case, the "proemployer" Board member would be unfaithful to the Administration if he abandoned his former stance as a means of insuring reappointment. In order to keep the "bipartisan" show going, he must maintain some semblance of the penchant which got him his appointment in the first place.

If a Board member wishes reappointment at the end of his fiveyear term, he must satisfy the Administration then in power that he can be relied upon to act in accordance with that Administration's labor-policy views, subject to the "bipartisan" tradition. There is nothing sinister and nothing surprising about this. On the contrary, a given Administration has no basis for its appointments to the NLRB other than furtherance of its policies and political ambitions or payment of its political debts. Expecting an Administration which has gained power with the assistance of trade unions to appoint a Board which would deal as rigorously with unions as the law requires – that is as realistic

as it would be to run for office on a platform which the voters demonstrably oppose.

The Political Process

It is true that a Board member is always in a position to "betray" the President who appointed him. The betraval may even win him reappointment from a succeeding President who approves his new position. But this is of little significance. The fact remains that a majority of the Board will always be governed sooner or later by the political position of the Administration in power; five-year terms expire: then the Administration's labor policies reflect themselves in the new appointments. President Kennedy had a majority within a vear or so of his accession.

It is possible that the Administration's labor policies will coincide precisely with those of the Congress which passed the legislation in question. Possible, but not likely. As time passes, the likelihood diminishes. An Act passed by Congress in 1947 is not likely to express exactly the policies that an Administration in 1967, or 1987, finds suited to its political and social objectives.

But even when Administration objectives coincide exactly with the legislatively expressed policies, it will be the Administration which controls the action of the quasi-judicial executive agency, not the legislation. It is important to bear this in mind because results in particular cases will be affected. Thus, though there may be a general policy coincidence between the legislation and the Administration, the Administration may still feel that in a particular case, for one reason or another, it is desirable that the impact of the legislation be softened, hardened, or redirected in some other way.

Plotting a Course

Our present structure of "administrative law" leaves plenty of room for this sort of thing. A busy General Counsel has to pick and choose the cases which he will prosecute. He cannot prosecute them all. Certainly he need not prosecute them all with equal vigor and persistence and acumen. After all, the main thing is to keep the staff busy. If it is kept busy in spite of the fact that one particular case is not prosecuted at all, or that it is put "on the back burner," what great harm has been done?

Or suppose the case is prosecuted so that it gets before the Board. Courts may not substitute their conclusions for those of the Board where there is substantial evidence in the record considered as a whole which supports the Board's finding. Not uncommonly,

the record as a whole will sustain contrary findings. In such a case, the reviewing court. if faithful to this basic principle of "administrative law," may not vacate the Board finding, no matter which way it goes. Hence, it is perfectly permissible for the Board to go either way. And the judge who keeps faith with the law - as mostFederal judges do - must enforce the Board order in either case. All this being true, the Board itself is in a position to do exactly what the General Counsel does in picking the cases to prosecute. It is in a position, in short, to make an exception whenever doing so is of great importance to the Administration of which it considers itself a part.

Proper Judicial Procedure

I am no muckraker and do not wish to exaggerate the incidence of such conduct on the part of either the Board or its General Counsel. In any event, it is enough that such possibilities exist, even if they have never actually occurred. Indeed, the analysis will proceed more disinterestedly and more expeditiously if it is realized that there is no necessity to establish that this sort of thing has or has not happened in any particular case.

For the major point in our inquiry is that nothing of the kind

can reasonably be expected where judicial power is confined to men with life tenure who have been appointed to the insulated judicial department of government. If the Supreme Court is indeed an activist. consciously policy-making agency, rather than a genuine court of law, it is so because that is the way *it* conceives its function. If there is a flaw in the Court's position, that flaw is not a product of any defect in the Constitution, in the principle of the separation of powers, or in the institution of life tenure for judicial officers. It is a flaw, instead, in the conception of judicial office held by individual members of the Court. It is a product of their failure to understand the functional *inadequacy* of the courtroom as a political, policy-making institution, and the functional superiority of the courtroom as an institution in which justice under law may be distributed among particular parties litigant on the basis of minute consideration of the particular facts and of the legal arguments which the adversary system is bound in individual cases to bring to the attention of the judges.

The Court May Err

If misunderstanding and ineffective corrective measures are to be avoided, it is necessary to understand, as well as we can, what motivates the Supreme Court to take an activist, policy-making position. Of course, it is always possible to jump to the conclusion that the Court does not care about the Constitution; that the justices are arrogantly determined to follow their own will; that they are engaged in a completely extralegal and extraconstitutional struggle for supreme power in the government of the United States. This is not only a possible position: in my opinion, there are occasions upon which it seems the most plausible explanation of certain decisions of the Court. As an example. I would cite the recent (1967) decision of a bare majority of the Court in the National Woodwork case.40

Mr. Justice Brennan wrote the opinion of the court for himself and Justices Warren. White, and Fortas. A majority was made by the special concurrence of Justice Harlan in the Brennan decision. Justices Black, Douglas, and Clark concurred in a dissenting opinion by Justice Stewart. With these dissenting justices I have concluded that Justice Brennan's opinion so blatantly flouted the clear meaning and intent of the statutory provision involved that the only possible explanation was a determination by the majority to challenge Congress's policymaking supremacy under the Constitution.⁴¹ In my view, Justice Stewart was correct in calling Justice Brennan's opinion "a protracted review of legislative and decisional history in an effort to show that the clear words of the statute should be disregarded...."⁴²

Not Structural Defects

However, I would remind the reader here of two points. The first is that Justice Brennan could not possibly have been meaning to curry favor with the Administration which appointed him; he was an Eisenhower appointee. Nor could he have been motivated by a desire to promote his own career by currying favor with the present Administration. There is nothing that the current Administration can do either to hurt or help him on the Court.

The second point to remember is that, no matter how blatantly a life-tenure justice may seem to misconstrue legislation, there is always, in the end, an objectively insoluble problem concerning motivation. We may eliminate economic insecurity where the judge has life-tenure and the position pays him enough to preclude ambition. We may eliminate vulgar corruption, owing to the traditions and the high dignity of the Court. We may eliminate light frivolity,

⁴⁰ For footnotes, see page 566.

for there is plenty of reason to believe that the justices take their role seriously. But when these and other such motivating factors are eliminated, it is still not possible for the external observer-analyst to be sure about the causal factor or factors which actually produced the judicial opinion in question. It could have been so trivial a thing as stupidity, a law clerk who did a fragmentary job of research among the authorities or in the record of the case, or an appealing argument on the wrong side, or simply the hard case which makes had law

An Understandable Confusion

It is best, then, to operate on the assumption that, however egregiously the justices may act in particular cases, they nevertheless perform their duties in good faith - by which I mean, in accordance with their conception of their role on the Court. Often, we must remind ourselves, the Court interprets Congress's statutes well and faithfully, reversing the NLRB in the process. Often, owing to the inherent ambiguities of language or to sloppy or evasive work in Congress, an interpretation can go either way, and the critic cannot complain with any great force merely because the Court has adopted an alternative which he would have rejected.

Moreover, with law professors in a state of great confusion over the judicial role with respect to statutory interpretation, it is easy to understand that at least some of the justices will share their confusion. A professor of law has recently published the following statement:

The myth that the courts only follow the intent of Congress inhibits most judges from examining solutions worked out in other countries, even when Congress had no intent or when that intent was not to solve but to avoid the problem. Thus, the Court in the Lockout Cases condemned the NLRB for "unauthorized assumption . . . of major policy decisions properly made by Congress." and then fabricated a Congressional intent to support its own policy decision. The Court could have gained greater insight into the problem and made a more responsible decision if it had examined the alternative solutions from other countries; but that would require an open admission that the Court was making the policy decision which Congress had refused to make.43

The Charges Re-examined

The foregoing comment may be broken down as follows:

- 1. Courts do not merely follow the will of Congress.
- 2. They are policy-makers.
- 3. It is proper that they make policy.

- 4. Congress did not express a policy on the legality of collective-bargaining lockouts.
- 5. The Supreme Court made its own policies in the *Lockout Cases*, but it did so inadequately because it was afraid to admit that it was making policy which Congress had declined to make.

The first two statements are inaccurate, though not completely incorrect. The vast preponderance of Federal judges other than Supreme-Court Justices not only say that they are bound by Congressionally declared policies but act in accordance with that declaration, subject to three qualifications: (a) sometimes statutory ambiguity or other deficiencies require the court to contribute something more than mere interpretation to the decision which it must reach: (b) at times a Federal judge does play fast and loose with legal doctrine and statutory interpretation; (c) sometimes the court must follow an interpretation at variance with the plain meaning of the statute because the Supreme Court has already imposed such a variant. The latter is peculiarly relevant in labor law. A large proportion of Circuit-Court affirmances of NLRB decisions is owing to the fact that the Supreme Court has so often endorsed the NLRB's revisions of

the Labor Act. After the Court has done so, the Circuit Courts of Appeals have no real alternative but to go and do likewise.

The third statement is not only incorrect, but seriously so. Aside from "gap-filling" and selection among alternatives where legislation is ambiguous, the Federal courts, including the Supreme Court, act improperly when they make policy. They act improperly from all relevant points of view: from the point of view of personal morality; from the point of view of Constitutional legitimacy; and from the point of view of functional-practicality. All Federal judges swear to uphold the Constitution as a prerequisite to their office. The Constitution (as well as the basic concept of representative government which underlies it) states that:

All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

For reasons already stated, no court of law can represent the nation adequately; confined to a particular dispute in the courtroom setting, broad policy-making by judges is bound to be abortive. The nation, the law, multitudes of persons, and the future of representative government in the United States – all are in a state of crisis today owing in no small part to the Supreme Court's assumption of policy-making and even constitution-making powers over the past thirty years or so.

The fourth and fifth statements are incorrect. Congress did not say in so many words that the collective-bargaining lockout was lawful. But such a lockout was plainly lawful at common law, and there was no language or no policy in the National Labor Relations Act from which an inference of Congressional determination to change the common law could properly or logically be drawn. On the contrary, there was much Congressional language from which the Court could - and did - infer that Congress intended to preserve the legality of the collective-bargaining (as contrasted to the coercive anti-union) lockout. The Supreme-Court decisions in the Lockout Cases were manifestly correct interpretations and applications of Congressional intent. Moreover, to suggest that the Court should have referred to European experience in order to determine how to govern Americans demonstrates а doubly peculiar lack of understanding of the system of government of the United States. It fails to understand not only what representative government means. but also what the constituency is

whose views and preferences are to be represented by government and reflected in law.

I have discussed the foregoing comment on judicial-policy-making power at some length because of the help it affords in understanding the policy-making penchant of the Supreme Court. The comment does not represent the aberrant view of a single law-school professor. It represents, to my personal knowledge, a substantial body of opinion among law teachers, and therefore of necessity among law students, practitioners, and even judges. It is really ingrained enough to be called an unreconciled contradiction in our legal tradition - one which can be removed only by spreading a better understanding of the meaning and the requirements of representative government and of the Constitution.

Different Traditions

We have come now to the second sharp distinction between the institutional framework of the Federal judiciary and that of quasijudicial administrative tribunals: the history and the traditions within which they respectively operate.

It would be a mistake to assume that an administrative agency such as the NLRB is something new, without history or tradition. The mistake is understandable because that history and that tradition are hidden and forgotten. The history and tradition which the NLRB carries forward today was rejected in the middle of the seventeenth century in England. It was rejected on the basis of experience so repugnant, and so tragic for men who prized law and decency, that it could not be revived till consciousness of its terrible consequences had dimmed with the passage of more than 250 years.

I refer, of course, to the abolition in the seventeenth century of such administrative tribunals as the Star Chamber and the Court of High Commission. Those agencies, like the NLRB, were rationalized as "expert" tribunals which could be relied upon to do "speedy justice," unhampered by the "technicalities" of the law courts, and obedient to the *executive* policies which parliament and the courts of law were frustrating.

The constitutional revolution which took place over a period of more than forty years in England during the seventeenth century had two significant results, both relevant to our present inquiry: (1) the assertion of parliamentary policy-making supremacy, involving a radical reduction in the power of the executive; (2) the creation of a judiciary insulated from political pressures by life tenure in office, involving the abolition of all such quasi-judicial agencies as the Star Chamber.

The English Influence

Two great legal scholars - Sir Henry Sumner Maine and Professor William W. Crosskey-have demonstrated both broadly and in detail that the main features of the Constitution of the United States were the direct product of the English experience during the seventeenth century.44 It is impossible to read the Constitution against the background of that experience and come to any other rational conclusion. Article I gives all legislative policy-making powers to Congress; Article III gives the whole judicial power of the United States to life-tenure judges.

The result was to interrupt the history and the traditions of administrative courts. We had none for a long time, and even after the Interstate Commerce Commission was created at the end of the nineteenth century, we still had little "administrative law" till the thirties. Few lawyers will now remember the names of the men who served in the Star Chamber or the Court of High Commission. if indeed those names were ever widely known. But neither will lawvers remember the manv

names of ICC or FTC or CAB or NLRB members.

It seems to be in the nature of an administrative court to operate anonymously. Even today, NLRB decisions emerge anonymously. One is tempted to infer a lack of pride in or perhaps a hesitancy to assume responsibility for the NLRB's product. And the inference is strengthened by the fact that normally only dissenting or specially concurring opinions are signed by NLRB members.

A Shining History of Intellectual and Moral Courage

The history and traditions of the Federal judiciary are strikingly different. They trace directly back in an unbroken line to the great English chancellors and judges, even beyond the time when life tenure was accorded judges. It is a history full of shining examples of intellectual and moral courage - of judges who time after time vindicated the maxim, "Let justice be done though the heavens fall." Roscoe Pound has described how the king's judges defied the king's will even though they served at their king's pleasure.45 Their names are known; even in the Year Books, the judges are identified. One does not need to be a legal scholar in order to recognize such names as Coke, Holt, and Mansfield, or Marshall, Story, Shaw, Field, Holmes, Brandeis, Cardozo, Jackson.

It is a serious shortcoming -afailure to grasp one of the powerful determinants of human action - to underrate the influence of such a tradition, especially in the law, where a judge's nose is rubbed willy-nilly so often in what his predecessors have said or done.

That thinnest, most unperceptive, and most inaccurately designated of all schools of legal thought - "legal realism" - holds that judges not only do but should decide cases in accordance with their own inner intimations of immortality. But the "legal realist" does not explain how a person trained in the law, acting in a living tradition, thinking, as he must, in the categories of thought which prevail in the law, can possibly hand down decisions outside that tradition and those categories.

Asking a career, life-tenure judge to act in the fashion that "legal realism" suggests is the same as asking a person to write without the alphabet. The only thing produced is an unintelligible mess, and few judges are willing to befoul their tradition and the law books that way. And so most judges, especially those for whom judging is a lifetime career, tend after a while to settle themselves down into carrying on the great 1968

tradition of obedience to *law* as opposed to personal preference or political expediency.

Consistency

Continuity, consistency, predictability - these are the values which most Federal judges prize and which they try to achieve. In contrast, the field of "administrative law" presents a spectacle of violent change in the "law" with each change of Administration. Judges think that the function of law is to help the community as a whole by giving a firm standard to which persons in general may adjust their conduct without fear of finding, after they have acted on one legal assumption, that the law has been changed. Administrative agencies consider "law" only another tool with which to advance the interests and policies of the Administration in power.

I remind the reader of the vicious cunning illustrated by the *Bryant Chucking Grinder* case.⁴⁶ The "Eisenhower Board" had held that unfair practice charges should not be allowed to relate back to pre-election conduct. The rule made good sense. A party should not consent to an election when he means to challenge it thereafter because of pre-election conduct. However, the "Kennedy Board" found the rule unacceptable and simply reversed it. In so doing, it laid the basis for giving unions exclusive bargaining status and for imposing the duty to bargain on employers in hundreds of cases — in spite of the fact that the employees in those cases had, in secret-ballot elections, rejected collective bargaining.

Courts do make and change law to some extent. Unfortunately, as we have seen, they sometimes do those things even when the existing law is clear enough so that they are not required to do so by the necessity of deciding the case before them. Contrary to academicians of the kind I have mentioned above, there is no justification for such conduct. On the other hand. it is well to understand two things about it. First, the phenomenon is confined to relatively few judges. mainly on the Supreme Court. Second, it creates a power struggle between those few judges, on one side, and Congress, on the other; it does not necessarily align the judicial power with the executive power; and thus does not create so dangerous a threat to the principle of the separation of powers and to congressional policy-making supremacy as does the grant of judicial power to an executive agency.

The Weakest Link

Judicial power is the "weakest" of the three aspects of governmental power. It controls by itself neither men, nor guns, nor money, nor votes. If Congress did not keep itself so busy bootlessly trying to legislate this nation into a paradisial state, it could without too much trouble keep the Supreme Court vividly aware of its inherent weakness. If, for just a few years, Congress would police Supreme-Court decisions - instantly responding to so blatant an example of statutory misconstruction as occurred in National Woodwork by a suitable statutory amendment - even the dullest or the most arrogant Supreme Court justice would learn that he was not commissioned by the Constitution with the supreme and autocratic power which some of the justices have arrogated to themselves.

That would be a troublesome and an annoying job for Congress; an unnecessary one, too, since the Justices *ought* to know better, even if the professoria do not. But at least it is practical and possible for Congress to control the Supreme Court. It is a small body, turning out a limited number of decisions. In the last resort, Congress could simply take away much of its appellate jurisdiction without doing irreparable injury to the nation.

In contrast, the job of policing and controlling the activities of

administrative tribunals is very nearly hopeless. There are 80 many. They do so many things. They grind out so many decisions. Their activities are as often off the record as on. The confusion between their powers and those of the reviewing courts creates an infinity of problems in itself. Allocating responsibility is extremely difficult. For example, the NLRB constantly contends that it must be doing a good job because the Courts of Appeals enforce a vast preponderance of Board orders. But the Courts of Appeals must enforce most Board orders because the substantial evidence rule ties their hands: moreover, by now, with the Supreme Court's support, the Board has the bulk of the substantive law under the statute in a posture such that it can write decisions pretty much at will, no matter what the facts are.

Conclusion

Congress's policy-making legislative supremacy, and with it this country's hope for an effectively operating representative government, is endangered by the merging of judicial power into such executive agencies as the National Labor Relations Board.

Delegating judicial power to an administrative agency is both unconstitutional and impractical. It is unconstitutional because the Constitution confines the judicial power of the United States to an independent judiciary composed of life-tenure incumbents. It is impractical because competent judging cannot be expected from limited-tenure political appointees who operate outside the long and sustained judicial tradition of subservience to law rather than to political exigency. The principal argument in favor of specialized quasi-judicial administrative tribunals is based upon an erroneous and deceptive conception of "expertise." The relevant "expertise" must be in the art of judging. The real experts in that art are the judges who sit on courts of general jurisdiction.

Creating specialized quasi-judicial administrative courts, subject to fragmentary and limited judicial review, produces neither expert nor expeditious judicial administration. It produces, instead, uncontrollable confusion. Out of that confusion. the executive branch emerges with precisely the concentration of governmental power which the outstanding achievement of the United States Constitution - the principle of separation of powers - was designed to disperse. As Thomas Hobbes said, liberty is fragmented power. The result today of reconcentrating power is a badly governed country. Tomorrow, if history is any guide, we shall have tyranny.

The process has gone far already in the field of labor policy. Although these matters are hard to quantify with any precision, in my judgment the Labor Board has managed to gather a preponderance of the policy-making power in its hands, together with executive and judicial power. Congress's will to assert its Constitutional power must not be weakened by doubts of its functional and representational superiority as legislator and policy-maker for the nation. It is nonsense to hold that the President or his bureaucracy better represent the nation. It is equal nonsense to believe that courts or administrative agencies can isolate the consensus of the community into a set of coherent basic policies better than Congress can.

If Congress wishes to escape the fate of the British House of Lords and to preserve the representative character of this government, it must respect and enforce the principle of the separation of powers. This means that Congress must repeal its delegation of judicial power to the National Labor Relations Board and revest that power in the Federal courts.

Problems will remain. Some judicial incumbents are unable to distinguish judicial activity from legislative activity even when the two are clearly distinguishable, let alone when, as often happens, it is difficult to distinguish them. Moreover, some judicial incumbents believe that judicial power is tantamount to legislative power, at least so long as they can get away with it. Ultimately, however, it is a simpler matter for Congress to correct such judicial mistakes and to subdue such power-lust in judges than it is to maintain its position against a multi-powered executive.

So, even if Congress, respecting the Constitution, should confine judicial power to the Federal judges, it will have to keep a wary eye on its storehouse of legislative power. Raids by the other branches can be expected. But this is inherent in the nature of men and things. It is not only for liberty that the price is eternal vigilance.

FOOTNOTES

 40 386 U.S. 612 (1967). I have discussed this case at length in 32 Law and Contemp. Prob. 319 (1967).

42 386 U.S. at 650.

⁴³ Summers, American and European Labor Law: The Use and Usefulness of Foreign Experience, 15 Buffalo L. Rev. 210, 218 (1966). ⁴⁴ Cf. Maine, Popular Government 196 et seq. (1885); 1 Crosskey, Politics and the Constitution in the History of the United States 414-68 (1953).

⁴⁵ Pound, The Development of Constitutional Guarantees of Liberty 16, 23, 25, 32, 40 (1957).

⁴⁶ See the text, supra, at note 20.



The Rule of Law

THE END of the law is, not to abolish or restrain, but to preserve and enlarge freedom. For in all the states of created beings capable of laws, where there is no law there is no freedom. For liberty is to be free from restraint and violence from others; which cannot be where there is no law; and is not, as we are told, a liberty for every man to do what he lists (For who could be free when every other man's humour might domineer over him?) But a liberty to dispose, and order as he lists, his person, actions, possessions, and his whole property, within the allowance of those laws under which he is, and therein not to be the subject of the arbitrary will of another, but freely follow his own.

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⁴¹ Ibid. at pages 337 et seq.

Devolution

Experimenting, Nature's hand once flung a fledging from its aerie's lofty roost, and for a moment, one bright arrow hung suspended where no other had been loosed; one bold bald eagle bravely learned to fly where timid wings had never brushed the sky.

On currents unsuspected until then, one eagle soared, alone, and unconfined by instincts binding goose and pelican to paddle in a wake, to fly behind the bird ahead; to go where leaders went. One eagle circled freely, free, content.

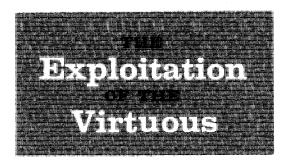
But, faintly, to the eagle's lone domain there rose enticing songs of happiness from birds who never had to brave the rain, or bear the winter's numbing, fierce caress. And as the eagle faced survival's tasks, he came to doubt the price that freedom asks.

Today, the eagle claws a shredded limb, unblinking eyes fixed more than miles beyond his cage, and broods upon the empty hymn that brought him drifting slowly to the ground: Free now, from tyranny of endless sky; Free not to hunt,

or build a nest,

or fly.

JAMES E. MCADOO



ROBERT JAMES BIDINOTTO

THE HORDES of the impoverished who recently dwelled in Washington demanding more welfare assistance, public housing, and a guaranteed income managed to resurrect as their justification the old but familiar cries of "exploitation" and "social injustice" which, they said, had been their fate under the American system. What these terms meant to the demonstrators was apparently at odds with what the dictionaries say they mean, but the "liberal" leaders and propagandists repeated them, too, and with each repetition of each slogan the pickets and marchers felt more victimized by the capitalism they have been taught to hate, and more self-righteous in their crusade for cradle-to-grave welfare. Their support came from both those who should know better, and those who *do* know better. In the latter category are those who have vested interests in the pressure-group warfare of the welfare state.

It is my contention that there is officially-sanctioned social injustice in our nation. But the system which is its root cause is not capitalism, nor are the principal victims of this injustice those for whom the Leftists mourn.

Let us first discuss the word justice. My dictionary defines the term "just" as "given or awarded rightly, or deserved . . . rightful, legitimate, deserved, merited. . . ." The clear implication is that justice consists of recognizing and granting those things which are rightfully and deservedly claimed by another man, or, giving men exactly what

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they deserve. Any more or any less is, by definition, a breach of justice.

Properly defined then, "social justice" would mean the principle of granting and accepting the deserved and rightful in relations between and among groups and individuals in society.

But what is wrong with the concept of justice promoted by the welfare-state advocates? It is simply that what they preach is not justice at all, but out-and-out *in*justice. What they favor is an abandonment of the concepts of deserved and undeserved, earned and unearned, and right and wrong. Their aim is as old as the one which motivated the world's first thief: "the fatal tendency," as Bastiat called it, to live at the expense of one's fellow men.

Freedom and Justice

A truly civilized society exists by means of free, voluntary exchange of values between consenting and willing individuals. It is the function of the government of a free society to promote justice. One of its more specific missions is to assure that exchanges are willing and voluntary, not forced and fraudulent. The initiation of force is outlawed by the government of a just culture. Such a society exists using reason, not plunder, as its means of survival. The state apparatus exists for the explicit purpose of protecting individual rights.

The only social system based upon the recognition of individual rights is capitalism. Capitalism requires of man his creativity - his ability to produce goods and services - as the price of his survival, for it recognizes the essence of iustice: that a man receive what he earns by his own effort and thought, and not what he can plunder from the creative efforts of others. It allows men to trade with one another to mutual advantage in uncoerced exchanges. Capitalism encourages the best men have to offer: thrift, practicality, ambition, hard work, and honesty. Above all, it asks that men use to their fullest extent the productive ingenuity of their minds. Under laissez-faire capitalism a man is judged by his accomplishments, and the means he employs to achieve the values he seeks. Capitalism does not separate ends from means.

This system, based on justice and the respect of individual rights, built the most wealthy, productive, and powerful nation that has ever existed.

Victims of Intervention

But note what happens when government ceases protecting individual rights and actively vio-

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lates those rights instead. Who suffers and is victimized when our nation accepts the collectivist premise that it is proper to exploit an individual for the sake of society, and that individual rights should be subordinate to "public good"— as determined by democratically-elected politicians?

Our American welfare state, like other statist-oriented systems, is run on the tacit premise of "from each according to his ability – to each according to his need." That is the implied, but seldom-stated, basic principle of which the New Deals, Fair Deals, New Frontiers, and Great Societies are but a manifestation. It is the implied justification of the Guaranteed Income proponents, the advocates of conscription, and the Welfare Statists. What this principle means is illuminating.

It means that the need of one man constitutes a demand on the men of productive ability to fill it . . . as a matter of right to the "needy" man. The means of enforcing this principle is the coercive power of the state, which confiscates the product of the able and creative to undeservedly benefit those who neither produce nor create.

What determines who shall be looted in this manner? Is mere possession of wealth the basis of the redistributionist creed? The answer is no. Wealth is something that has to be produced before it can be possessed. The allegation that it is the "possession of excess wealth" that is being rectified by this principle is a smokescreen. The degree to which one is plundered is determined by the degree of one's *productivity*, or as I pointed out earlier, by the degree of one's economy, practicality, ambition, initiative, labor, integrity-the productive virtues. The key virtue being man's rational faculty, his mind, and his creative use of that faculty, it is easy to see what is ultimately being looted and redistributed. It is man's *mind* that is being plundered, through confiscation of the fruits of man's intelligence. It is thus the man of the greatest virtue who is hurt the most by redistribution.

Subsidies for Failure

What determines who shall be the recipient of the plundered wealth? One's need of that wealth - his inability or unwillingness to produce and create by using his intelligence to its fullest extent. In other words, *one's faults!* Who stands to gain and who stands to lose in such a society? Who is exploiting whom?

The producer is chained to produce for those who cannot maintain their own lives. The creator is harnessed to fill the stomachs, clothe the bodies, and build the houses of those who create nothing. The able man becomes a serf of the man who is not able to fill his needs, claims, and demands by his own effort. The best are punished and shackled for the sake of the least and the worst. The welfare state, established to correct an imaginary injustice, has perpetrated the worst immorality: exploiting the virtuous for their virtues. In such a society, to improve oneself and show progress means that one gradually strangles himself through his own effort; that the better one gets, the more demands are placed upon him, and the more of a slave to society he becomes. And worse: he is a slave not to somebody else's superiority, but to his neighbors' inferiority.

"Might Makes Right"

When a nation proclaims the superiority of the collective whim over an individual right, it embraces a most peculiar standard of morality, based on the simple addition of numbers. The principle invoked is that might makes right, that the size of one's gang is his sanction to somebody else's property. One might say, "But it's perfectly legal to tax one man to benefit another. After all, the laws governing welfare were democratically passed by the majority." This is even worse; it means that (a) the legal system of the nation has been corrupted by the worst of principles, and that (b) "the majority" recognizes itself as being outside the influence of the moral code which the state imposes upon individuals: that any injustice can be committed in the name of the "majority," or "society," or "the common good": that morality is a numbers game of factions, individuals, minorities, and the omnipotent majority. The alternatives in the game are strictly limited. One either becomes a looter, or one is looted; one is either a parasite living upon others, or one is a victim a human sacrifice - to that parasitism

Join a Pressure Group

How does one cash in on the welfare state? One joins a pressure group. The purpose of a pressure group is to pressure the legislature to pressure the producervictim-taxpayer, extorting from him in proportion and to the extent of his virtues. This leads to the scandalous corruption of legislators by lobbyists, whose only aim is to get a special coercive advantage over their neighbors via the power of the government. The presumed beneficiaries of the welfare state are the confirmed parasites; and their victims are those who, under free competition, would be the most successful. And while pressure-group warfare escalates,¹ new bureaucracies are created and new bureaucrats employed to legally plunder men's savings and distribute the loot among those seeking favors. And it is the doer, the thinker, the worker, the *producer*, who foots all the bills. *There* is the true "social injustice and exploitation" in America.

The remedy lies in the discovery

of individual rights and the only system that can preserve them: capitalism. It is a false idea that the producer of wealth should feel guilty because of his ingenuity creativity, and riches. Has he not earned the fruits of his effort? Is he to be apologetic about virtue and success?

It is the task of libertarians to use every opportunity to promote the system under which no one is sacrificed, exploited, or treated unjustly for another's sake. That system is capitalism, with its respect for individual rights. Its ruling principle is justice for all.

IDIAS ON LIBERTY The Interstate Commerce Commission

-a system of laws and rules and an administration of those laws and rules in which the overweening goal is to maintain at as high a level as possible the cost of moving the country's goods, in the interest of the financial welfare of the movers. The basic goal of regulatory policy is to maximize the earnings of the common carriers, particularly those in financial difficulty.

Much attention is given to the effect of technology upon institutions. Perhaps not as frequently noticed is the ability of institutions to counteract technology. The Interstate Commerce Commission and the regulatory system that it has helped to create have done a truly remarkable job of battling technology head on and, to a considerable extent, winning. The creation and maintenance of large barriers to entry where no significant natural barriers exist (for example, in motor trucking) has been a monumental task, which the ICC has executed successfully in little more than three decades. A motor carrier's largest single asset is simply its permission to be a motor carrier.

> From Indiana Business Review, March/April 1968 "The Nation-Topsy-Turyy World of Transportation Regulation" by David W. Maxwell, Professor of Business Economics and Public Policy, Indiana University

¹ Walter J. Wessels, "The Theory of Political Escalation," *Freeman*, February, 1968, p. 81.

Internal Security

HAVING LIVED through the past two decades and watched the steady growth of cliché versions of history, I doubt that future generations will ever know the truth about our times. But if error persists, it won't be the fault of William Rusher, the publisher of National Review, who has set down his experiences as a Senate subcommittee investigator in a remarkable book, Special Counsel (Arlington House, \$10).

Bill Rusher went to Washington. D.C., in 1956 to help Bob investigate Morris communism for the Internal Security Subcommittee of the U.S. Senate. Despite the fact that Senator Joe Mc-Carthy had long since been censured, and was then living out his last days in innocuous desuetude, anything connected with anticommunist activity was still called "McCarthvism" in the middle fifties. The stereotype had already jelled; no matter how meticulous Bob Morris and Bill Rusher might be, they were still "witchhunters."

Combatting the "witch-hunter" allegation, Bill Rusher's book is an

attempt to prove to young people of the late sixties that the activities of the communist apparatus in the United States of the fifties and before were not in the best interests of the Republic. Unlike the late Senator McCarthy, Bill Rusher doesn't make mistakes in arithmetic or treat the English language as something that is incapable of expressing nuances. But will this book cause a single "liberal," whether young or old, to recheck his sights on history? Perhaps I am too cynical, but I doubt that Rusher will penetrate the "liberal" hide. He himself gives the reasons for supposing "liberals" - and the this: the word should be continuously placed in quotes - had gone over to various variants of socialism in the New Deal period, and their own self-regard had become implicated with the craving to believe that Soviet Russia, despite everything, must somehow come out right in the end. Economic determinism, acting on capitalism and communism alike, must lead us all to "convergence" in the "liberal's" mind. In deference to this

view, "Red-baiting" must be regarded as something that is "against history"—and the Rushers who presumed in the fifties to help hunt out communist subversion were simply wasting time and the taxpayer's money.

The Record Speaks

For those who don't care for stereotypes, however, Rusher's book is full of irrefutable stories. It should cause some libertarians to recheck their sights. Too often the libertarian assumes that if you put your trust in the market, you don't have to worry about such things as the Cold War. But the Cold War has enabled the Soviets to use the mechanisms of the market as a "cover" for dirty undercover political and paramilitary activity.

For example, the early years of Harry Gold, the mousy, unobtrusive little man who stole the basic secret information about the production of the atom bomb and delivered it to the Soviets, were spent in industrial spying for his foreign masters. Gold was a chemist who, in 1922, worked with a sugar company in Philadelphia. The depression gave him proletarian ideas, and he allowed himself to be recruited to steal the accounts of secret manufacturing and synthesizing processes for transmission to Moscow. In time Harry Gold was passed for handling to Gaik Ovakimian, a Soviet trading official who worked for Amtorg, the official Russian trade corporation, in New York City. Ovakimian wasn't in America to buy and sell goods; he was here for building an apparatus that would enable the Russians to bypass the difficult work of developing their own products for the market, or for the Soviet armed forces.

One thing led to another, and Harry Gold, after stealing a staggering array of quasi-military industrial secrets for a succession of Russian handlers, found himself in Albuquerque, New Mexico, where he met David Greenglass, an employee at the Los Alamos atomic development installation. The secret designs of the atom bomb passed from Greenglass to Gold, and from Gold they went on to Moscow.

Bill Rusher tells this particular story with a fine relish for detail. What it proves is that communism isn't content to use trading organizations for their stated purpose. If Amtorg had been just a trade corporation, Harry Gold could not have succeeded as a spy. Communism isn't primarily interested in market considerations; everything that it does is subordinated to political and military aims. So how deal with Moscow on a free trade basis? You may be vitally endangering your own free system if you do.

Treasury Intrigue

Another poser for those who think we can do business as business with the communists is Bill Rusher's tale of how Soviet sympathizers in the U.S. Treasury managed to undermine our financial policies vis-a-vis Nationalist China. In the last days of World War II the Chinese government of Chiang Kai-shek was threatened with galloping inflation. Secretary of the Treasury Henry Morgenthau had promised to make five hundred million dollars available to China. It was supposed to go in the form of monthly gold shipments. But Harry Dexter White and other Treasury employees, for reasons that have never been fully explored, dribbled the money out at a snail's pace. Eventually Henry Morgenthau read the riot act to his dilatory underlings; he had given his written word to China, and, as he said, "a person's word, and particularly his written word, means something." "What about the honor of this Government?," Morgenthau asked his sophistical employees. After Morgenthau had delivered his dressing-down, the gold began to move to Nationalist China in accordance with the

agreement. But by now it was too late; hyperinflation had already set in, and the financial collapse of the Nationalist government could not be stopped.

Bill Rusher helped investigate the burrowings of communist sympathizers into the waterfront unions of the Pacific coast and Hawaii. He interviewed the "redefector," John Santo, after the collapse of the Hungarian freedom movement in 1956. He helped expose the workings of a communist cell in New Orleans. He and Bob Morris poked and prodded witnesses who were sometimes willing to talk without taking the Fifth Amendment about such various things as our post-war China policy, or about Communist Bella Dodd's alleged pressure tactics in New York State politics, or about the suicide of Herbert Norman. the Canadian Ambassador to Egypt. The good stories tumble out of his capacious memory. And, as a lawyer who believes in evidence, the good stories are always carefully documented, carefully checked.

There is no "McCarthyism" here. Mr. Rusher does not think that the West will die as the result of a communist "conspiracy." He thinks it a far greater danger that the West may succumb to its lack of compelling belief in its own free traditions. But, having put his priorities in order, Mr. Rusher thinks it useful to expose communist spy policies. He hopes his book will be read by the young with open minds.

▶ THE JEWELER'S EYE-A Book of Irresistible Political Reflections by William F. Buckley, Jr. (New York: G. P. Putnam's Sons, 1968, 378 pp., \$6.95)

Reviewed by Robert M. Thornton YEARS AGO H. L. Mencken remarked on the need for a high Tory magazine written with good humor. In 1955 William F. Buckley, Jr. filled this need with his sprightly fortnightly, National Review. A dozen years later he and his merry band are still going strong - to the discomfort of the "liberals." Buckley invites comparison with "The Sage of Baltimore" because he. like Mencken. has a fine command of the English language, is devastating in his verbal assaults, and is never hesitant about needling the pompous or exposing frauds. That he enjoys the respect and even the friendship of people on the Left shows that he is able to attack the ideas he believes wrong without any personal animosity.

Buckley admits that he is no original thinker and he offers no serious tomes to undermine the intellectual foundations of "liberalism." Although highly learned, he does not try to fill the scholar's job. Rather, he has chosen to joust with the "enemy" on a day-by-day basis via television, public debates. letters, magazines, books, and newspapers. He steps gaily into the arena, seemingly unaware of the terrific odds against him. Although he may not always get the best of his opponents, he at least keeps them from "winning" by default. Buckley has helped to destroy the false image of the conservative as a stodgy Colonel Blimp. Agree with him or not, you won't find him dull. Being a conservative can be exciting!

The present book is an excellent collection of Buckley's observations on the current scene, but the subtitle is misleading. Besides his lively criticisms of the "liberals" and their nonsense, we have some excellent reportage. Here again, one is reminded of Mencken, never shy about voicing his opinions, yet capable of straight reporting in a crackling, lucid style. Closing out the book are several tributes to the deceased among public figures, friends, and family. Along with the memorials to Henry Luce, Herbert Hoover, and Douglas MacArthur, readers of THE FREE-MAN will be happy to see Buckley's eulogy on Frank Chodorov who fought the good fight back when "liberals" were almost unopposed.

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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

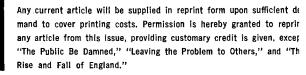
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ALVARO C. ALSOGARAY



IN 1965 as I was traveling from Tokyo to Paris I had to stop over in Bangkok because of the Indo-Pakistan War which had just broken out. I went to the offices of Pan American Airways to change my itinerary since the one I had, via Calcutta and New Delhi, was cut off. An American woman was talking at that moment with the representative of the company. She was asking that her flight to Calcutta be confirmed for the following morning. "I am very sorry, madam, but for obvious reasons our planes cannot land there," answered the em-

ployee. "Yes, but I bought my ticket and I want to go to Calcutta," insisted the lady. The employee, believing that he had not made himself clear, repeated. "But, madam, war has been declared and it is impossible to cross that territory." To which the lady replied imperturbably, "It is not my problem if there is a war; I bought my ticket in the United States, your company agreed to take me to certain places, and therefore you must make arrangements for me to be in Calcutta tomorrow morning." The conversation continued in that vein for almost an hour. Finally, the employee, on the verge of despair, asked the traveler. "Madam, is what you have to do in Calcutta

Mr. Alsogaray, Ambassador to the United States from Argentina, wrote this article in March, 1968. It expresses his concern over the gold problem and the meetings at that time in Stockholm and Washington.

so important?" To which she replied, "I have nothing to do there but I bought my ticket in the United States and you should stand behind your company." This is a superlative expression of the faith of the United States citizen in the value of commitments and of the social order prevailing in his country.

A few days ago when the bank holiday was decreed in the principal countries of Europe as a result of the gold race, United States tourists in some places had to face a different situation but one that was connected with the same problem. There was no war but, in the hotels, shops, and even the banks. American dollars were not accepted except in very small amounts. If it had occurred to one of those tourists to argue that the gross national product of the United States is more than \$800 billion and that the United States' potential and resources are practically incalculable, probably the clerk would have shrugged his shoulders and answered that in any case he was not prepared to change more than a few dollars.

In Argentina these small-great dramas are very familiar to us. There were times when the Argentine peso, our national currency – once one of the hardest and most stable currencies in the world – was not accepted anywhere, or else brought only a fraction of its official value. Besides, each time a devaluation was to take place, we saw closed banks and a reluctance to change foreign currencies for pesos. We are also aware of the nature and ultimate reason for these phenomena: a lack of faith which is the malady that afflicts even powerful nations today.

Modern "Sorcerers"

The loss of confidence and with it the alteration or failure of an established order does not come about as a result of unforeseen factors or of natural castastrophes. Nor is it a punishment from the gods. It simply results from mistakes in human behavior. nearly always inspired by a new class of politicians and "experts" in economy which might well be termed modern "sorcerers." Like the alchemists of old and like Goethe's Faust, these manipulators of the economy of the twentieth century believe in miracles and promise happiness to the common man without requiring from him anything other than that $h\epsilon$ demand it vehemently from his government. He is assured, besides, that by means of a divine breath called "development" they can transform printed paper into large hydroelectric presses, stee plants, atomic plants, and all kind;

of goods that they will distribute according to an elevated "social justice." In short, that they have discovered the modern philosopher's stone!

In Argentina some of these "sorcerers" even had official status. There was a government that announced a grand development plan and the head of that government said publicly: "I have so much gold in the Mint that I cannot even walk in the corridors." And as for carrying out the plan, "why worry about money because one could always make use of Miranda's 'magic wand' to get all one needed." When matters did not go very well, the "sorcerers" lost their official designation but continued to function disguised under such other names as "developmentists," "managerial planners," "men gifted with a great social conscience," or simply "experts" in economy. For twenty years they managed the country directly or indirectly by means of bureaucratic measures more or less severe according to the times, but always aimed at preventing the free play of individual initiative and energies.

The magic formula of the "sorcerers" in Argentina – and in all parts of the world – consists in promising the man in the street a better life and at the same time robbing him of part of the fruits

of his labor in order that a few (the first to appear) may benefit from that advantage. Everything goes very well at first while the presumed beneficiaries as well as those who are forced to contribute are unaware of the fraud; but finally the system fails and the fraud is out in the open. Except. that it is then too late and the consequences are already irreparable. The "sorcerers" who brought them about disappear from the scene or are expelled from it, but their place is soon taken by others of the same ilk.

In Argentina, in less than a quarter of a century, the "sorcerers" were able to downgrade the currency by more than 99 per cent and to transform a potentially rich country, full of possibilities, into a comparatively underdeveloped one.

The Gold Crisis

This story is applicable to the present crisis in the international monetary system and the race for gold. The common man, and not just the speculators and hoarders, has begun to lose faith in the currency of the most powerful country in the world and of the monetary system created by the "experts" to by-pass the rigid discipline imposed by gold. The new system was an attempt to replace that discipline by a voluntary and conscious discipline to be put into practice by politicians and "experts" in economy.

For many years, that anonymous common man, who constitutes the basic cell of human societies, did not notice that his leaders did not adjust to that new discipline and that they allowed the modern "sorcerers" to direct the course of the economic processes by means of equations and statistical indices. Then some of those men, who make up the vast majority of the people everywhere in the world, began to realize what was happening. They tried to escape from the ills they felt instinctively were approaching, by buying gold. Then the whole complex system devised as a substitute for the order imposed by gold underwent such a shake-up that everyone was obliged to accept the truth: that printed paper no longer had the value the governments said it had. Today, those who worked and saved can no longer buy the same amount of gold they could yesterday. Soon, if heroic measures are not taken, they will no longer be able to buy ordinary goods at former prices. Overnight, a good portion of the fruit of their labors has evaporated.

Confusion Among the "Sorcerers"

The "sorcerers" cannot understand why all their complicated scaffolding has fallen about them. For many years they asserted that "the new economic science" had found a way to manage the economy with more finesse and that the crises of the past could not be repeated. They were now in control over the "blind and irrational" forces that unleashed such crises. Their methods, all of them based on subtle ways of restraining the economic freedom of the individual and substituting for the latter the intelligent decisions of high government officials, would prevent the recurrence of the old problems. Having discovered new wavs of choking freedom, they felt secure in their position of disguised dictators. Today, they cannot understand what is happening to them.

What these "sorcerers" did not know is the big secret, as old as humanity, that man is free and that sooner or later he is bound to rebel against any kind of slavery, whether it be visible and brutal as in political tyrannies, or subtly imposed by means of an economic system. The only subjection that man admits is that imposed by law.

When the "sorcerers" attempted to oblige workmen and businessmen to pay forced tribute through inflation, those men, even the most humble and least informed, reacted against that veiled form of slavery and tried to free themselves by buying gold. It is useless for the "sorcerers" to accuse the speculators and the hoarders. There are always speculators and hoaders; but they can never cause harm when freedom reigns, however imperfectly. Only when official regulations reach a point at which they begin to choke the common man and he rebels do the speculators and the hoarders find a propitious soil for their activities. And this is what has happened at the present time.

A Discipline as Well as a Protection

For thousands of years gold has represented, for some reason deepseated in human nature, a discipline and at the same time a protection for the individual. On the one hand, it guarantees his savings which are the result of his work. On the other, it obliges him to submit to certain rules the most fundamental of which is that he may not enjoy anything that is not the product of that effort. On the government level it works in the same way. The gold reserves of a country constitute the best guarantee and protection for its inhabitants and are the result of the intelligence and work of the whole nation. At the same time. if the reserves are well used, they prevent the modern "sorcerers" (demagogues and false "experts" in economy) from wasting the resources of the community and surreptitiously enslaving men. These "sorcerers" can fall back on all the magic formulas they want to, but in the end they will be unable to prevent men from buying gold; and the discipline this imposes will prevent the "sorcerers" from carrying out their designs.

This discipline annoys the "sorcerers." The impotence they feel is well reflected in a cartoon published in the United States during the recent crisis. In it appears a monument with a resplendent gold calf. At the foot of the monument, the World is kneeling. The caption below says, "Still doing business in the same old way!"

Though the symbolism is different-because the annoyance is not against the "materialism" of gold but rather against the discipline it imposes – what appeared to be dead seems to reappear with characteristic immutability.

If the "sorcerers" – and others – wish to escape from the discipline imposed by gold, they should invent another discipline. They cannot live with a permanent deficit. They cannot squeeze blood from a turnip. They cannot multiply material goods by means of the simple expedient of printing a piece of paper. They have to work, save, invest; and only then, when the desired goods have been produced, may they enjoy them.

The "sorcerers" still have а card up their sleeve to justify themselves. They will now say that there has been an excess of economic freedom in the world, that the lack of sufficient controls on international trade has brought about imbalances and that the governments have not known how to plan and take a firm enough hand in the economic processes. That is to say, they will fall back on the great political fraud of blaming the crisis upon a freedom that has not existed, taking care to hide the fact that their maneuvers in the monetary and investment plane principally those of a public nature – and other more refined controls that restrain freedom have actually precipitated the crisis.

Inflation: Cause of the Crisis

The fundamental cause that has lead to the present crisis can be found in inflation. Inflation does not consist, as many believe, in the rise in prices. This is simply a consequence of inflation or a visible sign of it, in the same way that fever is a sign of illness.

Inflation occurs when, through various schemes, greater means of payment are placed in the hands of the public than should be available from goods already produced and from certain individual ex-

pectations with regard to liquidity and savings. Among those schemes, the most usual are deficits in national budgets, privileges granted to certain large private and state enterprises that are allowed to exist outside the market in a state of insolvency, salary raises above increases in productivity, and attempts to force development by financing with currency issues and false credits. This all means one thing: a deficit. It implies a political and moral problem; not an economic one. One lives with a deficit because that is the way he prefers or because there is no will to resist pressures exerted by those who use techniques to bring it about. Ultimately, the problem simply comes down to the fact that one spends more than he produces.

Inflation is the social cancer of our times. Individual freedom and order in free communities depend on whether it is possible to overcome that ill. I should like to remind you here of warnings expressed more than a decade ago by two eminent men who have played a decisive role in the reconstruction of the postwar world: Ludwig Erhard and Jacques Rueff.

With regard to the individual problem, Erhard pointed out: "These ideas, thought out fairly and consistently, should move us to include monetary stability among the fundamental rights of man who has the right to expect the State to protect every citizen...."

On the fate of communities, Rueff has been tirelessly repeating warnings such as these:

Since 1945 we have been developing the mechanism which, unquestionably, unleashed the disaster of 1929-1933. It is up to us to decide if we are going to allow our civilization to be propelled toward the inevitable catastrophe. Though we are on the brink of disaster it is still possible to avoid it if we are determined enough. . . . The probblem (of the present international monetary system) will be solved soon either under pressure of an emergency or by peaceful deliberation. . . . If action is taken in time, the peoples of the West will be saved from the disorder and suffering of a new world crisis. . . . Today, after 40 years of inflation, freedom will be saved through the rehabilitation of money. . . .

Inflation, which moved slowly at first but gained momentum during the past few years, has already led us to the first lap of the crisis. I have heard many people say, "Nothing will happen to gold or the monetary system until November becouse then there will be elections in the United States and it is not advisable to deal with such problems during the election period." As if it were possible to avoid crises until convenient to the political parties! The fact is that the inflationary illness has ignored the electoral calendar and obliged everyone to take heed of it.

On Saturday the 16th and Sunday the 17th of March of this vear, a meeting took place in Washington among the governors of the principal central banks and international financial institutions; and they did the only thing they could do: they gained time. Some of them have been expressing warnings that no one wanted to hear and now they have the disagreeable task of doing what they never wanted to do. With the few instruments at their disposal, they have obtained a respite that should be utilized. The future of free society depends on what is done during the next few months.

The measures that were taken do not in any way solve the problem. They simply postpone it, and at the cost of admitting that it was not possible to keep faith. This is a severe blow to stability and confidence, subtle mechanisms on which the whole social order is based. But there was no other way, and it had to be done.

The Two-pronged Problem

There are two separate problems which, due to the relationship between them, are often confused.

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The first is the price of gold and the holdings of dollars in the central banks. The second is the discipline to which community life must adjust in order not to spend more than is produced.

The first problem can be solved by means of monetary artifices and a political decision taken jointly by the principal nations. But if the second problem is not solved simultaneously-that is. adjusting from now on to a specific discipline in order to eliminate deficits - the gold problem will crop up again and the sacrifices imposed by its temporary solution will have been entirely worthless. A monetary devaluation - or gold revaluation - makes sense if it is aimed at canceling past errors and building a better life in the future by avoiding further errors of that nature. That cancelation. that is in the nature of a surgical operation, does not in itself solve the problem nor does it guarantee that it will not reappear. It simply puts an end to an untenable situation: after that, everything depends on whether the true causes of the ill are eliminated.

This first step which has been taken does not as yet have the characteristics of liquidation. As I have said, it constitutes a means of gaining time. Now we will have to study and solve the above mentioned problems with all speed. Conditions today are much worse than those prevailing three or four years ago, when public confidence had not been undermined. But in any case, they are better than those that will come up in the future if the consideration of said problems is postponed again.

In many countries, among them Argentina, we have lived through this kind of experience dramatically for the past 25 years. Today, these problems are extended on an international scale. The future of the free world depends on the leaders of the West finding a way to check inflation and establishing a monetary order without which freedom cannot be safeguarded.

IDEAS ON LIBERTY

Diluting the Money

As well might they have attempted to show that a beverage made by mixing a quart of wine with two quarts of water would possess all the exhilarating quality of the original, undiluted liquid.

The Threat of Wage and Price Controls

THERE is growing talk in Washington and elsewhere that wage and price controls are now necessary, or at least inevitable. The consumer price index of the Bureau of Labor Statistics has been rising by more than 4 per cent per annum in recent months. Even if the surcharge on corporate and individual incomes and the slight cut in government expenditures provided by law in June, 1968 - as well as some monetary restraint should slow down our economic growth and result in a rise in unemployment, the probability of a continuous rise in prices is strong.

Wage-fringe settlements have been running at 50 to 100 per cent or more in excess of the general rise in overall productivity. Numerous union contracts have one EMERSON P. SCHMIDT

to two years to run with their contractual built-in labor cost increases.

Thus, the prospects of rising living costs even under a somewhat softer economy are strong. Profit margins will be under pressure. Losses by numerous companies will be inevitable. Sales for many companies and in many lines may decline just enough to cut deeply into what a few months before were profitable operations. But the general public, not understanding the nature of cost pressures but noting that unemployment has moved up fractionally. will fail to see why prices should still be rising. There must be something wrong! Why not get the government to protect the consumer?

Those who urge government controls either have short memories or have had no experience

Dr. Schmidt, economic consultant, writer, and lecturer, served from 1943 to 1963 as Director of Economic Research of the Chamber of Commerce of the United States.

trying to live under controls. The case for the free market economy, as well as the only real cause of inflation (deficit spending and loose monetary policies), are well known by FREEMAN readers. So, let us simply review here some of the controllist experiences within our own generation.

Meat Price Control

World War II price controls continued until the late fall of 1946, about fifteen months after the end of the war. The attempt to control the prices of meats ended in utter futility; the end came in a total collapse.

In May, 1946, the Bureau of Labor Statistics stated:

Meat counters were empty more often during the first four days of the week of May 15, 1946, than any corresponding period in any month since March 1944. Approximately 85 per cent of the stores had no veal, more than four-fifths were without pork loins, ham or bacon, and almost seven out of ten often had no beef or lamb.

Official statistics for a year or two earlier showed no decline of the animal population on the farms which could account for this massive disappearance of red meat. Something else must have happened.

A little earlier Mayor LaGuardia

of New York reported to Congress:

The inspector visited 105 stores in 43 towns scattered throughout the Black Market area. He found that 48 of the stores had no meat.

This refrain was voiced by the meat cutters union (AF of L) in the spring of 1946:

We know that the present government regulations in the meat industry are unenforceable; the legitimate dealer cannot pay the prices paid by the bootleggers and keep within the OPA restrictions. . . . As a result

(1) the public's meat bill is increased by billions of dollars a year;

(2) thousands of men and women in packing plants are unemployed;

(3) hundreds of legitimate slaughterers and dealers in meat are unable to stay in business.

Here we note reference to "the black market" and to "bootleggers." Surely an industry the size of the packing industry could not be taken over by the black market and bootleggers! There must be some other explanation — some other part of the story.

The data of the Bureau of Labor Statistics showed that employment in packing plants dropped to 93,000 in October, 1946, reflecting a large diversion of livestock from the packing plants. Within one month after OPA controls were removed, employment increased to 163,000, and by the end of December, 1946, reached 180,000 — nearly double the October figures.

Even so, many people apparently unaware of economic cause and effect, lamented the abolition of the controls and spoke of the price gougers. Price controls broke down in 1946, and President Harry S Truman merely officiated at the final rites.

But it is well to recall how reluctant the President was to decontrol prices. As late as October 14, 1946, he issued a statement containing some remarkably revealing language:

Some have even suggested that the government go out on to the farms and ranges and seize the cattle for slaughter. This would indeed be a drastic remedy. But we gave it long and serious consideration. We decided against the use of this extreme wartime emergency power of government. It would be wholly impractical because the cattle are spread throughout all parts of the country.

Another remedy suggested by many people was to have the government seize the packing houses. This offered no real solution, however, because the seizing of empty packing plants would avail us nothing without the livestock.

Business as Usual in Texas

An experience of the last OPA administrator in 1946 finally convinced President Truman of the futility of price control. Paul Porter, in charge of OPA, and Clinton Anderson, Secretary of Agriculture, had not been seeing eye-toeye on control measures. The President, as Mr. Porter told me the story, ordered Porter to reach an agreement with Secretary Anderson and stop the feuding. Porter went to see Anderson in his home state, New Mexico, to carry out this mission.

On the way back to Washington, Porter said, he stopped in Texas and happened upon an auction sale of cattle. The live-weight prices exceeded the OPA prices of dressed meat! Sidling up to a man who appeared to have an interest in the sales and the prices being offered, and without being too obvious about it all, Porter inquired: "How come these prices?" The man didn't seem to understand. After some further conversation, the Texan said, "Oh, you mean this here OP and A?"

"Yes," said Porter, "What about this OP and A?"

The Texan answered nonchalantly and innocently, "I don't think they have put it into effect yet down here."

When Porter got back to Wash-

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ington he told the President of his Texas experience. The President, without further ado, called for the end of World War II price control.

The history of price controls and wage and salary controls is replete with countless episodes similar to the drastic experience in the packing and meat industry. Description and analysis of these innumerable cases fill many volumes. So let us take a look at what the President said when he terminated controls:

The law of supply and demand, operating in the market place, will, from now on, serve the people better than would continued regulation of prices by the government.... I am convinced that the time has come when such controls can serve no useful purpose. Their further continuance would do the nation's economy more harm than good. Accordingly, I have directed immediate abandonment of all controls over wages, salaries, and prices." (Nov. 9, 1946)

This was a marked turn-around by the President. It took some dramatic events and experiences to cause him to change his mind. Yet, how short memories are! In early 1948, he again asked for comprehensive controls, though Congress then refused him such powers. A massive price control and wage control program was reinstituted during the Korean "police action." Defending all this, President Truman, said:

These people who say we should throw out price controls and rent controls are wrong. They are just as wrong now as they were back in 1946. (June 14, 1951)

Who was wrong and when, we need not further detail. Public opinion polls, for what they are worth, have indicated in recent months that a majority of the public now again favors controls.

Words of Warning

But fortunately, not everyone has such a short memory or such faith in government controls.

The Economic Report of the Council of Economic Advisers in 1968 stated the situation in a short sentence worthy of recall:

Although such controls may be unfortunately popular when they are not in effect, the appeal quickly disappears once people live under them. (Page 119)

This view is widely held by most responsible government agency people in Washington.¹ But the political winds may blow into a controllist gale at any time. A 4 per cent rise in prices per year cuts the value of the dollar in

¹ For recent expressions see, A Perspective on Wage and Price Controls. Chamber of Commerce of the United States, Washington, April, 1968.

half in just 18 years. In terms of the early 1930's, we now have a 38¢ dollar. Rarely does a year pass without some Congressional committee or subcommittee, or several of them, recommending some form of price control, sometimes labeled "price surveillance."

The dangers are close at hand. Inflation, even though created by government policies, becomes politically "unacceptable." A bit of slack from an overheated economy atmosphere also becomes unacceptable. Henry Wallich, a former member of the President's Council of Economic Advisers, put it this way:

To call inflation and recession "unacceptable" is to call, in effect, for price and wage controls. Controls have long loomed as the last refuge of the unsuccessful planner. Yet of all the "unacceptable" solutions, they are the least acceptable.²

Have we not had enough experience and warnings in regard to inflation to know how to prevent it — and to avoid the authoritarian people-control, which goes by the name of wage and price control?

No country has succeeded in checking inflation without adopting policies which first checked government spending and the growth in the stock of money. Every country which has held down the expansion in the stock of money has also checked the rise in the general level of prices. \circledast

² Newsweek, July 8, 1968.

IDEAS ON LIBERTY The

The Price of Price Controls

THE WHOLE recorded history of man is strewn with the wreckage of the great civilizations which have crumbled under price controls; and in forty centuries of human experience, there has never been — so far as I can discover — a single case where such controls have stopped, or even curbed for long, the forces of inflation. On the contrary, in every instance I can find, they have discouraged production, created shortages, and aggravated the very evils they were intended to cure.

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Recipe for Failure ...

... PAUL L. POIROT

1 Promise of Federal aid

12 Hard-core unemployed

1 Thriving business enterprise

1 Pinch of American taxpayer

Liberally marinate a "depressed area" in Federal aid until the people have abandoned all sense of self-responsibility, self-respect, and human dignity.

Politically integrate a dozen of the resultant "hard-core unemployed" into jobs in a thriving business enterprise, on the theory that "the public interest" takes priority over efficient production of goods and services customers want.

Squeeze from American taxpayers amounts sufficient to cover any waste or loss of resources involved in this operation. Agitate this unfortunate combination until sufficiently frustrated to abandon the scheme and start over. Serves no one.

PRESIDENT JOHNSON, early in 1968, announced a program to place the hard-core unemployed in permanent private-industry JOBS. The National Alliance of Businessmen promptly sprang forth to implement the idea. Some 30,000 job openings had been pledged by various firms before mid-year, and their initial requests for Federal aid to hire and train hard-core workers averaged just under \$3,-000 for each trainee.¹ Early reports of experience and progress under the program have been generally favorable, reflecting the popular enthusiasm for so worthy an objective.² Much as one might wish to share such enthusiasm, the evidence and returns

¹ The Wall Street Journal, July 2, 1968.

² For a typical report see U.S. News and World Report, July 1, 1968, pp. 54-57, "Training the Unemployables," describing the experience of one company, Lockhead Aircraft, and pointing up the opportunities — and pitfalls — of this campaign by which "men once deemed unemployable are being turned into competent workers."

from this new program to date are too meager to justify the hope that human nature has drastically changed for the better in 1968.

Despite what some of the spokesmen for business have been saying about the new duties of management and their willingness to help the government remodel society. the fact is that there is no measurable market demand for "social progress" as such. The prospect of a subsidy or payment of \$3,000 or more for the training of a worker may seem a reasonable risk to some businessmen; they may see a chance there for a reasonable return on their time and investment – perhaps, a profit. But taking such a government contract is not quite the same thing as competing efficiently to serve consumers.

There is a consumer demand for trained employees, if not directly, at least for the goods and services resulting from such training. Market wage rates and prices tell workers when it is to their advantage to seek further training, and in what fields; and these same market signals tell businessmen when to step up or cut back on training programs.

Consumers are fickle; their wants and choices are constantly changing. Every change calls for new jobs, new equipment, new employees, new skills – training.

The successful firm provides that training and shows a profit on the time and effort invested. That's what market demand means: Consumers gladly reward, in the form of profit, the most efficient sup-And self-respecting pliers. no trainee or employee would begrudge his trainer that profit. Who wants to be trained by those who bankrupt themselves in the process? Who wants to understudy a failure? What is so great about being added to the payroll of a company receiving a \$3.000 government subsidy for the favor?

Unused Resources

When the social reformers with governmental power proclaim a need that cannot be detected or measured in the market, the businessman who volunteers to fill that need can hardly pretend to be operating in the free market. He is dealing instead in the uncertain realm of political action.

There is a popular myth to the effect that an unemployed person or an unused resource of any kind is a drain upon the economy. It could be true that the person or resource might be employed to the advantage of everyone concerned; the economy then might be healthier than otherwise. But unemployment per se does not drain the working economy. The fact that Joe Doakes is unemployed does

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not automatically entitle him to draw goods and services out of the market place. He is neither putting anything into the market nor withdrawing anything from it — as far as his unemployment is concerned.

The foregoing, however, is not the total picture in the United States today. Legal action has been taken to give the unemployed person drawing rights upon scarce resources. In a sense, he has been handed a tax collector's permit. How much he may lawfully extract from producers depends upon how little he produces. Not his poverty nor his lack of productivity, but the tax-power granted to him by government in the form of special privilege, is what allows him to drain the economy. So, let us bear in mind that coercive power has been given to those we otherwise identify as the hardcore unemployed. There is little prospect of their learning to serve themselves through honest employment as long as they share the belief that the rest of the world owes them a living and as long as they hold the political power to prove it.

It is normal and natural for the individual to act in his own interest. If he clearly sees it is to his benefit to develop the skills to earn a better living, he is likely to be in the market for such training. This is a demand situation to which suppliers can respond - an opportunity for profitable private enterprise.

Fruits of Intervention

In contrast, consider the effect of various government welfare programs over the years. What have we accomplished with force? To what lengths have we gone to shatter the mirror in which men would identify their own interests?

The more a man earns, the higher tax rate he must pay on his earnings. He may lose Old Age or Disability benefits if he earns too much. Higher earnings may render him ineligible for low-rent subsidized housing or Medicaid or Aid to Dependent Children or Food Stamps or Unemployment Compensation or other welfare payments. The law has granted him these "rights," given him power to use against the taxpayer, made it very difficult for him to discern whether or not it is in his best interest to train for a job and improve his capacity to earn.

Some gentle reader may be shocked at reference to political power in these terms. But it is high time to remember that government is coercive force – pure and simple. And it is high time to stop asking government to perform any duty for us if the use of police power seems inappropriate to that task.

The political weapon comes in many shapes and sizes, some of which are difficult to recognize. The protective tariff hides an iron fist, as does any charter or grant of special privilege. Organized labor wields governing power in excluding competition from various job opportunities. So do many licensed professionals. Farm subsidy checks are drawn against taxpayers under compulsion. So is every other payment made by any government to any individualsimply because government is and can be nothing but the power of coercion.

Identifying the Problem

The point is this: tax-power is the hard-core of the unemployment problem in the United States. Some persons are unemployed because employers are strictly forbidden, under full penalty of the law, to pay as little as those persons will earn. Some are unemployed because unions, empowered by law, will not admit them to certain jobs. Most of the unemployed are regularly drained of their dignity by bureaucrats who hand out tax-collected resources. thus inviting their "clients" not to work. And some of the unemployed are just waiting until Congress reloads that ancient blunderbuss recently rechristened the "negative income tax."

Professor Paul A. Samuelson, in his *Newsweek* column of June 10, 1968, finds hardly anything wrong with a negative income tax except its "unappetizing name." What politician wants to be negative! "So," says he, "call it by the sweeter sounding and more informative, name of an 'incentive income supplement.""

But the Professor, in typical fashion, is mincing words. He knows very well that the principle of the so-called negative income tax was fully incorporated in the "progressive" income tax in effect in the United States since 1913. The principle is to soak the rich for the presumed benefit of the poor; on a steeply rising scale, take from those who produce most efficiently and give to those who do not. Now, after 55 years, he wants to change the name of the game to "incentive income supplement." Under the old name. it didn't solve the problem of poverty. Nor will sweetening the socialism change its sound of effect. Diminishing the rewards for production inevitably and invariably will hurt the poorest among us more than it hurts those better cushioned against starvation.

There is no cause for either a student or a professor of econom-

ics in 1968 to ignore the lessons of socialism so eloquently told by the millions of victims of famine in Russia and other lands that at times have carried the "incentive income supplement" to its logical conclusion.

Justice?

There is an alternative to "progressive" socialism, and whether it be called laissez faire or the free market or open competition or private enterprise makes very little difference. It affords to each individual precisely what he deserves - which is another way of spelling justice. One serves himself through serving others: some call it the Golden Rule. This formula permits a person to be charitable. at his discretion, and with his own resources; but it does not commandeer his property, against his will, for disposition by others.

If Professor Samuelson is determined to practice injustice and interfere with the way the market allocates goods and services according to the guides of supply and demand and consumer choice, and if he wants an "incentive income supplement" that might be more helpful than harmful to the poor, let him try subsidizing success rather than failure. He could call it "positive taxation," though it would be regressive in fact, like the present social security tax: exempt from taxation all earnings above a certain figure. Then, distribute the proceeds, not directly to consumers, but indirectly to those most efficient at supplying the goods and services consumers want. Give the subsidies to the producers, in proportion to amounts they have invested in the productive facilities and tools that create job opportunities and supply the market with goods and services.

Subsidizing the Efficient

If the Samuelsons of the Great Society were to carefully examine the farm price support program in its over-all application in the United States since the mid-thirties, they might begin to grasp the implications of subsidizing the rich. Not that there is any excuse or justification for such interference with the market! But the reason why such interference has been tolerable for so long is that the farm subsidies by and large have gone to the most efficient producers of food and fiber. Not the poor, small, inefficient farmers, but the large, efficient, prosperous ones have received most of the price support payments. Despite the various "soil bank" and "plowing under" names for the game, the bulk of the benefits have been paid to those who produced the most - almost as well as the market would have done if unmolested. And the net result has been an abundance – even a surplus of cheap food to feed the poor of the entire world. No political meddler in his right mind would have planned it that way – but it has happened that way in spite of the intentions of the planners.

Maybe the farm program hasn't helped the poor, but it hasn't hurt them very much. By the same token, subsidizing savers and investors would better serve the poor than to give the same amount to consumers. If professors insist on minding other people's business, let them think in terms of a "positive income tax," the proceeds to be used to subsidize the most efficient producers of goods and services.

Fortunately, such a proposal is wholly lacking in political appeal. Political proponents of farm price supports never meant to encourage production; that was quite accidental. Except by such accident. there isn't the ghost of a chance of passing a law to reward success. But there is no need of legislation for that purpose; an unhampered market economy, leaving each person free to pursue his own peaceful interests, would do the job very well. All that is asked of politicians and their brain trusts is some faith in freedom and some

skepticism of those who wield political power.

The Mark of Integrity

We expect too much if we expect virtue and integrity from those who hold special privilege and live by the power it gives them. Nor will we find freedom if we look to them for it. Any freedom any person enjoys will be earned by him through his own virtue and integrity in his daily dealing with others of virtue and integrity.

These are qualities we may hope to find in our business associates the successful suppliers and the satisfied customers in the market place — under a simple but inflexible code of justice: each gets precisely what he earns by serving others.

Individuals or groups may hold and practice other codes of justice, and of mercy, and may have excellent reasons for such codes. But no code demands greater integrity of men than does the simple code of the market. Is integrity too much to ask of those who solicit our trade?

Just what is integrity? What is this quality we have every right to expect of a business associate?

Well, we expect his product or service to be as good as his word, and his word as good as his bond. We expect him to stand fully and personally responsible for what he says and does. Our right to expect that much of him rests upon our demonstrated effort to live by that same code – a condition of mutual respect.

Such integrity seems hardly too much to ask of a man who wants to do business. Yet, we know that it is human and easy to err.

In good faith, we contract for the services of an employee, who becomes a businessman when he thus enters the market. But sometimes we find that instead of devoting full time to the task he has agreed to perform, he uses part of his time at our expense to organize his fellow employees to slow down on the job, or strike in unison, or forcibly deny other willing workers entry to the job opportunities thus neglected.

This is the sort of behavior we might expect if we were dealing with a governmental monopoly such as the Postal Service; for in that case, not the negligent employee, but the general taxpayer is held responsible for the failure to serve efficiently. We may expect such behavior from employees of any organization which holds an exclusive charter or franchise to serve a given area. There come to mind illustrations involving public carriers, water companies, garbage collection, taxi service, other utilities. But we do not expect and should not have to tolerate such behavior from a businessman who is actively competing to serve customers satisfactorily. Of him, we expect responsible performance — and integrity.

Whenever an employee comes to work for us with political privileges and power, we ought to be suspect of him. And if we, as employer, have entered into an alliance with employees of that character, our customers may well suspect our good intentions and capacity to deliver goods or services according to contract. How is the customer to know against whom the unioneer's political power will be used?

A Peculiar Partnership

With mounting evidence on every hand of the failures of compulsory socialism, one hears more and more, from outstanding businessmen among others, of a new and golden opportunity for private enterprise to "volunteer" and carry out the tasks at which government has failed - a "private corporation" to operate the postal monopoly, a national alliance of businessmen to train the unemployable or remodel the inner city or clear up the ghetto or attend to foreign aid. Solving the problems of Vietnam doubtless will be added to the list.

Scarcely anyone seems to be

concerned that these tasks for the most part are no more the appropriate domain of private enterprise than of government. The conditions of the problems are so gualified and stipulated that there is no solution. There are serious problems in these areas that ought to be solved; but they have not vet been identified or described with sufficient clarity to yield to solution. To propose that businessmen join forces with government. and accomplish with modified power what the full power of government could not do, is to confuse and corrupt the functions of both the free market and the police force. Business is not done through compulsion. Policemen may need guns to keep the peace, but not to wage war on poverty.

Not until the government gets out of a particular business, relinquishes its monopoly power in that field, is there much prospect that private enterprise will seek or discover opportunities to profitably serve the needs in that area. As long as government persists in granting special privileges and in confiscating profits earned and property invested, businessmen are well advised to keep out - not to volunteer their services. If government will confine its efforts to the defense of life and property -a fair field and no favors - that is the very most it can do to attract private enterprise to problem areas. Indeed, for the most part, that *is* the problem, and the solution is just that simple: use governing power only to keep the peace.

Unwanted Volunteers

Human affairs are endlessly complicated by those who "volunteer" the power of government to solve all sorts of real or imagined problems for which armed forces have no competence. And the excuse often is heard that private enterprise failed to do anything about those problems. Now, from the other side of the vicious circle. come voices urging private intervention where government intervention has failed. And a powerful case can be made for voluntary cooperation rather than compulsion in many human relationships.

But it does not necessarily follow that everything which governments have undertaken or been urged to do ought to be done either voluntarily or coercively. To voluntarily relieve individuals of the unpleasant consequences of their own weaknesses and mistakes can be just as harmful to them as to let the government do it. To "voluntarily" relieve individuals of the fruits of their own efforts without their consent is still rank injustice. Private enterprise is not something that can be done to someone else. It is for

participants only – willing participants.

The point is excellently stated in a recent article, "Enterprise Potential of the Inner City" by John H. Clay, Negro president of the Negro-owned, profit-making Business Development Corporation (BDC) in Philadelphia:

It is tragic that this nation, dependent for its great strength upon private enterprise, until lately has failed to recognize a dichotomy of approach so very evident to us in the "inner-city": to remove and eradicate poverty, our nation has tried primarily to rely upon social beneficence and assistance controlled by bodies outside the population affected, throwing away the vibrant lessons from our own history demonstrating time and time again that self-determination and individual initiative. in economic as well as political matters, breed capacity, responsibility, commitment, involvement, motivation . . . and results.

In our society's developing commitment against poverty and disadvan-

tage, the greatest problem we face is not one of adequate funding but of adequate wisdom in applying this basic principle. For in a society made strong through competitive, private enterprise, we cannot solve the problems of the cities through a two-societv approach whose dominant themes are achievement-fostering enterprise outside the core cities and funded social reinforcement inside dependency areas: this dual approach implies inferiority and cements dependency, while fostering alienation in both areas. We only can eradicate poverty through steps to install and foster in dependent areas not a share of the fruits of enterprise but, rather, the enterprise system itself. It is the only instrument dynamic enough.³

Mr. Clay has reiterated the ancient and ageless truth that people do best for themselves when left alone – and free. The idea that good may come of mixing business and government is a serious threat to human progress – not a hopeful sign.

IDEAS ON LIBERTY Alexis de Tocqueville

IF IT BE ADMITTED that a man, possessing absolute power, may misuse that power by wronging his adversaries, why should a majority not be liable to the same reproach? Men are not apt to change their characters by agglomeration; nor does their patience in the presence of obstacles increase with the consciousness of their strength. And for these reasons I can never willingly invest any number of my fellow creatures with that unlimited authority which I should refuse to any one of them.

³ NAM Reports, July 15, 1968.

THE PUBLIC BE DAMNED

A PRESIDENTIAL commission has just made official what you and I have long known from experience. The Post Office "each year . . . slips further behind the rest of the economy in service, in efficiency, and in meeting its responsibilities as an employer."

The commission recommended that the Post Office be converted from a government department to a nonprofit government corporation. That might improve matters some, but since the Post Office would still be a monopoly and a government organization, it would remain high-priced and inefficient. A far better solution is one I suggested many months ago (Newsweek, Oct. 9, 1967) - simply repeal the present provision making it illegal for private enterprise to provide mail service. Competition would quickly set modern technology to work in the transmission of mail, and simultaneously lower the cost to the consumer. The government system would have to shape up or ship out.

But neither the one proposal nor the other will be adopted. The facts of political life that make this prediction a near-certainty were brought home to me when I was writing my earlier column on the Post Office. Why not, I thought, use it to persuade a congressman to introduce a bill to repeal the present prohibition on private delivery of mail? That would have started desirable legislation on its way, made the column more topical, and given the Congressional sponsor some publicity. So I spoke to a number of friends in Congress.

All were favorable to the substance of the bill, yet none was willing to introduce it. As one congressman said to me, "Can you suggest any unions we might conceivably persuade to testify in favor of it?" I could not do so.

Strong pressure groups will oppose changing present arrangements: the postal unions that have become experts in lobbying before Congress; the users of third- and fourth-class mail, who fear that the subsidy they now enjoy would be threatened if Congress no longer finances postal deficits. No strong pressure groups will favor the proposed changes—which serve only the widespread general interest of the public. If the proposed changes were made — if, for example, private competition were permitted — pressure groups would emerge. Enterprises that succeeded in the new business and their employees and customers would become such groups. But these are only potential, not actual.

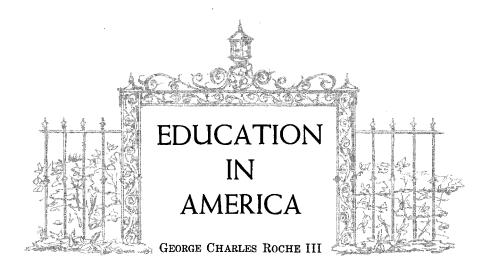
A congressman has limited time and influence. It is wise for him to husband that time and influence to promote measures that have some chance of being adopted, or, at least, of bringing him some political support. What can he gain by the purely quixotic gesture of sponsoring a bill to introduce competition into the postal service? Only the active hostility of present special interests. True, many more persons would be benefited than would be harmed and the aggregate benefit would greatly exceed any transitional harm. But, and it is a big but, the few persons who believe that they would be harmed will be aware of that fact, and each will expect significant harm, so it will pay them to fight the bill. Most persons who would benefit will not be aware of that fact. Even if they were, the benefit to most would be small. Hence, they are unlikely to

devote much effort to promoting the bill – or even to have their vote influenced by its introduction. Their vote is likely to be determined by the matters with respect to which they are members of special interest groups.

Many citizens regard it as a paradox that a democratic government, supposed to promote the general welfare, should enact so many measures that promote special interests. It is not a paradox. It is the result to be expected when government engages in activities that have concentrated effects on small groups and widely diffused effects on the rest of the citizens. A majority rules in a political democracy, but the majority that rules is typically a coalition of special interests - not a majority promoting the general interest.

In the heyday of nineteenth-century capitalism, William H. Vanderbilt a railroad tycoon, is said to have remarked, "The public be damned" to an inquiring reporter. That may have been his attitude but it was never an accurate description of how private enterprise behaved. Competition saw to that. Enterprises that damned the public did not survive for long. But however accurate it may have been then, today the phrase fits Washington to a T.

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1. What Has Happened?

IN WHAT must surely be his most quoted remark, the nineteenth century novelist, Thomas Peacock, commented that anyone talking about education was the bore of all bores since his subject lacked a beginning, a middle, or an end. Anyone attempting to write on the subject would seem, therefore, to undertake a difficult assignment. Yet, what other topic has had so much written about it, so little of which is read? With his usual blunt Yankee insight. Emerson summed up the current attitude on such treatises:

It is ominous, a presumption of crime, that this word Education has so cold, so hopeless a sound. A treatise on education, a convention for education, a lecture, a system, affects us with slight paralysis and a certain yawning of the jaws.

I know what Emerson meant, yet must risk that slight paralysis and yawning of the jaws in my reader. Why? Because it seems painfully clear that our society is breaking down rather than maturing and because this trend seems likely to continue until we face and correct certain fundamental misconceptions in our educational framework.

In the last century, men of good will seemed naively confident

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that the mere communication of knowledge could change the world. All problems, all social difficulties, could be corrected if only ignorance could be conquered. Unfortunately, knowledge and ignorance are at best highly relative terms. The problem is further aggravated when we ask the question, "Knowledge and ignorance of what?" Sadly enough, that issue was all too seldom faced when we were constructing the philosophy and institutions of modern American education.

The Mixed Blessings of Universal Education

Following the lead of the nineteenth century, modern America and most other nations of the Western World have established universal institutionalized education. However, there are some signs that ignorance has not yet been vanquished. There also are signs that such knowledge as has been imparted has brought little progress toward "the good society." Worst of all, there are signs that teaching everyone to read may be less than an unmixed blessing:

... teaching everyone to read opens minds to propaganda and indoctrination at least as much as to truths; and on political and social matters it is propaganda and indoctrination rather than truth that universal education has most conspicuously nurtured.¹

Modern dictators have made very effective use of universal institutionalized education.

As universal education has failed to provide the utopia expected of it, the Western World in general, and the United States in particular, has begun to suspect that even our advanced, literate. "modern" civilization on which we so pride ourselves may prove to be mortal after all. We are beginning to suspect that civilizations can die as well as grow. Moreover, we are becoming restive as we see some of the signs of decay around us. We are beginning to suspect that there are other obstacles blocking our path to an ideal society, obstacles derived from the human condition. obstacles not easily overcome by merely providing larger and larger schools, more and more books, and more and more of all the other trappings of universal institutionalized education. The differences we note between an "educated man" and a "good man" should cause us to re-examine what we mean when we use the word "education."

Surely, education should be helpful rather than harmful. Sure-

¹ James Burnham, Suicide of the West, pp. 138-139.

ly, education should be encouraged to the utmost. At least this is the way we all talk about the subject. Do we really mean it? More important, should we really mean it? The answer to these questions depends on what sort of "education" we have in mind.

Perhaps the most "educated" people of antiquity were the Greeks, yet they destroyed themselves. The Germans have been among the most literate and most completely "educated" people of modern times, yet succumbed to the siren song of an Adolf Hitler. Despite the fact that much of what passes for "education" produces undesirable results in whole nations, despite the results it has been producing lately among many well-endowed young people within our own society, we still find in the minds of most people that "more education" is the answer to all problems.

An alarming percentage of our citizens, it is to be feared, stop with the word "education" itself. It is for them a kind of conjuror's word, which is expected to work miracles by the very utterance. If politics becomes selfish and shortsighted, the cure that comes to mind is "education." If juvenile delinquency is rampant, "education" is expected to provide the remedy. If the cultural level of popular entertainment declines, "education" is thought of hopefully as the means of arresting the downward trend. People expect to be saved by a word when they cannot even give content to the word.²

Shortchanging the Students

Twentieth century America is a society in which all children go to school. Yet. today our cities are populated by children worse behaved and more socially dangerous than the less "educated" youngsters of former times. Let me hasten to insist that I am not against children learning to read. In fact, one of the complaints which can be leveled against modern education is that large numbers of high school graduates are scarcely able to read and quite unable to write a coherent paragraph.

It is not that our young people have been underexposed to "education," but rather that they have been badly shortchanged in what they have received. Meanwhile, many of our high school and college graduates who have learned to read have then been condemned to spend their time with books and lectures calculated to undercut those human values that make for the good society. The resultant generations of young people with little or no knowledge of the nature of man, and a scarcely better understanding of the economics, politics, and social concepts that

² Richard Weaver, Life Without Prejudice, p. 42.

have been produced by the great thinkers of the Western World. continue to pour from our "edusystem. Surely, these cational" young people cannot be blamed for the direction of our society. Surely, a system which produces young people, some of whom cannot read, many of whom cannot think, and most of whom lack knowledge of their own heritage and the moral values which underlie it, is a system which needs serious attention. We have been pouring unlimited amounts of money into the mechanics of the education of our young. Perhaps it is time we began to devote a little thought to the subject as well.

Meanwhile, we Americans seem to have almost no idea what to do with our children. School, in many cases, seems to be a convenient place to file our young people until the draft boards or the labor unions absorb them. As parents and future employers, it appears that at least a part of our concern for more and more years of "education" is to get the youngsters off our minds. This seems to be evidenced by more preschool education, by the extension of the high school years through the thirteenth and fourteenth grades at junior colleges, by our assumption that nearly all young people should now attend at least four years of college, and more and more of these same people attend graduate school as well. In the process we have cheapened the bachelor's degree to a level inferior to what an eighth grade diploma once constituted and we have made the Ph.D. degree a mere license to teach. "What price education?"

Surely. American education suffers from an almost unbelievable amount of aimlessness and confusion. We spend more on our educational institutions than have most societies past or present. Yet. as our buildings grow larger and larger, the graduates from them seem to be less and less prepared, in either mind or character, for carrying on our civilization. It is widely assumed, and correctly so. that our prospects as a nation and as a civilization rest upon our ability to inculcate skills and civilized values in our young people. Such a task is so important that our society cannot any longer afford to let it drift as it has been drifting. As one critic has suggested. "Is it possible that 'education' is too important to be left to the educators?"

Jeremiahs Seldom Popular

Of course, it's possible to lightly dismiss such questions. Criers of doom are always warning that the end of civilization is in sight, but the sun usually seems to rise the next morning. Isn't it true that in our developing technology and in our scientific achievements we have been advancing steadily? Isn't it true that we have more material possessions than any other civilization, past or present? Yes, but it also is true that history is filled with the records of dead and dying civilizations; civilizations which in most cases achieved the greatest bloom of prosperity and self-satisfaction at the very time when they had so lost their way, and so departed from the very values which gave them direction, that their own decline and decay had already begun, unnoticed by most people.

There are usually on the scene some people able to sense the turn of events; but Jeremiahs seldom get a good press in their own society. People don't like to be told such things. One of the warnings concerning our own failing as a civilization comes to us, however, from a man well publicized throughout the Western World. In 1923, Albert Schweitzer commented in his *Civilization and Ethics:*

My subject is the tragedy of the Western world-view. . . . Our civilization is going through a severe crisis. . . . Most people think that the crisis is due to the war but they are wrong. The war, with everything connected with it, is only a phenomenon of the condition of uncivilization in which we find ourselves.

Our "uncivilization" was attributed by Schweitzer to the great gap which has opened up between our material and spiritual understanding. He sensed that modern man was becoming dependent upon larger and larger economic, social, and political aggregations of power. He warned that, in the process, the individual man was finding it increasingly difficult to identify and establish his own personality. American education serves as a prime example of modern man's emphasis upon the material rather than the spiritual, an emphasis upon larger and larger aggregations of collective authority and organization within which individual personality finds a smaller and smaller place. Let anyone who doubts this attend the massive public high school or gigantic state university campus of his choice. What we teach and how we teach it makes it harder and harder for the individual to find and defend his place in the sun.

Progress and Regress

This peculiar composite of material progress and spiritual regress leads us directly to one of the dichotomies of our age. While technicians and scientists radiate optimism in their prediction of a glorious future, most of the popu-

October

lar writers of our time, concerned with the human condition, view the present as an absurd joke and see the future as hopeless. All too many modern writers see the universe and human life as essentially meaningless. If anyone might doubt such a sweeping statement, let him consider the literature which our young people read today in the high schools and colleges of America. The same overwhelming impression of the meaninglessness of human life can be detected in conversation with many young people, or in even a casual perusal of the press and theater of our time.

A Dead End?

It may be that in our pursuit of "education" we have been pursuing the wrong ideas. Our American educational system might be compared to the glorious promise of the nineteenth century frontier roads leading to the West. They offered a majestic appearance as they left the East, with planted rows of trees on either side to tempt the traveler. But, as Emerson remarked, they soon became narrower and narrower and ended in a squirrel track running up a tree. There are some signs that. for all of our grand hopes and great expenditure, our institutional educational framework may likewise be leading us up a tree.

Over 2,300 years ago, Aristotle stated the question most succinctly: "Consideration must be given to the question, what constitutes education and what is the proper way to be educated." The answer appears to be one for which Western man is still searching. Perhaps it is time to remind ourselves of historian Herbert Butterfield's injunction:

Amongst historians, as in other fields, the blindest of all the blind are those who are unable to examine their own pre-suppositions, and blithely imagine therefore that they do not possess any... It must be emphasized that we create tragedy after tragedy for ourselves by a lazy unexamined doctrine of man which is current amongst us and which the study of history does not support.

Professor Butterfield would get little hearing for his remarks throughout much of the academic community today. Still, he may be right. We may have become so busy discussing "education" with the current clichés and shallow value judgments which we have come to accept, that we are overlooking some philosophic and institutional flaws of grave magnitude. Perhaps the time has come for a serious and sustained effort in thinking through the goals and means of American education. It is past time for all of us to become interested in the subject, especially since educators in many cases respond to criticism "by redoubling their efforts and forgetting their aims," as Robert Hutchins has said. Surely, we can do better.

Actually, this soul searching and re-examination of American education has been under way in this country ever since World War II. Many people are deeply concerned about various practical or philosophic aspects of one level or another of American education. But no single level of education can be considered in a vacuum. The students of colleges are, after all, the graduates of American high schools. The teachers of high schools are the graduates of American colleges and universities. Not only are various levels of Amerieducation interrelated, but can the practical and philosophic aspects of the problem feed back upon one another to produce a complex of relationships which deserves a careful treatment within the compass of a single study.

Aspects of the Problem

Some of the problems we will be examining in an effort to achieve an improved understanding of American higher education will include:

(1) What should we be trying to teach? What is the nature of the underlying moral framework which society must pass from one generation to another for its own self-preservation?

(2) How does education fail when it departs from such an underlying moral framework? What have been the results of such a departure in our own society?

(3) What of the problems of size and the problems of population which confront our schools with overcrowding, lowering of standards, and many related difficulties?

(4) Why is it that child-centered education, education essentially without discipline, is a disaster, both for the child and for the society in which he is to assume a role?

(5) What of the role played by the educationists and the largely dominant philosophy currently pursued in American education?

(6) What of the failures in higher education, stemming from institutional inertia, excessive specialization, the committee mentality, the "publish or perish" syndrome, and the other shortcomings of the college and university community?

(7) What of the college revolts of our age? Who is responsible: student, faculty, or society? More important, where do we go from here?

(8) What of the problem of public versus private financing and philosophy for all levels of American education?

This listing of vital questions concerning American education could be extended. What of the public

and private roles in research and technology? What of the problem of vocational training? What involvement should private industry have in this question? What are the wellsprings of that human creativity which has allowed society to advance as far as it has and how can those sources best be safeguarded within our educational system? What of the many good jobs being done by good people on various levels of American education and how can they best be preserved in a revamped system? And finally, what sort of a philosophy of education could best provide for America the trained, disciplined, truly human, young people so desperately needed if our nation and the Western World are to survive?

An attempt to answer all of these questions is, of course, ambitious. But such a task is made far easier by all the modern critiques of education on its various levels which have been undertaken by so many highly gualified people. Even more important, the whole rationale for a proper philosophy of education derives from a large number of distinguished thinkers, past and present, who have perceived the basic truth that how a civilization deals with its young and creative minds is the final key to the future of that civilization.

With a tip of our hat toward all those better men who have gone before, let us examine some of the problems of American education.

The next article of this series will discuss "Freedom, Morality, and Education."

IDLAS ON LIBERTY Education for Privacy

I SUGGEST that over the door of every academic cubicle there should hang the sign which Thoreau had over the door of his hut: "My destiny mended here, not yours." In short, I propose to make a plea for education for privacy.

LEAVING THE PROBLEM TO OTHERS

BEN H. CARPENTER

IN THIS dynamic country of ours, where things happen so quickly, where situations are changing at an ever accelerating tempo, it is extremely easy for us to lose perspective. In our fretting about how today differs from yesterday some of us somehow look back on yesterday as being "normal." Actually there has obviously been no such thing as normality during the last three centuries for the simple reason that there has been such steady and rapid change during the entire period.

This is a fact which apparently escapes many persons. Many of us are constantly looking to the past, dreaming of it, wishing for it, not realizing that if we were to succeed in taking ourselves back to the period when there was little change from one generation to the next we would have to return to the Middle Ages-back to the days of the Black Death, of hopeless malnutrition and superstition, of ignorance and tyranny.

Let us look at just a random selection of developments which change has brought us since this Cattle Raisers Association was organized under the Oak Tree at Graham. These developments include the gasoline engine with all its ramifications including automobiles, trucks and busses, farm tractors, piston driven airplanes, motorcycles, motor boats, power mowers, stationary engines, and mobile construction and military

Mr. Carpenter, Chairman of the Board of Southland Life Insurance Company in Dallas, recently concluded a term as President of the Texas and Southwestern Cattle Raisers Association. This article is from his address at their annual convention in San Antonio, March 26, 1968.

equipment of all kinds: the diesel locomotive: turbine and jet powered aircraft; oil-fueled ships: rockets and missiles, industrial equipment and machinery of many sorts: oil- and gas-fueled space heating and cooking equipment: air conditioning: the washing machine, refrigerator, vacuum cleaner, incandescent lamps, the phonograph, telephone, movie machine, radio, television, radar, rotary drill, cream separator, milking machine, commercial fertilizers. antibiotics, feed additives, vacuum packing and freezing, the cash register, the atomic reactor, computers and electronic instruments. x-ray, the heart-lung machine, and the iron lung. And there are, of course, thousands of other amazing developments, which we are quick to become accustomed to and take for granted.

To Respond Intelligently

There can be no progress without change. Our task in life is not to resist changes but to intelligently respond to changes that take place. Many of the problems of our own cattle industry today are a partial result of the reluctance of many cattlemen to accept this fact. We must not let ourselves become so preoccupied with resistance to new ideas and with dreams of past golden memories that we fail to devote sufficient thoughts and efforts to respond to these new changes as they challenge us.

The most significant thing about the changes taking place in our environment today is the speed with which they are occurring. Dr. Thomas Stelson, head of Civil Engineering at Carnegie-Mellon University, tells us that half the knowledge an engineer had when he graduated in 1958 is now obsolete. At the same rate of change, today's graduate will find at least half his present knowledge obsolete by 1978. Or to put it another way, half of the technical knowledge an engineer will need to know in 1978 is not now available to him. No one knows what it is

Our society has traveled fast and far in advancing our technology, our physical output, and our material well-being. We have developed the most productive form of society that man has ever enjoyed. We have taken long strides into the unknown and have extended man's influence upon his environment. But, has the swiftness of our material achievement outrun our moral and spiritual capacity?

In considering this question, W. F. Rockwell, Jr., chairman of the Board of North American Rockwell Corporation, cites the story of the American hunter who was in search of big game in West Africa. He was getting close to his prey when his hard-running native guides suddenly sat down to rest. The American protested to their leader. He threatened properties ed, offered bribes, but the natives wouldn't budge.

"But why," he asked the leader, "why must they stop now?"

The leader replied, "The men say they have hurried too fast. Their bodies have run off and left their souls behind. They must wait now for their souls to catch up."

Rockwell has commented that it seems to him that this could be happening to Americans today. We may be running so fast that our technology is out-running our souls.

Max Ways, senior editor of *Fortune* magazine, has given us this warning:

"Unless we change our thinking, we won't be able to cope with the change that is taking place. Change, of course, has always been a part of the human condition. What's different about it now is the pace of change, and the prospect that it will come faster and faster, affecting every part of life, including personal values, morality, and religions, which seem most remote from technology."

And this is of great concern to me. Everywhere there seems to be an abandonment of the ancient values that have sustained and restrained the human race upon this earth. The old virtues which we were brought up to respect and copy in our daily lives, are now derided and called, at best, oldfashioned and out-of-date and, at worst, "square."

Lowering the Standards

On every hand there are signs that we are substituting materialistic values for spiritual ones the old standards of what is right and what is wrong are being discarded and, in their stead, we are establishing doubtful codes of ethics that, if followed, can only render us impotent as a people and as a nation. Riots. demonstrations, acts which show disrespect for our flag, for high government officials, and for law and order have become a way of life for far too many Americans.

And – here is what also disturbs me most of all – instead of being outraged by what has been going on, many of our leaders on the national level seem to be spending most of their time making up excuses for behavior which we were brought up to consider as obscene, illegal, perverse, irresponsible, riotous, and even treasonous.

We hear a lot about freedom these days — and we hear very little about responsibility.

We hear a lot about the right to express one's self – and very little about the right of other people to avoid being offended by such expression.

We hear a lot about the underprivileged poor – but very little about the underprivileged taxpayer who is being made the scapegoat for the deserving and the undeserving poor alike.

We pussyfoot among a lot of highsounding names. We call drunkards "alcoholics," we call homosexuals "deviates," we call draft dodgers "card burners," and slackers "pacifists" or "conscientious objectors," we call dope addicts "experimenters in personality extension," we call criminals "victims of society."

Some of this may be all right. Some of it may reflect a more compassionate attitude in our society. But I think the time has come when we should and must draw a line separating compassion from softheadedness, permissiveness, and timidity.

Signs of Decline

Near the end of his great book on the decline and fall of the Roman Empire, Edward Gibbon lists the reasons for the dissolution of the great political force which had held the civilized world together for more than 500 years. The principal reasons included:

1. Excessive spending by the central government.

2. Unwillingness of the young men to bear arms in defense of their country.

3. Overindulgence in luxury.

4. Widespread sexual immorality and easy divorce, which destroyed the integrity of family life.

5. The spread of effeminacy – girls looking and acting like men, men looking and acting like girls.

6. Disregard for religion.

That was Rome, 1,400 years ago. Does the picture seem to apply to the United States today?

I have no patience with the complacent Pollyannas who pooh-pooh the idea that our moral fabric is disintegrating, and who claim that conditions are no worse today than they were 50 years ago.

When most of us were young, women didn't live in constant fear of assault, robbery, and rape. Parents could send their children down to the corner store without dying a thousand deaths until they returned. A man could walk his dog around his neighborhood at night without fear of being mugged, or beaten up, or murdered just for kicks.

We all remember when a rape was a front page story. Now, in most large cities, it's a run-of-themill story tucked away among the want ads and the minor traffic accidents. If a rapist wants to make the front pages, he has to commit his crime in wholesale lots and in an especially spectacular manner. The competition is too great.

Many of you read about the revolt last week of a large section of the student body at Howard University when a mob of students drove the university administrators out of their offices and forcibly occupied the entire administration building of the University for a period of several days. This – almost in the shadow of the Nation's Capitol.

For an example closer to home -would vou believe it if I told you that three of the cattle theft rings uncovered by this association during the past year were composed of students at Texas A&M College? Now, this is something not to be dismissed lightly with the comment that "boys will be boys," when, for example, you realize that the ringleader of one group, a student in the junior class now serving five years in the penitentiary, had developed against him convicting evidence on 62 separate theft cases, including cattle, horses, trailers, and saddles. Our inspectors recovered stolen property disposed of by this group as far away as Billings, Montana, and Fort Collins, Colorado, In between this ring's major theft activities, it stripped automobiles on the campus.

Since the first of the year two

sophomore students, an agricultural education major and a range science major, ring leaders of another theft group, operating in three counties, have been indicted with evidence developed by this association's inspectors.

Seeds of Revolt

And violence? Violence is too common for mention. One need only glance at the newspaper headlines to realize that the seeds of revolution are being sown throughout the country today. The assault on a single day last April of 185,-000 demonstrators against the Vietnam War with displays of hatred for our country and contempt for its laws and institutions is example enough. Or the 75,000 who descended on the nation's capitol on October 21st and created mass havoc. During the past two vears more than 128 American cities have experienced outbursts of racial violence.

We can't blame the newspapers. If they were to cover all the violence in their communities in the way they used to cover it, they would have to have a special editor for rape, a special editor for armed assault, and so on.

Listen to these statistics for a moment. In the United States today there is a forcible rape every 26 minutes — and these are just the rapes that are *reported*. There is an aggravated assault every three minutes.

There is a car theft every minute of every day of the year.

Violence has become a common thing in our daily lives. Blatant disregard for the rights and the freedom of others has become a commonplace thing.

Governments like ours were formed to substitute the rule of law for the rule of force. A government can only lose the respect for which it is held when for political reasons its public officials do not fully enforce its laws.

The freedoms our forefathers fought and died to obtain are now being used to weaken and divide our great country. Listen to these statements which were publicly made by one of the more militant civil rights leaders:

"We've got to tell Johnson that if we don't get home rule here in Washington we're going to disrupt this city completely."

"In Cleveland they're building stores with no windows . . . all brick. I don't know what they think they'll accomplish. It just means we have to move from Molotov cocktails to dynamite."

In Chicago he said: "I'm going to Washington and take it over lock, stock, and barrel."

What used to be called treason

is being accepted today as freedom of speech. What used to be called riot and insurrection not so long ago is today called freedom of assembly. And academic freedom, as a noted educator recently said, "has become a sort of Yalu River behind which Educators and Students alike are immune from attack but from which they are free to sally forth to attack everything else, including their own school and college."

Laggards for Leaders

Whose fault is this condition? In a way, it's everyone's fault. Too many of us have been talking about freedom without really knowing what freedom is all about.

Educators, politicians, clergymen, businessmen, farm groups, and almost everyone else - have been demanding more and more freedom for more and more people as groups-often at the expense of individual freedom. But they have failed to emphasize the responsibilities of freedom. There has been a lot of talk about so-called "Civil Rights" and absolutely no mention of "Civil Responsibilities." You can't gain freedom by taking it away from somebody else. Freedom is something you earn and deserve and build and create for vourself.

But most of all I blame the people who should have been giving

five minutes.

this country responsible leadership and instead have given it meaningless phrases and political slogans. For too long a time all decisions regarding the direction and destiny of our country have been politically oriented decisions. Economic decisions have been political rather than economic, social decisions have been political rather than social, military decisions have been political rather than military, foreign policy decisions have been political rather than diplomatic, public education decisions have been political rather than practical.

If conditions were different and favorable, these national leaders would be the first to claim credit, so a great deal of the blame for the saddening conditions that do exist must be placed at the doorstep of these same national leaders who have all but incited certain elements of our society to riot... and have refused to condemn such riots until they became a political embarrassment.

They have led too many of our citizens to regard freedom as meaning freedom from unpleasantness, freedom from work, freedom from discipline, freedom from sacrifice, freedom from duty, freedom from responsibility, freedom from concern for your neighbor.

That isn't freedom at all. And those who lead the uninformed,

the uneducated, and the ignorant along that path are guilty of political bribery and blackmail.

Instant Morality

Too many of our citizens demand the right to determine what is moral and what is not. They end up determining that nothing is immoral – everything goes. They feel no obligation toward others who maintain traditional moral standards. They feel no responsibility for the young who are not prepared for exposure to the kind of immorality that they desire to preach and practice. This is not freedom; this is irresponsibility.

When men take the law into their own hands — when men, acting as individuals, decide for themselves which laws they will obey and which they will disobey, then we don't have freedom — we have a direct and aggravated assault on *all* freedoms. In every society of free men there must be law-givers and law-abiders — and there must be penalties for those who will not abide.

The Supreme Court has preoccupied itself for years with the rights of the accused. It has all but rendered our police helpless. But let us examine the situation. Do we have a serious problem with innocent persons being wrongly convicted? Do we really believe that our police are seizing every opportunity to "brutalize" suspects? Is this really the problem? No, of course, it isn't. The real problem is the abuse of thousands of innocent helpless people by hardened criminals. Why, then, cannot the Supreme Court address itself to this problem, rather than destroying the effectiveness of the police who are trying to protect us?

Not long ago a judge freed a woman who had confessed to killing her four-year-old child – freed the woman because her attorney was not present when she confessed her crime. The woman thanked the judge and he reprimanded her. He said "Don't thank me, thank the Supreme Court. You should go to jail for your crime." The woman went free.

A patrolman in Washington, D.C., answered a fire alarm, and found a building burning. When he approached the fire, two men walked up to him and one man said, "This is the man that did it." The policeman said to the other man, "What do you have to say for yourself?" The second man said, "Yes, I set the fire." The court threw this confession out on the basis that the patrolman should not have questioned the second man without a lawyer present.

Some time ago the Washington police arrested a man caught in

the very act of raping a 22-yearold government employee. This man had, on two other occasions within the previous six months, been charged with the same type of crime. In the first instance the case was dismissed because the victim committed suicide rather than go through the ordeal of the trial. The second case was dismissed by the trial court on the technical grounds that the police had made an illegal search because of their failure to first obtain a search warrant. He was finally tried, found guilty, and sentenced by the District Court, but listen to this: our very learned U.S. Court of Appeals reversed his conviction because the Trial Court let the jury see, at their request, the official weather report for the time of the alleged attack, which certified that the weather was clear, the temperature in the low 70's, and the visibility eight miles. The basis for the Appellate Court decision was that the trial judge erred in letting the jury see the weather report after the jury started deliberating, and that the defense counsel had no way of attacking it after he had contended at the trial that there wasn't enough light to make a positive identification possible.

This is not fiction! This is modern day America! This is law enforcement and justice under the "Great Society"? Why must it be that way? Why cannot the Supreme Court turn its resources to solving the crime problem rather than erecting legal means for the criminal to escape? Whose rights are most important, the general public's or the habitual criminal's? Is it any wonder that about 80 per cent of serious crime is by repeat offenders?

Downgrading the Individual

But this step-by-step erosion of America's fundamental concepts of patriotism, self-reliance, individual dignity, and fiscal responsibility has now reached the point where it threatens the continued existence of our great country as the cornerstone and anchor point of true freedom of opportunity for the individual.

Many of our national leaders have embraced a philosophy which regards the individual as being incapable of dealing directly with the complex problems each one of us faces today. The extent to which government has already assumed responsibility for basic economic requirements has truly weakened individual initiative.

The present economic situation in which this country finds itself today must in substantial degree be charged to the so-called "New Economics" which have drastically influenced government spending and "managed" basic fiscal policy for the last 10 years. It is almost impossible today to find in a top level financial advisory capacity of our national government men who believe a debt is a debt and that a permanent program of spending above income will bring disaster to an individual, a family, a company, or a government. In our national leadership councils practical men of experience have been replaced by theoretical, academic types. They operate under a far different economic and political philosophy from that which prevailed as the basis for this nation becoming the strongest country in the long history of the world. Their philosophy does not countenance such things as balanced budgets and debt retirement. These unprincipled economists rationalize that "it makes no difference about the size of the debt because we owe it to ourselves." Nevertheless continued deficit spending by the national government has brought inflation, and none of their rationalizing can deny the fact that the American dollar has lost about 60 per cent of its buying power since 1940 - and appears destined to lose more.

Ladies can rebel, protest, demonstrate, picket, and boycott the grocery stores – congressmen can order investigations – but the real culprit is the "New Economics" of government. Some of these economists call it a "Government Managed Economy" and others call it a "Government Controlled Economy." Whether managed or controlled, they have made a mess of the financial affairs of this country from the towering Federal debt of approximately \$350 billion and the swiftly rising cost of living to the deficit in our international "Balance of Payments" and the diminishing of the treasury of gold at Fort Knox.

Back to First Principles

We are at a critical point in history. On the one hand, dramatic and fast changing advances in technology and science offer miraculous opportunities to improve the creative level of mankind. On the other hand, the violence, the license, the financial and moral irresponsibility which infest our land have caused great divisions among our people. Do we have the emotional stability as a people to reject the damaging and negative tendencies of our society in order to properly and fully utilize the opportunities that scientific advancement holds before us?

There are those who contend that old-fashioned creeds, the principles of our forefathers, the founding philosophies of this country's early days are now outmoded and inapplicable to this computerized age of space and science. Our schools have been instructed to refrain from teaching our children the power and glory of prayer. We have successfully and shamefully defended in court our children's right to ignore the salute to the flag. Groups are hard at work trying to abolish Christmas and Easter programs in schools – eliminate Thanksgiving Day and Presidential proclamations of prayer – even working to remove chaplains from our Armed Forces.

I reject these contentions and all of this nonsense. I don't believe that we can comfortably take pride in the scientific and technological advances of the day amidst the immorality, irreverence, irresponsibility, and violence which exists in such volume in our society today.

Toward a Solution

What can we do about it?

There is no quick and easy solution. But we can make a start by taking our heads out of the ground and recognizing the growing crisis around us for what it is. We can start as individuals by abandoning the philosophy of noninvolvement in matters of public interest — an attitude which too many of us have embraced in recent years. We must be willing to accept our citizenship responsibilities. We must choose our national leaders with more care and caution.

We can start relearning the art of self-discipline — and insisting that all elements within our society learn it, also.

We must relearn and teach others that — in the common idiom — "there's no such thing as a free lunch."

Our American society was based on a system of earned rewards and earned punishments. There is no place in our society for either rewards or punishments that are not earned.

We must learn to call things by their right names. Violence is violence — no matter what the cause in which it is perpetrated. Violence is a grievous breach of the law and must be treated as such.

Treason is still treason and should be treated as such. Anyone who gives aid and comfort to an enemy of the United States is flirting with the very essence of treason. And this should be true whether that man is a presidential candidate, a Negro minister, or a foreign agent. The same goes for sedition and for all those who preach sedition, who teach it to their students, or who seek to arouse sedition in others by burning their draft cards or defaming and disgracing the American Flag. We must stop coddling the

breakers of our laws – making up excuses for them – looking complacently the other way because it is safer and easier to ignore them, or because it is politically expedient to do so.

We have tried the soft approach, and many of us hoped it would make conditions better. This has failed. Conditions have become worse, not better, and they are growing worse with every passing day.

We must grow tougher in our approach and we must tighten our financial belt.

We must rediscover for ourselves — and teach to others — the truth that freedom is inseparable from responsibility. It is a difficult thing to win — freedom; but it is even more difficult to live with it — and still more difficult, we are finding, for the individual to keep it.

A Firm Foundation

Freedom is indivisible. Any socalled freedom that impairs and impedes the legitimate freedom of others is tyranny — whether it be in the form of an all-powerful dictator, or whether it be in the form of an arrogant, oppressive, and bigoted power structure, or whether it be in the form of a violent, lazy, selfish, irreverent, and unpatriotic minority.

History has shown us that great

1968

advances have been made in civilization where there has been an acceptance of citizenship responsibility by a broad group of people on a grass roots basis. The ancient empires of Rome and Greece, for example, achieved their initial greatness when individual citizens provided advancement in such areas as science, medicine, judicial matters, education, and economic trade. Great cities in which the citizens both took pride and accepted responsibility were the foundation of these empires of the past. However, as the central governments became more and more powerful, the citizenship of the cities and the countryside abdicated their responsibilities to provide for their own progress and welfare to these central governments. Arrogant and improperly motivated but strong central governments resulted and contributed to the eventual crumbling of once great civilizations, leaving only the ruins of once great structures of marble and stone.

We must not let history repeat itself, as it sometimes has a habit of doing. We must learn from the past and realize that preservation of the integrity and dignity of each man as an individual is vital. The only avenue for the preservation of our way of life and its improvement for our fellow men lies not in more reliance upon our central government in Washington, but in the acceptance of citizenship responsibilities at the grass roots level by as many people as can be motivated to do so.

A responsible citizen is one who is aware of the creative nature of man. Of all the creatures that inhabit the earth, man is the only one that is not content to merely exist in his environment. God has given men the mental capacity to alter or change their environment. Our Christian training and background teaches us that this superior ability should be directed toward improving life for our fellow beings on earth. In this sense each one of us has a responsibility to be creative; that is, to make whatever contribution we can as individuals toward maintaining and improving the environment of our society as a whole. Unfortunately, too many of us have been leaving this responsibility to others, or worse still, have been abdicating it to the questionable leadership of a coalition of professional politicians and fogheaded, theoretical economists.

Implementing Good Intentions

I think most of us have good intentions, but we have let ourselves become so preoccupied with our own personal day-to-day problems and pleasures that we have neglected our individual obligation for active participation and involvement in those affairs of society as a whole which are shaping the destiny of our country. Good intentions and lofty desires in themselves will not solve the problems that face us today.

The trouble with so many of us is that we are always getting ready to act instead of acting; we are getting ready to participate but never really participate in public affairs.

The psychologist, William Moulton Marston, once asked 3,000 persons this question: "What have you to live for?" He was shocked to find out 94 per cent were simply enduring the present while they waited for the future. They were waiting for something to happen, waiting for the children to grow up, waiting for next year. They were waiting for another time to take a long dreamed-about trip, waiting for someone to die, waiting for tomorrow without realizing that all anyone has for certain is today!

The financial mess that we find our country in today, the violence and unrest on the domestic scene, the muddled foreign policy, the soaring crime rate, the disregard for law and order – these things haven't been created overnight. A major trouble is that when these trends started and have progressed, too many of us have been waiting it out – hoping the trends would change – leaving the problem to others.

Each day offers us opportunities and one of life's most precious possessions, time itself. It is a shame to forever lose and waste these most valued elements of our lives by procrastination, while our society moves headlong toward disaster. Resolve on every day of your life to give full attention to the moment right at hand, for life is made up of moments at hand, and only in this way can you live your life to the fullest, and fulfill your responsibilities as a creative citizen.

Conditions are not going to change because we want them to. The only hope for change is for you and me, and thousands of others like us, to start sounding off about matters of public interest. There must be another voice heard besides that of the Black Power mobsters and their intellectual companions. Nobody can do our part, as small as it may be, but you and me!



8. PAX BRITANNICA

I thank the goodness and the grace Which on my birth have smiled, And made me in these Christian days A happy English child.

English Children's Textbook, 1855

THE WESTERN WORLD enjoyed nearly a hundred years of peace from the Congress of Vienna (1815) to the outbreak of World War I (1914). Indeed, this peace spread over much of the earth, as the impact of European civilization was felt to the far corners of this planet. Of course, the tenor of peace was frequently disturbed by rumors of war, and on occasion hostilities even broke out at some point. Such wars as occurred, however, were usually at the periphery of Europe, or beyond. In the early vears there was trouble in Spain and with her American colonies and the hostilities in Greece. In the mid-century, there was the Crimean War to be followed shortly by the most devastating war of the century, the American Civil War. War even came briefly to the European center with the Franco-Prussian War of 1870-1871. And the tempo of the conflicts picked up toward the close of the era, with the Chino-Japanese War, Russo-Japanese War, the Boer War, the Spanish-American War, and the Balkan Wars.

Nevertheless, peace had become

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

the norm and war the exception. Such wars as occurred were usually brief and limited to a particular locale. Threats to the peace were frequently met by a concert of powers to restore accord, such as the ones resulting from the Congress of Verona and the Congress of Berlin. Moreover, institutions and practices for maintaining accord and extending friendly relations among nations were developing apace: respect for nationals in other lands, honoring of treaties, observing diplomatic niceties. respect for territorial boundaries of a country by other nations, and so on, Organizations for promoting peaceful interchange were formed on an international basis increasingly: the International Red Cross (1864), Universal Telegraph Union (1875), Universal Postal Un-(1878), a convention for ion standardized patents (1883), and a convention for uniform copyright laws (1887).¹ The movement for peace reached its peak, in many respects, with the international peace conferences at the Hague in 1899 and 1907. Moreover, sentiment was spreading that wars were an atavistic throwback to our brute past, that civilization was spreading, and that wars

might shortly be banished from the earth. In this context, Alfred Tennyson, Poet Laureate of England, did not appear so much to be dreaming in the lines that follow as describing what was shortly to be:

- Till the war-drum throbbed no longer, and the battle-flags were furled
- In the Parliament of man, the Federation of the world.
- There the common sense of most shall hold a fretful realm in awe,
- And the kindly earth shall slumber, lapt in universal law.

One history book refers to this ninety-nine years as "The Golden Age of the West." Of the era, the authors say:

The growth of parliamentarianism accompanied the advance of industrialization. In one country after another representative institutions were established and personal freedoms were recognized, while new libertarian ideals undermined the time-honored theories of royal absolutism. In its hour of triumph the emancipated bourgeoisie extended the suffrage, abolished religious disabilities, ended human bondage, proclaimed freedom of thought, and encouraged a rugged social individualism. Its faith in the beneficent effects of political and economic freedom, moreover, found support in the rising standard of living of the masses. As the advance of technology combined with the progress of science to create an unprecedented physical

¹ Carlton J. H. Hayes, Contemporary Europe Since 1870 (New York: Macmillan, 1958, rev. ed.), p. 307.

well-being in the lands of the Occident, the privations and fears which had haunted mankind throughout its history began to recede.²

The peace that prevailed generally from the Congress of Vienna until World War I can justly be called the Peace of Britain. During these years Britain was the leading nation in the world. Carlton J. H. Haves has said. "Right through the nineteenth century and until the world wars of the twentieth. Great Britain enjoyed a preeminence among the nations comparable with that of Spain in the sixteenth century or of France in the seventeenth."³ His comparisons understate the case. Britain's pre-eminence in the nineteenth century should be compared with that of France in the High Middle Ages, with Rome at the height of empire, with Athens in Greece during the classical age. That is. Britain was leader at the time of the flowering of the West.

A Different Source of Strength

But while Britain's leadership resembled that of Rome in that it came at the peak of a civilization, it was unlike Rome in very important ways. Rome's pre-eminence came by conquest and empire. Britain had an empire throughout, but it was not the source of her greatness. Rome's might was in the force of the Roman legions. Britain never had more than a tiny army by the standards of the age, and even her vaunted navy was not usually an instrument of conquest. Britain's greatness did not stem from her empire nor have its greatest effect in the navy that ruled the seas.

There was a time when Britain's rulers sought greatness by way of conquest and empire. Indeed, they did so off and on for more than two centuries. Britain's pre-eminence was an amazing phenomenon, considering the small physical base for such greatness and the historical remoteness of England from the centers of civilization, but it did not come overnight. England's thrust to become a world power began during the reign of Elizabeth I (1558-1603), when an augmented navy began to contest with other countries. The navy consolidated its arrival to great power status by the defeat of the Spanish Armada in 1588. Thereafter, the appurtenances of England began to appear on distant continents, ever more prominently. Successful colonization began in the Americas in the early seventeenth century. During that century British naval

² Chester G. Starr, et. al., A History of the World, II (Chicago, Rand Mc-Nally, 1960), p. 337.

³ Hayes, op. cit., p. 40.

power contested with that other great naval power, Holland, and was generally successful. There followed a number of major wars involving England and France, among others, in the late seventeenth and throughout much of the eighteenth centuries. So far as the thrust to eminence by way of conquest and empire by England was concerned, these wars reached their culmination with the Treaty of Paris (1763) which ended the Seven Year's War (known in America as the French and Indian War). By the terms of this treaty England acquired or consolidated its hold upon a vast and extensive empire: all of North America east of the Mississippi as well as the vast area of Canada. These were in addition to other colonial holdings acquired over the years.

Open for Business

But the imperial greatness of England was short-lived. The old English continental American colonies revolted in the 1770's, and were able with the aid of France to effect their independence. In that conflict, however, Britain faced not only a Franco-American Alliance but also a hostile Spain and a League of Armed Neutrality of northern European powers. At yet another Treaty of Paris (1783), Britain was divested of

the choicest of her colonial possessions. Though the monarch retained some colonial possessions. these ceased generally to be conceived of as sources of wealth and power. Indeed, for perhaps twothirds of the nineteenth century Englishmen were given to thinking of colonies as a burden and responsibility rather than anv considerable advantage. One historian notes that "most Victorian statesmen as well as spokesmen of the Manchester School professed a distaste for 'Empire' and talked of colonies as a 'millstone round our necks. . . . ""4

At any rate, at the moment of the nadir of imperial prestige in 1783. England was set on a new road to greatness. The industrial surge occurred most dramatically in the 1780's, and may well have been spurred by British ingenuity turned away from the exploitation of colonies to constructive industrial pursuits. Increasingly thereafter, Englishmen sought markets instead of empire, conversion instead of conquest, free trade instead of protection, and production rather than restriction. This became emphatically so after the Napoleonic Wars. The stage had been set for England to pursue this course with developments in

⁴ Asa Briggs, *The Age of Improve*ment (London: Longmans, Green and Co., 1959), p. 385.

ideas, with limitations on government, with liberty and property secure, and with a people morally revived.

The Peace of Britain

The age of England's greatness has been variously described: for Europe and America generally it was the Age of Liberalism and Nationalism: for England much of it is comprehended in the reign of Victoria (1837-1901), and is known as the Victorian Era; in foreign affairs the spirit is best captured by calling it the Palmerston Era: in economic terms, England became the Workshop of the World, the World's Shipper, and London the World's Banker. To sum it all up in its most impressive aspect, it was the age of the Pax Britannica.

England's leadership was most obvious and demonstrable in the commercial realm. Industrialization had taken place there first on a large scale. English productivity and commercial activity continued apace in the nineteenth century, though it need only be alluded to here. As Lipson says, "In the nineteenth century she stood pre-eminent as the leading commercial nation on the face of the globe, as the possessor of the largest mercantile marine, and as the universal banker. insurance and commission agent. . . . Her surplus wealth fertilized the barren places of the earth and promoted material progress in backward lands."⁵ No doubt, it was this commercial superiority which made England so imitable and influential. But we must look elsewhere to discover why the nineteenth century should be called the Peace of Britain. Commerce was more of a consequence than a cause of this.

It was the Peace of Britain because England followed the ways of peace generally during the period, was imitated by other nations, and influential upon them in ways that made for peace. What makes for peace, we may gather from this experience, is stable and limited government, the counterbalancing of power both domestic and foreign, free trade and the turning of the energies of peoples to constructive pursuits, inhibitions upon trespassing either upon individuals or upon nations, and a humane ethos. It was in these areas, at least, that England's influence was so great and effective.

A Shining Example

Britain's influence was subtly exercised upon much of the rest of the world in ways that made for peace by the example of its form of government. Peoples tend

⁵ E. Lipson, *The Growth of English* Society (London: A. and C. Black, 1959), p. 332.

to imitate what they reckon to be successful. They imitated Britain's industrialization because of its obvious success in productivity. In like manner, they tended to adopt and adapt to themselves the outlines of Britain's system of government. One historian declares that "most peoples abroad looked upon Britain as the exemplar of what was highest and best in political achievement . . . ," that the British system "was consciously copied, in full or in part, by almost every country of western and central Europe. . . . "6

The reason for this is not hard to find. There was a great thrust toward liberty in Europe in the latter part of the eighteenth century, the impetus to which would eventually spread to the rest of the world. The massive push in this direction was made first in the French Revolution and associated events. It was an abortive undertaking. Instead of liberty and fraternity the French Revolution produced disorder, violent and destructive divisions, and eventuated in a new absolutism which made the ones it was supposed to supplant pale by comparison.

Stability and Balance

Amidst the turmoil of these years, England retained its form

of government, its stability, and even a modicum of prosperity. Not only that, but England fought a long war against France and what that country had come to represent. Such repressions as were adopted in England to forestall revolutionary subversion were generally mild. Of equal importance is the fact that when the other victors in the Napoleonic Wars turned to unmitigated reaction (circa 1815-1830), Britain frequently stood for liberty and against the excesses of repression associated with the reaction. It began to appear that England had found a way to liberty without revolution, "the means of peacefully reconciling liberty and authority, monarchical and constitutional government, aristocracy and democracy."7

England had a stable and balanced government within whose framework an extensive liberty existed in the nineteenth century. The key idea for describing the government was balance, a balance in the House of Commons between the landed gentry and the townsmen (made more effective by the Reform Bill of 1832), a balance between the elected house and the hereditary house in Parliament, a balance between the prerogatives of the Crown and the powers of Parliament, a balance between the

⁶ Hayes, op. cit., pp. 80-81.

⁷ Ibid., p. 80.

parties, as Liberals and Conservatives alternated frequently in organizing governments after 1830. It was almost typical that most of the thrust to free trade should be accomplished under a Conservative Prime Minister, Sir Robert Peel, though the ideological impetus to it came from the Liberals.

A Heritage of Freedom

The central features of the English government were a separation and counterbalancing of powers, a limited monarchy, constitutional restrictions on the executive power, initiation of money bills in the elected house, cabinet government with ministerial responsibility to the Parliament (but whose head was chosen by the monarch), and the separation of powers. Governments imitating Britain could and did abstract these and combine them in various ways, hopefully suiting them to their own experience. Indeed, if they did not fit them into their own heritage and tradition there would be missing what was probably the most important aspect of the British example, for the British had shown that it was possible to attain liberty within a framework of inherited institutions.

The first foreign imitation of the British form of government, and possibly the most imaginative adaptation, was that of the United States of America in the eighteenth century. True, the United States abandoned monarchy, but it kept the form and much of the function in an elected president. Nor did Americans adopt a cabinet system. Otherwise, the imitation was obvious, a two-house legislature, the separation and counterbalancing of powers, limitations on government power in a constitution which went beyond the limitations of the British. initiation of money bills in the more democratic house, and so on. In addition, the Americans kept from their English heritage trial by jury, the common law, and the right to a writ of habeas corpus. Moreover, they fitted this into their own history of colonial experience by keeping the states within a federal system.

Many other countries were to follow the British example in rearranging their governments in the nineteenth and into the twentieth century. As provinces broke away from old empires to form nation-states or as other provinces were linked together in nationstates these were apt to imitate England. Of Belgium, Hayes says: "The liberal constitutional monarchy which had been instituted in 1831 in conscious imitation of the British – with a King who reigned but did not rule, with a bicameral parliament representing the upper and middle classes and making the laws, and with a cabinet of ministers conducting the administration and responsible to the parliamentary majority -this regime actually functioned more nearly like the British than did any of the other governmental systems which Continental nations copied from the 'mother of parliaments.' "8 When the kingdom of Italy was formed in 1871 it "represented a continuation and extension of the Sardinian constitutional regime which had been copied from Great Britain's...."9

Other nations were to follow this example more or less closely: Denmark, Norway, Spain, Portugal, France, Germany, and, of course, the self-governing provinces or dominions within the British Empire, Canada, Australia, New Zealand, and so forth. Indeed, any land that had a cabinet system of government in the nineteenth and twentieth centuries had derived it from the British model. The full extent of this influence is brought out by an event such as the promulgation of a constitution in Japan in 1869. While it is said to have been modeled upon the German system, the debt to the British appears in this description. The "constitution, besides assuring the authority of the emperor, provided for a cabinet and a two-house legislature consisting of a Chamber of Peers and a House of Representatives elected by Japanese males of suitable property qualifications."¹⁰

Trade Barriers Removed

British free trade policies influenced other lands in that direction as well. The British had taken the lead in trying to remove mercantilistic restrictions. "In fact, commercial men in London signed a petition for free trade in 1820 and William Huskisson, who was President of the Board of Trade . . . , from 1823 to 1827 worked arduously for the abolition of the worst impediments to trade."¹¹

Such arguments from successful British businessmen plus the actual reduction of tariffs by the government made a considerable impression elsewhere. "In fact, in the United States tariff rates were lowered steadily from 1833 to the War between the States... The Netherlands virtually abolished customs duties from 1845 to 1877. Belgium greatly reduced its rates after 1851, and Sardinia did away with excessive forms of protection under the leadership of its great

⁸ Ibid., p. 107.

⁹ Ibid., p. 125.

¹⁰ Starr, et. al., op. cit., II, 449.

¹¹ Shepard B. Clough, European Economic History (New York: McGraw-Hill, 1968, 2nd ed.), p. 356.

statesman, Count Cavour." An Anglo-French treaty was worked out in 1860 which lowered rates, and thereafter both countries worked out similar treaties with other countries. By way of "a network of most-favored-nation clause treaties, the lowest rates which Western culture had ever known became generalized."¹²

A Balance of Powers

Britain's foreign policy for much of the century is the most direct reason for calling the peace that generally prevailed the Pax Britannica. Just as balance was the key to the greatly admired and imitated English government, so was balance the key to a very effective foreign policy. There were several facets to this policy, however. In the first place, England's foreign policy makers maintained a rigorous independence of other powers. Of the Viscount Castlereagh, the great British statesman at the time of the Congress of Vienna, one historian says that he "refused to identify Britain too closely with the policies of the European powers. . . . He resisted Russian attempts to convert the congress system into a means of imposing a programme of concerted anti-revolutionary intervention. . . . "¹³ When a concert of

powers approved intervention in Spain in the 1820's, George Canning, his successor, "announced that Britain would in no circumstance permit the permanent military occupation of Spain, the violation of Portuguese territory, or the appropriation of any part of the Spanish American colonies."¹⁴ Indeed, Canning had proposed a joint British-American declaration at the time that the President of the United States set forth the Monroe Doctrine.

On the other hand, Britain generally did what it could to advance constitutional regimes. Lord Palmerston, whose hand usually guided English foreign policy in the mid-decades of the nineteenth century, was most outspoken in this regard. He told the House of Commons in 1832 that "the independence of constitutional States ... never can be a matter of indifference to the British Parliament, or, I should hope, to the British public. Constitutional States I consider to be the natural Allies of this country." He was to show that he meant this in regard to Belgium, Switzerland, Italy, and so on.15

Britain did, of course, participate actively in international affairs. Her representatives sat in the great congresses and helped to

¹² Ibid., p. 358.

¹³ Briggs, op. cit., pp. 345-46.

¹⁴ Ibid., p. 347.

¹⁵ Ibid., pp. 351-52.

arrive at common decisions on occasion. Britain made treaties with other lands, engaged in diplomatic niceties, and protected her nationals abroad. But the most direct and important participation was in attempting to maintain a balance of power, a balance of powers on the continent and in western Europe, a balance between the powers of the East and the West. As the author of one of the volumes in the Oxford History says. "To the statesmen of the nineteenth century the balance of power meant an equilibrium or ratio between states or groups of states, a ratio established in due form by treaty settlement, affirmed by public declaration and giving to each state, or group of states, a position based upon a rough assessment of its material and moral strength."

It was in establishing such a balance of powers that Britain's independence was so important. "Great Britain could not dictate to the powers of Europe the policy which seemed most favourable to the peace of the Continent; she could always throw her wealth and influence into the scale against any Power or combination of Powers likely to disturb the existing equipoise."¹⁶ So it was that Britain would intervene in the Crimea to throw her weight against Russia, would counteract the weight of France in Spain, would favor the Greeks against the Turks, and so on. It should be noted, too, that for much of the century Britain's weight was used in opposition to territorial expansion and in favor of trade being open to all countries, particularly England, of course.

Humane Reforms

England's leadership was 80 general in the nineteenth century that examples only can be given. One major impact was in the spread of humanitarian ideas and the advancing of humane measures. Within England itself. there were notable humane reforms. The penal code was revised to eliminate the death penalty for numerous offenses. This did not indicate less concern for protecting property, though many of the penalties reduced were for such things as stealing and picking pockets, for a police force was authorized to supplement penalties with surveillance. Attempts were made also at prison reform.

Under the humanitarian animus, efforts were made at providing education for poor children, some factory legislation was passed, and reforms were made in caring for the sick under Poor Law care.

¹⁶ Llewellyn Woodward, *The Age of Reform* (London: Oxford University Press, 1962, 2nd ed.), pp. 193-94.

The humanitarian interest spread to concern with peoples in the colonies and those in far away places. Missionaries went forth in large numbers from England to many places in the world to bring not only Christianity but the peculiarly humanitarian application of it in the nineteenth century.

Englishmen acting for their government frequently introduced humane reforms in lands that they administered. The increasing intrusion of the British into India in the course of the century brought many western reforms to that exotic land. "Reform meant the destruction of criminal bands and the gradual establishment of an unprecedented degree of law and order over much of India.... Reform meant also the abolition of a number of traditional Hindu customs such as female infanticide, suttee, and thuggee.17 The British took the leadership generally in abolishing the slave trade. in seeing to the abolition of slaverv in their colonies, and in attempting to stop the international slave trade.

The Greatness of England Found in Her People

England's greatness, such as it was, was in the final analysis the

greatness of her people. Certainly, the great men of Britain's age of greatness should be credited with much of the nation's influence upon and prestige around the world. Britain's statesmen stood out above those of other nations and generally took the lead in the international conferences: the Duke of Wellington, the Viscount Castlereagh, George Canning, Sir Robert Peel, Lord Palmerston, William Gladstone, Benjamin Disraeli, and many, many others. It was fitting, too, that Queen Victoria, that doughty, highly moral, and dignified lady should reign during so much of this epoch.

But statesmanship was only one facet of this leadership. British philosophy had been on the rise since the seventeenth century with Bacon, Locke, and Newton, would play a major role in the eighteenth century with David Hume, and would be adorned in the nineteenth century by Spencer, Mill, and Bradley. Economics was almost a British invention, and certainly its development as a science owes most to Adam Smith, David Ricardo, Thomas Malthus, John Stuart Mill, Jeremy Bentham, and Stanley Jevons. Probably the major work of Edmund Burke should be called sociological: in any case. his conservative philosophy made a deep imprint on political thought in the era that followed.

¹⁷ Walter L. Arnstein, Britain: Yesterday and Today (Boston: Heath, 1966), p. 105.

British scientific leadership was already well established before the nineteenth century, with the work of Newton, Boyle, Harvey, Halley, and so forth. But later scientists left as great an impact: Charles Darwin more than any other, but in chemistry there were Davy and Faraday, in geology Charles Lyell, and that jack-of-all-trades scientist, T. H. Huxley. The British excelled in literature more than the other arts, and the century is filled with illustrious poets, novelists, essavists, and historians: Words-Shelley, worth. Keats. Byron. Dickens, Carlyle, Macaulay, Buckle, the Brownings, Thackeray, the Brontë sisters, Ruskin, Arnold, and others. Even Karl Marx sought out the freedom of Victorian England from which he was to poison the intellectual air and

bend the minds of men toward totalitarianism.

The nineteenth century was truly a Golden Age, if man ever had such. Hope abounded, and improvements appeared to be occurring in every direction. And England was surely the center of it from which radiated so much that made for peace. The symbol of England's greatness was the navy. but with equal aptness it should have been or included the merchant marine. The ships that plied the seas from their home base in the tight little isle carried not only the abounding goods of a productive nation but statesmen. thinkers, ideas, and men confident in the superiority of their ways and institutions to teach others in the arts of peace. ۲

The next chapter of this series pertains to "The Workshop of the World."

IDEAS ON LIBERTY

Liberty and Peace

VIOLATION of liberty, and nothing else, is the basic cause of conflict. The violation of liberty may affect either the person or his property; it may be in the form of either a loss of liberty or the threat of a loss, real or imagined. Under any of these conditions, man's will to be free impels him to strike at that force which is infringing on his liberty or threatening to do so.

F. A. HARPER, Liberty: A Path to Its Recovery

Let's Justify FREEDOM

LARRY ARNHART

THE ROAD to socialism is paved with noble words. Every extension of state control flourishes in the public mind in proportion to the adjectives pinned on it. Libertarians, by contrast, have been the "realists," tending to shun pompous language in their argumentation. This characteristic is a virtue, but it can be an unnecessarv hindrance. Libertarianism is dynamic, and it should be supported with the enthusiastic rhetoric it deserves. Libertarians stress freedom, and properly so, but they have neglected corollary ideals long monopolized by the collectivists. One of them is the concept of justice.

No other philosophy has a more valid claim to justice than libertarianism. Yet most of the interventionist nostrums have been proposed in the name of this ideal. Government has regulated prices, wages, farm production, electric power, and rat control to cure "injustice." It is time that individualists clarify and reclaim justice as a basic concept of the free society.

The classical definition of justice was submitted by Plato. In Book IV of his Republic, he asserted justice to be "everyone doing his own work, and not being a busybody . . . ," and he added that each should receive his proper reward. Each should perform his own work and receive his own reward. Thus justice was not equality, though each should have equal access to justice. As Edmund Burke explained, "all men have equal rights; but not to equal things." This was not merely a principle for privileged elites. It did demand special rewards when they were earned, but the proper reward for some was a humble and quiet life. A simple peasant could find happiness without ostentation or material riches. The common goal was that each man be himself.

Mr. Arnhart is a sophomore at Harding College in Arkansas.

What Is Justice?

Philosophers have established various types of justice. The most misunderstood has been distributive justice. Egalitarians have interpreted this as state redistribution; but Book V of his *Nicomachean Ethics* contains Aristotle's observation:

Distributive justice, which deals with common property, always follows the rule of proportion we have described. When, for instance, distribution is made to two or more people out of a common fund, it will be in accordance with the ratio of the contributions which they have severally made to that fund.

Would today's social planners distribute government appropriations proportionate to each taxpayer's donation? To those who remain convinced that redistribution from rich to poor is just, Aristotle would answer, "If it were, all the acts of a tyrant must of necessity be just; for he only coerces other men by superior power, just as the multitude coerce the rich."

State redistribution rests on the premise that government largesse and social justice are synonymous. They are not. Those championing justice as the sole purpose of the state have usually been adamant in excluding philanthropy as a governmental pursuit. How can a state redistribute private wealth while allowing everyone to do his own work and receive his own reward? A just state is a noninterventionist state. A government can plan the affairs of its citizens. or it can be just by restricting itself to those duties necessary for preserving order. To those who visualize a state both philanthropic and just. Bastiat would warn. "These two uses of the law are in direct contradiction to each other. We must choose between them. A citizen cannot at the same time be free and not free."

The state planner would respond that citizens can be both free and not free. At least they must yield some freedom to the state so that they might be "free" from hunger, unemployment, poor housing, inadequate education, and other such ills. In freeing its people from these "injustices," the planner believes, the welfare state promotes freedom as well as justice. The libertarian replies that this same reasoning could excuse any slavery as long as the slaves were economically secure. As George Santayana retorted, the collectivists talk of freeing the people, "but of freeing the people from what? From the consequences of freedom."

While Plato and Aristotle formulated their ideas of justice, multitudes were starving. Even more lived in ignorance, eking out a living through crude skills. Today a few nations are more advanced, but the ancient afflictions remain. The just state acknowledges these conditions, while accepting man and not the state as the appropriate agent for wrestling these problems. Since the state can produce nothing but force, it helps best by maintaining a just order. Man remains under the restrictions of nature and circumstance, but under political freedom he can struggle for new achievement and find satisfaction in his struggle. The just man does not expect immunity from the pains of life; he only asks government to refrain from adding to his distress.

The Libertarian Ideal

The first element of justice is the negative role of government, and the second is the positive role of the just individual. Each man is to do his own work; and each man, as he orders his own life without infringing on others, is just. This is the affirmation of the unique individual; it is the right to be oneself. Private property and economic competition allow man to pursue his material interests and receive what is due him from the free market, but libertarians know that this is only one side of his nature.

A productive economy is a useful tool. But few are those who would deem it an end in itself. even if it is essential to most other ends. An enterprising entrepreneur may discover an innovation to increase his workers' productivity and permit a shorter work week. His employees may then satisfy their interests in philosophy, art, music, or whatever their natures dictate. But until an efficient economy raises them from mere subsistence, their lives must be narrow and their freedom limited. Economic efficiency, though, will come from just individuals, not an unjust state.

Justice must be restored to its proper meaning. The equation of social justice and government philanthrophy is a blatant distortion. Compulsory redistribution by government in the name of social welfare is neither just nor charitable. Political promises to free the people from their maladies are equally false. Both of these sophisms would exchange genuine justice for an illusory substitute. The legitimate duties of the state are still summed up as justice - allowing each man to do his own work. This is the libertarian ideal. Let us propagate it and return justice to the lexicon of freedom. ۲

Each on His Own HITTE CHIARBER

EARL ZARBIN

SOMEONE to set our troubled world aright! Someone else, that is! Not me! I'm overwhelmed by the difficulties. Who am I to cause an end to racial injustice, to rejuvenate the cities, to diminish crime, to end the war in Vietnam, to lower taxes, to replace poverty with wealth? Me? How can I do all of these? Obviously, I can't, but there has to be *someone* who can!

How often have we heard that thought expressed. Not in just that way, perhaps, but something like it. James Reston recently said in the *New York Times*, "The American conscience is not quiet these days. It would like to be eased by some *political savior*...." Holmes Alexander, in his column, wrote, "Somewhere along the road ahead we must find a turning, or *find a leader* to perform some miracle of rejuvenation." (Emphasis supplied)

What is necessary, in their view, Mr. Zarbin is a newspaperman in Arizona. and in the view of millions like them, is for a man on a white charger to come bounding onto the scene. They want someone in whom they can put their faith, behind whom to unite. They want him to issue instructions, to transform the unthinking, to wave a lance and thereby imbue all around him with their idea of right thinking.

But there's the catch: to imbue all around him with *their* idea of right thinking! Little chance of their agreeing among themselves, aside from their universal desire to create a utopia and to have someone else — if they are not picked — lead the way. This doesn't stop them, though. What they want *now* is the messiah. They can quarrel about substance later.

There is, of course, no end to the list of men ready to take on the role of the Glorious Knight. Even a semi-Glorious Knight would do: just someone, somewhere (within the democratic tradition, naturally) to rescue us from ourselves and set us on the loving path of brotherhood and righteousness.

This is the wish, but it is also the defect; for there is no one person capable of doing what they want. There are, however, millions of persons who individually can mount their own white chargers. They can do this by insisting upon right thinking and right action for themselves. Thus, each can be his own man on a white charger. If each does this, there will be no need for a "political savior," no need to "find a leader." Each person would be a savior and leader in his own right, for he would have saved himself.

We may understand and admit that this condition is unlikely to occur very soon. But, unless each mounts his own white charger if men insist on finding a savior instead of doing what is right themselves — the goal of freedom in all areas of our lives will be impossible of achievement.

If our troubled world is to be set aright, it is to be done by ourselves, by each of us setting himself aright.

CORRECTION: The review of William Rusher's Special Counsel (Arlington House, 1968) in the September 1968 FREEMAN erroneously listed the price at \$10.00. The correct price is \$6.00.

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Freeman

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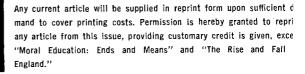
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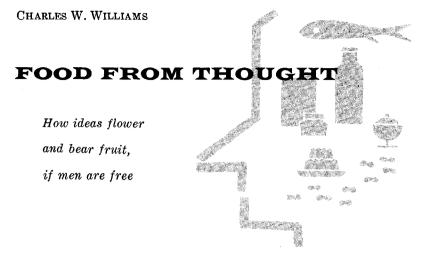
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IMPORTANT EVENTS in the exciting history of food have interesting, divergent, and often accidental beginnings.

In 1856 a boy in Pittsburgh grew some extra horseradish in his mother's garden. He borrowed a wheelbarrow, which he filled with bottles of ground horseradish and sold to local grocers. The boy was Henry Heinz; and from this first bottle of horseradish sauce grew the intricate world-wide business of the H. J. Heinz Company. Before 1900 that one variety had grown to 57, which today numbers close to 570 in this farflung food empire.

In 1904 Thomas Sullivan, a tea merchant, sent samples of his various blends of tea to a few of his customers packed in little. hand-sewn silk bags. To his amazement, orders began pouring in by the hundreds for his tea put up in bags. His customers had discovered that tea could be made quickly without muss or fuss by pouring boiling water over tea bags in cups. Thus, quite by accident, was the start of a milliondollar innovation in the sale of tea.

In 1890 a salesman living in Johnstown, New York, while watching the time it took his wife to make some calf's-foot jelly, decided that powdering gelatin would

Mr. Williams, now retired from an executive role in the food industry, has written numerous articles concerning that field.

save a lot of time in the kitchen. Charles B. Knox put his idea into operation, hired salesmen to go into peoples' homes to show how easily his gelatin could be dissolved in water and used. His wife worked out recipes for aspics and desserts to be given away with each package. This was the beginning of Knox Gelatine known today by every American housewife.

Peter Cooper, the inventor of the "Tom Thumb" locomotives, also invented a process for mixing powdered gelatin, sugar, and fruit flavors. This was fifty years before it began to appear on grocers' shelves as Jell-O. He was too early; merchandising methods had not been developed to convince housewives of the need for ready prepared foods. Just before the beginning of this century spectacular advertising for its day pointed out how many desserts could be prepared from this inexpensive, neat, clean package of Jell-O. Recipe booklets were distributed by the millions, as many as 15 million in one year, unheard of in that day. Another billiondollar food business was launched.

Count Rumford, born in Massachusetts, who later migrated to England, was a leading physicist of the nineteenth century. He built the first kitchen range designed for use in a prison in Munich. This proved so efficient and workable that many wealthy people commissioned Count Rumford to replace their open hearth type of cooking apparatus with these new contraptions in their manor kitchens. By 1850 many American manufacturers had adapted Rumford's invention and were producing cast iron ranges in many sizes and shapes, lavishly decorated. From an experimental prison range, the modern stove industry was born.

In 1914 a young scientist from Brooklyn, New York, named Clarence Birdseve joined a scientific expedition to Labrador. He was also an avid sportsman, so he lost no time. He cut a hole in the thick arctic ice to try his hand at fishing. The fish froze as soon as they were exposed to the subfreezing air, often before he had them off the hook. To his surprise, the fish could be kept frozen for weeks and then defrosted and cooked like a fresh fish without any loss of texture or flavor. After return ing to the United States, Birdseve made the same discovery while hunting caribou. The steaks from the quick-frozen caribou could later be broiled to a juicy, flavor some rareness. Because of World War I, he had to drop many addi tional experiments in quick-freez ing all kinds of food. After th

war he went into the fishery business in Gloucester, Massachusetts, and experimented with fast freezing on the side. With a tremendous amount of good salesmanship, he raised money for the first quickfrozen food company. The first Birdseye package went on sale to the public in 1930. It would have been difficult to believe, at that time, that within a relatively few years almost every segment of our giant American food industry would be in quick freezing.

In Boston in 1894 a boardinghouse keeper was criticized by a sailor in her rooming house because her puddings were lumpy. Insulted at first, she became interested when he explained that the South Sea island natives pounded tapioca to a smooth consistency and suggested that she experiment by running some through her coffee grinder. Sure enough from there on her puddings were as smooth as silk. Soon she was putting up her finely ground tapioca in bags and selling them to her neighbors. She chose verv magic name -- "Minute a Tapioca" - and soon found a big business on her hands. Many quickly prepared foods have since copied the word "minute." but today a minute does not seem fast enough and has been replaced by "instant."

Many people believe Aunt Jemima to be a fictional name representing an old-fashioned Negro mammy. On the contrary, the name of this ever-popular pancake mix was inspired by a real, live person. A widow who lost all her money and could no longer pay wages to the faithful old family cook worked out a formula with her real-life Aunt Jemima and managed to borrow enough money so they could jointly put their product on the market. The mix brought fame and fortune to the real Aunt Jemima and her former penniless mistress.

Chiffon cake was billed in huge cake mix ads in the 1940's as the "first really new cake in a hundred years." Harry Baker was a professional baker and owned a pastry shop in Hollywood, California. For years celebrities had flocked to his store and raved about his cakes. Many cooks feel that their personal recipes should be very valuable to some big food manufacturer but are shocked to find that variations of nearly every recipe have already been tried in research kitchens. Harry the Baker was one of the lucky ones: he sold his recipes for many thousands of dollars to General Mills. The valuable secret of his chiffon cake was that instead of shortening he used salad oil.

Going back many years to 1520, Cortez, the Spanish conqueror of Mexico, observed native Mayan Indians treating tough meat with the juice of the papaya, a common fruit in most tropical lands. He noted this in his writings about his conquest. Strangely enough, this find lay dormant until recent years, when the tenderizing element in papayas was turned into a powder, put up in jars ready to sprinkle on the surface of meat to make chuck and round steaks as tender as sirloin and porterhouse. From this long-forgotten idea came Adolph's Meat Tenderizer, a necessity in many homes.

In 1824 a German doctor living in Venezuela had a Spanish wife who had been sickly for years. Determined to cure her. he worked for over a year on a formula of herbs and spices until he invented a tonic that he claimed brought her back to health. Sailors stopping at the little port of Angostura found that this blend of herbs, spices, and the blossoms of the blue Gentian plant would cure seasickness. They spread the fame of Angostura bitters around the world, the process being speeded when they learned to add it to their ration of rum. When it became an essential part of a Manhattan cocktail, its place in our

lives was further assured. Later, it was found to be an excellent addition in many food recipes, and today Angostura Bitters is found on almost everyone's food shelf.

Early traveling merchants from the city of Hamburg, Germany, learned from the Tartars in the Baltic Sea area how to scrape raw meat, season it with salt, pepper, and onion juice to make what is still called tartar steak. The people of Hamburg soon adopted the tartar steak. After many years some unknown Hamburg cook made patties out of the raw meat and broiled them brown on the outside and still pretty raw on the inside – a true hamburger. Today in the butcher shops of America, ground hamburger meat accounts for 30 per cent of all the beef sold to consumers.

The Toll House was a country inn in Massachusetts noted for good food. In the early 1940's Ruth Wakefield, who was then mistress of the inn, started serving a crisp little cookie studded with bits of chocolate. Miss Wakefield readily gave her customers the recipe, and all of a sudden, bars of semisweet chocolate began vanishing from the shelves of the stores in the area. It didn't take long for the Nestle Company, and later Hershey, to smoke out the fact that everyone was making the cookie recipe from the Toll House; and soon they were selling millions of packages of chocolate bits specifically so people could make these wonderful cookies. Today it is America's most popular cookie, available frozen, in ready-to-use cookie mixes, and already made in packages.

The early Chinese found that seaweed dried and ground into a powder and added like salt to food had a magical effect on meats and vegetables --- all their natural flavor was enhanced. That's why Chinese food became so popular all over the world. Eventually our chemists discovered the flavorenhancing element and called it glutamate. Today this product, monosodium glutamate, made from beet sugar waste, soy beans, or wheat, is a staple item in every market. It is known to American shoppers as Ac'cent.

Gail Borden, the son of a frontiersman, went to London in 1852 to sell a dehydrated meat biscuit at the International Exposition being held in England. He used all his money trying to put over his idea and had to travel steerage to get home. He was appalled at the crowded, miserable conditions imposed on the immigrant fami-

lies coming to America. During the trip several infants died in their mothers' arms from milk from infected cows, which were carried on board most passenger vessels to furnish milk, cream, and butter for the passengers. Borden was sure there was a way to preserve milk for long voyages; but many before him had tried and failed, including Pasteur, After four years of intensive research, Borden perfected a process of condensing milk. In 1856 his patent was approved in Washington. After much work selling the idea to skeptics, the first canned milk was introduced to the American market and formed the cornerstone of the vast and diversified Borden Company.

In Battle Creek, Michigan, Ellen Gould White had a dream one night in which she was told by the Lord that man should eat no meat, use no tobacco, tea, coffee, alcoholic beverages. or As a Seventh Day Adventist she established the "Health Reform Institute," a sort of sanitarium, where her guests ate nuts disguised as meat and drank a cereal beverage. This beverage was the creation of one of her guests named Charles William Post, who was suffering from ulcers. He named his beverage Postum. Post also invented the first dry breakfast

cereal, which he called "Elijah's Manna." He decided to go into business producing his inventions; but the name Elijah's Manna ran into consumer resistance, so he changed it to "Grape Nuts."

In this same sanitarium was a surgeon named Dr. Harvey Kellogg, whose name along with Post's was destined to be on millions of cereal packages every year. One of Dr. Kellogg's patients had broken her false teeth on a piece of zwiebach, so he invented a paperthin flake cereal from corn. Breakfast cereals immediately became a rage, and at one time there were as many as forty different companies in Battle Creek competing for this new health food business. So began the vast cereal business of today.

Margaret Rudkin was the wife of a stock broker and her son suffered from allergies. She made an old-fashioned loaf of bread from stone-milled whole wheat flour, hoping to build up her son's health. The bread helped her son; so her doctor persuaded her to bake the bread for some of his patients, and soon she was in business. When this bread was introduced in the thirties, it competed at 25¢ against the spongy white variety selling at 10¢. Within 10 years, Maggie Rudkin's Pepperidge Farm Bread was in demand all over the East Coast and other bakers were making similar loaves – another small beginning for a nationally-known company, Pepperidge Farms.

One night Teddy Roosevelt, who had been visiting the home of President Andrew Jackson, stopped for dinner at the Maxwell House, a famous eating place nearby. Roosevelt, a great extrovert, was so delighted with the coffee that when he finished he replaced the cup in the saucer with a formal gesture and cried out heartily, "that was good to the last drop," a phrase destined to make quite famous the coffee named after the Maxwell House.

St. Louis. Missouri, was the site of two important developments in the realm of food. In 1904 an Englishman was tending a booth at the St. Louis International Exposition demonstrating the virtues of a hot cup of tea. This was an insurmountable task during the hot July days in the Mid-West, Our Englishman, Richard Blechynden, disparagingly wiped the perspiration from his face as he watched the crowds pass him by. Finally, in desperation, he threw some ice into the hot tea urn and the crowds began to swarm around his booth. The drink was a sensation. and iced tea quickly became one of America's most popular thirst quenchers.

Still in St. Louis, but back in 1890, a physician ground and pounded peanuts to provide an easily-digested form of protein for his patients. The result was peanut butter, which was quickly and rightly adopted by food faddists all over the country. Today it is a staple found in almost every American kitchen. It's a rare mother who isn't thankful for healthful peanut butter when nothing else seems to tempt her children's appetites.

So, with these anecdotes, one can see that almost every great food company or food idea had a small but fascinating beginning. Some came quite by accident, others from diligent perseverence, reflecting the drive and ingenuity of the human race – free enterprise among free men.

IDEAS ON LIBERTY

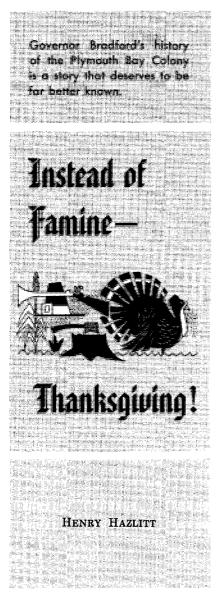
To the Liberator

No gun, no harsh harangue, no threat of force is necessary to divert my course from narrow, unenlightened paths I tread to better ways, wherein my heart and head are won to higher causes you espouse.

I seriously doubt that when my house is leveled in the name of brother-love I'd much consider that a proper shove along the road you'd like to see me take. The will you wish to win, you try to break.

But if you know your way is really best, try living it, and I will do the rest.

> JAMES E. MCADOO Sarasota, Florida



MOST of us have forgotten that when the Pilgrim Fathers landed on the shores of Massachusetts they established a communist system. Out of their common product and storehouse they set up a system of rationing, though it came to "but a quarter of a pound of bread a day to each person." Even when harvest came, "it arose to but a little." A vicious circle seemed to set in. The people complained that they were too weak from want of food to tend the crops as they should. Deeply religious though they were, they took to stealing from each other. "So as it well appeared," writes Governor Bradford, "that famine must still insue the next year also. if not some way prevented."

So the colonists, he continues, "begane to thinke how they might raise as much corne as they could, and obtaine a beter crope than they had done, that they might not still thus languish in miserie. At length [in 1623] after much debate of things, the Gov. (with the advise of the cheefest amongest them) gave way that they should set corne every man for his owne perticuler, and in that regard trust to them selves . . . And so assigned to every family a parcell of land . . . "This had very good success; for it made all hands very industrious, so as much more corne was planted than other waise would have bene by any means the Gov. or any other could use, and saved him a great deall of trouble, and gave farr better contente.

"The women now wente willingly into the feild, and tooke their litle-ons with them to set corne, which before would aledg weakness, and inabilitie; whom to have compelled would have bene thought great tiranie and oppression.

"The experience that was had in this commone course and condition. tried sundrie years, and that amongst godly and sober men, may well evince the vanitie of that conceite of Platos and other ancients, applauded by some of later times; - that the taking away of propertie, and bringing in communitie into a comone wealth, would make them happy and florishing; as if they were wiser than God. For this comunitie (so farr as it was) was found to breed much confusion and discontent, and retard much imployment that would have been to their benefite and comforte.

"For the yong-men that were most able and fitte for labour and service did repine that they should spend their time and streingth to worke for other mens wives and children, with out any recompense. The strong, or man of parts, had no more in devission of victails and cloaths, than he that was weake and not able to doe a quarter the other could; this was thought injuestice ...

"And for men's wives to be commanded to doe servise for other men, as dressing their meate, washing their cloaths, etc., they deemed it a kind of slaverie, neither could many husbands well brooke it...

"By this time harvest was come, and instead of famine, now God gave them plentie, and the face of things was changed, to the rejoysing of the harts of many, for which they blessed God. And the effect of their particuler [private] planting was well seene, for all had, one way and other, pretty well to bring the year aboute, and some of the abler sorte and more industrious had to spare, and sell to others, so as any generall wante or famine hath not been amongest them since to this day."

Let us be thankful for this valued lesson from our Fathers – and yield not to the temptations of socialism.

Dr. Manchester is an educator for-

FREDERICK A. MANCHESTER

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merly of the Department of English, University of Wisconsin. For background on this article, readers may wish to turn again to his "Moral Education — and History" in the July 1968 FREEMAN.

I BEGIN with a few expressions of opinion I have recently come across. By Dr. Robert E. Fitch: "It is certainly true that moral confusion is growing"; and, speaking of what is needed to restore health to a prevailingly sick nation: "Then there must be change in the American home to end this long, Spockian period of ultrapermissiveness. We must bring up our offspring with some sense of the moral imperatives that they will confront in life, and with the sense that a real authority does exist in the world."¹ By Mr. George F. Kennan: "To correct these conditions [conditions causing "some deep emotional discomfort, approaching at times a mass hysteria" in the "radical students"] will indeed require a revolution – a revolution in the social and intellectual and spiritual environment of American childhood and early youth . . ."2 By Governor Nelson Rockefeller: "So I believe very strongly in getting these young people [the "predelinguents"] — in the kindergarten, in the prekindergarten, even – and then intensive help in the first three grades. Maybe we could cut our classes to 12 children – no more than 12 -where they can really get the help they need to

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¹ U. S. News & World Report, June 10, 1968, p. 49.

² Ibid., June 17, 1968, p. 68.

establish the patterns, the mores, the standards, the moral fiber

which is essential for free citi-

zens."3 Theologian, diplomat, aspirant to the Presidency of the United States: in the quoted words of each of these prominent men as regards one or another element in our current turmoil, there is included a call, specifically or in effect, for moral education. It seems probable, when more and more people trace to its source the ultimate cause of much of this turmoil, that this call will be increasingly heard and that it will have behind it increasing earnestness and force.

First, conviction of a need; then, consideration of how the need can best be met. Such would appear to be a natural sequence. In what follows, I assume that moral education is widely felt to be a major requirement of our time and venture some remarks on two topics relating to it: (1) What are we to understand by the phrase – what in short is the end that our moral education should have in view? and (2) What are the means by which we may endeavor to attain this end?

The end seems plain and can be expressed in the simplest of words: it is to produce the man of character — the man whose actions can be counted on, in any and all circumstances, to represent a high standard of conduct.

Overcoming the Lower Self

And the means? When we come to inquire into these, we soon realize that to get beyond vague generalities we must know the fundamental facts about man's moral nature. To the first thinkers on the subject the problem involved must have seemed hopelessly complex and elusive - indeed well-nigh insoluble. Happily, the first thinkers did their work thousands of years ago, and what they and their many successors accomplished can, in its essentials. be readily summed up. The inner man is not one but two. There is the lower, the ordinary, self; and there is the higher, the extraordinary, self. The lower self is the self of the elemental lusts, urges, instincts, passions, appetites, impulses, desires-including all those we commonly associate with what we call the lower animals. Our reference to these animals, it may be noted, is sometimes both inaccurate and unjust. "The beast that lies within us" - some such words I recall reading only the other day, where the allusion was probably to actions of a kind or degree that beasts never dreamed of. A beast has desires, but desires that are definite and limited; when these

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³ Ibid., June 24, 1968, p. 53.

are satisfied he is content until they again demand satisfaction. Man has not merely animal desires but animal desires that can be multiplied a hundredfold – and often are so multiplied – by a boundless imagination.

The higher self, on the other hand, is the self of the "noble cravings" as opposed to the "ignoble cravings" of the lower self. (The quoted phrases are Buddhist.) Here is the seat of man's moral impulses, of all the self-denying virtues, of all aspiration to spiritual excellence. Here sits the court which finally determines what conduct in given circumstances is just and right; and associated with it is its executive agent the conscience. whose responsibility it is to see. to the utmost extent of its power. that the decision arrived at is carried out, no matter how strong the opposition offered by the lower self.⁴ When a man's higher self has complete dominion over his lower self, he is said to have achieved self-mastery.

Achieving Self-Mastery

We can now return to our man of character. It is he that we want our moral education to produce, and now we are in a position to name specifically his primary quality. That is self-mastery — in at least a high degree.

But why "in at least a high degree"? Why not self-mastery absolute? Is not self-mastery in all degrees an easy thing to attain?

Most emphatically, it is not!

What says the Christian Bible? - "He that is slow to anger is better than the mighty; and he that ruleth his spirit than he that taketh a city" (Proverbs, 16:32); and, in full corroboration of the saying, we read in the Buddhist Dhammapada (Chapter VIII – Irving Babbitt translation): "If one man conquer in battle a thousand times a thousand men, and if another conquers himself [that is to say, his lower self], he is the greatest of conquerors. One's own self conquered is better than the conquest of all other people; not even a god or a demigod or Mara with Brahma can change into defeat the victory of a man who has vanquished himself."

These words from the scriptures of two of the world's most famous and most widespread religions are not extravagant or idle words: they may be taken to mean exactly what they say.

The Buddhist passage praises the man who has conquered himself. If conquest is here taken to signify conquest only – that is,

⁴ I should perhaps warn the reader that the preceding particularized and somewhat fanciful account of the role of conscience is the product, not of scholarship, but of introspection. He can test it in his own experience.

the act of overcoming, rejecting, denying the evil impulses of the lower self, and no more — there would appear to be a degree of self-mastery superior to even this. To this higher degree Confucius says he attained — but, it will be noticed, though he doubtless was of all men one of those most predisposed by nature to practice the moral life, it took him seventy years to do it!

"At fifteen," he tells us, "my mind was bent on learning. At thirty, I stood firm. At forty, I was free from delusions. At fifty, I understood the laws of Providence. At sixty, my ears were attentive to the truth. At seventy, I could follow the promptings of my heart without overstepping the mean."⁵

At seventy, in other words, he had achieved his moral ideal, which was to observe in all his conduct "the mean"; but at this age he not only observed it, he found that in so doing he was following the "promptings" of his "heart." His regeneration was thus complete.

Two Kinds of Indolence

But why the prodigious difficulty the quotations imply? Why is it so very, very hard to master one's lower self?

The reason is to be sought in man's deep-seated proneness to indolence - though here a major distinction must be made. There are two kinds of indolence: ordinary indolence, one might call it, and extraordinary indolence. The first, we all know, is common - whence the saving "every man is as lazy as he dares to be" - and may readily become a knotty problem in statesmanship. Roughly speaking, it is physical. The second, on the other hand, is spiritual: it is the indolence that keeps a man from working on himself to the end of regulating, controlling, holding in check the expansive sallies of his lower nature. The early Buddhists had a name for it - pamada. Of this all-important distinction probably no better illustration could possibly be found than in the character of Napoleon Bonaparte as this is viewed in Emerson's Representative Men. I present two contrasting groups of quotations:

Napoleon "wrought for his crown. Having decided what was to be done, he did that with might and main. He put out all his strength." — "He fought sixty battles. He had never enough." — "His achievement of business was immense, and enlarges the known powers of man. There have been many working kings, from Ulysses to William of Orange, but none

⁵ Lionel Giles, *The Sayings of Confucius*, The Wisdom of the East Series, p. 83.

who accomplished a tithe of this man's performance."

Napoleon "proposed to himself simply a brilliant career, without any stipulation or scruple concerning the means."-He "was singularly destitute of generous sentiments. The highest-placed individual in the most cultivated age and population of the world, - he has not the merit of common truth and honesty. He is unjust to his generals; egotistic and monopolizing; meanly stealing the credit of their great actions from Kellermann, from Bernadotte; intriguing to involve his faithful Junot in hopeless bankruptcy, in order to drive him to a distance from Paris, because the familiarity of his manners offends the new pride of his throne. He is a boundless liar." -- "To make a great noise is his favorite design." - "He would steal, slander, assassinate, drown and poison, as his interest dictated. He had no generosity, but mere vulgar hatred: he was intensely selfish; he was perfidious; he cheated at cards . . ."

But enough! In the first group, astonishing industry, initiative, drive – the very antithesis of ordinary indolence; in the second, an ego of egregious proportions, subject to no restraint – a spiritual indolence, in short, that is monumental. Had Napoleon, instead of conquering much of continental Europe, but conquered himself — doubtless a gigantic undertaking — how much better it would have been, not only for him and for countless other individuals, but possibly also for all mankind!

If, then, moral education is to produce the man of character, and the primary mark of such a man is self-mastery, it is clear that its task is indeed formidable and that all the means that can forward its accomplishment - every influence, every force, every power - should so far as possible be employed. Among the means available at least five can be distinguished: instruction, environment, example, discipline, habit. Though the five are distinguishable, they probably seldom, if ever, work separately; and all of them may, especially in the early period of life, work simultaneously and together.

Instruction

Instruction, including counsel, warning, exhortation, persuasion, is, generally speaking, indispensable. People must sooner or later be told, and made to understand, what is right and what is wrong, what is just and what is unjust, and urged so to control their lower selves as to do the one and avoid doing the other. Obviously, such teaching should be given as early as possible to all children. (Are

anything like all American children getting it today? One wonders. May there not indeed be millions of them who have never received it and who are therefore destitute of a mental basis for acceptable conduct?) But direct inculcation of morals is by no means for the young only. It has its place, or should have it, in all formal education, to the very end of a four-year college course; and impressive testimony to its importance is a widespread practice of religion - the frequent exposure of the devotee of nearly all ages to the reading of scriptures and the preaching of sermons.

Environment

Environment unquestionably is a powerful force, and, in the abstract at least, is no doubt generally recognized to be so, though it seems less certain that in practice the measures it suggests receive adequate attention. It is our environment that inevitably determines in large part the kinds of influence, including moral influence, to which we are daily subjected. If a man is to be educated to self-mastery, it is therefore obvious that he should be surrounded by social forces consistent with such an aim. not by social forces inimical to it. Unfortunately, in the practical world a man's environment may sometimes be beyond his own or anyone else's control. Where a favorable environment is not obtainable, it is plain that more than ordinary reliance must be placed on other means of moral education.

Example

Example, with the exception of habit, is probably the strongest and most effective of the five means I have listed. Precept, however eloquent, is no match for it. "Example," Edmund Burke is quoted as saying, "is the school of mankind; it will learn at no other." Its importance scarcely needs elaboration, though I cannot resist mention of what is, so far as I know, the most imposing application of the principle involved that has ever been made. The human tendency to imitate what it looks up to and admires is the very core of the Confucian philosophy of the state. A single quotation from one of the Five Classics will suffice by way of illustration:

A ruler "questioned Confucius on a point of government, saying: Ought not I to cut off the lawless in order to establish law and order? What do you think? - Confucius replied: Sir, what need is there of the death penalty in your system of government? If you showed a sincere desire to be good, your people would likewise be good. The virtue of the prince is like unto wind; that of the people, like unto grass. For it is the nature of grass to bend when the wind blows upon it."⁶

Example, though it can operate independently of environment – as when a "deprived" boy of the ghetto happens by chance to attract the interest of a man of character who becomes for him a model – is closely related to it, and is likely to be the factor in any milieu that exerts the greatest influence.

Discipline

Discipline - the use of external pressure, physical if necessary, to mold conduct - is a means having to do chiefly, in the present context, with the training of children. That, within proper limits, it has its place in the moral education of the young will be denied only, I think, by those to whom the doctrine of supine permissiveness has become less a mere doctrine than a saving gospel. It is surely desirable, even at the expense if need be of some slight disagreeableness, that children should be brought up "with some sense of the moral imperatives that they will confront in life, and with the sense that a real authority does exist in the world." The gist of the matter is expressed

curtly -- some might think a bit barbarously -- in once familiar words: "Spare the rod and spoil the child."

Habit

Habit-for a reason that will later be apparent – I take up last of my five means. The topic is one familiar to us all ("That's a habit I must break myself of"; "The youngster has frightfully bad habits"; "Unhappily, endless telephone conversations have become for her a daily habit") - and no wonder, if the Duke of Wellington was right in saying that "habit is ten times nature." Some twenty-three hundred years ago its importance was already fully recognized by Aristotle, who made it the very cause or condition of virtue. Moral excellence, he said. "is the result of habit or custom": "by doing just acts we become just, and by doing acts of temperance and courage we become temperate and courageous"; "acts of any kind produce habits or characters of the same kind."7 With the young he would take no chances: it "is clear," he said, "that in education habit must go before reason . . . "8 In other words, to give the remark a moral application, we should not wait till children are

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⁶ Ibid., p. 42.

⁷ The Nicomachean Ethics (Peters translation), Book II.

⁸ Politics (Jowett translation), 1338b.

old enough to exercise their independent judgment before instilling in them good habits, since in the interim they may have become the victims of bad ones.

If anyone cares to realize (or realize afresh), in terms of his physical brain, what it means to be the unfortunate victim of a bad habit (a possibly more or less terrifying experience), or the fortunate beneficiary of a good one, he perhaps could not do better than to consult Chapter IV of William James's The Principles of *Psychology*. If he did so, he would read that the phrase "our nervous system grows to the modes in which it has been exercised expresses the philosophy of habit in a nutshell"; also "that any sequence of mental action which frequently repeated has been tends to perpetuate itself; so that we find ourselves automatically prompted to think, feel, or do what we have been before accustomed to think, feel, or do, under like circumstances, without any consciously formed purpose, or anticipation of results"; also that "It scarcely, indeed, admits of doubt that every state of ideational consciousness which is either veru strong or is habitually repeated leaves an organic impression on the cerebrum: in virtue of which that same state may be reproduced at any future time, in respondence to a suggestion fitted to excite it."⁹

James begins the concluding paragraph of the chapter with these words of warning:

The physiological study of mental conditions is thus the most powerful ally of hortatory ethics. The hell to be endured hereafter, of which theology tells, is no worse than the hell we make for ourselves in this world by habitually fashioning our characters in the wrong way. Could the young but realize how soon they will become mere walking bundles of habits, they would give more heed to their conduct while in the plastic state. We are spinning our own fates. good or evil, and never to be undone. Every smallest stroke of virtue or of vice leaves its never so little scar. The drunken Rip Van Winkle, in Jefferson's play, excuses himself for every fresh dereliction by saying, "I won't count this time!" Well! he may not count it. and a kind Heaven may not count it; but it is being counted none the less. Down among his nerve-cells and fibres the molecules are counting it, registering and storing it up to be used against him when the next temptation comes. Nothing we ever do is, in strict scientific literalness, wiped out.

Habit, we may now observe, bears a special relation, a kind of supplemental or terminal relation,

⁹ The second and third of the preceding quotations are from an authority cited by James; and the italicized words in the first he attributes to the same source.

to all the other means of moral education that I have identified. Instruction, environment, example, discipline, working separately or together, can start us on the path of self-mastery, but only habit can make it certain that we reach our destination; or, to shift the image, the four other agencies may entice or coerce us into the chamber where spiritual regeneration takes place, but only habit can complete the process and make permanent its results.

It would seem, then, that moral education, intended to produce the man of character, should place ultimate and supreme emphasis on the formation of right habits.

By way of concluding this brief treatment of a subject of immense importance, I should like to

recur to and further emphasize one idea. This is the idea that moral excellence is a quality which. generally speaking, cannot be readily or quickly arrived at; on the contrary, it is normally the result of long and assiduous training. This being the case, nothing could be less wise than to assume - as now seems widely assumed that youth can get all the ethical culture it needs, by a species of osmosis, from the surrounding atmosphere. Such a notion, the surrounding atmosphere being what it is (illustrations I omit as starkly superfluous), would surely be chimerical in the extreme. Tt. seems clear that moral education. in any area, had best be preceded by vivid realization of the true magnitude of the task.



The Devil You Say!

ROBERT M. THORNTON

THE FOUNDING FATHERS held to an unsentimental view of the nature of man. They regarded him as a flawed creature, peculiarly liable to be corrupted by the exercise of power; and further — as John Jay observed — they believed that any form of government that fails to consider men as they really are will soon prove abortive. The elaborate system of checks and balances written into the

Mr. Thornton is a businessman in Covington, Kentucky.

United States Constitution reflects this opinion of human nature, being an effort to contain power and disperse its exercise. They sketched the structure of a tolerable society, knowing full well that imperfect men cannot create a perfect one. Even Jefferson, more optimistic than most, pooh-poohed the idea of the natural goodness of man when it comes to questions of power. "Bind him down from mischief with the chains of the Constitution," he cried.

But what do we say today about the nature of man? The prevailing view, it is safe to say, is that man is not a flawed creature at all. It may take lots of time and money and planning, we are told, but the shortcomings of men can be corrected. Man is perfectible, but a faulty social environment has kept him wretched. We now have the means of perfecting the environment and breeding the kind of men to suit. The knowledge is at hand, and the next step is to grant the state the necessary powers to put it to practical use.

Now this is an important change in our understanding of human nature. What we are denying, although perhaps not in so many words, is the reality of evil, the Christian symbol of which is the Devil. Of course, this symbol, like most, has been misused and to say you believe in the Devil means to many persons that you think a red creature with horns and a tail is running around with a pitchfork chasing people. But properly understood, the Devil stands for the very real existence of evil in the world, and we can expect him to be around as long as the world is. So, then, those who believe man may achieve perfection are saying, in theological language, there is no Devil.

Dangerous Consequences

What are the consequences of this idea, consequences that should concern not only philosophers and theologians but all men? Perhaps the most dangerous, especially to libertarians, is the willingness to grant more and more power to the state to plan for and consequently control the lives of individual citizens. We falsely believe that there are some men so good we can trust them with unlimited powers and so wise we can expect to live better lives after we submit to their direction. Denv the reality of evil and we come to believe that the imperfections of man and his societies can be corrected once "social engineers" backed by the state succeed in determining our environment, and even our heredity. Government action will eliminate poverty, broken homes, prejudice, poor schools, economic inequality, and similar impediments, and usher in utopia. The assumption is that man's problems are somehow external to him. The older view, on the other hand, regarded man himself as the problem, and this insight tied in with free will. The tiger cannot choose to be untigerish, Ortega remarked somewhere, but a man can choose to be unhuman. It is this capacity for choice that is the distinctive mark of humanity, and which enables a man to rise above his environment where animals simply adapt to theirs.

When environmentalism takes over it lessens the sense of responsibility. What do many of us say when, for instance, a senator is shot down? Our ancestors would have regarded the murderer as a tool of the Devil or as a terrible sinner, but we think of him as a sick person, that is, a man not responsible for his crime. Society is somehow to blame. Alter society, then, and such persons will be cured by the political medicine man.

Today's view of man's nature represents a 180-degree change from that of the Founding Fathers. But even today, some of us believe that a man need not be sick, physically or mentally, to commit a crime whether it be murder or something less serious. A murderer may very well be rational, intelligent, polite, wellpoised – in many ways a likable fellow – but yet so evil that he does wrong. Or, in theological language, he succumbs to the Devil's temptations. Not every horrible deed is done by a "nut."

Utopians have for a long time been ridiculed, and properly so, but it is more important to refute the premise underlying all utopian schemes: the erroneous idea that man is perfectible, that evil is not inherent in the nature of man. Although we may not care to use old symbols, we must once again reaffirm our belief that evil in the world is a very real thing, that, if I may put it so, the Devil is still with us and is likely to stay.

IDEAS ON LIBERTY

Passions Forge Fetters

SOCIETY cannot exist unless a controlling power upon will and appetite be placed somewhere, and the less of it there is within, the more there must be without. It is ordained in the eternal constitution of things, that men of intemperate minds cannot be free. Their passions forge their fetters. CLARENCE B. CARSON

The Rise and Fall of England

9. THE WORKSHOP OF THE WORLD

MOST COMMONLY, leadership within a civilization has gone to that country most successful in practicing the arts of war and bringing others under its sway by military conquest. The armies of Alexander the Great preceded the Hellenizing of the Mediterranean: the Legions of Caesar spread the civilization of Rome: French preponderance in the High Middle Ages rested in part upon the work of such as William the Conqueror: and the armies of Louis XIV consolidated French leadership in the seventeenth century of our era. Indeed, conquered peoples appear

quite often to accept the military superiority of the conqueror as an indication of the general superiority of his way. At any rate and for whatever reasons, they learn, imitate, and adopt his ways: his language, his arts, his economic system, and so on. Thus, military conquest frequently has resulted in leadership within a civilization.

By contrast, England's leadership in the nineteenth century was based hardly at all upon success with the arts of war. It is true that England was on the victorious side in the Napoleonic wars. It is also true that the British navy maintained a preponderance on the seas throughout the century. It should be ac-

Dr. Carson, Professor of History at Grove City College, Pennsylvania, will be remembered for his earlier FREEMAN series, The Fateful Turn, The American Tradition, and The Flight from Reality.

knowledged, too, that Britain became more expansive and conquest-minded toward the end of the period. But England's successes were mainly in the arts of peace, and it was for these primarily that she was admired and imitated. Britain's leadership was commercial, not military, and it was in such areas as form of government, free trade, and manufacturing that her ways were initially followed.

Growth in Manufacturing

Britain's commercial leadership was first asserted in the realm of manufacturing. It was this particular leadership that led J. D. Chambers to refer to Britain as The Workshop of the World from around 1820 to 1880. The spurt in the growth of manufacturing began in the 1780's, as has already been shown, and would continue to mount for much of the nineteenth century. England had long been a major producer of woolen goods, but now took the lead in cotton textiles. They were the major export item throughout the century -- "amounting to one-half of the value in the early nineteenth century and about one-quarter a hundred years later. . . . In 1912 an English economist declared that 'the export trade in manufactured cotton goods from this country is in money value the

greatest export trade in manufactured goods of any kind from any country in the world."¹

One estimate has it that there was in general a tenfold industrial output increase between 1820 and 1913.² One area of dramatic was coal production. increase "From an approximate ten million tons in 1800, the output of British mines rose to forty-four million tons in 1850, and, under the gigantic stimulus of the thirty years of prosperity which followed, to 154 million tons in 1880."³ Iron production rose mightily throughout the century. too. It is estimated that in 1740 a little over 17,000 tons was produced. "Between 1827 and 1840 the annual production of pig in Great Britain increased from 690,000 tons to 1,390,000. It more than doubled again by 1854, when it reached 3,100,000 tons."4 By the end of the century production had reached 8 million tons.⁵ In the course of the century, " precision

³ J. D. Chambers, *The Workshop of the World* (London: Oxford University Press, 1961), pp. 43-44.

⁴ Gilbert Slater, *The Growth of Modern England* (London: Constable, 1939, 2nd ed.), p. 345.

⁵ Lipson, op. cit., p. 335.

¹ E. Lipson, The Growth of English Society (London: A. and C. Black, 1959, 4th ed.), pp. 330-31.

² M. W. Flinn, An Economic and Social History of Britain (London: Macmillan, 1965), p. 235.

toolmaking had come to be a major British industry and the manufacture of interchangeable standard parts and the use of machine tools which could adjust measurements to a thousandth of an inch had become commonplace."⁶

Compared with Other Nations

To show Britain's place of leadership in the world, however, it is necessary to compare British economic activity with that of other leading countries. Great Britain's percentage of manufacturing production in the world was 31.8 in 1870. By comparison, that of the United States was 23.3, that of Germany 13.2, and that of France 10.3, among the leading countries.⁷ In 1860, Britain had 23 per cent of world trade, compared with 11 per cent for France and 9 per cent for the United States.⁸ In 1880. Britain had more than $6\frac{1}{2}$ million tons of shipping plying the seas, compared to less than 1½ million by the United States, the nearest competitor.9 Britain, too, was banker for much of the world, as investments poured out to developing and undeveloped

⁹ Ibid., p. 346.

countries, the gold capital, and the center for the major insurance firm, Lloyd's of London.

Though agricultural products played little role in British exports, it is indicative of general British productivity that for much of the century production continued to rise. Despite the great growth in population, up until the middle of the nineteenth century Britain grew most of the wheat consumed in the country and almost all animal products. One historian notes that the increasing productivity could be "attributed to the employment of capital in improving the soil, in draining, manuring and above all in taking in new land suitable for mixed farming."10

The period when England was most clearly the workshop of the world falls roughly between the late 1840's and the mid 1870's. This was, in many ways, the golden age of British leadership and affluence. It fell between the repeal of the Corn Laws and Navigation Acts and the onset of protectionism abroad once more. It was a time when the energies of Englishmen were released by liberty and turned to constructive efforts in the arts of peace. "For most Englishmen, these two decades were . . . vears of prosperity. All things considered, it was a

⁶ Walter L. Arnstein, *Britain: Yesterday and Today* (Boston: D. C. Heath, 1966), p. 73.

⁷ Shepard B. Clough, European Economic History (New York: McGraw-Hill, 1968, rev. ed.), p. 397.

⁸ Ibid., p. 338.

¹⁰ Chambers, op. cit., p. 77.

period of social harmony in which both talk and consciousness of class division subsided. It was an age when underlying assumptions about the necessity for a high degree of individualism at home, free trade abroad, and progress in the affairs of mankind were accepted by most. . . . "¹¹

The commercial leadership of Britain in the world was not the achievement of a few men, some of whose names adorn the pages of history. It was, rather, the accomplishment of very nearly a whole people. England became the workshop of the world not only by the efforts of statesmen, inventors, entrepreneurs, financiers, large farmers, industrialists, and shippers but also by the application of the energies of miners. factory workers, sailors, steam fitters. mechanics, field hands. weavers. smelters, and \mathbf{SO} on through an almost interminable list of employments. Not all contributed in the same degree to this great productivity, but all who employed their minds, hands, and/or savings in constructive activity played some part in it.

How Did the Workers Fare?

This brings us to what is probably the most controversial question about nineteenth century English history. Namely, how did the workers fare in the workshop of the world? More specifically, did the toilers in field, factory, and mine receive their due reward for their contributions to English productivity? To put the question in more answerable terms, did the English people benefit generally from this great productivity, or was the productivity achieved at the expense and by the exploitation of a large portion of the populace, as is sometimes alleged? To put it yet another way, did industrialization redound to the benefit or the harm of many of those who wrought it?

These questions have been the subject of intense investigation over many years, by economic historians and others. Positions about them have been woven into or made the bases of ideologies. They have long since become grist for the mills of politicians, and political polemics and parliamentary studies have poured forth, frequently indistinguishable from one another. Scholarly studies of the last several decades have done much to place these developments in perspective and to mediate the claims and counterclaims of interested parties.

From the outset, there were those who believed or claimed that the results of industrialization were greatly harmful to England. As Lipson says, "It was a common

¹¹ Arnstein, op. cit., p. 69.

view that, bad as was American slavery, 'the white slavery in the manufactories of England was far worse,' Robert Owen asserted that the effect of all the 'splendid improvements,' had 'hitherto been to demoralize society through the misapplication of the new wealth created.' "12 The following is a recent statement of the impact of early industrialization. "The initial growth of these industries could only be achieved by the regimentation of vast armies of cheap labour. Herded together in the slum towns of the nineteenth century. these victims of industrial progress had to wait until hard-won experience in handling the new problems of urban life slowly rescued them from their unhealthy squalor."13

Despite the Hardships, Conditions Steadily Improved

In view of all that has been written upon the subject, and particularly of lengthy and thorough scholarly studies, it is unlikely that anything new can be added. What can be done is to review briefly the arguments, try to discern in what direction reason and evidence points, and bring the weight of expert judgment of those who have studied it to bear on the question.

The historical record is clear that there was much hardship and suffering in nineteenth century England. Men, women, and children did frequently work long hours at exacting tasks and in unpleasant surroundings. Employment did fluctuate, and there were periodic depressions. Families did live in squalid factory towns and in housing with meager appointments. A leader of Chartism in the nineteenth century reported the following about the lives of some of the poor in London. "In whole streets that we visited we found nothing worthy of the name of bed, bedding or furniture. . . . Their unpaved yards and filthy courts, and the want of drainage and cleansing, rendered their houses hotbeds of disease: so that fever combined with hunger was committing great ravages among them."¹⁴

No doubt, too, workers were dependent upon employers for their livelihood, and if they were laid off they might have little or no resources until they found new employment. Wages were hardly such as to lead to early affluence. Thomas Carlyle spoke of "half a million hand-loom weavers working fifteen hours a day in perpetual inability to procure thereby enough of the coarsest food; English farm labourers at nine

¹² Lipson, op. cit., p. 244.

¹³ Flinn, op. cit., p. 234.

¹⁴ Lipson, op. cit., p. 245.

shillings and at seven shillings a week." 15

That hardship and suffering abounded in the nineteenth century, even in the midst of rising productivity, there is no reason to doubt. That suffering existed is not the issue, however. The relevant question is: What was the relation of industrialization and greater productivity to the material well-being of workers and of the populace generally? Did they suffer in consequence of it, or was their lot ameliorated by it?

Poverty Always a Problem

Of all the interpretations of history, it would be difficult to find one more perverse than that which ascribes the suffering to industrialization. Such an interpretation flies in the face of both reason and evidence. How could greater productivity result in an increase of hardship? It flies in the face, too, of the actions and decisions of the workers themselves, of economic theory, of the judgment of nations, and of what men generally have sought to imitate. Yet, such an interpretation has frequently been offered, from the beginning to the present day.

The first thing to be noted is that most of the hardships pointed to by critics were not new to the nineteenth century. Hardship and suffering have been the common lot of most men throughout the ages. Hours of work have been long and unremitting for those who would produce much for so long that the memory of man runneth not to the contrary. Womand children have usually en worked alongside the men, or at other tasks. Periods of employment have always alternated with periods of inactivity for most people. Farming, which has engaged most workers at most times. is by its very nature seasonal. Much of the year there is little productive work to be done. Other employments have rarely had greater regularity, if household servitude is left out of account. Depressions have occurred off and on throughout history, in consequence of wars. market changes, changes in the money supply, and so on. Housing has been squalid from time immemorial. Death by disease and malnutrition greatly antedates the awareness of these as causes of death, and, indeed, goes back no doubt to the very appearance of life on this planet. The squalid housing of industrial towns was probably superior to that in the countryside from which many of the inhabitants came. Most workers have ever been dependent upon someone for employment, whether landlord or master.

¹⁵ Ibid., p. 244.

Signs of Progress

What was new in the nineteenth century, then, was not toil and hardship. On the contrary, it was the beginning of the amelioration of these. It was only in the wake of the much greater employment of machinery that hours of work could be reduced without resulting in increasing deprivation. It was only as work was organized in factories, and large companies became common, that employment began to be regular rather than seasonal and intermittent. Regular employment became common, too, after predictable transportation was developed, particularly the railroad, and world-wide markets were opened. Indeed, it is probable that some of the discontent among workmen arose from a lack of enthusiasm about the regularity, punctuality, and disciplined character of factory work. Sanitary conditions only came to prevail after causal relationships were discovered between filth and refuse, on the one hand, and disease on the other. Making towns and cities habitable places was also greatly aided by cheap pipes, lighting, and transport facilities. themselves a part of the industrialization. As to wages, they could and did rise as the productivity of workers increased through the use of new techniques and mechanical aids.

Far from being the cause of toil and hardship, then, the industrialization and increased productivity were the means of which these were relieved or made less burdensome. That this was so from the beginning needs to be made clear. Many writers who attest that many improvements eventually came from industrialization maintain that in its early stages there was much harshness. Harsh. things may have been, but this should in no sense be attributed to the industrialization. Even if life was harsher for some than it had been for their forebears, this should not be attributed to the industrial changes. Let us turn now to the evidence for the improvements which followed upon the use of new techniques and machinery.

Population Explosion

One of the best evidences for the general improvement which came in the wake of these developments is the growth of population. Estimates indicate that there were about five and a half million people in England and Wales in 1700, and that the population had increased to about six and a half million in $1750.^{16}$ When the first census was taken in 1801, the

¹⁶ See T. S. Ashton, *The Industrial Revolution* (New York: Oxford University Press, 1964), p. 4.

population was a little under 8,900,000.¹⁷ By 1831, it had reached 13,897,000; by 1851, 17,928,000; by 1901, 32,528,000.¹⁸ Even if conditions had worsened in the early years of industrialization, then, it should be ascribed to the pressure of population. But there is no reason to read the history of these years in this fashion.

On the contrary, the increase in population should be ascribed to improved and improving conditions. Ashton notes that the rising population should not be attributed to any extensive change in the birth rate, for it remained at about the same level for the years 1740 to 1830. Nor does inward migration explain the increase in population, for there were probably more people leaving England for other shores than were coming in. The increase should be attributed to the decline in the mortality rate due to the "substitution of wheat for inferior cereals.... an increased consumption of vegetables. . . ," better "standards of personal cleanliness. associated with more soap and cheaper cotton underwear. . . ," the "use of brick in place of timber in the walls.... The larger towns were paved, drained, and supplied with

running water; knowledge of medicine and surgery developed; and dispensaries hospitals increased; and more attention was paid to such things as the disposal of refuse and the proper burial of the dead."19 Another historian says, "Even in the slums of the new industrial towns expectation of life was better than ever before. People were already, on the whole, better fed, better clothed, less likely to contract disease and better cared for when they did, than during the eighteenth century."²⁰ He is speaking of the situation as it existed in 1815.

How Workers Behaved

One of the best evidences of the impact of industrialization is the behavior toward it of those in need. There is no doubt that those looking for employment flocked to the new factory towns from the outset. Far from being repelled by conditions in factory towns which writers have since deplored, they were irresistibly drawn to them. The most notable movement of workers was into northern England. "Technical improvement in the newly developing industries of these regions

¹⁷ J. Steven Watson, *The Reign of George III* (London: Oxford University Press, 1960), p. 517.

¹⁸ Arnstein, op. cit., p. 378.

¹⁹ Ashton, op. cit., pp. 4-5.

²⁰ David Thomson, England in the Nineteenth Century (Baltimore: Penguin Books, 1950), p. 11.

served as magnets to attract not only capital_but population as well. . . . Large numbers were attracted from the surrounding agricultural regions.... But large numbers came from regions more remote. . . ." They came from southern England, from Scotland, and from Ireland. "Officials in the growing industrial centers often became alarmed, in fact, by the rapid influx of laborers, and . . . even made attempts . . . to check the flow from the vast reservoirs of unemployed in other regions."²¹

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There was a general trend over the years for wages to rise. Of course, this trend was not uniform throughout nor universal. Machinery was adopted at different paces in different industries. There were always workers and processes that were marginal or becoming submarginal, and wages would reflect such situations. Nevertheless, the trend was up. One survey indicates that if wages in 1790 be taken as 100 they had risen to 137.4 by 1845. Money wages had gone much higher than this during the Napoleonic wars. but after the war prices fell. The over-all trend during most peacetime years was stable or higher money wages coupled with lower

prices.²² In the third quarter of the nineteenth century there was probably the most dramatic sustained improvement in wages and living conditions that had ever occurred in English history. "Money wages, with a few slight lapses, rose steadily between 1850 and 1874. From a base of 100 in 1850 it has been calculated that the general level rose to 156 by 1874. . . . For these reasons the standard of living and prosperity of the mass of the workers rose greatly throughout the period."23

Another measure of the relative prosperity of workers was the amount of saving. Records of the growth of savings are to be found in the increase of membership in what were called "friendly societies" and in deposits in savings banks. Membership in friendly societies increased from somewhere between six and seven hundred thousand in 1801 to 1,500,000 in the late 1840's. There were over a million depositors in savings banks in 1844, with 27 million pounds to their credit.²⁴

The indications are, too, that living conditions continued to improve. The death rate per year continued to fall: in London from

²¹ Witt Bowden, Industrial Society in England Toward the End of the Eighteenth Century (New York: Barnes and Noble, 1965, 2nd ed.), pp. 95-96.

²² Llewellyn Woodward, *The Age of Reform* (London: Oxford University Press, 1962), p. 11.

²³ Thomson, op. cit., p. 143.

²⁴ Chambers, op. cit., pp. 210-11.

23.8 per thousand in 1841-51 to 21 per thousand in 1871-81; in northern industrial towns for the same period from 28.1 to 24.6. One writer notes, "Lord Shaftesbury on his eighty-third birthday in 1884, remarked on 'the enormous improvement' in the housing and sanitation of London during the previous thirty years, and it may well be true that London was the healthiest large town in the world."²⁵

Not Utopia — But Marked Improvement

How did the workers fare. then. in the Workshop of the World? They fared well, indeed. They fared well in comparison with workers of other ages and times. They fared well in comparison with their parents and grandparents. They fared well in comparison with workers in most other countries, if not all other countries. Their wages were rising in relation to the costs of what they bought. Housing and sanitation were improving. If a workman did not like his employer, he could seek out a different one. If he did not like to be an employee, he could, perchance, save his wages and go into business for himself. Some did, and many more could have. If he did not like conditions in England, he could migrate. English workmen could hope, and they were free.

Of course, England was not utopia, not even in the halcyon days from 1850 to the 1870's. There was much and long toil; wages were less than one might desire: people still died as a result of accidents and disease: there was tragedy and grief, as in all ages. The hardship and suffering were surely due mainly, however, to the human condition, to the fact that man must earn his keep by the sweat of his brow in temperate climes, to the fact that there are numerous other organisms preying upon him and vying with him for the limited sustenance on this planet, to the scarcity of goods and services and the insatiability of human wants and desires. Change in processes and equipment could not make this earth other than what it is -aplace of trial and tribulation - but it could bring improvement. That is what industrialization did. even. or especially, for workers. ۲

The next article of this series will discuss "The Victorian Way: Affirmed and Rejected."

²⁵ Ibid., pp. 188-89.



How to Win a War

ED LIPSCOMB

EVERY newspaper you read, every newscast you hear, gives day-today attention to THE WAR. Authors write books about it; politicians issue statements about it; and men on public platforms bring it into every presentation.

It is still essentially, as it has been for more than 20 years, a massive, long-range Cold War, interspersed with hot subsidiary engagements intended among other things to test America's will, deplete its resources, and furnish ammunition for world-wide propaganda.

Here is an international conflict which everyone agrees will determine the nature of civilization and the conditions of human life for generations to come. From the standpoint of the United States, we must either win this war or witness the death of our nation.

In the midst of multitudinous speeches and statements, reports in print and on the air, and analyses by politicians, military chiefs, space scientists, and the headlineseeking experts who write columns and commentaries for public media, I must admit that I cannot come up with any very intelligent appraisal of our current status in this fateful conflict with communism that means national survival or servitude for us all.

I can, however, tell you positively how we can win it – the only way we can win it – and it is not merely by appropriating

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more billions for defense, or even by insisting that we get as much defense as we already are paying for.

We can win it only by winning a second war - a decisive war that is going on inside our own boundaries. It is a war between forces which would keep us powerful by maintaining the initiative, the independence, and the self-respect of our individual citizens, and forces which through exaltation of the godhood of the group would assure the economic cataclysm and accompanying ideological collapse on which our foreign enemy depends to leave us and our allies incapable of successful resistance.

Amazingly, we tend to underemphasize the relationship between the intercontinental Cold War and the conflict within our own country. We have become so conscious of comparisons in military strength and international influence that we fail to follow the signs and significance of our victories and defeats on a far more important front. We tend to become so afraid of Moscow that we are not sufficiently afraid of Washington.

This is the war which every major communist leader has predicted we would lose, and in losing it insure our national destruction. Marx, Lenin, Stalin, Khrushchev – all have declared again and again that *this* would be the pattern of our disappearance as a world power.

We March Toward Insolvency

I said I could not tell you much about how we are doing in the military race. I find no such problem in connection with the war at home. We are losing it. Let me call your attention to just three areas of evidence.

First is our over-all trend. All of us know that it is definitely and rapidly in the exact direction our communist opponents have so often insisted would bring our total defeat.

The trend, for example, is toward national insolvency. We take counterfeit comfort in the fact that we are staying within a socalled "temporary" Federal debt limit -a limit that recently was raised three times in one year.

State and local governments search frantically for more funds - the purchasing power of our money continues to decline – key industries are undercut by increasing inability to meet foreign competition – and thoughtful men wonder how so much domestic stability and world leadership could have been converted into so much confusion so quickly.

The trend also is toward destruction of incentive. A man of exceptional competence and ability finds that the more hours he works the less he earns per hour of effort.

The investor in corporate equities finds that half his profits are absorbed before he sees them and that a further major portion must be surrendered after that.

The factory worker finds that if he exceeds the approved rate of production, he is disciplined by his union or frowned upon by his fellows, and that his progress depends on the passage of time rather than on his energy, his intelligence, or the merit of his performance.

The man who works intermittently qualifies for public compensation between jobs. If his earnings are small enough, he qualifies for admission into a communal housing unit. If he stops work at 65, regardless of health and ability, he qualifies for social security payments.

From the mental anesthesia of the television screen to the use of ever-greater leisure for the modern equivalents of stick-whittling and cracker-barrel-sitting, we see around us a glorification of mediocrity and deification of the unproductive which reflect loss of intellectual ambition, decline of crusading spirit, and decay of personal incentive.

The trend also is toward per-

petual programs of private life by public plan.

Again and again we have seen the whole sorry story of political paternalism paraded before us the design for the nursemaid state - the plan for government by fairy godmother - the promise of heaven-on-earth through ballots cast on Capitol Hill. We are familiar with the philosophy that the answer to every difficulty is more legislation or larger figures in appropriations bills - that all we need to do is turn over our problems, our pay checks, and our independence to political agents, and everything we should have will be provided.

The trend, then — the trend toward national insolvency, toward destruction of personal incentive, toward accomplished but unadmitted socialization and regimentation — this is a major reason for serious, even desperate, concern over our home-front war for survival.

A Vested Interest in Conflict

A second reason is one we do not hear much about. It is the extent of our vested interest in a high level of international tension, and in the waste and extravagance that accompany it. The connection between our posture of prosperity and a continuation of Russian sword-rattling is so obvious that I have wondered at times why the coyotes of the Kremlin do not seriously array themselves in sheep's clothing, agree to drastic disarmament, abandonment of any form of aggression, and establishment of an international atmosphere of peace and serenity. Certainly I can think of no quicker or surer way in which they could throw us into the financial tizzy and tail spin they so greatly desire.

Think about these vested interests for a moment. The most powerful, perhaps, is the interest of our bureaucracy - the hundreds of thousands of officials and clerks required to give away billions of dollars, prepare multitudinous programs, and operate all manner of red tape in the much-maligned name of defense. In a whollv relaxed atmosphere, what would happen to military aid for our allies, the bulging State Department, the Office of Civil Defense, and the most extensive "peacetime" fighting establishment we have ever sought to maintain? Half the Federal budget, more than half our Federal employees, and arguments for all manner of Federal subsidies would no longer be justified.

Think of industry – the contracts for airplanes, missile parts, guns, and equipment – the contracts for military construction, housing units, and a multibilliondollar highway system promoted in the name of defense mobility – the contracts for building ships and submarines, and even for sirens in every city.

Think of labor – the political demands of the unemployed – the quick absorption or bankruptcy of public compensation funds – wage scales no longer buttressed by high-priced military buying.

The point here, however, is not to speculate on possibilities, but to express the conviction that the tremendous vested interest of influential and important American groups in the maintenance of international tension — and the part which that interest plays in giving our economy a hue of rosiness — is a second reason for concern on the domestic front.

Matching Our Words with Deeds

A third and tremendously significant reason why I say we are losing the home war is that practically nobody is fighting wholly, sincerely, and unreservedly on the side of the forces that would keep us strong. Our defense is dependent largely on men and groups who either fight on one side one day and the other the next, or who fight with one hand while accepting bribes from the opposition with the other. Since such divided loyalty invites defeat, I want to explain exactly what I mean.

If you will ask around, you will

find that practically everybody is opposed to national insolvency, to destruction of incentive, and to political domination of private and economic life. You will find that he is opposed to pre-emptive statism, and to the fiscal irresponsibility that can bring it upon us. At least he will say he is, and the chances are he really is - except the part that applies to his own community or puts a few temporary extra dollars into his personal pocket.

I can cite you illustration after illustration, and you can add more from your own experience, of the howls that go up when a man faces the specific application, to his own pocketbook, of the very principles of national strength to which he claims allegiance.

Try to close a military installation because of the economies which can be made by consolidating it with one in another area try to cut a subsidy of any kind -try to eliminate the expense of Federal involvement in real estate mortgages, or pork-barrel projects, or loans at less than cost try even to merge two offices in the same city if the merger reduces payrolls . . . and you will hear screams from sources that range from corporation heads and bank presidents to the lowliest tenants of public apartments, depending on who is personally touched.

I would like to make a statement here which I want you to correct, if I am wrong. I do not know of a single businessmen's organization, of any kind, which customarily passes resolutions on public policies, whose record will not reveal support for programs or projects which are part of our trend toward defeat.

Here, then, are three reasons for solid conviction that as of this moment we are losing, and losing at a fearsome pace, the second war – the domestic war – on which the outcome of the Cold War depends: (1) the trend toward exactly the conditions which our mortal enemies have predicted would bring our defeat; (2) the vested interest of large and influential groups in the perpetuation of international tension; (3) the absence of sincere, honest, wholehearted support for the simple principles and practical policies that would keep us strong.

The War Inside Each of Us

The most vital question which confronts us, however, is not that of losses already sustained in this second war, or even the question of our current status, but the alldecisive question, "Can we win it?"

If we can, and if we do – if we are truly victorious here – we will defeat foreign communists and international gangsters on any front they choose, be it military, economic, diplomatic, ideological, or what you please. We will confound the hopes and contradict the prophecies of our enemies, and earn the respect and admiration of our friends.

How, then, can we win this second war? We can win it, and win it only, if you and I and others like us can win still another war a third war. It is the war which each one of us must fight inside himself.

Here is a war where it is impossible for you or me to be spectators or bystanders. It is impossible even to be neutral, for we ourselves are the battleground. Our decisions, and ours only, will determine the outcome.

Arrayed on one front in this personal war is a tremendous force of animal inclinations and natural desires - the appeal of immediate benefits, business advantages, or personal profits from political programs. Here also is the power of inertia. Here is reluctance to get involved. Here is temptation to kid ourselves into believing that just one man doesn't make any difference - or that because we don't get a direct dole or handout every month we are not a part of the problem or even that we and our fellow-Americans are somehow immune to the age-old and unchangeable law of cause and effect.

On the other side are our conscience, our judgment, and our knowledge that throughout all history no nation has ever survived which continued much farther than we already have come down the road we are traveling.

Neither I nor any other man can tell you how you are coming along with your own personal war. I can, however, tell you how you can win it, and in winning it achieve personal invincibility which no amount of legislation can bring, and no amount of persecution by either fellow-citizens or outsiders can overthrow.

Practice What We Believe

First, you can practice what you profess to believe. You can apply in private and business life the principles you publicly espouse. Three out of every four average Americans, when asked about the principles they support, will give the answers which you and I know to be right. Among businessmen, the figure is more likely to be four out of four.

Hence, I say that the first battle you and I must win is to practice what we profess to believe. To do otherwise means not only to lose our personal war, but through our hypocrisy to influence others to lose theirs also. Just as the temperance lecturer who gets drunk is a greater liability to his cause than is the admitted barfly, so the businessman who preaches free enterprise while he participates in programs of political intervention is a greater liability than the admitted socialist.

You can join the WCTU, vote for prohibition, circulate resolutions to close liquor stores, and wear a tall black hat and swallowtailed coat complete with cane. but your neighbor still will not think you believe in temperance if he sees you staggering around your yard or patio at cocktail time. You cannot convince him that you are opposed to statism if you support resolutions calling for Federal funds for local projects, or make him think you believe in individual freedom and independence if you expect Washington to underwrite, directly or indirectly, your personal or business risks.

Unless you and I are willing to fight and win this very first battle, all three of the wars I have mentioned are already lost as far as we personally are concerned.

We Can Help Those Around Us

The second thing you can do is to initiate, in your own particular area of influence and knowledge be it large or small — a conscious effort to help those about you to win their personal wars also. You and I may not be able to do a thing about the personal wars of people in distant places. We may not be able to help everyone in our own state, or even our home town. But there is not one of us who cannot be effective, both by example and by precept, among the people we see and talk to every day.

How much good will you be able to do individually? I do not know. but I know that neither you nor I nor any other man on earth can do anything *except* individually. I further know that we cannot wash out our responsibility with a signature on a bank check, when our brains and talents and personalities are more important than our money. And I know still further that if you will work among those about you with the aggressive, intelligent, result-getting leadership which is you at your best - if you will work with the same crusading spirit, the fire and the zeal, the loyalty and drive which you know to be typical of a dedicated communist-you will be amazed at what you can do, and you will be amazed at how overwhelming will be your own inner victory.

How many of us will have to win our personal wars — in order to win the bigger war on the national front, and in turn the Cold War itself?

The answer to that depends on

the completeness of our personal victories and the amount of enthusiasm with which that conquest inspires us. Not many are needed if we are sufficiently on fire. Karl Marx, one man, was a misanthropic ne'er-do-well. Saint Paul was a puny epileptic or otherwise physically handicapped man. Hitler was a psychopathic paper hanger in Austria. Certainly no reader of these words would consider himself inferior to any of them - or to any of the twelve whom Christ himself assembled *hefore* these became dedicated men. Perhaps we cannot match them in dedication, but the degree to which we succeed will determine the number who are needed

Personal Victories Needed

Here, then, is our war -a war that is going to decide the nature of civilization, and the conditions of human life for generations to come. I have broken it into three parts, but for you and me it is *not* in reality three wars. It is one war. The outcome of it is wholly dependent on whether or not you and I and others like us are victorious on the battlefront that lies inside ourselves.

I won't win, no matter how the domestic front and the international front come out, if I don't win my personal war and contribute my utmost to similar victories for those around me. And I cannot be beaten, no matter how other fronts come out, if I know that I have applied to my daily life the principles in which I believe, and have given my utter best to those within my reach.

For my own part, I can give you my answer. I am going to win my war, and I am going to try so hard to help others to win theirs that I am going to know, down inside, that if everyone who reads this did the same, along with others across this land who feel and profess exactly what we do, there is no question as to the outcome of both our domestic and our Cold War campaigns.

May I urge that you join me in the prayer and determination that we, each through his own victory and the effort which that victory inspires, may achieve the invincibility of soul which makes personal defeat impossible - that together we shall make a vital and conceivably decisive contribution to our cause and to our country and that with others of like purpose and spirit we may demonstrate to all the world that an individual man must be respected. when he earns the right to respect himself.

This is the war we are in. This is the way to win it.

HAROLD M. FLEMING



"When I use a word," Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean – neither more nor less."

"The question is," said Alice, "whether you can make words mean so many different things."

"The question is," said Humpty Dumpty, "which is to be master - that's all."

CHARLES L. DODGSON, English mathematician

PERHAPS there is an important word somewhere in the English language that is used as loosely as "monopoly." But it would be hard to find.

Yet this word – with its derivatives, "monopolize," "monopolistic," "monopoly power," and so on – is basic to orthodox economic theory. And there is scarcely any aspect of the American industrial economy to which the economists haven't applied this general concept through one or other of the variety of meanings they have given it.

Though the overtones and connotations of "monopoly" are, strangely, all to the bad, American business could shrug this off if it were not for one fact. The academic economists have, through the Federal Trade Commission and the Antitrust Division of the U. S. Department of Justice, sold their ideological jargon to the Federal courts. In the 1960's, with

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alarming speed, the U. S. Supreme Court has frankly begun to cite economic theory as a basis for its antitrust decisions, rather than legal precedents.

And "monopolizing," "attempting to monopolize," "conspiring to monopolize," or possessing "monopoly power," can be crimes under the Sherman Act. So the free-wheeling use of the words by the economists can spell trouble for any business — at least of any size and financial strength.

"Single Seller"?

By its etymology, from its Greek roots, "monopoly" means "one seller;" or "single seller," or "sole seller" - just as "monotone" means one tone. "monorail" one rail, and so on through such words as monogamy, monologue, monoplane, and monomania. Historically, this was its original meaning: and in the case of the Elizabethan. Stuart, and Hanoverian monopolies, there was an "or else. ..." The early monopolies implied. were *legally enforced*; they were exclusive grants.

(Those were monopolies – literal and legal – that contributed to the exodus of Puritans from England to Boston; to the English Civil War in the 1640's; to Adam Smith's diatribes in his *Inquiry into the Wealth of Nations;* and to the American Revolution.)

"Monopoly" = Size?

But in the late nineteenth century the word "monopoly" was cut loose from its etymological moorings. It was used synonymously with "trust" and "combine." As Supreme Court Justice Holmes put it in his dissent in the Northern Securities case in 1903 -

... it has occurred to me that it might be that when a combination reached a certain size it might have attributed to it more of the character of a monopoly, merely by virtue of its size, than would be attributed to a smaller one.

193 U. S., at 407

Thus the Standard Oil Company never did more than 90 per cent of the nation's kerosene business. Over the decades the meaning of the "mono-" in "monopoly" has been considerably further diluted. A 104-page draft complaint is on file in the Antitrust Division against General Motors Corporation, charging that it "monopolizes the manufacture, sale, and distribution of automobiles." GM's "market penetration" usually runs 50-55 per cent. An antitrust expert recently remarked that "monopoly is a matter of degree. . . ." (Edward S. Mason, in Monopolistic Competition Theory, John Wiley, 1966, p. 80) The classic statement of this looser meaning for monopoly was that of Judge Learned Hand in the Alcoa case. He said that 90 per cent "is enough to constitute a monopoly; it is doubtful whether 60 or 64 per cent would be enough; and certainly 33 per cent is not. . . ." (148 F.2nd 416) (1945) His percentages, incidentally, were based on the three separate choices of *relevant market* available in the case.)

Of far more fundamental importance, however, in the economists' historic recoinage of "monopoly," has been their equating, since the 1880's and 1890's, of today's *unprotected* monopoly, with the *legally protected* monopolies of the sixteenth through the eighteenth centuries. The difference is as important as the difference between the former mercantilist systems and modern capitalism. If it isn't important, Adam Smith wasted over 25 years on his *Wealth of Nations*.

(Of course it might be said that even in those earlier days, hardly anyone ever had a real "100 per cent" monopoly. But in those days the irrepressible price-cutting competitor had to be a lawbreaker—usually a smuggler.)

"Monopolistic Competition"

But the really skillful semantic treatment of "monopoly" came in the early 1930's. Harvard Professor Edward H. Chamberlin's *The*- ory of Monopolistic Competition was a tremendous success in the Washington and academic worlds, and subsequently went through six editions with scarcely a change. The book put into circulation two now fashionable notions — "monopolistic competition," and "joint monopolization" ("oligopoly").

Chamberlin went back to the pure meaning of "monopoly" – that is, sole seller. He then pointed to the obvious fact that, in this sense, everybody has a "monopoly" of his own location, reputation, brand, personality, and so on – whatever is unique about his product or service. Thus all forms of "product differentiation" were "monopolistic."

With differentiation appears monopoly, and as it proceeds further, the element of monopoly becomes greater

... Where there is any differentiaation whatever, each seller has an *absolute monopoly* of his own product, but is subject to the competition of more or less imperfect substitutes. (italics added)

Since each is a monopolist and yet has competitors, we may speak of them as "competing monopolists," and of the forces at work as those of "monopolistic competition."

Theory of Monopolistic Competition, 1st Edition, 1933, page 9.

Since modern business competition is very largely waged in the form of product improvement, quality, reputation, service, and other non-price forms, this amounted to an intellectual judo, in which the business community's greatest competitive strength was converted to an all-out polemical weakness. But Chamberlin went considerably further than that. He wrapped up "monopolistic competition" with an extraordinary conglomeration of other factors and said the result was *excess industrial capacity*. Included in this conglomeration were

... formal or tacit agreements, open price associations, trade association activities in building up an esprit de corps, "price maintenance," the imposition of uniform prices on dealers by manufacturers, and excessive differentiation of product in the attempt to turn attention away from price. ... (p. 106)

Also "business or professional 'ethics,' " the disguising of price cuts, and "custom or tradition."

"The common result of this assemblage," he said, "is excess productive capacity . . . permanent and normal... and the result is high prices and waste... These are wastes of monopoly – of the monopoly elements in monopolistic competition." (p. 109) (italics added)

"Joint Monopolization"

But a much greater impact was achieved by this modest-sounding book through its developing of the theory of "oligopoly."¹ This theory says that where a few firms do most of the business in a given industry, they keep prices up for fear of price wars, and so work like a joint monopoly. Said Chamberlin:

Since the result of a cut by any one is inevitably (sic) to decrease his own profits (sic), no one will cut, and, although the sellers are entirely independent, the equilibrium result is the same as though there were a monopolistic agreement between them.... No one will cut from the monopoly figure because he would force others to follow him, and thereby work his own undoing.... (pp. 48, 49)

Thirty years later, the Supreme Court, in vetoing a merger of large banks, said:

That "competition is likely to be greatest when there are many sellers, none of which has any significant share," is common ground among most economists....

U. S. vs. Philadelphia National Bank, 374 U. S. 321 (1963)

In this decision the Court was relying on the Chamberlin theory of "oligopoly," or joint monopolization.

Thus, in a generation the con-

¹ Chamberlin uses the word "oligopoly" on page 8 of his first edition, written in 1932, and states in a footnote: "... as to the word 'oligopoly,' I have never seen it in print...."

cept had moved from the ivory towers of Harvard to the august chambers of the Supreme Court.

Totting up all these meanings for "monopoly," we now have five:-

- 1 an exclusive Crown grant;
- 2 a sole producer, but without government protection;
- 3 a "dominant" or large producer;
- 4-a unique selling point (brand, reputation, location, skill, selling method, or other peculiarity);
- 5-a lack of aggressive price competition among several large competitors (joint monopoly pricing).

"The question is," (as Alice said) "whether you *can* make words mean so many things."

The Monopolist's Alleged Excessive "Freedom"

The trouble with the monopolist, the orthodox economists say, is that he has too much freedom; he sits too comfortably. As a sole seller, he has no competition; or as a "dominant" seller, he hasn't enough. So he can charge a "monopoly price"; and he has "monopoly power."

Thus the Attorney General's National Committee to Study the Antitrust Laws, in 1955, said:

Monopoly power . . . implies the monopoly seller's relative freedom

from pressure to reduce costs, to develop new products, or otherwise to innovate, and to diffuse the benefits among customers...p. 316

This is an extremely myopic view, which no modern "monopolist," *no matter how defined*, could afford to act on. It is short-sighted in time, in the sense that a varsity racing crew, having pulled ahead of its rivals, still cannot rest on its oars. It is short-sighted in form, because it ignores two major hazards to the single seller, which orthodox economics brashly overlooks.

The first of these two hazards is obsolescence. It is the single seller's risk, in a modern economy, that the rug may at any time be pulled out from under his lovely monopoly by some innovator. The second hazard is that, if he doesn't keep "reaching for volume," the "monopolist's" market may rapidly outgrow him and his prices, and move into the hands of more imaginative sellers.

Orthodox economics, being all but blind to these factors, vastly overstates the power and importance of monopoly, and vastly *understates* the power and importance of competition.

Innovation, Obsolescence, and the Economists

Innovation has become a way of life in the modern American

economy. In the less than a guarter-century since World War II, American industry has poured two-thirds of a trillion dollars into new plant and equipment a large proportion of that for making new products, which, for leading industrial corporations. now account for from a third to nine-tenths of dollar sales. The research lab and the "New Products Division" have become principal engines of competition both defensive and offensive. Interindustry competition has brought "everybody into everybody else's pasture." The mortality of product markets is estimated in terms of a prospective "product life cycle" which ends in the graveyard of obsolescence.

Not a glimmer of this is reflected in orthodox economics. It all but ignores this innovation and completely blanks out on the unmentionable subject of obsolescence. Innovation appears only as "product differentiation," which is "monopolistic," as we have seen. *Radical* innovation, of the sort that makes up Schumpeter's famous "perennial gale of creative destruction," is even more "monopolistic." Said the Attorney General's Committee in 1955:

Extreme product differentiation, by tending to insulate the demand for one product against that for rival products, may allow real positions of monopoly to develop. (p. 328)

(In plainer English, this means that any new product, like, say, an integrated circuit, so good as to be "in a class by itself," automatically puts its owner into a class by *himself*, which means that of a sole producer, which means, a "monopolist.")

As for obsolescence, the orthodox economists not only don't discuss it. They don't mention it. For instance, it is not in the index of Chamberlin's book, nor of the widely-discussed 1959 *Antitrust Policy* of Kaysen and Turner, nor in the index of the most widely sold of all first-year college economics textbooks, that of Paul A. Samuelson.

Yet this is not at all strange. Orthodox economics does not pretend or purport to deal with dynamics. It is a statical theory. It has always been a statical theory. Its idealized competition consists of hosts of small firms making the same products forever and a day. In the treadmill of static economics the producers go on, like the figures on a Grecian urn, endlessly turning out the same kind of goods - except, perhaps, for a sly occasional use of "product differentiation" to beat the boredom of pure price competition.

(For in this tinker-toy body of theory, no competition is theoretically countenanced except that of price – and even there, the "competitors" take what they can get. There is no marketing – only sales; no R & D; no "raiding" of competitors; no experimental price cutting – in short, no innovation and no obsolescence.)

Thus Professor Alfred Marshall, the Victorian grandfather of this Victorian way of thinking, wrote:

No doubt there are industries ... which ... are in a transitional state, and it must be conceded that the statical theory of equilibrium of normal demand and supply cannot be profitably applied to them.

But such cases are not numerous. (italics added)

Principles of Economics, 8th Edition, p. 501.

If few industries were "in a transitional state" then, (a notion hard to accept) many are now, and late-Victorian economics, by the confession of its own founder, "cannot be profitably applied to them." In fact how many industries today are *not* "in a transitional state"?

"Monopoly Prices"

The orthodox economists have an obsessive notion that "monopoly" always means higher prices and scarcity. In fact they use the term "monopoly price" as, in Adam Smith's words, "the highest price which can be got."

Thus the following are typical quotations from the orthodox economics department.

The monopolist produces less and less and gets a higher price. . .

Benjamin Ward, Elementary Price Theory, MacMillan, 1967; page 93.

In general, a monopolist taking over a previously competitive industry would find that profits could be increased by reducing his output below, and raising his price above, the level selected by those competing firms....

Antitrust Law & Economics Review: Vol. 1, No. 1, 1967; page 137.

... monopolistic interference reduces output needlessly. The fact that it produces such scarcity is reflected in the higher price it creates.

Samuelson, Economics: An Introductory Analysis, 5th Edition, 1961, page 428.

A monopolist tends to produce too little because of his fear of "spoiling the market." He connives and contrives to produce scarcity.

Samuelson, page 579.

These pronouncements have the earmarks of imaginative demonology. Certainly they are not supported by the preponderance of evidence on record in the scores of thousands of pages of testimony given in the major antimonopoly court cases since the Sherman Antitrust Act was passed in 1890.

Fact may be stronger than fic-

tion, but in contrast to the above is the following early statement of policy of one of the most famous monopolies in American industrial history.

The selling price for the year has been a gradually lowering one, not on account of competition, but on account of our own voluntary wish to encourage new customers for our very much larger output for aluminum which we intend to produce.

The above is an excerpt from the 1895 annual report of a very small corporation which, 50 years later, had become a very large corporation and was *still* the *sole producer* of aluminum ingots in the United States.

Such marketing policy is sometimes called "reaching for volume." It has been characteristic of the capitalist system since it superseded the mercantilism of the eighteenth century. Business firms aim the policy at

a larger total profit from a smaller unit profit. The idea has been that lowering prices might result in large volume, which might result in lower per-unit costs, which might result in larger total profits. Often it did. The big money has been made, and the big companies built, on this "massproduction-for-the-masses" principle.

Fleming, Gasoline Prices and Competition, Appleton-Century-Crofts, 1966, p. 34.

A famous example was the Model T Ford, the price of which Henry Ford cut, year after year, from an initial \$850 to an ultimate low of \$290 – making himself a billion dollars in the process.

(Ford, incidentally, had a "monopoly" by a couple of the economists' usages of that word. For one, of course, he was the sole producer of the Model T. For another, he was for years much the "dominant" producer of cars in the lowest price slot in the business.)

The self-same reach-for-volume philosophy was restated in 1968 by President Fred Borsch of the General Electric Company. He said:

We will continue to trade current earnings for future growth.

You aren't going to get growth in earnings unless you get the growth in volume on which to get the earnings.

Business Week, March 30, 1968.

The Economists Forget

Orthodox static economics is largely based on the assumption of get-rich-quick business policies. Nevertheless the basis of the above business thinking is not entirely beyond the ken of the orthodox economists. They express it, obscurely, under the rubric of "elasticity of demand."

In esoteric charts and jargon, they teach that when a producing firm, by cutting the price of its product, can *increase* its total dollar sales, that product has an "elastic demand"; but if, on the other hand, by cutting the price it will *decrease* total sales, the product has an "inelastic demand." What they mean by "elastic demand" is, in somewhat plainer English, a price-sensitive market in which there is more money to be made by offering the product *cheap*, than by offering it *dear*.

But for some strange reason, when they get on the subject of "the monopolist," they seem to forget all about their "elasticity of demand." They seem to think that single sellers (sole producers), unlike other business firms, either concentrate on products with *inelastic demand*, or, in producing for price-sensitive markets, are too stupid to reach for volume.

Chamberlin, for instance, talks throughout his book as though elasticity of demand made no difference to "the monopolist" – that is, as though the single seller has no reason to reach for volume by selling cheap. In fact he makes the astonishing flat statement that "it is not to [the monopolist's] advantage that the demand be elastic." (page 66)

It seems likely that the orthodox economists have borrowed their obsessional fear of "monopoly prices" from Adam Smith. For in Smith's day the typical pricing of the protected monopolist was for high and quick profits.

"The monopolists," thundered Adam Smith –

"by keeping the market constantly under-stocked, by never fully supplying the effectual demand, sell their commodities much above the natural price, and raise their emoluments . . . greatly above their natural rate. . . ."

Book 1, Chapter 7, p. 61, Modern Library.

But Smith, in this famous paragraph, said explicitly that he was talking about "a monopoly granted either to an individual or a trading company." And in the language of modern business, such monopolists could "raise a price umbrella" and then rely on the *law* and its enforcement agencies to exclude would-be competitors from rushing in "under the umbrella."

Is it not obvious that the economists' mighty mistake is a penalty they pay for confusing such protected monopolists with today's unprotected sole producers?

The "monopolists" described in the textbooks today are figments of the economists' imagination fantasy firms pursuing policies of high price and contrived scarcity well calculated to be such firms' own undoing in short order.

Modern orthodox economists

November

should brush up on their economic history. Such policies were thoroughly tested by businessmen in the years just after the great wave of horizontal mergers around 1900 — and the policies didn't work. Consider the case of the American Can company in its first postmerger year.

... business was good. The foodcanning industry was growing. So the new management took steps to capitalize promptly on its 90 per cent control of the can-making business. It raised prices for cans, in gradual steps, by about 25 per cent - and in the middle of the canning season.

The results were about what you would imagine. Not only were customers angered, but also, everybody and his brother decided to go into the can-making business — or go *back* into it. Competitors sprang up like mushrooms. The new Company bought up a few of them, and several million cans, to get them off the market, and then quit trying. Within two years competitors had increased their share of the can business from less than ten per cent, to 40 per cent.

-William C. Stolk, Chairman of the Board, American Can Company, speech, "Revolution in Containers," before the Newcomen Society, New York, 1960.

Whether it is striving to be or to *remain* a sole producer, no firm can afford such policies. This was stated, with a twist of irony, by Schumpeter in his often-quoted remark that a single seller without legal protection can achieve his position (and then hold it for decades) "only on the condition that he does not behave like a monopolist.² What he meant was that one cannot become or remain a "monopolist" by behaving the way the economists say that monopolists behave.

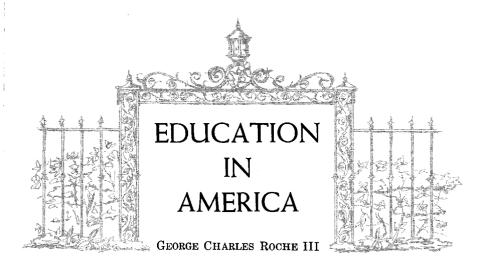
The confusing multiplicity of meanings, and the inaccurate assumptions and connotations, which the economists have given to "monopoly," condemn it as a menace to clear thinking. The economists claim it as among their "tools of analysis." But it is shot through with emotional overtones; and so, in practice, has come to be a tool of confusion.

"There is a natural obstacle to progress in abstract thought," once wrote Isabel Paterson, "which has often delayed rational inquiry; an erroneous concept or theory may be expressed in terms which embody the error, so that thinking is blocked until the misleading words are discarded from the given context,"³

"Monopoly" is one such misleading word.

² Joseph Schumpeter, Capitalism, Socialism and Democracy, Harper's, 1947. p. 99.

³ The God of the Machine, Caxton Printers, 1964, p. 99.



2. Freedom, Morality, and Education

To FULLY appreciate the shortcomings of our present educational framework and face realistically the task of rebuilding it requires a careful and complete understanding of the concepts we value in society — a "thinking through" of our own first principles. What kind of educational goals do we really desire?

To Plato, proper education of the young consisted in helping them to form the correct mental habits for living by "the rule of right reason." But, how do we define right reason? An important part of education centers on the attempts of society to transmit its culture to the rising generation. What are the accomplishments of past generations? What have been the goals and values by which society has lived? What guidelines should be available to the rising generation as it faces its own inevitable problems?

Still, education must be far more than the mere indoctrination of the young into the methods of the past. A hallmark of Western civilization is its educational focus upon the development of the individual's capacity to function as an individual, tempered by recognition of the common characteristics

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imposed upon all civilized communities by the unchanging aspects of human nature. In this sense, the proper goal of education is everywhere the same: improve the individual as an individual, stressing the peculiar and unique attributes each has to develop, but also emphasizing the development of that "higher side" shared by all men when true to their nature. This educational goal might be described as the quest for "structured freedom," freedom for the individual to choose within a framework of values. values universal to all men simply because they are human beings.

A Framework of Values

Education in this best sense requires no elaborate paraphernalia. It is characterized, not by elaborate classrooms or scientific "methods," but by an emphasis upon the continuity and changelessness of the human condition. The effort to free the creative capacities of the individual, to allow him to become truly himself, must recognize the values which past generations have found to be liberating, asking that each new generation make the most of inherited values while striving to enrich that heritage. True education is society's attempt to enunciate certain ultimate values upon which individuals, and hence society, may safely build. The behavior of children toward their parents, toward their responsibilities, and even toward the learning process itself is closely tied to such a framework of values.

Thus, in the long run, the relationship we develop between teacher and pupil, the type of learning we encourage, the manner in which we organize our school systems, in short, the total meaning we give to the word "education," will finally be determined by our answers to certain key questions concerning ultimate values.

Those who built the Western World never questioned this continuity of our civilization nor attempted to pluck out the threads that run through its fabric. Ever since the Hebrews and Greeks made their great contributions to Western thought, it has been taken for granted that through the life of the mind man can transcend his physical being and reach new heights. Selfrealization, discipline, lovalty, honor, and devotion are prevailing concepts in the literatures, philosophies, and moral precepts that have shaped and mirrored Western man for centuries.¹

The necessity for such an underlying value system has been well established in the work of such eminent social critics of our

¹ Thomas Molnar, The Future of Education, p. 30.

age as C. S. Lewis and Richard Weaver. The case for such an underlying system must not depend upon the whims of debate with the relativistic, subjectivist spokesmen who today dominate so much of American education and thought. Those who hold that certain civilized values are worthy of transmission to the young, that some standards are acceptable and others are not, are on firm ground in their insistence that such values and standards must be the core of any meaningful educational framework.

Truth

The late C. S. Lewis, an urbane and untiring critic of the intellectual tendencies of the age, used the word Tao to convey the core of values and standards traditionally and universally accepted by men, in the Platonic, Aristotelian, Stoic, Christian, and Oriental frameworks. The Tao assumes a fixed standard of principle and sentiment. an objective order to the universe, a higher value than a full stomach. As such, the Tao presupposes standards quite incompatible with the subjective, relativist suppositions of "modern man. We are told by the relativists that the Tao must be set aside; the accumulated wisdom of centuries, the values of East as well as West, of Christian and nonChristian, the striving of the past to discover the higher side of man and man's conduct, must not stand in the path of "progress." Thus, the "revolt" of the "Now Generation."

Advances in technology account in part for the denial of our heritage. Since scientific and technological knowledge tends to accumulate (i.e., be subject to empirical verification as correct or incorrect, with the correct then added to the core of previously verified knowledge), many people assume that man's scientific progress means he has outgrown his past and has now become the master of his own fate. Moral questions are of a different order. Wisdom, not science or technology. points the way for progress here. For an individual to be inspired by the wisdom and moral rectitude of others, he must first make such wisdom his own. This is education in its finest sense.

Plato's "Rule of Right Reason"

To grasp the accumulated moral wisdom of the ages is to become habituated to such concerns and to their claims upon one's personal conduct. At that point, the rule of right reason, the goal which Plato set for education, becomes the guiding light of the individual.

This rule of right reason could

provide the frame of reference so lacking in today's society. Many modern existentialists complain that the world is meaningless and absurd. It is not surprising that the world no longer has meaning for those who recognize none but materialistic values. The world of reason and freedom, the real world in which it matters a great deal what the individual chooses to do. is revealed only in the spiritual quality of man that so many moderns deny. It is this higher spiritual quality of the individual, evidenced in his creative capacity to choose, which alone can give meaning to life and transform the world of the individual. This is the recognition of those higher values that lead to Truth. Such an awareness on the part of the individual. such a rule of right reason, will be, in Berdvaev's words "... the triumph of the realm of spirit over that of Caesar" This triumph must be achieved anew by each individual as he strives for maturity . . . and his struggle for maturity constitutes the educative process.

A Higher Law

Despite our vaunted "modern breakthroughs in knowledge," it is doubtful that anyone now alive possesses more wisdom than a Plato, an Epictetus, a Paul, or an Augustine. Yet much of what

passes for "education" in our time either denies this accumulation of past wisdom or belittles it in the eves of the student. Truth, after all, is a measure of what is, a measure of an infinite realm within which the individual is constantly striving to improve his powers of perception. As the individual draws upon his heritage applies self-discipline. and he comes to recognize more and more of that truth and to understand it. The individual is thus able to find himself and his place in the universe, to become truly free, by recognizing a fixed truth, a definite right and wrong, not subject to change by human whim or political dictate. The individual can only be free when he serves a higher truth than political decree or unchecked appetite.

Such a definition of freedom in consonance with a higher law has its roots deep in the consciousness of civilized man.

In early Hinduism that conduct in men which can be called good consists in conformity to, or almost participation in, the Rta-that great ritual or pattern of nature and supernature which is revealed alike in the cosmic order, the moral virtues, and the ceremonial of the temple. Righteousness, correctness, order, the Rta, is constantly identified with *satya* or truth, correspondence to reality. As Plato said that the Good was "beyond existence" and Wordsworth that through virtue the stars were strong, so the Indian masters say that the gods themselves are born of the Rta and obey it.

The Chinese also speak of a great thing (the greatest thing) called the Tao. It is the reality beyond all predicates, the abyss that was before the Creator Himself. It is Nature, it is the Way, the Road, It is the Way in which the universe goes on, the Way in which things everlastingly emerge, stilly and tranquilly, into space and time. It is also the Way which every man should tread in imitation of that cosmic and super-cosmic progression, conforming all activities to that great exemplar. "In ritual," say the Analects. "it is harmony with Nature that is prized." The ancient Jews likewise praise the Law as being "true."2

Thus, the Christian insistence that man must order his affairs according to a higher law is far from unique. Such a view has been held in common by all civilized men. Our own early institutions of higher learning were deeply committed to the transmission of such a heritage. The nine colleges founded in America in the seventeenth and eighteenth centuries, (Harvard, Yale, Brown, Dartmouth, Columbia, Princeton, Pennsylvania, Rutgers, and William and Mary) were all of religious origin. Such was the early American view of education.

Human Freedom and the Soul of Man

There is a measure of truth in the Grand Inquisitor's assertion that many people do not wish to be free. Freedom can be painful, and someone like the Grand Inquisitor usually is at hand, quite willing to take over the chore of making decisions for others. Those civilizations which have prospered. however, have been peopled by those who appreciated the transcendent importance of their individuality and who valued the freedom necessary for its expression and fulfillment. "Education is not. as Bacon thought, a means of showing people how to get what they want: education is an exercise by means of which enough men, it is hoped, will learn to want what is worth having."3

Education is an exercise by which men will learn to want what is worth having. This is a recurrent idea among Western thinkers. Aristotle wrote that the proper aim of education was to make the pupil like and dislike the proper things. Augustine defined the proper role of education as that which accorded to every object in the universe the kind and degree

² C. S. Lewis, The Abolition of Man, pp. 27-28.

³ "Science and Human Freedom," Manas, Feb. 28, 1968, p. 7.

of love appropriate to it. In Plato's *Republic*, the well-educated youth is described as one . . .

who would see most clearly whatever was amiss in ill-made works of man or ill-grown works of nature. and with a just distaste would blame and hate the ugly even from his earliest years and would give delighted praise to beauty, receiving it into his soul and being nourished by it, so that he becomes a man of gentle heart. All this before he is of an age to reason; so that when Reason at length comes to him, then, bred as he has been, he will hold out his hands in welcome and recognize her because of the affinity he bears to her.

What is this higher side of human nature which can be cultivated, this higher side of man which will learn to want what is worth having? According to the standards of Western civilization, it is the human soul.

If we seek the prime root of all this, we are led to the acknowledgment of the full philosophical reality of that concept of the soul, so variegated in its connotations, which Aristotle described as the first principle of life in any organism and viewed as endowed with supramaterial intellect in man, and which Christianity revealed as the dwelling place of God and as made for eternal life. In the flesh and bones of man there exists a soul which is a spirit and which has a greater value than the whole physical universe. Dependent though we may be upon the lightest accidents of matter, the human person exists by the virtue of the existence of his soul, which dominates time and death. It is the spirit which is the root of personality.⁴

Our Choices Affect Our Lives

Some of those who espouse the idea of freedom are quick to declaim such terms as soul, God, or Higher Law, feeling that such "mysticism" denies the individual the capacity to freely choose since it binds him to a higher Authority. This is a groundless fear. In fact, the whole idea of a higher law and a God-given capacity for individual free choice only opens the door into a world in which man is constantly remaking the world as he modifies and expands his own horizons. It is precisely the fact that the soul of the individual derives from a higher order of nature that allows man to constantly remake the world and his own life according to his own understanding and his own perception. This is the source of the selfdiscipline which produces honor. integrity, courage, and the other attributes of civilized man. This is the source of the framework within which all meaningful, civilized choice takes place.

⁴ Jacques Maritain, *Education at the* Crossroads, p. 8.

Still, the existentialists may be right about one point. It is true that man finds himself encased within a body and a material existence which he did not choose. It is also true that he finds himself limited by the ideas peculiar to his time. Even if he chooses to fight such ideas, the very nature of that choice and struggle is determined by the ideas he finds around him. This is why man is at once the molder and the molded. the actor and acted upon of history. We are all a part of an existential situation that is, and yet is not, of our own making. In a very real sense of the word, we are shaped by generations long past, yet have a role to play in the shaping process for generations to come. It is this capacity to choose, limited by the framework we have inherited, which man must come to understand and deal with if he is to be truly "educated."

In principle, therefore, it does not matter whether one generation applauds the previous generation or hisses it — in either event, it carries the previous generation within itself. If the image were not so baroque, we might present the generations not horizontally but vertically, one on top of the other, like acrobats in the circus making a human tower. Rising one on the shoulders of another, he who is on top enjoys the sensation of dominating the rest; but he should also note that at the same time he is the prisoner of the others. This would serve to warn us that what has passed is not merely the past and nothing more, that we are not riding free in the air but standing on its shoulders, that we are in and of the past, a most definite past which continues the human trajectory up to the present moment, which could have been very different from what it was, but which, once having been, is irremediable-it is our present, in which, whether we like it or not, we thrash about like shipwrecked sailors.⁵

Unless he seeks only the freedom of shipwrecked sailors, freedom to drown in an existential sea, the individual desperately needs to recognize that his truly liberating capacity to choose is hinged upon a moral framework and certain civilized preconditions which at once limit and enhance his choice. It is this recognition that constitutes civilization.

Civilized Man

What is it then, that civilized man comes to value? One possible answer is given by Harold Gray, the creator of Little Orphan Annie and of the equally delightful Maw Green, Irish washerwoman and homey philosopher *par excellence*. In one of Gray's comic strips, he

⁵ Jose Ortega y Gasset, Man and Crisis, pp. 53-54.

confronts Maw Green with a slobbering, unkempt, aggressive boob, who shouts, "I got rights, ain't I? I'm as good as any o' those big shots! Nobody's better'n me! I say all men are born equal! Ain't that right?"

Maw Green maintains her boundless good humor and agrees that all men are indeed born equal, but she turns aside to confide to the reader, "But thank Hiven a lot of folks outgrow it!"

Perhaps that civilizing task of "outgrowing it" is how the educative process can best help the individual. Yet in a time of collapsing standards, of "campus revolts," such a task for the educative process seems impossible of fulfillment. If so, Mario Savio and Mark Rudd may be samples of things to come, of tomorrow's torchbearers upon whom our civilization depends.

Surely, such a prospect is frightening to most of us. If we are to avoid such a fate, the underlying problem must be faced squarly: Does a proper definition of the nature of the universe and the nature and role of man within the universe presuppose the existence of a fixed standard of value, universally applicable to all men at all times? To accept such a view is to challenge directly the root assumption of the modern world ... a world unwilling to accept the discipline inherent in such a fixed value system, a world finding selfcongratulation in its illusory manmade heaven on earth, a heaven blending equal portions of subjectivism and relativism.

Man Must Be Free to Choose

There have been among us those men of intellect and integrity who have challenged the dominant mentality of the age, warning that man must be free to choose and vet properly instructed in the making of his choice. They have insisted that proper values can emerge and be defined by the passage of time and the accumulation of human experience. This accumulated wisdom, this framework of values, thus provides an enhancement of meaningful choice. not limiting but rather clarifying, the individual's power to decide. Such individual choice, plus the framework within which that choice takes place, is a reflection of higher values than society itself:

Freedom of the human personality cannot be given by society, and by its source and nature it cannot depend upon society — it belongs to man himself, as a spiritual being. And society, unless it makes totalitarian claims, can only recognize this freedom. This basic truth about freedom was reflected in the doctrines of natural law, of the rights of man, independent of the state, of freedom, not only as freedom within society, but freedom from society with its limitless claims on man.⁶

To a maverick like Berdyaev, freedom was the key word, but even he admitted that man was a spiritual being and that nature had her own laws demanding respect from the individual as he made his choices.

Many others in the civilized tradition of individual freedom and a fixed moral framework have perceived that the individual must be not only free, but sufficiently educated in the proper values to permit intelligent choice. Albert Jay Nock, for instance, believed that

. . . the Great Tradition would go on "because the forces of nature are on its side," and it had an invincible ally, "the self-preserving instinct of humanity." Men could forsake it. but come back to it they would. They had to, for their collective existence could not permanently go on without it. Whole societies might deny it, as America had done, substituting bread and buncombe, power and riches or expediency; "but in the end, they will find, as so many societies have already found, that they must return and seek the regenerative power of the Great Tradition, or lapse into decay and death."7

Nock was not alone in his insistence upon such standards for the education of future generations. He stood in the distinguished company of such men as Paul Elmer More, T. S. Eliot, C. S. Lewis, and Gilbert K. Chesterton, to name but a few of the defenders of the Great Tradition. These have been the civilized men of our age.

With Canon Bernard Iddings Bell, the distinguished Episcopal clergyman who saw so clearly the tendency of our times, we might ponder our future:

I am guite sure that the trouble with us has been that we have not seriously and bravely put to ourselves the question, "What is man?" or, if and when we have asked it. we have usually been content with answers too easy and too superficial. Most of us were trained to believe - and we have gone on the assumption ever since-that in order to be modern and intelligent and scholarly all that is required is to avoid asking "Why am I?" and immerse oneself in a vast detail of specialized study and in ceaseless activity. We have been so busy going ahead that we have lost any idea of where it is exactly that we are going or trying to go. This is, I do believe, the thing that has ruined the world in the last half century.8

We have lost our philosophic

⁶ Nicholas Berdyaev, The Realm of Spirit and The Realm of Caesar, pp. 59-60.

⁷ Robert M. Crunden, The Mind & Art of Albert Jay Nock, p. 134.

⁸ Bernard Iddings Bell, Crisis in Education, p. 162.

way in the educational community. We have often forgotten the moral necessity of freedom, and have usually forgotten the self-discipline which freedom must reflect if it is to function within the moral order. As parents, as human beings, as members of society, we must insist that our educational framework produce neither automatons nor hellions. The individual must be free to choose, yet must be provided with a framework of values within which meaningful, civilized choice can take place. That two-fold lesson must lie at the heart of any renaissance of American education.

The next article of this series will discuss "Scientism and the Collapse of Standards."

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AS GOLD GOES...

WILLIAM F. RICKENBACKER called the turn on silver in this country: it became too valuable industrially and commercially to permit its use for currency at the rate the U. S. Treasury was willing to pay for it. A simple proposition in supply and demand.

Now, in a book which bears the ominous title, Death of the Dollar (Arlington House, \$4.95), Mr. Rickenbacker says that gold is bound to go the way of silver. Once upon a time gold had two primary uses. Since it did not rust and was suitably scarce, it made the most desirable store of value that human beings could find. It kept better than cattle, tobacco, or even wampum. Ergo, it became the preferred backing for currencies, the most satisfactory means of settling differences in international trade balances. It also had the appeal that goes with great beauty. The economist doesn't have to become an esthetician to know that women and the likes of Indian princes prize gold for decorative purposes; all he has to do is to take this as a phenomenon that

has persisted ever since men first began to work metals.

But now, in the technological age, the properties of gold are becoming prized for all sorts of uses that have nothing to do with the monetary needs of governments and central banks, the shipping of gold bars to settle international balances, or the desires of maharajahs for ornament. The heart of Mr. Rickenbacker's book is surely those pages about the increasing demands for gold in industry. Since this is the news in his book, let us summarize a bit of it.

Gold in the Space Age

There is the new science of space-age electronic circuitry, for example. All of a sudden we discover that 23 per cent of domestic gold consumption is in electrical and electronic applications. Gold is used in diodes, in transistors, and as small-diameter "whisker" wire. In salt or solution form it is in demand for the electroplating of printed circuits, resistors, transducers, silicon wafers, and connectors. The radioactive gold isotope 198 is used in cancer therapy. Gold-platinum alloys are used as rayon spinnerets. Nuclear reactors are safer when their structural parts in contact with the fuel solution are plated or clad with gold.

This sort of catalogue could be extended beyond the capacity of this or any magazine to print it. Because the catalogue of industrial uses grows bigger every year. it is amazing that no book has yet been written to explore its ramifications. The statistics are interesting. Back in 1957 the industrial consumption of gold was 1.46 million ounces. In 1966 the figure had jumped to 6.1 million ounces. Going up at the rate of 15 per cent per year, the domestic consumption of gold for nonmonetary purposes has more than guadrupled within a decade. It is now four times the annual U.S. domestic gold production. In the world outside the U.S. the production of gold is leveling off and may actually decline. Says Mr. Rickenbacker, "The day of gold as the plaything of central bankers is ended."

A Knotty Problem

In view of the facts, Mr. Rickenbacker is amazed that Washington thinks it can hold the price of gold down to \$35 an ounce. He is also amazed that great thinkers wrack their brains to come up with such self-incriminating phrases as "paper gold." In the light of his sharp and terse sections on the use of gold in industry, the somewhat overextended chapters which Mr. Rickenbacker devotes to such things as the International Monetary Fund and the failures of the Federal Reserve Bank to cope with inflation seem somewhat windy. This isn't the fault of Mr. Rickenbacker's style, which is always lively, impertinent, and succinct. The windiness derives from Mr. Rickenbacker's excessive use of quotations from "group think" documents and from the so-called experts. The historian may prize Mr. Rickenbacker's collection of other people's words, but the general reader will find himself trving to pry his eyes open as the New York Federal Reserve discloses that the mechanism of international payments "has been under constant study and review by a number of official bodies, including the IMF, the central bankers who meet regularly at the Bank for International Settlements in Basle, Working Party 3 of the Economic Policy Committee of the Organization for Economic Development (OECD) in Paris ... and national treasuries and central banks." What came out of all this "constant study and review"? The Fed solemnly sums it up as follows: "The central bankers emphasized that even strong currency defenses cannot be a substitute for the eventual correction of major underlying payments imbalances – a point heavily stressed at the IMF meetings as well. In this respect, the continued balanceof-payments deficits of the United States have been a source of concern."

In other and shorter words, the bankers say that we won't get well until we find a cure. But we knew that already.

Too Many Controls

As a believer in the quantity theory of money, a belief which he shares with Milton Friedman. Mr. Rickenbacker doubts that the "cure" will be found by people who try to restrain and redirect the movement of gold, goods, and services across international boundaries by offering "controls." This points the way to Hjalmar Schachtism. autarky, and declining production on a world scale. It ends by substituting the gun standard for the gold standard. Controls breed more controls, and we need fewer of them, not more. The world will remain in trouble as long as the American economy. which is the strongest on the planet, remains inflationary. As currency and credit are pumped into the U.S. system at a rate that vastly exceeds annual increments in productivity, the continued "supposition" that the dollar is "equal to a fixed number of marks or francs or guilders" is simple idiocy. We won't solve our external difficulties, and those of other countries as well, until the American economy accepts Federal budgeting discipline at home. It is the domestic monetary policies of the various important nations that count, not the attempts of international monetary authorities to devise means of establishing new "drawing rights" and the multiplication of "paper gold."

Mr. Rickenbacker is attracted by Milton Friedman's ideas about free floating exchange rates, which would let the price of gold fluctuate in accordance with free market dictates. A new fixed price for gold, he thinks, would only create the necessity of re-pegging the dollar to gold every other generation. As a believer in free choice and the philosophy of libertarianism or voluntarism (if such awkward words must be used), I am attracted to the Friedman idea myself. But in a world that shies away from any disciplines at all. wouldn't it be a boon to get a stable relationship between the dollar and gold at a realistic new rate even if it only promises to last for twenty years?

This is the question that Mr. Rickenbacker really poses. I wish he had done more to answer it. \circledast THE SOVIET ECONOMY: MYTH AND REALITY by Marshall I. Goldman (Englewood Cliffs, N. J.: Prentice-Hall, 1968), 176 pp., \$1.95.

Reviewed by Gary North

UP UNTIL NOW, probably the best brief introduction to the Soviet economy has been Robert W. Campbell's Soviet Economic Power (Praeger, 1966). Now, a second must be added to the list, Professor Goldman's study of myth and reality in the Soviet economy.

In each of the thirteen compact chapters, Goldman examines a myth. For example, he demonstrates that the economy of Czarist Russia was growing, and that by 1913 it was in no sense a backward country economically. In fact, it was not until 1953 that the real wage income of the urban Soviet worker equalled the 1913 level!

Not only was Lenin's October Revolution not a legitimate Marxist one, by Marx's own standards, Goldman shows that subsequent economic practices of the USSR have not conformed to Marxist teachings concerning a "people's democracy." Planners have continually resorted to capitalistic measures in order to make the system function at all. In spite of Marx's hostility to the conservatism of Europe's peasantry, Goldman thinks it unlikely that Marx ever intended that peasants should be expropriated on the scale practiced by the Soviets. Estimates have run as high as 10 million deaths as a result of Stalin's collective farm program.

In recent years, the author shows, there have been moves toward decentralization of the economy. Such capitalistic features as rent, interest, and a limited profit system have been imposed. Nevertheless. Goldman is under no illusions as to the nature of these innovations: "It is unlikely that private ownership of the means of production will ever be tolerated. except perhaps in a few small service industries or trades." Thus, chapter ten is devoted to a refutation of that increasingly prominent myth: "The Soviet Union is becoming capitalist, and, in a few years, there will be no differences between the Soviet and American systems." Unless, he fails to add. America decides to meet the Soviets more than halfway.

The book is no diatribe. Where he thinks the Soviets have accomplished something important (often by employing nonsocialistic means), he says so. This book is a healthy corrective for those myths that have as their foundation the worship of collectivist economic practices.

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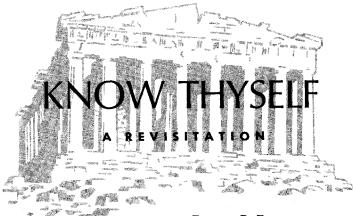
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OUR COUNTRY is wracked by agony and distress when the cornucopia of food and products was never greater. The bewildering and frightening erosion of spiritual, moral, and ethical standards of yesterday leaves us lost and distraught. The standards of vesterday, like yesterday itself, are irretrievable. Could it be, that among this welter of discord and confusion there is rhyme or reason or understanding? With temerity and naivete, it is believed that there is.

A murderer fires a single shot and becomes an outlaw. A bombardier pulls a switch and returns to a hero's welcome while thousands perish. The ancient Spartans, while dying to hold Ther-

DANIEL R. DIXON

mopylae Pass, left a monument in the imperishable phrase, "Stranger, go tell the Lacedaemonians that we lie here, obedient to their commands." Some kill, some suffer death. But to kill or be killed is not of concern. The question is, "By whose mandate?" Whose law shall one obey?

Is there a source of guidance, a body of law, to provide the rules of life? The prevalence of order in the physical universe is so manifest as to preclude denial. The green grass grows all around and no one knows why. Neither atheist nor agnostic can deny the existence of grass-growing power, though the reasons why be disputed. Our environment is surrounded and controlled, and indeed locked, by the complex laws of the universe. Every step, from

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cradle to grave, is predicated upon the assumption that the "law of gravity" and innumerable other "laws" will not change. Man has not created, and cannot alter or change, one law of nature. His abilities are restricted exclusively to the discovery and implementation of existing law. The world of science exists and expands upon the predicate of a consistent pattern of natural law. New "knowledge" is but a new discovery of pre-existing law. The possibility of exhausting the universe of knowledge is inconceivable. Man's knowledge is yet but a spark of light in the dark and limitless universe. The unknown is infinite as the infinite is unknown.

Life has meaning only on the assumption of the continuing consistency of order in our environment. Some achieve this status of belief by religious faith. Others unwittingly arrive at the same status by a shallow cynicism and self-deceit. Those who deny God do so with the arrogant complacency, or belief, that no change will develop in established order. The avowed cynic thereby avows a faith more absolute than the professed apostolate. The statement, "God is dead," is a puerile The and senseless expression. planets continue to whirl through space in their accustomed order. Day and night follow successively

and as the sun rises each day it seems that the infinite, or cosmic force conventionally described as God, is conducting business as usual.

Integrating New Discoveries with the Infinite Law

Of course, the dogmas and teaching of all religions are confronted with the obvious necessity of reconciling with the new. The concept of Heaven is threatened by a penetration of space. A reorientation of concepts is needed. not a denial of the existence of infinite law. Reassurance in this respect is everywhere obvious. The laws of the universe have consistent by permitting been passage of interplanetary craft into the reaches of space. Such craft continue their remote journeys operating on the same laws of science and physics which permitted their departure from earth.

The question is, does the Great Plan span the moral and spiritual as well as the physical and scientific? The laws of science are persuasive only by reason of statistical consistency. One and one appears to equal two however many times it is tested. Gravity appears to invariably pull downward. Knowledge is such only so long as variance in the pattern is not detected. The discovery of a variance then initiates a search for a new pattern of consistency with the belief that such a pattern exists.

The rules for human behavior, if such exist, are more difficult to identify. The moral, legal, and religious mandates against killing, stealing, lying, bigamy, and other "crimes" are subject to much dissent as to nature and degree of prohibition to be imposed. The variables attending their application breed violent dispute. The current controversy over the abolition of capital punishment is typical. However great the disparity in the moral codes of different people, the essentiality of some moral code is a universal need for every rational creature. The need is one absolute. In the process of rejecting one rule, another is inadvertently selected in its stead. Thus, by default, all subscribe to some code. Such adopted codes have limitless variations but all are compilations of the concepts controlling and guiding such persons.

The Role of Religion

Religion has provided most of the civilized rules of conduct. Witch doctor, Code of Hammurabi, Law of Moses, sun god, monkey worship, sacred cow, or sacrificial lamb, whatever its form, there is a universal supplication to the powers that be. The need for a moral code is clear, the existence of many moral codes is clear; but the proper content of a moral code is not clear nor is the evidence clear of the existence of any satisfactory or durable moral code. In what, then, can one believe? Man must worship something. The finite seeking of the infinite is compulsive. Idolatry, hero worship, admiration, idealism, or religious devotion, all are derivative from the assumption there exists a higher order. This compulsive force to understand is a lifelong struggle, a constant search for verities.

The solace of prayer has sustained the tormented since the beginning. Is this a meaningless and empty endeavor, an insult to intelligence? To pray for alms is a shoddy entreaty. But to seek guidance seems a valid endeavor, even if evaluated solely from psychological standards. Its power stems from a passionate desire to partake of infinite knowledge that we sense exists but know not how to attain. A penetration is sought beyond one's normal, more tangible abilities.

It is a quest for truth that assumes the existence of some greater knowledge which can be made known to the supplicant. The source of such knowledge may be subject to dispute and may not be the domain of man to know, but the existence of such storehouse of knowledge is manifest and there for the taking. Every day brings new discoveries, some dramatic some prosaic, but each reassures there are many others yet to be revealed. The search for verities, be they physical, chemical, electrical, spiritual, ethical, or otherwise, is a valid undertaking.

Natural Law

In the realm of jurisprudence. rules of conduct have long been sought from the guidance provided by "natural law." This concept, like religious belief, is defended only to the extent that it is observed that civilized society has long held a compelling feeling that nature provided the rules for our behavior, if we but had the wisdom to decipher them. However, all codes of behavior embody concepts of right and wrong, of good and evil. These are counterbalances essential for man's stability. The implicit evaluation of some degree of good or evil touches and colors every human act.

Here then is the vortex of all individual struggle for a way of life, and there is neither escape nor simple solution. Those who escape to the refuge of an ivory tower avoid but do not conquer. In this relentless struggle it is interesting to note that the foulest acts of human behavior are draped with justification. There seem to be few, if any, avowed persons of evil. Alibis are erected to justify each and every "wrongful" act. Why? Does this not constitute a tacit admission of the dominance of good over evil? Is a "natural law" applying a gentle but relentless pressure too subtle for discernment to seek a "better" way, even within the most callous? How else could man "rise" after each black orgy of history or have reason to hope for a better way of life in the future?

Logic is widely espoused, but it is a most perilous foundation. Man has no standards for discerning what is logical or illogical. He has only the capacity for conviction that something is right or wrong, good or evil. That which we label as logical is simply the evidence presented to the mind which must ultimately pass final judgment on something as right or wrong, as good or evil. There are no other criteria. All decisions are thus moral judgments. In seeking meaning to life and the relation between physical and ethical, let us note that our complex computers similarly solve all their problems with a positive force and a negative force, and nothing more.

Common Sense

There seems to be a natural synapse in the minds of the young

and the illiterate which translates acts or positions into an immediate posture of conviction as to the rightness or wrongness of that which is under judgment. This socalled "common sense" approach is a common characteristic of persons of strength and stability. Intense intellectual study must destrov this synapse depriving such persons of a valuable stabilizer. The disagreements of the "experts" are legend. Their mistakes are frequently both mystifying and monstrous. It is believed that prolonged study which focuses on data eventually displaces and destrovs the ultimate basis for solution: a final conviction as to the validity of the position taken. The logician loses or forgets that all decisions are but moral judgments. He indulges in the fallacy of the capacity of the brain to contain sufficient data to be "logical."

The existence, as distinguished from the content, of a set of rules for human behavior has not been alleged. However, the need for such a set of rules is everywhere apparent. Man finds repose and security in a way of life which is stabilized and protected by established order. He strives forever to fabricate such an environment by making certain that which is uncertain, to transmute the infinite into the finite. A variety of selfimposed rituals enhance the personal sense of identity. This compulsion to conformity often suffocates the innovation needed for further development. Change, in and of itself, is abhorrent and frightening above all else.

Accelerated Change

During the long years of the agrarian economy, change was relatively slow. The harsh struggle for survival left little time for metaphysical speculation. The daily mechanism of chores and duties gave a sense of meaning which was satisfying, even if unrealistic. The dogmas of Puritan Christianity provided stern and positivistic guidelines for conduct. A strong sense of destiny gave our nation drive and direction. But change is now upon us as never before.

Science and technology are irresistible forces which are not to be denied. Massive change is producing massive social trauma. The dogmas and orthodoxy of religion are eroding under the impact of new knowledge derived from many sources, particularly space travel and technology. The amalgamation of churches and modification of church codes bear clear evidence of this trend. The mass migration from rural to urban areas must produce generalized acute apprehension. Recent studies of the instinct of territorial imperative provide some understanding of the degree of distress which must accompany such relocation. In addition, man is frightened by the release of time itself. His prior preoccupation with the burdens of survival left little time for selfcontemplation. He now flees the time vacuum by a frantic and childish pursuit of superficial entertainment, stereotyped social engagements, and the anesthesia of alcohol. These, and other evidences of the impact of change, are everywhere apparent.

In Search of a Code

The loss of the moral code of Puritan philosophy is most manifest among our young. The need for a moral code is as essential as ever. In fact, it is so indispensable that our young are seeking to create a set of standards satisfactory to themselves. Their present distress is almost an hysteria which is evidenced by a compulsive and violent rejection of those who cannot provide or practice a satisfying moral code, in short, conventional society in toto.

The observation that our young, as exemplified by the "beatniks" or other similar groups, are highly immoral by conventional standards is not the point. By their standards, a code is being followed. Unfortunately, shallow

leadership appears to be diverting a powerful drive for a more idealistic life into destructive and dangerous practices. It is recognized that many prominent persons and leaders are corrupt, that many in high places are more adept at intrigue than performance: yet the renunciation of principles and standards is not the answer nor does rationalization for escapism afford a solution. The beatnik mentality appears to be that of withdrawal, a surrender to defeat without struggle. In the end it only achieves debasement in the name of pacifism with an ultimate reward of nonentity in lieu of fulfillment.

It is not difficult to understand that many of our most gifted and talented youth, those most in need of a moral philosophy, caught in the vacuum of a waning native ideology, listen to new cults, including the sinister appeal of socialism and communism. Their talents are being lost for lack of a sense of meaning and purpose. Abandonment of society is not a solution either for society or for those withdrawing. It takes stamina to stand in the mud and fight back; and therein lies the challenge of today which is different only in degree from the challenges of vesterdays.

How shall one proceed, then, in seeking guidance in this age when

the cynic dominates, when the rules of society suffer constant affront, and the specter of rebellion hangs on the horizon? The laws of the infinite are not easily comprehended. Paradox widely prevails, and agony and effort are needed to achieve some satisfactory rapport with life's dilemmas.

Validity of Thinking vs. Rapidity of Learning

"Nobody is perfect" is a soothing balm for careless error. Colossal error frequently results from overlooking the manifestly obvious. Self-deprecation results in most overlooking that the Infinite endowed all rational creatures with perfect minds. In this sense, validity of thinking is to be carefully distinguished from rapidity of learning. Few have the intellectual capacity described as genius. But all, or nearly so, have the capacity to learn, even though slowly. The "perfect" answer to one plus one is two and, therefore, can be "learned." Learning is available to all. With adequate endeavor, its accomplishments approach the miraculous. Often, the slow, plodding, meticulous effort of a less gifted person makes the discovery his more "intellectual" but less patient colleague misses. Discovery, like gold, is wherever found. The ancient fable of the tortoise and the hare is also applicable to the contest for intellectual achievement.

It can be inspiring to believe that the Great Plan provided to all the capacity to think perfectly and thereby to learn, to unravel some erstwhile unknown secret of the universe, to make discovery, to express a new thought, to build, to partake of the process of creation. The sanctity of personal dignity would seem to be associated with this quality of humanity. Our form of government and way of life is predicated upon its primacy. The deadly struggle in the opposing worlds of communistic versus democratic institutions is formed along this line, an ultimate and unrelenting contest for vindication of the state or the people within the state. It is a personal belief that Western society shall succeed or fail in this endeavor in direct proportion to the degree we are validly dedicated to a defense of individual dignity. The growing and spreading awareness of individuality is a product of democracy. The world is in ferment for the reason that the concepts of individualism are growing deeper and stronger. Democracy would thus appear to be working.

Frustration and Revolt

Violence is a product of fear, a rage of retaliation, and would seem an almost inevitable by-

product of the massive changes which are in progress. Today's violence, certainly to a substantial degree, is an expression of frustration and revolt against the absence of a viable ethic as such. Our young are dissatisfied with the standards of their leaders and parents. Cynicism and hypocrisy in high place is widespread and is provoking wide revulsion. Decision by expediency is the order of the day and dominates the thinking of both business and government. Like short-term credit, its effect as a palliative is short-lived and each cycle of crises is more acute than the preceding one. Perhaps, an excess emphasis on material possessions is partially responsible. The struggle for personal achievement strips men of their more gracious qualities. Survival in the market place is intolerant of charity, in the same manner that nature ordains the survival of the fittest. In the contests of life, this law breeds competence and harshness even though legal and social concepts of humanitarianism restrict its unbridled application.

Suppression of violence may be necessary but is not a cure. The antidote for violence is constructive endeavor that imparts a sense of fulfillment. Violence cannot flourish among those who have learned to build. The effect on the person is beneficial whatever one is building, whether it be knowledge, skills, or things. In the process, one absorbs a sense of affinity with the Infinite. Time and materials are mystically converted into a product, or a skill. Individual effort is converted into products and becomes a part of the universe of creation in the comparable sense that energy is mystically mutated into matter. "I exist; therefore, I am" expands into "I do; therefore, I am more."

Heroes or Idols?

Hero worship plays a vital part in the character formation of our youth. The search for standards becomes personalized in a form of idol worship. A Lincoln, a Kennedy, a Christ, or a Machiavelli is deified as an encoded model. We cannot thus delegate the formation of ourselves to another. Each must shoulder his own burden for shaping his mind. Men are not to be hallowed or enshrined, admirable as their qualities may be. Their acts and deeds can only provide guidelines for study.

One must look inward to develop one's own standards. Heroes and idols are a source of inspiration but their deification carries the danger of disillusionment. The repercussions from the de-Stalinization of the Soviet Union, for example, posed a serious threat to

the continuing effectiveness of communist ideology, and it has manifestly weakened "strict communism." Every rational mind can seek for itself those principles which are enduring and satisfying, provided, of course, one first believes in the existence of such principles. There is no proof that such rules exist which can be offered to the skeptic. But it is repugnant to consciousness to believe that man, apparently the only rational creature, would be left without guidance and left to act upon his own resources while placing him in an environment completely controlled by immutable laws of nature.

Principles of Consistency

The search for knowledge assumes the existence of principles of consistency which can be discovered and implemented. One is thus confronted with the need of accepting the concept of universal order as embracing human behavior. Man's essence and being are matters of relation to the persons, things, and creatures around him which we describe as environment. Acceptance of this concept is almost inescapable. It would seem that even the most arrogant and materialistic of minds must eventually sense our status of dependency on the immutability of universal law. Obviously, the attitude with which one accepts such concept varies widely. Rational acknowledgment of a universal order would seem a contributing factor to personal stability. Without such a belief man has no way to locate or identify himself and he is lost, a creature tossed and buffeted by the vicissitudes of life, without meaning or direction.

In a subjective sense, "virtue is its own reward." "To thine own self be true" is an inspiring motivant. But objectively, a moral code must be bulwarked by the concept of retribution. In spite of denial, mortals must eventually succumb to an apprehension of retribution. The unknown, by reason of being unknown, is an affliction of all, and potentially carries the threat of being capable of producing a retaliatory force. Belief in retribution is an expression of submission to cosmic forces. Personal tranguillity is related to one's belief in the omnipotence of such forces and their impact on mortals. Newton's law of motion provides, "to every force there is an equal and opposite reaction." In finances, credits are balanced by debits. In a chemical reaction. "the initial mass of the reactants is equal to the final mass of the products." In jurisprudence, every right is balanced by a duty. Justice, to be psychically satisfying, must administer punishment. It must not only hold the transgressor to account, but it also rewards the compliant. Justice is thus measured not only by the quantum and nature of punishment imposed on the culprit; it must also cause the conformist to feel his position is ultimately improved by his obedience.

The Rule of Law

In a society that fetishly declaims the rule of law, the enforcement of law would seem to be an obvious objective. Law is a product of moral concepts, and ideas of right and wrong provide the genesis of legislation. Statutes are specifications of ethical concepts and, with all their infirmities, are still our best effort to capture rules in harmony with infinite law. It is this which makes sacred the "rule of law" as opposed to the "rule of men." Principle is intended to take precedence over persons.

One may wonder why criminals are treated with such laxity. Could it not be that the enforcers are themselves so lost as not to know what to enforce? Such laxity is symptomatic of the general breakdown of imposed retribution. In the home, the child frequently dominates the parent. The intelligent, but confused, parent has lost a conviction of right and wrong. "Progressive" psychology has inhibited normal and natural punishment and thereby deprived the child of the cleansing sense of suffering a just retribution. The Puritan philosophy, even with its harshness, was highly positivistic and provided certainty for coping with life's problems. Indulgence and coddling are breeding neuroses in children who are otherwise normal and healthy. Parents should learn that love and respect are poured from the same pot. Withholding proper punishment, under the unfounded fear of losing the child's love, eventually causes a loss of both love and respect. In time, the harvest reaped is disobedience, rebellion, and contempt. The errant child must surely call to account the conscience of the parents with the persisting question of wherein they failed.

Survival and Retribution in the World of Business

There is one area in which the natural laws of survival of the fittest and retribution have heretofore been allowed to operate with some degree of freedom. This is in the business world of free enterprise whereby the penalty for violating the rules of good management inexorably brings insolvency with final dissolution of the business.

Under the influence of socialistic and Fabian doctrines, our govern-

ment seems possessed by some mania to destroy this last stronghold of freedom that has heretofore been allowed to operate to our advantage. The subsidy, the special tax advantage, government management of business, and other artificial restraints on the economy are violating natural law and are manifestly dangerous to a healthy economy. Their use should be indulged with reluctance and restraint. They are doubly iniquitous when they constitute a forced charity procured by political influence and distributed as a dole to an undeserved member who in turn can control his own dispensation. The present plight of the British Empire should provide ample lesson of the effects of socialization of government with its related restrictions on free enterprise. It is no secret that the communist countries have repeatedly needed help from the "free world" to avoid widespread starvation.

In summary then, what conclu-

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sions can be drawn? Essentially. that we are unhappy passengers in an era of unparalleled transition. The impact is too great for historical comparison. The need for individual stamina and stability was never greater. If man cannot live by bread alone, he will surely forge new standards to carry himself into the future. The current fetish of supinely subscribing to the idea that modern complexity defies solution is thwarting our better capabilities. An intense search for more fundamental guidelines in lieu of shallow expedients will hasten our progress to better and more enduring answers to many problems. both personal and national. The cradle of civilization of ancient Greece gave us a great assist, two thousand years ago, with a simple phrase, "Know thyself." Today, as then, this message is suggesting that we refortify ourselves with an enhanced sense of our endowed capabilities.

Truth and Faith Endure

WITH EACH WINTER SOLSTICE since the proud days of Imperial Rome the age-old legend of the nativity reminds us of the endless resurgence of the soul beneath the burden and the suffering perennially imposed upon mankind by those who seek to master it by some demented dream of might and glory, or some empty promise of peace and plenty without price. . . By this ancient symbol of the silent strength of the unnumbered humble and obscure we may remember always that only truth and faith will endure.

1968



"BORN FREE"?

E. F. Wells

DURING a Fritz Kreisler concert, a young violinist sat enthralled. "Ohh," she sighed, "what I would give to have such finger dexterity, such mastery, such freedom!" Later she told the incomparable Kreisler that she would give her life to play as he did. The violinist looked at her compassionately, then said, "But, my dear, I *did.*"

Soaring, unbound by the chains of gravity, Nijinsky, the world's greatest dancer, expressed the ultimate of personal freedom. Yet before he could abandon himself to the dance, Nijinsky had to curtail, deny, restrict. Only through the strictest of discipline could a man gain such freedom of movement. Nijinsky's tragedy was that, having gained the ultimate in freedom, he destroyed himself by giving in to indulgences that tore his moral fiber, until the freest of mortals passed the latter part of his life confined to the narrowest of worlds.

"A good poem is not made," said Robert Frost. "It is born complete." Surely this would be freedom - to think in a rush of words so perfect that, when the thought finished, it would be poetry. But before this can be achieved, a mind must be disciplined as Nijinsky's body was disciplined, as Kreisler's hands were disciplined. No poem is ever born complete to the mind that has not carefully trained itself. Knowingly or unknowingly, through countless attempts, the

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poet has disciplined his thoughts to flow in rhythmical, striking patterns. He has prepared his mind for the moment of inspiration, and the harder he works, the more gloriously his mind can soar.

A man who has not disciplined himself to read has narrowed his freedom to choose between ideas. He is confined to what he hears. He is at the mercy of the propagandists. He has limited his freedom to think. "I thought I'd been freed from jail," said a young friend, "when I quit school. But now I know a drop-out has no freedom of choice in the job market."

Self-Discipline an Essential First Step to Freedom

Nineteen-hundred years ago, Epictetus recognized the paradox. "No man is free," wrote that wise Greek, "who is not master of himself." The struggle for selfmastery is the great battle of life. Yet how often modern man thinks of freedom as a state of total unrestraint. Young men and women. eager to be free, confuse unbridled passion with freedom, and so become a slave to passion. Anxious to live unrestricted, they rush to experience all things and fall pitiful victims to their vices. They are chained as no prisoner is.

Recent campus demonstrations showed that the first loss under

unrestrained anarchy is a man's freedom. When a meeting is in a state of uproar, no one can be heard. When a handful of students riot, the rights of all students are abused. After the Berkeley movement, begun with sincere idealism, degenerated into license, one student said, "In the future when I defend to the death anyone's right to be heard, I'm going to make sure he's not trying to muzzle mine."

As long as he is compelled to denounce, to defy, to violate, the young rebel cannot choose; he can only discard or destroy. Scorning all he sees, he denies himself the heritage of the ages. He mistakes lack of responsibility for freedom, crassness for honesty, and the ability to shock or astound for talent.

Called down for unseemly conduct, a contemptuous young medic said to television's Dr. Kildare, "What you're asking of me is conformity!"

"No," replied Dr. Kildare. "What I'm asking of you is professional conduct."

The young need to be taught that subtle distinction. In a free society it is possible – yes, it is necessary – to fight for what one believes. But it is meaningless to talk of civil rights without recognizing civil responsibilities. A free society has the right to expect its citizens to act as responsible adults. In fact, its very continuance depends upon it.

Freedom from Responsibility

Writing of the decline of Athens, historian Edith Hamilton said, "When the freedom they wished for most was freedom from responsibility, then Athens ceased to be free and was never free again."

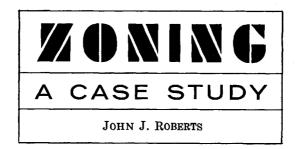
Often the freedom to think and the freedom to indulge are enemies, as history has shown in the decadence of Rome, in the vanished glory of Babylon. The once brilliant mind of Henry VIII was dissipated by pandering to whims, until a gouty king no longer had the freedom of will to deny himself anything. A man who cannot deny himself. cannot choose. Wishes often conflict and the beginning of wisdom is the realization that short-range desires must often be sacrificed for long-range dreams.

Our forefathers who prized freedom above all else were not unbridled men. They did not revolt merely for the sake of rethat bellion. They recognized old chains breaking was not enough. If a man was to rebel, it must be for the sake of some mightier aim. They knew that the value of freedom lies in what men do with it.

"I have on my table," said the Nobel Prize-winning poet, Sir Rabindranath Tagore, "a violin string. It is free. I twist one end of it and it responds. It is free. But it is not free to do what a violin string is supposed to do to produce music. So I take it, fix it in my violin and tighten it until it is taut. Only then is it free to be a violin string." Each of us is free to choose if he wishes to be an unhampered piece of catgut or a free and performing violin string – adding to the world's waste or the world's music.

"Even if you live in the freest country in the world," wrote Ignazio Silone in *Bread and Wine* "and are lazy, callous, apathetic, irressolute, you are not free but a slave, though there be no coercion and no opposition." No man is born free; it is enough that he lives in a country where he *can become* free. This is his American birthright, this, his opportunity.

Such an opportunity ought not to be squandered. It ought to be fulfilled by everyone through his own patient and dedicated labors, for if it is not cherished and won anew by each succeeding generation, so splendid a birthright could be lost.



Zoning has spread itself across the nation since first tried in New York City in 1916. This study of its growth and effect in one community may help to reveal its general nature. The author is a reporter for *The Emporia Gazette* in Kansas, and the affairs of the zoning board have been on his "beat."

THE NATURE of government bears a strong resemblance, it has been said, to that of Topsy: it just grows and grows. This should be no mystery: when government expands beyond its legitimate areas of protection of life and property rights, it cannot fulfill these additional functions as efficiently as can the free market; when the inevitable problems then arise, the same mentality which urged government intervention in the first place can conceive of no cure but more of the same medicine. More government is called for to cure the ravages caused by misdirected government in the first place. A vicious cycle is started, the closest thing to perpetual motion yet devised by man.

This malignant growth is clearly visible in the history of Emporia's zoning experience. The town's first zoning ordinance was passed in 1927. That ordinance provided for three zoning classifications - one-family residential, apartment residential, and commercial - and for a three-man board to administer the ordinance. The zoning board now has nine members, not three, administering a complex set of zoning ordinances with nineteen different classifications, not three: and since 1953 zoning has applied to the county area around Emporia as well as to the town itself.

Another index to the Topsy nature of government zoning in Emporia is revealed in its history of comprehensive planning. The acceptance of zoning led naturally to the further approval of comprehensive planning, with zoning as only one phase of the total picture. The first master plan for Emporia was approved in 1941, fourteen years after the introduction of zoning.

That plan was soon declared obsolete and, at least in part, impractical. As a result, those who had pushed for zoning and a comprehensive plan now urged - of course – another master plan. A major fight developed over which city-planning firm should get the lucrative contract, however, and the new master plan was not presented to the City until 1966. Its cost was more than twice that of the first plan, and the book containing the new plan comprised 220 pages, 27 maps, 11 figures, and 37 tables. Not bad, for a town of only 20,000 inhabitants!

Decision-Making Transferred

This gradual but thorough transfer of owner decision-making to a political planning board was not accomplished without incidents, and some of these provide explicit illustrations of further theoretical fallacies in zoning.

The most recent classification to be added to the zoning regulations was passed earlier this year, and immediately exploded into a petty but bitter squabble whether package liquor stores should be included among the some 120 different businesses explicitly allowed under the new classification.

Such arguments are nothing new under the sun. Almost immediately after the first zoning ordinance in Emporia was passed, a large corner lot owned by the local sheriff touched off a veritable comedy of errors.

Property owners in the neighborhood held that the lot should be zoned one-family residence while the mayor and his associates at City Hall said the proper zoning was commercial. The spat came to a head one fine morning when the irate property owners marched on City Hall for a heated confrontation with the mayor. While this was transpiring, however, the sheriff was over at the court house filing papers which clearly placed his property in the third classification, apartment district.

A favorite justification for zoning is the claim that it provides stability. Beyond its legitimate functions, however, the state brings anything but stability.

One of the manifestations of such instability comes in the form of spot-zoning. Edward M. Bassett wrote in 1936 that the pioneer New York zoning ordinance (1916) never could have been passed without requirement in the enabling act for uniform application of the restrictions within a district. This rule of uniform treatment soon fell by the wayside in New York; in Emporia, spot-zoning by the planning board and by the appeals board began almost immediately after the local ordinance was approved.

Instability by Compulsion

The nonadherence to uniform standards obviously introduces an element of instability. Other contributing factors also are involved. Emporia is a two-college town, and until a few years ago was drastically short of student housing. The zoning board decided to help relieve the problem by using its powers to encourage property owners to provide student apartments. But in December of 1966. the zoning board and the district court jointly began cracking down on zoning violations involving too many student roomers in houses. The same property owners who earlier had cooperated with the zoning board now were penalized for having cooperated.

This example of capricious government illustrates an even more important maxim: The essence of government is coercion. The *sine qua non* for coercion, of course, is power; and nearly everyone is familiar with Lord Acton's dictum on the tendency of power to corrupt. Behind-the-scenes political jockeying is a major cause of zoning instability, if for no other reason than its sweeping pervasiveness.

Home owners who believe that they are protected by zoning frequently are stunned to find classifications changed, apparently to accommodate those who know the "right" people in the "right" places.

This coercion can be merely irritating. One Emporia man could not get clear title for several months to a house he had purchased, because a legal survey found that the building extended a couple of inches into a six-foot buffer area stipulated by zoning law between the house and the property line.

Star Chamber Tactics

The more dangerous aspects of power misdirected were bared in 1961 when the zoning board in Emporia adopted Star Chamber tactics. The planners began holding closed sessions, which they justified publicly as an effort to avoid offending property owners in areas under consideration. The next step, which followed soon after, was refusal to divulge how individual board members voted. When the City Commission then asked the zoning board to report "some indication" of the votes cast, the planners approved a resolution calling the City Commission "out of order."

Lord Acton could hardly have wanted more clear-cut confirmation of his thesis. Unfortunately, the history of zoning in Emporia bears yet further witness.

A proposal for a zoning change to allow construction of a new professional building, for instance, nearly stirred unanimous up neighborhood opposition in 1964. The chairman of the zoning board vigorously supported the proposed rezoning, however. For two years the argument dragged on. Every time the matter was placed on the zoning board agenda, large groups of protesters trooped to the hearthe matter ing: finally. was brought up one evening without earlier notice, and under the whip of the zoning board chairman was approved. No one seemed very surprised when the construction firm owned by the chairman received the contract for constructing the new building.

Nor was that an isolated case. Later that same year, seventy-six Emporia property owners presented a petition to the City Commission charging that the planning board had shown favoritism to another local construction company on no less than seven different apartment projects. The mayor rejected the petition but admitted that the ordinances had been interpreted "in different ways to meet specific needs."

The New Shopping Center

The most blatant example of misuse of zoning authority in Emporia concerned a major shopping center development on the edge of the town. The plans were announced in early 1966 by an outside firm. The developers went to the planning board for a zoning change, and were refused, partly on grounds that the town was not large enough for a shopping center. Obviously, this would have been one of the first concerns of the developers, and they had determined that the demand was sufficient to bring them a profit with their shopping center. Competition was the real objection, of course.

The battlefields included the City Commission, the County Commission, and the district court, as well as the planning board, and finally split the entire town. One key issue in the next election was whether to allow the shopping center; the people elected new city and county commissions, which in turn appointed a new planning board, more favorably disposed toward the shopping center.

During the prolonged struggle, however, the old planning board had been approving several rezoning requests to allow neighborhood shopping centers by local developers. The upshot of this maneuvering is that although the original shopping center developers finally have obtained their green light, the smaller centers constructed in the meantime probably have destroyed the current feasibility of the large project.

The Planner's Inflexibility

Even when the power of the planning board is used for benevolent purposes, the results often are mischievous. When framing the original zoning ordinance for Emporia in 1927, the planners thought they were being considerate in restricting the business district along the main thoroughfare to protect residential property. Immediately after publication of the zoning, however, a dozen irate property owners informed the planners that they did not want such protection -- they preferred being in the "business" district.

Zoning ordinances prescribe monotonous uniformity to large districts of land, each lot of which is unique. When planners admit this fact of uniqueness, they face a new quandary: how to inject flexibility without utterly shattering the façade of uniform rules. When the planners attempt to encourage the necessary diversity, through such techniques as spotzoning, they are in effect admitting the failure of zoning itself.

Moreover, they open an additional Pandora's box, for the artificial flexibility and imitation diversity of a collective planning board decree will never match the productive fruits and natural responses to market conditions provided by thousands of continuing individual land-use decisions by all of the individual property owners.

In determining the use of each piece of land in an entire community, planners are further unqualified by their limited liability. Sole responsibility for an individual's decisions leads to careful consideration of the probable consequences involved. If the decision is economically wise, the profits will go to that individual; on the other hand, if the decision is wrong, he alone will suffer for his error. These two factors lead to the most responsible kind of decisions. Responsibility breeds wise economic judgments; irresponsibility begets haphazard decisions.

Planners are not bound by such responsibility; as appointees, they are not even directly answerable to the electorate. Too often, their judgment is clouded by adherence to such fictional will-o'-the-wisps as "the greatest good" or "the best use for the community as a whole." If their decision is wise, they do not profit directly; and if their conclusion is unwise, the entire community suffers for their mistake, although the blame usually falls upon the owners and managers rather than upon the planners.

Even the decisions made by the property owners themselves are hamstrung by government interference in the form of zoning regulations. This intervention reduces them to the status of property owners with only partial ownership rights because their range of choice is limited to that allowed by government.

This points up another crucial fact about zoning: it becomes effective only when it prevents the owner from implementing a decision which he has reached after the full exploration of consequences that responsibility entails. If his analysis of market conditions indicates a given land-use, and that land-use is allowed by the zoning regulations, the regulations are of no effect. It is when that particular land-use is prohibited by the zoning regulations that they become effective. Zoning thus thwarts economic use and insures waste of scarce resources.

The Immorality of Zoning

The fundamental objection to zoning, however, is moral. Theft may be defined as a reduction, without the owner's consent, of an owner's right to his property. Zoning, by definition, is an interference with the right of ownership. If the majority of the people accept theft, that may make theft democratically "respectable," but it does not make it morally just, nor does it cancel the effects of immorality.

One of the effects of making a little theft "respectable" is that the line cannot be held there. When zoning first came to Emporia, it would have been unthinkable for one person to attempt to restrict his neighbor's right to his own property without going beyond the pale of the law.

Now, whenever a zoning change is contemplated, a public hearing is scheduled, letters are mailed to those persons living in and adjacent to the affected property, and these neighbors then may legally testify in favor of or in opposition to the proposed landuse. It is appalling how many people take this opportunity to help determine how their neighbors' property is to be used.

The most common wail at such hearings is, "We were assured when we bought that the zoning would remain the same." This is an indictment, first, of the speaker: He placed his trust in zoning - government intervention - because he did not want to have to keep up with changing market conditions. When faith is put in false gods, the believer need not be surprised to find himself elsewhere than in heaven.

But that wail also is an indictment of government intervention. Zoning encourages men to think of their decisions as "safe." Apart from the unnatural intervention. this false sense of security has other stultifving effects: It leads the property owner to ignore the significance of those changing economic conditions which enhance his investment: and conversely it leads him to ignore those circumstances which damage his investment. In either case, the result must be a certain mismanagement or partial waste of his resources: and the loss extends beyond him. although he is hit hardest.

All men are subject to influences beyond individual control; sound economic management seeks to keep abreast of such changes and to mold them to the individual's benefit. No government can protect a person against his own negligence or poor management – regardless of the promises made.

Zoning, then, encourages the individual to relax his vigilance in following changing market conditions, through a false sense of security. The zoning philosophy further encourages the individual to clamor for more government intervention to shore up his artificial "protection" and to prevent the exercise of the entrepreneur's ownership rights.

Prelude to Urban Renewal

Finally, there is no doubt that zoning helps prepare the way for that greater evil, Federal urban renewal. Three years ago, urban renewal nearly came to Emporia. The attempt failed only because copies of the preliminary plans were obtained and published by the press, with the result that an *ad hoc* organization of property owners carried petitions to force an election in which urban renewal was shut out of Emporia for a ten-year period.

Urban renewal never would have been considered in Emporia if zoning had not already worn down the resistance to such legalized theft. The zoning philosophy. with its subtle undermining of private ownership and its encouragement of government suzerainty, erodes the safeguards against more pervasive central planning schemes such as Federal urban renewal. The temptations to corruption and the possibilities for misuse of government power are infinitely greater under urban renewal than with zoning, of course.

Zoning, consistently adhered to, leads not only to Federal urban renewal but ultimately to centralized world government. If the use of one lot of land may be determined by government fiat, why should planning be restricted to one district or to one community? Indeed, why should coercive planning be limited to massive urban renewal projects? Why not government planning for the entire nation? The world?

The constitutionality of zoning was upheld by the United States Supreme Court in the Euclid. Ohio, Case in 1926, although the court admitted that zoning regulations "a century ago, or even half a century ago, probably would have been rejected as arbitrary and oppressive." The decision came on an appeal from the village of Euclid, a suburb of Cleveland, where the district court had, upon complaint of a real estate company, thrown out the entire zoning ordinance of Euclid as taking property without due process of law.

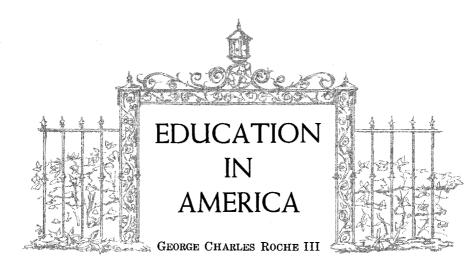
The high court's justification of its decision – three justices dissented, by the way – is quite interesting.

"Until recent years urban life was comparatively simple," the opinion stated, "but with the great increase and concentration of property, problems have developed and constantly are developing, which require, and will continue to require, additional restrictions in respect of the use and occupation of private lands in urban communities."

This is simply the cliché that an increasingly complex society requires increasingly complex government. Actually, if society is becoming more complex, that is sufficient reason in itself for less government, not more. Men can govern only in proportion as they can fully and responsibly comprehend that which they govern; and the more complex that which they govern becomes, the less fully can they comprehend it and the less responsible they are in their government of it.

The Supreme Court justified zoning with the utopian promise that such planning "will increase the safety and security of home life, greatly tend to prevent street accidents, especially to children, by reducing the traffic and resulting confusion in residential sections, decrease noise and other conditions which produce or intensify nervous disorders, preserve a more favorable environment in which to rear children, etc."

In the four decades since that decision, the arguments mustered in favor of zoning have grown somewhat more sophisticated, but basically remain just as emotional, ill-considered, and indefensible. The free market stands as the only alternative.



3. Scientism and the Collapse of Standards

IF THE IDEAL of an educational system is to give children a sense of their individuality and a sense of proper values, the next question arises: "How well is our present educational system fulfilling these fundamental tasks?" The answer is far from encouraging.

Our modern "system" seems bent upon violating freedom (thus denying the concept of the individual) while also violating the framework of values within which the individual exercises his freedom (thus denying the concept of a transcendent reality). True education as we defined it earlier, based upon the individual's freedom to choose and upon a meaningful moral framework within which the individual makes his choices, thus becomes doubly impossible of achievement.

As science and technology have performed their wonders in material achievements, it has been easy to dismiss moral questions (and those who deal with such questions) as unimportant since they apparently do not contribute to "Progress." Such a view has been so largely accepted in our time that the validity of the whole moral framework has been called into question. We seem to have reached a point in our society

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where science and technology have so advanced our material fortunes that we feel we need look no further for guidance or salvation.

Such scientistic values have played a larger and larger role in our modern educational processes. Let me hasten to draw the distinction between the scientistic and the scientific outlook. Man's pursuit of an improved understanding of his material world is an important and legitimate scien*tific* activity, an activity of prime interest to all inquiring minds who have lived on this earth. Scientism, the assumption that modern man may now find all his values in science, to the exclusion of any other guideline, is a totally different concept, a concept peculiar to our materialistic times. One of the men perceiving this tendency was the late Mahatma Gandhi:

Modern education tends to turn our eyes away from the Spirit. The possibilities of the spirit-force therefore do not appeal to us and our eyes become riveted on the evanescent, transistory and material force.

The modern barbarian produced by such scientistic educational attitudes remains blind to a lesson learned long ago and transmitted from one generation to the next in all civilized communities: The world in which man finds himself can be understood only if he turns at least in part to abstractions that go beyond the merely material. The man who perceives the presence of *only* the material soon finds *himself* indistinguishable from the stones around him.

The Authoritarian Type, Determined to Manipulate Society

As our technological civilization advances further and further in its study of things as a substitute for the study of men and their ideas, a new sort of personality comes to occupy the center stage. This new personality sees the entire universe and all its components, individuals included, as portions of a great machine which can be manipulated according to preconceived notions. Men who thus begin to fancy themselves qualified to serve as manipulators of others, men who feel bound by no higher authority, become narrow and bigoted.

Cardinal Newman described such a man in the middle of the last century:

The various busy world, spread out before our eyes, is physical, but it is more than physical; and, in making its actual system identical with his scientific analysis, such a Professor as I have imagined was betraying a want of a philosophical depth, and an ignorance of what a University Teacher ought to be. He was no longer a teacher of liberal knowledge, but a narrow-minded bigot.

Such bigots are poor judges of what constitutes a decent educational framework. They are likely to assume that man is no more than the final result of the forces acting upon him. This leaves no room for personality, individuality, or free will. Once such a view of the individual is adopted, the idea that men can be manipulated for social goals never lags far behind.

Thus, we come to accept a startlingly new concept of education.

Perhaps it is still premature to predict that we will, within the next generation, be able to produce, through drugs or manipulation of the environment, very significant changes in memory and learning capacity of children and even adults. Nonetheless, the current research with mice indicates that such things are theoretically possible, and it is therefore not too early to begin to discuss the social and philosophical problems that such possibilities will generate.¹

Both the biochemist and the teacher of the future will combine their skills and insights for the educational and intellectual development of the child. Tommy needs a bit more of an immediate memory stimulator; Jack could do with a chemical attention-span stretcher; Rachel needs an anticholinestrase to slow down her mental processes; Joan, some puromycin – she remembers too many details, and gets lost.

To be sure, all our data thus far comes from the brains of goldfish and rodents. But is anyone so certain that the chemistry of the brain of a rat (which, after all, is a fairly complex mammal) is so different from that of the brain of a human being that he dare neglect this challenge – or even gamble – when the stakes are so high?²

Make Others in Their Image

It seems that man is not to be exempt from the new manipulators. In that same issue of *Saturday Review*, Joseph Wood Krutch reported a speech by a professor of biophysics:

Robert Sinsheiner, professor of biophysics at Cal Tech, . . . declared before his institution's 75th anniversary conference that the scientist has now in effect become both Nature with a capital N and God with a capital G. Until today, he stated, prophecy has been a very chancy business, but now that science has become "the prime mover of change," it is not unreasonable to hope that the race of prophets employing its methods may have become reliable.

¹ Peter Schrag, "Education in America," Saturday Review, Jan. 20, 1968, p. 45.

² David Krech, "The Chemistry of Learning," Saturday Review, Jan. 20, 1968, p. 68.

Science has now proved beyond question that there is no qualitative difference between the animate and the inanimate, and though we don't yet know exactly how the inanimate becomes conscious, there is every reason to believe that we will soon be rid of that bothersome mystery also. "It has become increasingly clear," Professor Sinsheiner said, "that all the properties of life can be understood to be simply inherent in the material properties of the complex molecule which comprises the cell." Already we make proteins; soon we will make viruses, and then living cells - which will be, as he calls it. "the second Genesis."

What better examples could be given of the scientistic hubris which today dominates so much of our thinking? We are being confronted with Faust's bargain give up our souls and gain power in return.

Traditionally, education has not been concerned so exclusively with the mere manipulation of the individual. The teacher found himself within a framework of values, within a situation faced in common by all men. To teach, therefore, did not mean to manipulate the young into some "socially acceptable" pattern. Instead, teaching meant sharing with the student the mystery of being human. Today's scientistic approach promises to do away with the human condition entirely, putting its own goals and means in place of the individual human being and his feelings, aspirations, and qualifications. C. S. Lewis has predicted that such a change in our educational and social philosophy is a move toward "the abolition of man."

The Transcendent Order

The story is told that one of our leading physicists concerned with nuclear projects spied a turtle one day while taking a walk with a friend. Thinking he might take it home to his family, he picked it up and carried it with him for a few steps. Suddenly, he stopped, retraced his steps, and, as nearly as possible, replaced the turtle where he had first discovered it.

"Why did you do that?" his friend asked.

The reply: "It just struck me that perhaps, for one man, I have tampered enough with the universe."

It is a sobering thought. There are signs that our power over nature may become uncontrollable. The size, complexity, and uncertainty of the choices available to us might become so great that no one is qualified to make those choices. Could it be that each time we apparently subdue a part of the natural order, we merely cause a dislocation of natural processes which will return to haunt us in a new form? Could it be that our polluted atmosphere and our polluted water are symbols of an ecological equation in which nature herself will have the last laugh? Could it be that man, in his denial of a higher power than science, threatens to destroy himself?

Is it possible that the end result of scientism will be the destruction of all values, including the very human beings who hold those values? Man's search for meaning in his life has always centered on discovery of a higher truth, something even more certain than his existence as an individual. It is the denial of any possible higher reality that finally leads scientism to deny the individual as well. Some modern men have perceived this necessary connection between the identity of the individual and the existence of a higher reality. One such flash of insight was granted to the playwright Eugene O'Neill:

Most modern plays are concerned with the relation between man and man, but that does not interest me at all. I am interested only in the relation between man and God. Anyone trying to do big work nowadays must have this big subject behind all the little subjects, or he is simply scribbling around on the surface of things.

We have been "scribbling around on the surface of things" and wondering what was happening to our civilization. We have been tryto get along without God and attempting to put society, scientism, and political manipulation in his place. We may yet discover that despite television, air conditioning, and all the other trappings of modern material civilization. man cannot survive such self-idolatry. In our attempt, we are, in George Schuyler's phrase, "like a colony of ants riding on the end of a log floating down the Mississippi. while discussing destiny."

If we have no values to transmit to our young, we need not be surprised that we live in an increasingly valueless age.

The Academy and the Collapse of Values

Nowhere is the collapse of values which plagues our educational community and our society more apparent than in the academy. That we live in an age of tremendous activity may be but a sign of decay. As Ortega y Gasset has commented, "In the world today a great thing is dying; it is truth. Without a certain margin of tranguillity, truth succumbs."

Perhaps the reason for all the "sound and fury, signifying nothing" is that somehow we have lost our common sense and sub-

stituted a total intellectual anarchy in its place. Man has never been more problematic to himself than in modern times. We no longer seem to know what we are: and the growing body of scientific thought engaged in the study of man seems to do far more to confuse than to clarify the problem for us. Never have we possessed more facts, but never have we suffered such a poverty of insight into the human condition. Thus, we seem to run faster and faster in pursuit of a progressively more illusive truth. Indeed, many people have given up the search entirely. and today regard truth and the meaning of life as "metaphysical" concepts, insisting that really "significant" scientific investigation must center on the mere gathering of information.

And what information we have been gathering! The isolation produced by the jargon of the various disciplines, each busy gathering facts quite apart from any higher standard of truth, has often rendered the work of these specialists unintelligible to one another or to the society of which they are a part. Indeed, any unified view of culture is totally unattainable for the modern scientistic mentality. Unity implies standards; standards imply a scale of values which can be universally applied. When scientism promises to provide us with constantly new "facts," supposedly implying a constantly changing world view, such an empirical paradise can hardly accommodate itself to immutable values. Finally, the fact chasers must reject the concept of value altogether.

Those who would abandon all the old standards of good, those who would condition the human race to accept their new system, are faced with a terrible dilemma. If the conditioners have no fixed standards of their own, what standards can they inculcate in the human raw material they control? The blind are leading the blind.

If we can indeed "see through" first principles, if we can "see through" everything and anything, then everything and anything must be transparent. C. S. Lewis has reminded us that a wholly transparent world is an invisible world, and to "see through" all things is finally the same as not to see at all.

A patron saint of the intellectual climate of twentieth century America was J. Allen Smith (originator of the "debunking" view of the Founding Fathers and the United States Constitution, later made famous by Charles Beard's An Economic Interpretation of the Constitution). Smith, in a moment of reflection, apparently had misgivings about the course of events: "The trouble with us reformers is that we made reform a crusade against standards. Well, we smashed them all, and now neither we nor anyone else have anything left."

Nothing left! Strong words, coming from a prophet of the modern academy. If Smith was right, if standards are all smashed, then to what can we turn in educating our young people?

What is the Truth?

This failure of standards within the modern academy can be easily demonstrated. One of the foremost students of St. Thomas Aquinas, Professor Josef Pieper, gives graphic illustration:

The medieval philosophers, in studying Aristotle and Plato, wished to know all those things and only those things which were true. Where the truths of these philosophers were not complete, they asked themselves how to complete them.

There is an enormous difference between this attitude and that usually held nowadays and which we consider the sole possible and responsible attitude toward "sources." For the student especially, that difference is of vital importance. Anyone who asks Thomas his opinion receives a reply which makes perfectly clear what he, Thomas, considers to be the truth — even when his reply is couched in the form of a quotation from Aristotle. But if we are asked our opinion, we reply with historically documented quotations which may reveal a good many things – for example, how widely read we are – but fail to reveal one thing alone; what we ourselves hold to be the truth.³

Such a tendency is painfully apparent in modern philosophy. One of the latest "isms" to catch the fancy of modern philosophers is structuralism. Dr. Michel Foucault, for example, insists that each thinker can be no more than the point of condensation and articulation of the total thought structure. within which he finds his place. The philosopher, then, can possess no original insight into the nature of things. Instead, he reclassifies thoughts and words according to the thought processes within his civilization. It is this total social process which gives man his structure. For the structuralist, man without this social structure would be "a mere figure" in the sand whose forms are washed away by the sea."

Such totally valueless thought processes are increasingly typical of the age in which we live. Indeed, we might ask the structuralists one question. If a philosopher's insight is no more than a series of essentially meaningless

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³ Josef Pieper, Guide to Thomas Aquinas, p. 52.

shufflings and reshufflings of previous words and values, why should the thinking of the structuralist himself present any exception to the rule? But to deal in these terms is to play their game, admitting that all is ultimately pointless and meaningless and without direction. Our very conversation with one another comes to mean less and less until it finally means nothing. Ortega quotes a seventeenth century satirist who put his finger squarely on the final results of such thinking:

The Creator made everything out of nothing,

This one [man] nothing out of everything, and in conclusion, The one made the world and the other has destroyed it.

An Age Without Roots

How, then, shall we characterize our age?

Our age is characterised by the strange presumption that it is superior to all past time; more than that, by its leaving out of consideration all that is past, by recognising no classical or normative epochs, by looking on itself as a new life superior to all previous forms and irreducible to them. I doubt if our age can be understood without keeping firm hold on this observation, for that is precisely its special problem. If it felt that it was decadent, it would look on other ages as su-

perior to itself, which would be equivalent to esteeming and admiring them and venerating the principles by which they were inspired. Our age would then have clear and firmly held ideals, even if incapable of realising them. But the truth is exactly the contrary; we live at a time when man believes himself fabulously capable of creation, but he does not know what to create. Lord of all things, he is not lord of himself. He feels lost amid his own abundance. With more means at its disposal, more knowledge, more technique than ever, it turns out that the world to-day goes the same way as the worst of worlds that have been; it simply drifts.4

Thus, the world drifts, without a moral code. It is not that we have exchanged an antiquated previous code for a bright new mode of behavior. Instead, modern man aspires to live without any moral code. Much of the talk about the "new morality" is better characterized as a departure from any moral standard whatsoever. More precisely, it might be defined as the desire to call the old immorality the new morality. We are \mathbf{not} contrasting a rising civilization with the denew clining old one, a rising new standard replacing a dying code. In Ortega's words: "If you are unwilling to submit to any norm.

⁴ Jose Ortega y Gasset, The Revolt of the Masses, (Norton, 1957), p. 44.

you have...to submit to the norm of denying all morality, and this is not amoral, but immoral. It is a negative morality which preserves the empty form of the other."5

C. E. M. Joad suggests that the principal characteristics of a society without moral standards are "luxury. scepticism, weariness. and superstition." He adds that another sure sign of a decadent society is an individual preoccupation with self and a totally subjectivist view of the world and all higher values. Once the individual comes to believe that he may think whatever he likes with equal validity, that any value is no better or worse than any other value, then the decadent society must indeed be at hand.

Such a society, of course, will allow no limitation upon individual sexual mores, and will also undercut other traditional patterns of action. This is readily observable in our own society in the decline genuine individual charity. in mercy, pity, honesty, and unselfishness. We live in an age which has not so much rejected these values as it has simply refused to bother to think about the subject at all. We are becoming, in the truest possible sense of the word. an age without standards.

Art and the Modern World

While it is true that most critics and many minor scribblers are true sons of our present society, it is also true that Henry James, T. S. Eliot. Ezra Pound. Thomas Mann, Marcel Proust, and the other major literary figures of our time have consistently devoted their art to a bitter rejection of the modern spirit. It seems that meaningful literary production can only arise in those who possess some value system, who reject the flaccid and valueless spirit of the age. Never have we had more novelists and poets . . . never have there been fewer great novels and great poems.

Meanwhile, what sort of art has been produced? Work filled largely with hate, hate directed not merely at individuals but at an entire universe which must be hated simply because it is meaningless.

Coupled with this hatred of all men and all things, so-called "artistic freedom" has released a flood of sexuality, violence, and perversion without a peer in man's recorded history. Joseph Wood Krutch has commented on a list of one hundred books representing this modern tendency that while the list "does include certain works which are neither beatnik, sadistic, existential, nor sexually perverse, at least half — and perhaps

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⁵ Ibid., p. 189.

two-thirds – of them might, I think, be classified as guideposts to perdition."

What, it might be asked, has all this to do with education? Even granted that scientism had stripped us of all values and that this is reflected in our philosophy and our art, what possible connection does this have with what our children are learning in school? Unfortunately, the connection is painfully direct. Before we can begin to discuss the improvement of individuals and of the society which they compose, we must first of all grasp the fact that there is a difference between the good and the bad.

If the object of education is the improvement of men, then any system of education that is without values is a contradiction in terms. A system that seeks bad values is bad. A system that denies the existence of values denies the possibility of education. Relativism, scientism, skepticism, and anti-intellectualism, the four horsemen of the philosophical apocalypse, have produced that chaos in education which will end in the disintegration of the West.⁶

Our national prosperity, the

welfare of our institutions. and the welfare of all individuals depend directly upon the values which we inculcate in our educational system. If we deny to our children the philosophical framework of values by which they may order their conduct. we are denving them a true education and guaranteeing the decline of our civilization. There are other dimensions to our problem, but this matter of the rejection of value is of prime importance in fully appreciating the sad estate unto which we have fallen.

One hard-headed Yankee who perceived the proper place of moral values and the close connection between self-restraint and freedom was Ralph Waldo Emerson:

All our political disasters grow as logically out of our attempts in the past to do without justice, as the sinking of some part of your house comes of defect in the foundation. One thing is plain; a certain personal virtue is essential to freedom; and it begins to be doubtful whether our corruption in this country has not gone a little over the mark of safety, so that when canvassed we shall be found to be made up of a majority of reckless self-seekers. The divine knowledge has ebbed out of us and we do not know enough to be free. ۲

The next article of this series will discuss "The Decline of Intellect"

⁶ Robert M. Hutchins, *The Conflict in* Education in a Democratic Society, pp. 71-72.



The Good Life

W. M. CURTISS

WHAT CONSTITUTES "the good life"? The question has engaged writers and thinkers through the ages. But the search continues and a moment's reflection reveals why.

The good life is a highly personal and individual concept, meaning something entirely different to one person than to another. And its meaning to any person may change from time to time. Walden Pond was most important to Thoreau, though not to some of his contemporaries.

The good life for a small boy is likely to differ greatly from that for his father or his grandfather. One worker may look upon the compulsory 40-hour week as a chance to get away from distasteful work; another finds the shortened workweek a signal to take on a second job. Hope and faith that something pleasant will happen in the future has been the good life for many religion, in its various forms. Abundant food, streets paved with gold, freedom from pain and suffering, eternal life — these are some of the dreams or hopes for the good life.

The feeling of power over men must constitute the good life for some, while others find it revolting. Pursuit of knowledge may be highly rewarding to some persons. Leisure may seem either heaven or hell. The point is that each has his own answer to what is the good life. Or, as Thoreau expressed it: "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music which he hears, however measured or far away."

Many persons feel a responsi-

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bility to help arrange the life of others as well as their own. Parents, of course, do this; and rightly so, up to a point. But some elected officials, dictators. teachers, church leaders, and a host of others feel they have the right, the responsibility, and the wisdom to determine what shall be the good life for others. As Dean Acheson commented recently: "Conscience used to be an inner voice of self-discipline: now it is a clarion urge to discipline others." History records the failure of such arrangements, whether attempted by parents or by dictators, the reason being that the good life is so very personal, and so highly variable from person to person. Parents, hoping to bring about the good life for their children, often do precisely the opposite. Elected officials may honestly believe that "an affluent nation can surely assure a minimum income of \$3,500 for every family." The belief, of course, is that this would bring about the good life.

Many "utopian" arrangements have been tried over the years. The fact that most were based on the communal principle, "from each according to ability and to each according to need," was a major reason for failure.

Individuals often think that the good life – heaven on earth – will

come to them if only they have an abundance of material things or the money to buy them. Who hasn't dreamed how he would use a million dollars or the winnings from a huge lottery? "Boy, what I wouldn't do with all that money!" Or, more modestly, how much better life will be when I get that raise, or when the mortgage is retired!

But, we know that material possessions alone do not guarantee a good life. Such things contribute to the good life, but the circumstances under which material possessions are acquired make a lot of difference.

Beyond Material Things

If, by the good life, we mean an inner satisfaction, contentment, or happiness, then the acquiring of material things is hardly an appropriate measure of such satisfaction. If it were, we could say that a man who has a better home. finer clothes, more television sets. and better cars, has more of the good life than his less wealthy neighbor. Or, we could say that the life of an average American is twice as good as that of his English or French cousin. But we know that the good life as measured by inner satisfaction and pride of accomplishment is not determined by the amount of things a person has.

Our attempt to help people who seem less well off than we are often consists in giving them material things or the money to buy them. Our government poverty programs are largely based on the assumption that some people have too much and others have too little: Take away from those who have and give to those who have not. Thus, "the good life" would seem to be shared, though it hasn't worked out that way. Instead, it appears that everyone loses – the givers and the receivers.

It is not our purpose to disparage the accumulation or production of wealth on the part of an individual. The relatively free economy of the United States over a period of 150 years, together with a heavy investment of capital in the tools of production, enables a worker to purchase a pair of shoes or a suit of clothes with one-fifth to one-tenth the hours of work required in many other countries. This suggests a possible cure for the poverty found in many parts of the world. But it does not follow that the good life of individuals in such countries will automatically be improved if wealth is forcibly extracted from individuals in wealthy countries and given to those in less wealthy countries.

What then, can be said about how government or society can help an individual attain the good life? Bear in mind that individuals include the young as well as the old, the poor as well as the rich, blacks as well as whites, schooled as well as unschooled, leaders as well as followers. A key, to be so universal, must then have something to do with man's basic nature; and it does, indeed.

Inner Contentment

The secret is self-responsibility. Recall that the good life does not result from an accumulation of material things but involves rather the inner-contentment of living one's own life – of developing one's own potential and being responsible for the results.

It follows that the forceful removal or denial of self-responsibility will diminish the good life. The satisfactions which come from being self-responsible must be well known to almost everyone, out of his own experiences. Experts in human behavior have documented the fact again and again. Who hasn't witnessed the unmistaken joy that comes over a child in taking his first unassisted step or trying to tie his own shoe? "Me do it!" is often the response to offers of adult help, and persistent interference or "help" may produce tantrums.

The words change as the individual ages, and resistance to outside help may be less vocal; but the basic attitude is still there. This is not to say that when one is offered the choice of doing something for himself or of accepting a handout, his response will always be: "I'd rather do it myself!" There is much evidence to the contrary. But, it seems to be human nature to gain satisfaction from being self-responsible - doing things for oneself. The wealth of one's family or of the "affluent society" contributes to a something-for-nothing attitude in many people and is at the root of many of today's problems. The fault is not so much in the wealth. per se, as in the easy way it allows a person to escape self-responsibility.

In the agricultural economy of our colonial period, the family's living was practically limited to what it produced. We were an underdeveloped nation by today's standards, with little in the way of foreign handouts. But the satisfactions of the good life were found in being self-reliant and self-responsible. Children as well as adults had their responsibilities.

Denials of Responsibility

There are today a great many different ways in which persons are being denied the right and privilege of self-responsibility, chief among these denials being the various governmental welfare measures. Administrators of such programs, together with law-makers, observe that some persons are poorer than others; they insist that those of the lower third are "entitled" to a better life and that the cost to the other twothirds will hardly be felt. Besides, much of the help can come from Washington where the cost will be diffused among other governmental expenditures.

It is but a short step from "they're entitled to it" on the part of administrators to "we demand it" on the part of recipients. Thus, we see demonstrations of the "we demand" type, with leadership to turn such demonstrations into looting and burning and other types of violence. "We're entitled to it; we're just getting our share."

The greatest tragedy of this type of welfare is not its cost in dollars but its effect on the receiver as well as the giver. With the denial of responsibility for self goes a loss of self-respect. The appetite for such handouts is insatiable and the effect on the moral fiber of a people is tremendous. As one person aptly said: "A man deprived of the opportunity of paying his own way, of supporting his children and providing the nurture that will give them healthy bodies and a foundation of self-respect -a man who cannot accomplish these things through hard work and thrift, *must* become a revolutionary."

The basic satisfaction of doing for oneself seems to be matched by a willingness to accept handouts. It takes courage on the part of wealthy parents to refuse to indulge their children. And the same order of discipline applies in an affluent society with respect to its poor.

We can say, over and over again: "It is for your own good that you earn your own way." But few adults can rise above the temptation of a handout - something for nothing - if it is offered. The injustice is primarily to the receiver in denying him satisfactions through his own efforts. While we cannot do much about the over-indulgent parent, we can recognize that it is not a proper function of government to denv its citizens their self-respect or to encourage the "something for nothing" philosophy.

Something for Nothing

There are other ways in which self-responsibility may be denied. Consider the whole area of jobs and labor relations. A man may strike against his employer and, by violence or threat of violence, keep some other willing worker from taking his job. The right to a job is not a one-sided contract. It implies that someone else has the obligation to supply that job.

Job tenure is of a similar nature. Some jobs, especially in academic circles, carry what amounts to a guarantee that the holder can have the job as long as he wants whether or not he performs responsibly. Or consider the effect of a minimum wage on the person incapable of earning it in open competition. This person may be perfectly willing to work for \$1.00 an hour, but when the law says he must be paid \$1.60, he may be forced out of work and onto relief. This is hardly the way to develop self-respect.

The guaranteed annual wage or the negative income tax, as a method of meeting welfare needs, can only compound the serious problem of gaining self-respect through individual responsibility.

Higher education has been much publicized of late because of campus disturbances by students. It is easy to pass this off as a "lack of communication," or the "generation gap," or the result of an unpopular war. But, how many of these student demonstrators show any real sense of responsibility for gaining an education? Doesn't society owe them an education! Once upon a time, parents struggled and saved to provide educational opportunities for their children, and most children understood that sacrifice. There was no generation gap on the point. How can a comparable responsibility be aroused in students for whom the government provides?

Laws to "protect the consumer" also have a tendency to deprive a person of his self-responsibility. True, it is a valid function of government to do its best to prevent fraud and stealing, and to enforce contracts. But there are some risks a person can and should assume for himself. For instance, I am not interested in having a serious driving accident or getting killed. If I believe seat belts will help protect me, I'll install and use them. Why should anyone have to compel me to do that - and deprive me of the responsibility?

Compulsory social security likewise deprives people of their own responsibility for thrift and saving. It also destroys the good life of the family as a unit. Self-responsibility and self-respect run from the individual to the family; and the assistance which young people can give their elders voluntarily can be an important part of the good life for all concerned. The gradual weakening of family ties has many causes, but high on the list must be the exorbitant amount of government welfare.

The erosion of self-responsibility and self-respect surely contributes to the general decline of morality in our time. Respect for others stems from self-respect; the self-responsible person respects his neighbor's property as he would his own. He is not likely to throw bricks through school windows, or destroy college property, or join gangs in looting and burning. Such respect for property is the essence of law and order.

Pride in one's accomplishments, responsibility for what one does, and respect for self and others constitutes inner satisfaction, contentment, happiness – in short, the good life.

IDEAS ON LIBERTY

Ed Howe

BEHAVE YOURSELF; let others go to the devil, if they so please. If you behave yourself and do well, that will be the most powerful preaching you can indulge in; noting your example, many on the way to the devil will turn back and follow you to safety.



10. THE VICTORIAN WAY: AFFIRMED AND REJECTED

THERE WAS a saving among American troops in Europe after World War II, something like this. If a soldier complained about something, anything, he was berated in the following fashion. "What are you complaining about? You never had it so good. You know what your trouble is? You just can't stand prosperity." Quite likely. of those who taunted many gripers in this fashion meant to be using irony. Soldiers rarely think of their lot as a happy one. But, given the context, the words were probably spoken straight at first. They may have been delivered by a combat veteran to a

new arrival who had not experienced the rigors of war. If so, he was saying, in effect, that the griper should be glad that he could sleep in a building instead of outside, that he was not subject to strafing, artillery fire, and rockets, that his hours were regular rather than determined by the exigencies of war, and so on.

It is possible, too, that the words were directed to a combat veteran. For the memory of pain and hardship is exceedingly short-lived. A man who has been suffering almost unbearable pain will fall to complaining of trivialities shortly after it is relieved. It is the way of human beings to lose sight of their blessings and complain of their inconveniences. That which has only lately brought great re-

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lief may itself shortly become an object for scorn.

Familiarity Breeds Contempt

So it was for some of the English, in any case. All indications were that in the middle of the nineteenth century the lot of most Englishmen was vastly improved over what it had been. Signs abounded that they were better paid, better fed, had more leisure. and could avail themselves of more of the things which adorn life rather than merely sustain it. Nor was there any reason for doubting that these benefits could be attributed, directly or indirectly, to Britain's stable and balanced government, to the security of persons and property, to the freedom of trade, to the moral code which prevailed, to hard work, to capital investment, and to technological innovations. Yet, in the midst of this spreading prosperity, these very things began to come under attack. A shorthand phrase for those conditions and means by which prosperity was achieved is "The Victorian Way." The Victorian Way came under assault during the Victorian period. though its repudiation would not be completed until early in the twentieth century.

But it would be unjust to the English people and historically inaccurate to suggest that they for-

got so quickly. The nagging, questioning, and doubting of the validity of the Victorian Way did get underway in the midst of its triumph. Its inception and spread forms a part of what is to be told here. At the outset, however, this challenge to the Victorian Way was made by a minority, most likely a tiny minority, whereas the vast majority accepted and prized it. Indeed, there were clergymen who pointed out the moral character of the Victorian Way, historians who wove it into its place in English history, statesmen who expounded and defended it, philosophers who claimed it within general theories of progress, and writers who advocated the expansion of it. This story should be alluded to before attending to the critics.

Though Frederic Harrison was exaggerating when he wrote the following in 1882, and obviously more than a little piqued by it all, his words do indicate that there were many who saw virtue in the developments which brought England to greatness:

Surely no century in all human history was ever so much praised to its face for its wonderful achievements, its wealth and its power, its unparalleled ingenuity and its miraculous capacity for making itself comfortable and generally enjoying 1968

life. British Associations, and all sorts of associations, economic, scientific, and mechanical, are perpetually executing cantatas in honour of the age of progress. . . The journals perform the part of orchestra, banging big drums and blowing trumpets. . . .¹

Macaulay's Whig Interpretation of the History of England

Thomas Babington Macaulay, the historian, is usually credited, or blamed, for being the leading apologist for the Victorian Way. He was the man who first made what is usually called the Whig interpretation of history. He did so in his History of England which made its appearance in the middle of the nineteenth century. It sold unusually well for a history, or for anything else. When the first two volumes appeared, 13,000 copies were sold in four months. The next two volumes sold 26,500 copies in ten weeks.² Macaulay certainly was not one to hide his light under a bushel; whatever views he held, he held firmly and expressed forthrightly. One gets a sense of the measure of the man in this reference to a work by Robert Southey, Poet Laureate of England:

It would be scarcely possible for a man of Mr. Southey's talents and acquirements to write two volumes so large as these before us, which should be wholly destitute of information and amusement. . . . We have, for some time past, observed with great regret the strange infatuation which leads the Poet Laureate to abandon those departments of literature in which he might excel, and to lecture the public on sciences of which he has still the very alphabet to learn. He has now, we think, done his worst.³

It is not surprising that his own works have come in for strong criticism. Be that as it may, his work pointed out the improvements that had occurred in England since the Glorious Revolution and ascribed these to the security of liberty and property and stable government, among other things. He opened his *History* by declaring that "the general effect of this chequered narrative will be to excite thankfulness in all religious minds and hope in the breasts of all patriots. For the history of our country during the last hundred and sixty years is eminently the history of physical, of moral, and

¹ Quoted in Walter E. Houghton, The Victorian Frame of Mind, 1830-1870 (New Haven: Yale University Press, 1957), p. 39.

² David Thomson, England in the Nineteenth Century (Baltimore: Penguin Books, 1950), p. 103.

³ Thomas B. Macaulay, Miscellaneous Essays and Poems, I (Philadelphia: Porter and Coates, 1879), p. 475.

of intellectual improvement."⁴ In short, he maintained that "the history of England is emphatically the history of progress."⁵ In explaining the difference between England and France – the France of the July (1830) Revolution – Macaulay ascribed it to the political institutions of liberty:

To what are we to attribute the unparalleled moderation and humanity which the English people have displayed at this great conjuncture? The answer is plain. This moderation, this humanity are the fruits of a hundred and fifty years of liberty. ... For many generations we have had the trial by jury, the Habeas Corpus Act, the freedom of the press, the right of meeting to discuss public affairs, the right of petitioning the legislature. A vast portion of the population has long been accustomed to the exercise of political functions. ... Thus our institutions had been so good that they had educated us into a capacity for better institutions.6

Lecky and Free Trade

In like manner, W. E. H. Lecky, who published his prodigious *History of Rationalism* at the age of 27, was unstinting in his admiration for and praise of English leadership and economic development. He pointed out that England has been the leader in the development of political economy as a science as well as in mechanical inventions. "It is not surprising," he said, "that a land which has attained this double supremacy, and which possesses at the same time almost unlimited coal-mines, an unrivaled navy, and a government that can never long resist the natural tendency of affairs, should be pre-eminently the land of manufacturers."⁷ Lecky was an enthusiastic follower and expounder of developments in political economy from Smith through Say, and ascribed the peace of his times to the applications of these doctrines, particularly to the freeing of trade. He declared that an understanding and application of political economy is the corrective to the evil of war. Political economy denies, he said, that one nation's gain in trade is another's loss. Instead.

It teaches . . . that each nation has a direct interest in the prosperity of that with which it trades, just as a shopman has an interest in the wealth of his customers. It teaches too that the different markets of the world are so closely connected, that it is quite impossible for a serious derangement to take place in any one of them without its evil effects

⁴ Quoted in Thomson, op. cit., p. 104.

⁵ Quoted in Houghton, op. cit., p. 39.

⁶ Macaulay, op. cit., p. 769.

⁷ W. E. H. Lecky, *History of Rationalism in Europe*, II (London: Longmans, Green, and Co., 1904, originally pub. 1865), p. 351.

vibrating through all.... Each successive development of political economy has brought these truths into clearer relief.... Every fresh commercial enterprise is therefore an additional guarantee of peace.⁸

The "scheme of progress which political economy reveals" goes something like this, according to Lecky. Men form habits of thrift and self-restraint in order to improve their material condition. As that improves, they develop the gentler ways of civilization.

. . . And the same principle that creates civilisation creates liberty, and regulates and sustains morals. The poorer classes, as wealth, and consequently the demand for their labour, have increased, cease to be the helpless tools of their masters. Slavery, condemned by political economy, gradually disappears. The stigma that attached to labour is removed. War is repressed as a folly and despotism as an invasion of the rights of property. The sense of common interests unites the different sections of mankind, and the conviction that each nation should direct its energies to that form of produce for which it is naturally most suited, effects a division of labour which renders each dependent upon the others. Under the influence of industrial occupations, passions are repressed, the old warlike habits are destroyed, a respect for law, a consideration for the interests of

⁸ Ibid., p. 356,

In such fashion, the Victorian Way became a part of the historical perspective for many.

From Throne and Pulpit

Men in other walks of life affirmed the Victorian Way also. Prince Albert, consort to Queen Victoria, declared in 1851:

"We are living at a period of most wonderful transition, which tends rapidly to accomplish that great end to which indeed all history points – the realization of the unity of mankind."¹⁰

In a speech before Parliament, Lord Palmerston said:

"We have shown the example of a nation, in which every class of society accepts with cheerfulness the lot which Providence has assigned to it; while at the same time every individual of each class is constantly striving to raise himself in the social scale – not by injustice and wrong, not by violence and illegality, but by preserving good conduct, and by the steady and energetic execution of the moral and intellectual faculties with which his creator has endowed him."¹¹

Speaking from the pulpit, the

others, a sobriety and perseverance of character are inculcated.⁹

⁹ Ibid., p. 367.

¹⁰ Quoted in Thomson, op. cit., pp. 102-03.

¹¹ Quoted in Asa Briggs, The Age of Improvement (London: Longmans, Green, and Co., 1859), p. 404.

Reverend Charles Kingsley proclaimed the reasons why Englishmen should give thanks to God. He tells how others have been beset by wars and destruction -

and yet here we are, going about our business in peace and safety in a land which we and our forefathers have found, now for many a year, that just laws make a quiet and prosperous people: that the effect of righteousness is peace, and the fruit of righteousness, quietness and assurance for ever; -a land in which the good are not terrified, the industrious hampered, and the greedy and lawless made eager and restless by expectation of change in government: but every man can boldly and hopefully work in his calling, and "whatsoever his hand finds to do. do it with all his might," in fair hope that the money which he earns in his manhood he will be able to enjoy quietly in his old age, and hand it down safely to his children. and his children's children. . . Oh. my friends, who made us to differ from others, or what have we that we did not receive? Not to ourselves do we owe our blessings. . . . We owe it to our wise Constitution and to our wise Church, the principle of which is that God is Judge and Christ is King. . . .¹²

Spencer Optimistic

Herbert Spencer rendered at least a part of the Victorian Way into a philosophical framework. There was probably much about mid-Victorian England that Spencer did not approve, but he approved the general trend toward establishing greater freedom, and mainly wanted the principle expanded until it became universal. His statements on free trade illustrate this penchant in his works:

Fortunately it is now needless to enforce the doctrine of commercial freedom by any considerations of policy. After making continual attempts to improve upon the laws of trade, from the time of Solon downwards, men are at length beginning to see that such attempts are worse than useless. Political economy has shown us in this matter - what indeed it is its chief mission to show - that our wisest plan is to let things take their own course. An increasing sense of justice, too, has assisted in convincing us. We have here learned, what our forefathers learned in some cases, and what alas! we have yet to learn in many

¹² Charles Kingsley, Sermons for the Times (London: Macmillan, 1890, first pub. by Macmillan in 1863), pp. 195-96. This is the same Charles Kingsley who, along with F. D. Maurice, was an early Christian socialist. This description of him, however, may be misleading. Not

only does the above quotation not indicate any socialist sentiments, such as we have come to recognize them, but there is good reason to believe that he was a pre-statist socialist. "He looked rather to the extension of the co-operative principle and to sanitary reform for the amelioration of the condition o: the people than to any radical politica change." Encyclopedia Britannica (Chi cago, 1955), XIII, 399.

more, that nothing but evil can arise from inequitable regulations. The necessity of respecting the principles of abstract rectitude - this it is that we have had another lesson upon. Look at it rightly and we shall find that all the Anti-Corn-Law League did, with its lectures, its newspapers. its bazaars, its monster meetings, and its tons of tracts, was to teach people - what should have been very clear to them without any such teaching - that no good can come of violating men's rights. By bitter experience and a world of talk we have at length been made partially to believe as much. Be it true or not in other cases, we are now quite certain that it is true in trade. In respect to this at least we have declared that, for the future, we will obev the law of equal freedom.13

Spencer was optimistic in thinking that the British had learned their lesson about trade once and for all, but this was the one thing that libertarians managed to get almost all parties to agree to as a cardinal principle for so long.

Samuel Smiles on Thrift

This examination can be closed by referring to the man who has often been singled out as the stereotype of the apologists for the Victorian Way, Samuel Smiles. Samuel Smiles was a popular writer in the latter part of the nineteenth century who did indeed approve the Victorian Way, and who devoted his pen to elucidating its virtues. The titles of his works show what he considered some of those virtues to be: Self-Help, Thrift, Character, and Duty. He placed great emphasis upon work. saving. honesty, perseverance, charity, and self-help. Self-Help made its appearance in 1859 and sold 20,000 copies that year. In addition, some 130,000 copies were sold in the next thirty years. But the reference here will be to another work, in which he discusses saving, capital, and labor:

The men who economize by means of labor become the owners of capital which sets other labor in motion. Capital accumulates in their hands, and they employ other laborers to work for them. Thus trade and commerce begin.

The thrifty build houses, warehouses, and mills. They fit manufactories with tools and machines. They build ships and send them to various parts of the world. They put their capital together, and build railroads, harbors, and docks. They open up mines of coal, iron, and copper; and erect pumping-engines to keep them clear of water. They employ laborers to work the mines, and thus give rise to an immense amount of employment.

All this is the result of thrift. It is the result of economizing money,

¹³ Herbert Spencer, Social Statics (New York: Appleton, 1865), p. 334.

and employing it for beneficial purposes. . . 1^{4}

This was surely an abstract of the English experience, put into language that every man could understand.

The Victorian Way was not without its exponents, apologists, and defenders, then, Indeed, numbered among them were some, or most, of the illustrious names of the century. But they were matched, and eventually overmatched, by a rising chorus of critics in the course of the nineteenth and early twentieth century. In the wake of this mounting criticism, the work of many of the most able exponents fell into disrepute. in many circles anyhow. It happened to Macaulay, to Spencer, and, of course, to Smiles. More importantly, the ideas, principles, and practices which were at the heart of the Victorian Way became suspect. and were eventually rejected.

Hybrid Nature of Socialism

To understand the character of this attack on things Victorian and its eventual impact, some observations about socialism are in order. Not that the critics were necessarily socialists: some were, and some were not. But the criticism was certainly grist for the mills of socialists, and they managed somehow to identify themselves with all of it. Socialism was a product of the nineteenth century, and it remains stuck in the grooves of the nineteenth century. More, it is the *hybrid* product of two contradictory strains in nineteenth century thought. It is a hybrid because it is infertile and unproductive (having always to borrow from freedom such innovations as it adopts). It is the product of abstract rationalism, on the one hand, and romanticism. on the other. To put it another way, socialism is the stubborn mule sired by the donkey, abstract rationalism, bred to the flighty mare, romanticism. Like the mule, socialism has some of the worst traits of its forebears: it is as unimaginative as the donkey and as irrational as the horse.

Nonetheless, socialism has an almost irresistible attraction to a certain turn of mind. It attracts because of its criticism and rejection of the way things are, and its promises of the way things will be when they have been reconstructed. Socialism appeals particularly to those who are alienated from and thus do not feel a part of the society in which they live. Its greatest attraction is for intellectuals, particularly those of a literary and artistic

¹⁴ Samuel Smiles, *Thrift* (Chicago: Belfords, Clarke and Co., 1879), pp. 20-21.

bent. It is probable that, in earlier times, most such men found some religious vocation. But in the eighteenth century, they began to be more numerous as laymen. Since that time, they appear to have increased greatly in number and influence.

Enter, the Critic

Much of the initial criticism of Victorian society came from literary romantics, from poets, from architects, from essayists, from novelists, and from dilettanti who dabbled in all these things. They not only justified their alienation from society but also gloried in it. To be alienated from society was a badge of distinction to many romantics: it was a sign of superiority. Society was vulgar, insensitive, unaesthetically inclined, materialistic, practical, and almost wholly unattractive. Moreover, society has a way of imposing its standards, however subtly. upon all within its orbit. Many romantics had subsumed libertarian ideas into their outlook and would think of themselves as liberals; but they went beyond seeking freedom from governmental restraint: they also sought freedom from the prescriptions of society. They tended toward anarchy. But some romantic intellectuals went even further, seeking not only to be free from social prescription

but at the same time trying to prescribe for society. When they sought to do this by governmental action, they usually became socialists of some sort.

There was a great range and variety to the criticism of Victorian England, from the criticism of flaws to the wholesale condemnation of the social order. Charles Dickens was one who highlighted many of the flaws in his numerous novels. He satirized "poor law institutions, Chancery, and judicial procedure in general, profiteering private schools, and many other social ills of his times. ... Having been a poor boy himcalf he had on institutions and

self he had an instinctive and burning sympathy with the poor."¹⁵ Nor should there be any doubt that he frequently had a reformist purpose in mind. "In all my writings," he said on one occasion, "I hope I have taken every available opportunity of showing the want of sanitary improvements in the neglected dwellings of the poor."16 Even so, it is not clear that Dickens had much more in mind than that men should reform their ways, and that the poor should struggle to better themselves.

¹⁵ Thomson, op. cit., pp. 113-14.

¹⁶ Quoted in G. D. Klingopulos, "The Literary Scene," *From Dickens to Hardy*, Boris Ford, ed. (Baltimore: Penguin Books, 1958), p. 70.

Thomas Carlyle was quite different from Dickens and a much deeper critic of his age. He saw the age as common and unheroic, and lacking in leadership or traditions that make for greatness. One of his characters exclaims:

"Thus, too, does an observant eve discern everywhere that saddest spectacle: The Poor perishing, like neglected, foundered Draught-Cattle, of Hunger and Over-work: the Rich still more wretchedly of Idleness. Satiety, and Over-growth. The Highest in rank, at length, without honour from the Lowest; scarcely, with a little mouth-honour, as from tavernwaiters who expect to put in the bill. Once-sacred Symbols fluttering as empty Pageants, whereof men grudge even the expense: a World becoming dismantled: in one word. the Church fallen speechless, from obesity and apoplexy; the State shrunken into a Police-Office, straitened to get its pay!"17

Of Carlyle's impact, an historian says: "By the strength of his convictions and the extraordinary language in which he clothed them, he caused many Englishmen to share his dissatisfaction with the materialism of the age and to give more thought to moral and social issues."¹⁸

Matthew Arnold's "Populace"

Matthew Arnold was a much clearer case of the rejecter of Victorian England. He satirized and held up to scorn the Englishman's fascination with machinery. his worship of wealth, and his vaunted liberty to do as he pleased. The middle class, he said, were Philistines. "For Philistine gives the notion of something particularly stiff-necked and perverse in the resistance to light and its children: and therein it specially suits our middle class, who not only do not pursue sweetness and light, but who even prefer to them that sort of machinery of business, chapels, tea-meetings, and addresses from Mr. Murphy [Mr. Murphy was depicted as boorishly intolerant of Roman Catholics]. which makes up the dismal and illiberal life on which I have sc often touched."¹⁹ The English aristocracy he calls the Barbarians. In a passage dripping with satire. Arnold describes some of the salient features of this class:

... The Barbarians, to whom we all owe so much, and who reinvigorated and renewed our worn-out Europe, had, as is well known, eminent merits. . . The Barbarians brought with them that staunch in dividualism, as the modern phrase

¹⁷ Thomas Carlyle, Sartor Resartus (New York: Dutton, 1908), pp. 174-75.

¹⁸ W. E. Lunt, *History of England* (New York: Harper, 1957, 4th ed.), p. 752.

¹⁹ Matthew Arnold, Culture and An archy, R. H. Super, ed. (Ann Arbor: University of Michigan Press, 1965), p 140.

is, and that passion for doing as one likes. . . The Barbarians, again, had the passion for field-sports; and they have handed it on to our aristocratic class, who of this passion too, as of the passion for asserting one's personal liberty, are the great natural stronghold. . . 2^{0}

He would classify as Philistines, too, all that portion of the working class which either by its ambitions seeks to be a part of the middle class or by organizing in labor unions hopes to occupy the place of dominance held by the middle class.

... But that vast portion, lastly, of the working class which, raw and half-developed, has long lain halfhidden amidst its poverty and squalor, and is now issuing from its hiding-place to assert an Englishman's heaven-born privilege of doing as he likes, and is beginning to perplex us by marching where it likes, meeting where it likes, bawling what it likes, breaking what it likes, — to this vast residuum we may with great propriety give the name of *Populace.*²¹

What was the point of all this, and much more besides? What was the point of describing England as divided into *Barbarians*, *Philistines*, and *Populace*? Matthew Arnold was saying that Victorian England lacked true culture and was tending toward anarchy - to the loss of cohesion, to disintegration. England would be saved, if at all, he taught, by turning to the State.

Thus, in our eves, the very framework and exterior order of the State. whoever may administer the State. is sacred; and culture is the most resolute enemy of anarchy, because of the great hopes and designs for the State which culture teaches us to nourish. But as, believing in right reason, and having faith in the progress of humanity towards perfection, and ever labouring for this end, we grow to have clearer sight of the ideas of right reason, and of the elements and helps of perfection. and come gradually to fill the framework of the State with them, to fashion its internal composition and all its laws and institutions conformably to them, and to make the State more and more the expression, as we say, of our best self, which is not manifold, and vulgar, and unstable, and contentious, and evervarying, but one, and noble, and secure, and peaceful, and the same for all mankind. . . . 22

Arnold is a near perfect example of the confused joining of abstract rationalism and romanticism to reach a conclusion with deep inner contradictions. He abstracted society so as to arrive at disintegration in his description, a disintegration which his very analysis produced. Then, he turned

²⁰ Ibid., pp. 140-41.

²¹ Ibid., p. 143.

²² Ibid., pp. 223-24.

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off his analytical powers, such as they were, when he looked at the state, and made it an object of romantic adoration. He was, of course, following the path already trod by many German romantics and by the spiritual godfather of all romantics, Jean Jacques Rousseau.

Ruskin's Romanticism

The final step from the rejection and denunciation of the Victorian Way can be illustrated by reference to John Ruskin. Ruskin disliked machinery, repetitive tasks, mass produced articles, laissez-faire, competition, the law of supply and demand, and just about everything associated with Victorian England. He longed, mainly, to see medieval society restored, or, at least, medieval craftsmanship, and things of that sort. He described his ideal society in this way:

I have already stated that no machines moved by artificial power are to be used on the estates of the society; wind, water, and animal force are to be the only motive powers employed, and there is to be as little trade or importation as possible; the utmost simplicity of life, and restriction of possession, being combined with the highest attainable refinement of temper and thought. Everything that the members of any household can sufficiently make for themselves, they are so to make, however clumsily; but the carpenter and smith, trained to perfectest work in wood and iron, are to be employed on the parts of houses and implements in which finish is essential to strength. The ploughshare and spade must be made by the smith, and the roof and floors by a carpenter; but the boys of the house must be able to make either a horseshoe, or a table.²³

Ruskin could, of course, be precise and analytical, as in his discourses on political economy, but when he visualized the society to supplant the present one, he became a full-fledged romantic. That he became a socialist, of some variety, will appear from the following. "The first duty of a state," he said, "is to see that every child born therein shall be well housed, clothed, fed and educated, till it attains years of discretion." To accomplish this, "the government must have an authority over the people of which we do not so much as dream."24

Of course, the above only touches the surface of the critiques, attacks, denunciations, and rejection of the Victorian Way. Many other people and works would have to be examined to get to its full flavor, and many other facets of the attack examined. For

 ²³ John Ruskin, Ruskin's Views of Social Justice, James Fuchs, ed. (New York: Vanguard Press, 1926), pp. 29-30.
 ²⁴ Briggs, op. cit., p. 473.

eventually everything Victorian became suspect: the architecture, the furniture, the morals, the productive system, the government, and so on. The debunking of things Victorian reached its peak in the 1920's, following the publication of Lytton Strachey's *Eminent Victorians* (1918) and *Queen Victoria* (1921). In the wake of this rejection, D. H. Lawrence said:

Now although perhaps nobody knew it, it was ugliness which really betrayed the spirit of man in the nineteenth century. The great crime which the moneyed classes and promoters of industry committed in the palmy Victorian days was the condemning of the workers to ugliness, ugliness, ugliness: meanness and formless and ugly surroundings, ugly ideals, ugly religion, ugly hope, ugly love, ugly clothes, ugly furniture, ugly houses, ugly relationship between workers and employers.²⁵

The English people, then, did not simply forget the principles and practices which had made England great. They were turned against them. The attack upon the Victorian Way was kept up until the very thought of it began to be distasteful, at least to anyone of literary or artistic awareness. Those who had defended it and expounded its principles became suspect also. The rejection of existing society was but a prelude. of course, to a vision of a new society to supplant it. Such visions were most effectively pushed by socialists. To that part of the story we may now turn.

25 Klingopulos, op. cit., p. 14.

The next article in this series will pertain to "The Fabian Thrust to Socialism."

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Government in the Power Business

FIFTEEN, ten, or even five years ago Edwin Vennard's Government in the Power Business (McGraw-Hill, \$7.95) would have been an unpopular book. But not now. Its double-edged thesis is that private -or investor-owned-electric power companies can deliver good service at the cheapest possible market prices where governmentowned and operated facilities can only give the consumer a competitive edge at the expense of the taxpayer who is forced to make up for a hidden subsidy. In 1964, Barry Goldwater was hooted down for suggesting that the Tennessee Valley Authority steam plants and distribution systems, which have nothing whatsoever to do with navigation and flood control. should be sold to private investors. But even in 1964 the notion that there is something inherently noble and untouchable in public power was fast becoming a cliché. Nobody was out crusading for more TVAs.

Mr. Vennard, who is the Managing Director of the Edison Electric Institute, does not mention politics as such. He accentuates the positive, relying on careful cost studies which he sets forth not only in clear prose but in a series of admirable tables and charts. A closely-knit chapter shows in de tail how the investor-owned power companies fought to change the ideological climate by emphasizing such factors as quality of service and price.

The story more or less tells it self. In 1943 fifty-five per cent o the people favored government ownership of power stations; only 31 per cent were for private pow er. But the intensive sales an marketing efforts of the investor owned companies during the earl postwar years, coupled with good public information program began to take hold in a slow bu sure manner. By the time th early fifties had rolled around, th curves on the graph had crossed and by 1955 a survey showed the 46 per cent of the people had cor to favor investor-owned plants ? against 40 per cent who were sti for government ownership. In 196 the figure for investor-owned se

timent became a majority figure, at 51 per cent. Those who were for government-owned power had declined to some 35 per cent, an ebb-tide figure which would have been incomprehensible to such oldtime public power enthusiasts as the late Senator George Norris of Nebraska. At this rate the TVA steam generation plants and transmission lines, exclusive of some facilities which serve the Atomic Energy Commission's Oak Ridge nuclear development, may some day be sold to investor-owned power companies serving the southern Appalachian area.

In a long chapter on the TVA and other government ventures in the power business, Mr. Vennard proves that public power is usually a cheat. The word is mine. not Mr. Vennard's, but when a public project which pays no Federal income taxes claims "vardstick" value how can you describe it as anything other than dishonest? The TVA was born in duplicity, the excuse being that flood control, navigation, and "national defense" required a series of dams along the river system in question. The sales of electricity generated at the dam sites were supposed to be incidental to the main purposes of the development. But, as Mr. Vennard says, "within a year, Dr. Arthur E. Morgan, the first chairman of TVA, stated unequivocally to the Senate Appropriations Committee that power production was the major purpose of the Authority."

In 1935, two years after the passage of the TVA Act, Commissioner Stanley Reed, representing the TVA, told the Supreme Court that "the Act would be invalid" unless it were assumed that the dams were primarily to improve navigation. Nevertheless, in spite of the Constitution, the TVA eventually went into the power business with a vengeance, building steam plants to supplement its water power and competing with investor-owned companies.

The TVA has made certain pavments in lieu of taxes to state and local governments, but never in the same amounts that have been exacted from the purely commercial suppliers of electricity. "On the average," says Mr. Vennard, "electric companies pay 2.33 per cent of their gross plant investment in state and local taxes yearly. This is about two-and-onehalf times the rate paid by TVA." Moreover, the investor-owned companies pay on the average 2.64 per cent of their gross investment in Federal income taxes to TVA's zero amount. When you figure that the cost of money to a Federallyowned power installation is much less than what private companies have to pay in the capital market,

the argument that the "public" benefits from government-owned facilities stands exposed for the sham that it happens to be.

In the West, the needs of irrigation may provide a comprehensible reason for building big dams at the taxpayers' expense. Certainly the reason seemed compelling in the thirties, when capital was scarce and only the government seemed willing to dam rivers in Texas, in Arizona, and in the Pacific Northwest. But the attempt to blanket the nation with seven regional authorities along the lines of the TVA died a prolonged death in Congress. The feeling developed that a small group of politicos were bent on using the TVA method to bring about government control of the economy without ever letting the people vote directly upon it. Norman Thomas, the veteran socialist, gave the show away when he said that the TVA is "the only genuinely socialistic act" in the New Deal.

It was in the thirties, too, when it seemed reasonable for farmers to ask for government help in the form of the REA-financed generating plants and transmission lines. But now that the nation's farms are thoroughly electrified, the REA has been trying to expand into densely populated areas, using 2 per cent money to do it. Mr. Vennard is not the sort of person to say he is outraged by this, but he lets the reader know how he feels by a measured display of statistical proof that the taxpayer is being cheated again.

In the last analysis it might be said that the public power ideologues have lost the battle because they have been outflanked. Time was when a seemingly good case could be made out for municipal power plants. But the technology of long-distance power transmission kept improving, and whole regions were benefited by interconnected grids which could supply their needs at constantly decreasing prices for volume use. The lone municipal station couldn't keep up with the parade. So the political steam went out of the public power movement.

Mr. Vennard has great hopes for the future of investmentowned power companies, for the percentage of government-owned, power-producing capacity, which grew so rapidly in the thirties and the forties, has recently been leveling off. People are becoming aware of their stake in an enterprise system. The day of cheap atomic power is dawning, and good dam sites are running out. All of this means that the demagogues are running out of excuses for power socialism.

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