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The Case Against Government Child Care

by Kathleen M. Spotts

American families need more affordable child care. But the answer is not more government involvement. When child care is run, funded, and regulated by the government, it can only make the existing problem worse. And it's bad for our liberty as well.

Young couples with children may think they want government child care. But they don't realize that Americans like themselves will be the biggest losers in this Faustian bargain with the State. They risk losing their right to raise their children as they—and not bureaucrats—see fit.

It is not difficult to see why calls for action on child care have grown to a deafening level. Half the married mothers with children under five are working, twice the number who did in 1970. By 1995 two-thirds of all preschool children are expected to have working mothers.

Licensed, regulated child care costs an average of $3,000 per child per year. Most families can't afford that, especially single-parent families whose annual incomes are less than $10,000. Many of these families now make unofficial arrangements in the black (i.e. free) market, which include relatives, neighbors, and other unlicensed child-care providers.

It's already illegal in most states to provide more than 20 hours a week of child care in your home without government permission. Yet legislators are proposing to federalize these laws and make them harsher. Their prime vehicle is the "ABC bill," the Act for Better Child Care Services, sponsored by Senator Christopher Dodd (D-CT) and Representative Dale Kildee (D-MI).

The ABC bill would create a brand-new, full-blown federal "entitlement" program, complete with subsidies, grants, licenses, loans, regulations, certificates, and inspections. The program would be administered by the states but overseen by a federal child-care administrator backed by an army of bureaucrats.

ABC would authorize $2.5 billion in the first year and "such sums as may be necessary" thereafter. If licensed child-care costs $3,000 per child per year and 16 million children are eligible, simple multiplication tells us that the program will cost at least $48 billion annually. And knowing how government programs work, after that, the sky is the limit.

The ABC bill would only be the first step. We can expect pressure groups to launch a full-time effort to make sure there's no turning back. That's why Senator Orrin Hatch's (R-UT) bill isn't much better. He proposes a "conservative" alternative (i.e. more regulation, some tax credits, and vouchers), but with its direct tax subsidies in the form of vouchers—not to speak of its regulations—it too would encourage powerful lobbying groups to make sure it leads to total federal control.

Advocates of more regulation cite the case of Jessica McClure, the 18-month-old Texas girl who fell down a well last year. According to the misnamed Children's Defense Fund, Jessica fell because she attended an "unregulated Texas family day-care program." Stamp out unregulated family day care, CDF says, and such accidents would end. This is nonsense, of course. Regulated industries are much less responsive to consumer demands than unregulated ones.

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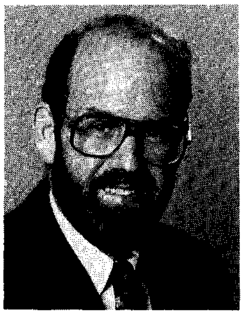

Massachussetts and the Mussolinization of America

by Lew Rockwell

Official socialism has probably never been a threat in America, but the corporate state has. And is.

It all began in 1919 when ex-Marxist Benito Mussolini wrote the Fascist Party platform, calling for central planning through a "partnership" of government, business, and labor. By 1925 he was in total power.

Not all of Mussolini's admirers were in Italy. The cover story of the *New York Times Magazine* for October 24, 1926, gushed:

> The most approachable as well as the most interesting statesman in Europe. He is a voracious learner who never makes the same mistake twice.... The whole country is keyed up by his energy....
>
> The whole economic structure of the nation has been charted out in a graph that shows it as a huge corporation with the Government as the directorate. He explains it clearly and patiently, reminding you that he started his career as a teacher.

An earlier *New York Times* editorial (October 31, 1922) had explained:

> In Italy as everywhere the great complaint against democracy today is its inefficiency.... Neither the failures nor the successes of (Russia's) Bolshevist Government offer much of an example to the Western world. Dr. Mussolini's experiment will perhaps tell us something more about the possibilities of oligarchic administration.

Although Herbert Hoover in many ways prefigured him, it was Franklin D. Roosevelt who first tried to create an explicit corporate state in America with his National Recovery Administration (NRA). With its fascist-style Blue Eagle emblem, the NRA coordinated big business and labor in a central plan, and outlawed competition. The NRA even employed vigilante groups to spy on smaller businesses and report if they violated the plan.

Just as in Mussolini's Italy, the beneficiaries of the U.S. corporate state were—in addition to the government itself—established economic interest groups. NRA cheerleaders included the National Association of Manufacturers, the U.S. Chamber of Commerce, the American Bar Association, the United Mine Workers, the Amalgamated Clothing Workers, and—above all—Gerard Swope of General Electric, who helped draft the NRA act.

Only the courage of the Supreme Court, which ruled that the NRA was unconstitutional, prevented the establishment of a fascist economy in our country. FDR denounced the "nine old men" and tried to pack the court with NRA proponents. But the American people, including most of his supporters, opposed the power grab, and he lost. That did not end the battle, however.

Today, there are many elements of a corporate state in Washington. But in Massachusetts, Michael Dukakis has come closest to actually establishing one. Wrote the *Washington Post* recently:

> Corporate Massachusetts is in a *de facto* alliance with the state and a host of potentially conflicting interests, including...organized labor..., all of whom serve on agency boards and are also recipients of agency grants....
>
> Not only has Dukakis drawn these business leaders into what amounts to limited partnerships with state government, with the governor as the dominant general partner, but also these quasi-public agencies have

As Misesian analysis shows, the corporate state must be an economic failure, no matter what miracles are claimed.

> formed a web of financial arrangements with at least 3,000 corporations across the state. The state government effectively has been entrenched in almost every nook and cranny of the private sector.

The tools Dukakis used to create this alliance for central planning included a larger bureaucracy; subsidized loans, bailouts, and outright grants for big businesses; and guaranteed high wages for unions.

Those on the Massachusetts gravy line include the insurance industry, especially John Hancock Mutual Life; high-tech corporations like our old friend GE, Digital Equipment Corp., and Raytheon; and banks like the Bank of Boston. Each is represented on the boards of the Massachusetts Capital Resources Corp., the Massachusetts Industrial Finance Agency, and similar corporate-statist entities. And all march in profitable lock-step with the state. The only losers are taxpayers, consumers, and businesses without political connections.

The *Post* notes that Dukakis's policies "diverge sharply from the more traditional type of partisan politics emphasizing ideological splits between business and labor."

With guaranteed profits, corporations are partially liberated from consumer control. In return, they agree to pay the above-market wages that labor unions demand, and otherwise cooperate with the state. But what will be the economic result?

In 1920, Ludwig von Mises showed in "Economic Calculation in the Socialist Commonwealth" that there can be no rational central planning.

In a free market, consumers' spending decisions tell producers what and how much to produce. If consumers prefer Fords to Chevrolets, they tell Ford Motor Company to make more cars by buying more of them, thereby driving up the price of Fords relative to Chevrolets and attracting more investment to Ford. Because of the free market in capital goods, Ford is able to devote more resources to production than Chevrolet.

This process enables firms to rationally calculate the "structure of production" from the beginning to the end, to use scarce resources to satisfy the most highly valued goals of consumers.

Mises showed that under socialism, economic calculation is impossible. Since capital goods are owned collectively, they cannot be bought or sold and therefore can have no money prices. Therefore, the desires of consumers cannot be served, *no matter what the intentions of the producers*. This is why the Soviet shoe factory is incapable of making the styles, colors, or numbers of shoes that consumers want, no matter how hard the managers try.

But Mises's argument must also apply to the corporate state. To the extent that some corporations enjoy state-privileged positions, they are partially protected from competition. Their capital goods have money prices, unlike under socialism, but they are not *freely* set prices. Thanks to state favoritism, competitors have less opportunity to bid those resources away, so consumers' desires cannot be fully served.

We saw an example of this with the Chrysler bailout. Consumers sought to divert resources from the Chrysler Corp. to other car manufacturers, which produced better products at better prices. So in response to the pressure group composed of Chrysler executives, union workers, large shareholders, and big bank creditors, politicians gave the company massive federal financing. Consumers wanted rational economic calculation, but the government prevented it, thereby making the rest of us poorer.

The bigger the corporate state becomes, the less consumers' desires will be satisfied. As Misesian analysis shows, the corporate state must be an economic failure, no matter what miracles are claimed. Tragically, fascism is all too often a political success. ■

Mr. Rockwell is founder and president of the Ludwig von Mises Institute.

Medicare and the Myth of Equality

by Mark D. Hughes

The notion that the Welfare State exists for the benefit of the poor is at best naive and at worst a despicable lie. The true purpose of the welfare state is not to aid the poor but to benefit politically powerful special interest groups, usually in the middle class. No other conclusion is possible from what we know about the politics of poverty and the facts of welfare programs.

In democratic politics, the interests of groups within the middle class control the bulk of all wealth transfers. The majority of this income redistribution, however, takes place between the 20th and 90th percentile of income. This is the area of the largest tax base and it's also where the greatest concentration of political power is.

Socialized medicine, for example, has harmed the poor and benefited pressure groups like organized medicine, hospitals, pharmaceutical companies, and medical supply firms.

The "egalitarian" motive of welfarism is only a smoke screen to camouflage the motivations of those who really benefit.

The government introduced Medicare in 1965 as a non-means tested subsidized health program for those over 65 years. Today it is a $75 billion government program which grows an average of 15% every year. It is not, however, an income transfer from rich to poor.

On average, people over 65 are wealthier than those under 65. In 1980, the after-tax income of the elderly averaged $6,300 per capita but the after-tax income of the non-elderly was only $5,910 per capita. The elderly have more assets, they often own homes outright, and have solid income-earning investments. This is not generally true of the young and it is particularly not true of the working poor. Medicare is no poverty program.

The beneficiaries of Medicare haven't paid for the services they receive. It's true that Americans pay a marginal tax throughout their lives designated for Medicare. But the tax is a mere fraction of the benefits received after age 65. A recent study by welfare expert John Goodman of Dallas's National Center for Policy Analysis showed that a man who has earned the average income for his group will draw more

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William Harold Hutt

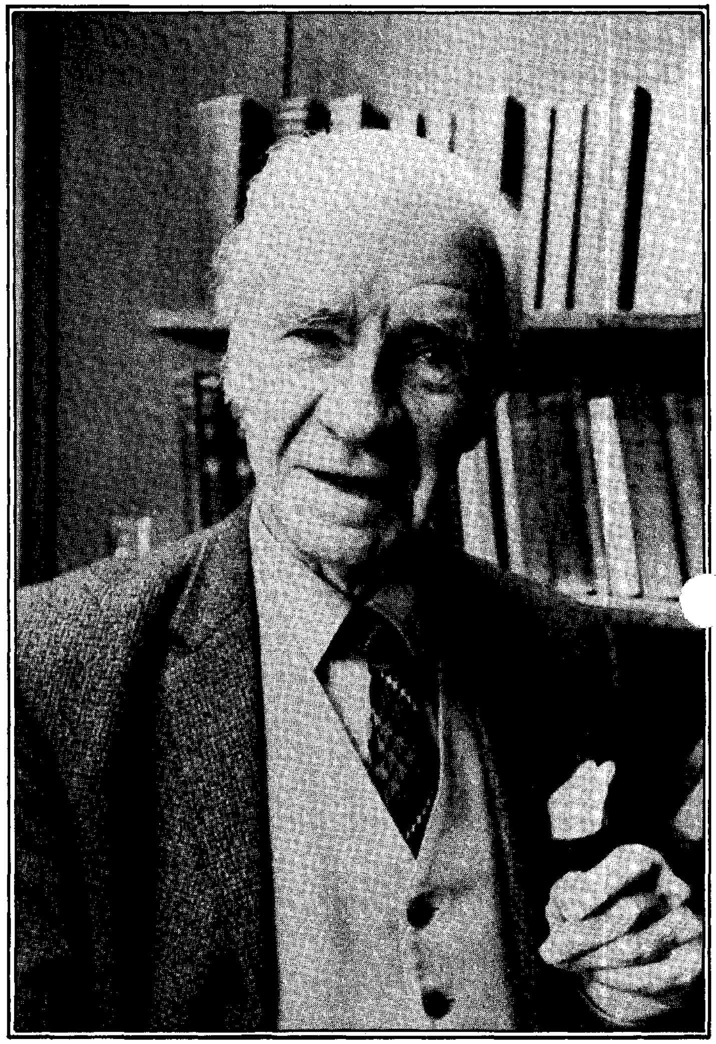
On June 19, William Harold Hutt, one of the most productive and creative econo

by Murray N. Rothbard

Born in London, Hutt served in the Royal Flying Corps in World War I, and then went to the London School of Economics, where he studied under the great free-market and hard- money economist Edwin Cannan. Hutt was graduated in 1924, and spent several years in publishing. His first important scholarly publication remains virtually unknown today: an excellent and penetrating annotated bibliography, *The Philosophy of Individualism: A Bibliography*, which he wrote, aided by the eminent laissez-faire liberal Francis W. Hirst. The book was published anonymously by the Individualist Bookshop of London in 1927. *The Philosophy of Individualism* served, 30 years later, as the core of Henry Hazlitt's annotated bibliography, *The Free Man's Library* (Van Nostrand, 1956).

From 1928 to 1965, Hutt taught economics at the University of Cape Town in South Africa. In his mid-60s, he came to the United States, taught at several universities, and then settled at the University of Dallas in 1971, where he taught for ten years, until the age of 82, an inspiration to a legion of students and colleagues. He continued to be an emeritus professor at Dallas until his death.

The shameful neglect of Hutt's great contributions can be attributed to two main factors: (1) the fact that he taught in the intellectual backwater of South Africa, far from the great intellectual controversies in the profession; and (2) that he stood like a rock against the major fashions of our time, in particular interventionism, Keynesianism, and the general enthusiasm for labor unions.



Hutt's first great contribution to economics was his concise and lucid *The Theory of Collective Bargaining* (P.S. King, 1930), which remains to this day the best book on the theory of wage determination. In this book, Hutt criticized many of the classical economists, and showed conclusively that unions cannot increase general wage rates, and that particular wage increases can only come at the expense of a dislocation of labor and a fall in wage rates of other workers. Ludwig von Mises wrote in the preface to the first American edition of Hutt's book: "Professor Hutt's brilliant essay is not merely a contribution to the history of economic thought. It is rather a critical analysis of the arguments advanced by economists from Adam Smith down and by the spokesmen of the unions in favor of the thesis that unionism can raise wage rates above the market value without harm to anybody else than the 'exploiters.' "

In addition to his notable work in the theory of labor, Professor Hutt wrote two brilliant works in applied labor economics, i.e. labor history. His was the outstanding essay in the remarkable volume edited by F.A. Hayek, *Capitalism and the Historians* (University of Chicago, 1954). Here Hutt discussed the Factory Acts restricting child labor in ea 19th-century Britain, demonstrating that these acts were based on mendacious testimony, and that the condition of

t, in Memoriam

sts of this century, died in Irving, Texas, at the age of 89.

children had been greatly improved by the Industrial Revolution.

In 1964, furthermore, the Institute of Economic Affairs in London published Hutt's innovative work, *The Economics of the Colour Bar*, in which he demonstrated that, contrary to myth, the South African system of *apartheid* was originated not by rural Afrikaners, but by Anglo unions, anxious to suppress the competition of Africans who were rising into the ranks of the foremen and skilled craftsmen. Indeed, he showed that industrial *apartheid* was imposed by a successful general strike in 1922 led by William H. Andrews, head of the Communist Party of South Africa under the slogan "Whites Unite and Fight for a Workers' World!" For his opposition to *apartheid* and advocacy of a free labor market, Professor Hutt's South African passport was withdrawn by the Department of Interior in 1955, but was returned after iticism was raised in Parliament.

In his further scholarly work on trade unions after World War II, Hutt emphasized the crucial empirical fact about labor unions: that they rest on the use and the threat of violence, particularly against replacement workers during strikes (universally smeared in the supposedly objective news media as "scabs"). If Professor Hutt sometimes went too far and advocated outlawing unions as monopolistic *per se*, as well as removing their enormous governmental privileges and licenses to commit violence, he was at least far closer to the mark than the Chicago School, who persist in regarding unions as legitimate if sometimes inefficient employment agencies hired by workers.

William Hutt's other notable area of contribution was his defense of hard money and the free market's tendency to full employment, and his brilliant and superb critiques of Keynesian economics. In particular, we might cite his noteworthy *The Theory of Idle Resources* (Jonathan Cape, 1939) where he showed that Keynesian idle resources—unemployment and "excess capacity"—were simply cases of capacity withheld from the market by resource-owners, and not the result of insufficient market demand. Capacity can be withheld, furthermore, either because of government restrictionism holding up prices or wage rates, or because of expectations that restrictionist or inflationist policies will soon raise market prices.

In 1963, Hutt published a comprehensive if difficult critique of Keynesianism, *Keynesianism, Retrospect and Prospect* (Regnery, 1963), which, among other riches, contains the best criticism of the spurious "accelerations principle" ever written. A decade and a half later, a revision entitled *The Keynesian Episode, A Reassessment* (Liberty Press, 1979), which turned out to be largely a new book, presented a more easily accessible and updated critique of Keynesian doctrine.

Finally, one of Hutt's great contributions to the history and the clarity of economic thought was his correctly titled *A Rehabilitation of Say's Law* (University Press, 1974), which rescued that great critic of underspending notions from Keynes's deliberate misrepresentation in *The General Theory* as well as from Say's inconstant friends in the economics profession.

While he was not a full-fledged Austrian, Professor Hutt's methodology and analysis were very close to the Austrians,

All who came into contact with Bill Hutt admired and loved him, and all of us are poorer for his passing.

and he rightly considered himself a close sympathizer and supporter of the modern Austrian revival. Certainly he was closer to Misesian economics than the nominally "Austrian" nihilism of the later Professor Lachmann and his younger followers. But above all, Bill Hutt shall be remembered and honored for the unflagging kindliness and cheerfulness of his personality. All who came into contact with Bill Hutt admired and loved him, and all of us are poorer for his passing. ■

Dr. Rothbard is the S. J. Hall distinguished professor of economics at the University of Nevada, Las Vegas, and vice president for academic affairs at the Ludwig von Mises Institute.

The Meaning of a Pure Gold Standard

by Graeme B. Littler

For the first time in decades, the gold standard is the subject of debate instead of ridicule. New books are being published, both for and against the gold standard, and articles on the gold standard have appeared in major magazines and journals. Several universities and "think tanks" in the U.S.— preeminently the Mises Institute—are advancing scholarship on the gold standard.

Yet gold-standard enthusiasts remain a small and politically impotent group. How can believers in sound money grow and gain some political influence? Special interests and pressure groups erect enormous walls to cutting the U.S. budget. The walls are even thicker and higher when it comes to establishing a pure gold standard—the one measure that could truly effect fiscal responsibility.

These are the groups who would gladly dedicate themselves to lobbying against the gold standard:

- the Federal Reserve System, which controls the economy through their manipulation of money supply;
- the big banks, whose livelihood is based on the current system of Fed inflation and fractional reserve banking;
- much of Wall Street, which earns huge trading profits from the volatility in foreign exchange markets caused by paper money flows and through helping finance the federal debt;
- politicians, who love having the Federal Reserve to "stimulate" the economy, and who want no new constraints on government spending;
- the whole rabble of special interests who benefit from profligate government, which is only possible in the absence of a real gold standard.

Yet Mark Skousen has written *The Economics of a Pure Gold Standard* (Praxeology Press of the Ludwig von Mises Institute, 1988) to show that the potential benefits of a pure gold standard are all out of proportion to its advocate's minimal political influence. And he has succeeded.

By the "pure" gold standard, Skousen means a monetary system wherein 1) prices are expressed in terms of a gold dollar and 2) dollars are measured in terms of a weight of gold, and 3) all paper currency and bank deposits are backed by 100% gold reserves.

This system, Skousen shows, is the only one in keeping with property rights. It also smoothes the economic cycles inherent in the current system by ridding the economy of government manipulation, inflationary fractional reserve banking, currency debasement, interest rate distortion, and international monetary crises.

Dr. Skousen is the editor of *Forecasts & Strategies*, a monthly investment newsletter and the author of ten books on financial matters. He has more than raised the principal economic issues underlying various monetary constitutions. In this scholarly—and readable—book he has fully shown the superiority of the gold standard over all other systems.

The gold standard has a long history, as Skousen relates, which goes back to the 7th century B.C. when the first gold and silver coins were used in ancient Lydia. Skousen traces monetary developments to modern times and discusses such matters as the banking practices of scriveners and goldsmiths in the Middle Ages. As late as 1971, the dollar was formally tied to gold. Historical highlights include his discussion of early American monetary history and the historical aversion to paper money in the United States.

How would a pure gold standard actually operate? The 100% reserve system would require financial institutions and the government to maintain 100% reserves against demand deposits and note issues. This, says Skousen, would eliminate the discretionary power of the government to debase the currency. Moreover banks would find no profits in speculating against consumer desires by reducing their reserve to dangerously low levels and risking panic and economic ruin. Banks would at long last become a source of economic stability.

In this scholarly—and readable—book Mark Skousen has fully shown the superiority of the gold standard over all other systems.

There are differences between the 100% gold standard and the "free banking" position, widely regarded as the "second best" system by gold standard purists. "Free banking" would turn a blind eye to less than full reserve levels and encourage individual bank note issue. Of course there is no reason why the gold standard and freedom in banking aren't perfectly compatible, as long as fraud and embezzlement statutes are upheld.

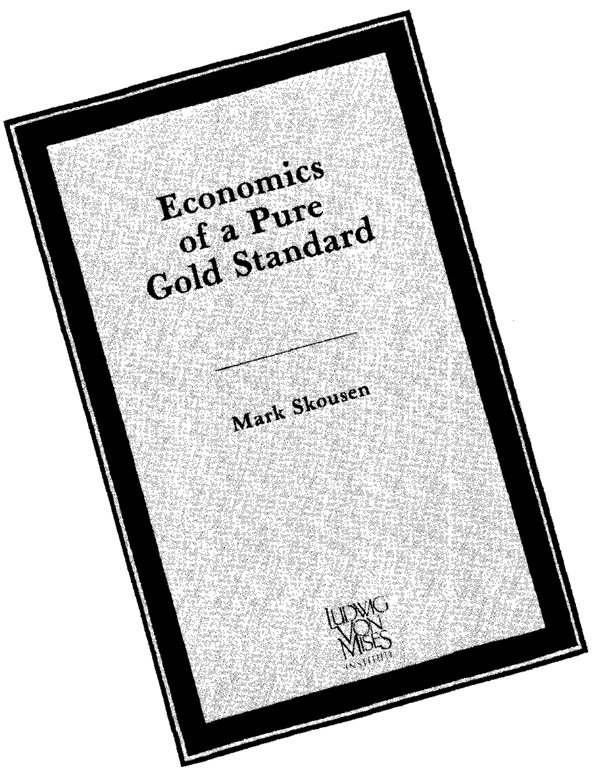
But perhaps the most valuable feature of this book is the highly concise summary of the four major monetary systems. These include the 100% specie standard, free banking, fiat fractional reserve banking (the current system), and 100% fiat standard—discussed in the appendix. He lists the key characteristics of each, the role of government, advantages (as seen by advocates), disadvantages (as seen by critics), practicality of the system, and major figures supporting each one.

Skousen is optimistic about the prospects for a gold standard. The preface claims "Support for returning to a gold standard is growing, not only among laymen but economists and politicians as well...." Even central bankers are monitoring the free-market price of gold and "using it as a barometer of international economic stability. There is evidence that some may even be using the gold price to determine the direction of monetary policy."

It's easy to take issue with Skousen's perception of the widening influence of the gold standard. It's not significant that central bankers monitor the price of gold; they also follow dozens of other commodities and indicators. It would actually be more surprising if central banks *didn't* monitor the price of gold. Talking about gold, writing about gold, and watching the price of gold can all go on at a feverous pace without the slightest movement towards the gold standard on the policy level.

Yet Skousen apparently recognizes this: "In terms of political applications," he says, "the 100% supporters can probably do no more than play the role of the armchair critic." That's not a trivial role to play. The public must be made aware of the harmful effects of bank credit expansion and central banking. Every demonstration of the shortcomings of anything less than monetary purity puts us closer to the final goal of a pure gold standard and monetary freedom. ■

Dr. Littler, an economic consultant in Washington, D.C., is a media fellow of the Ludwig von Mises Institute.



Publication of the Month: Dr. Mark Skousen's Economics of a Pure Gold Standard *is available at the special discount price of $10, which includes U. S. postage and handling. Please see enclosed form.*

Medicare & Myth...from page 3

benefits from Medicare within two years of retiring than he paid into the program over his entire working life.

The study further showed that even if the costs of medical services do not rise in the United States, an average worker will receive Medicare benefits worth $27,000 more than he ever paid. If he has a spouse, this figure approaches $60,000!

The implications for minorities, especially blacks and Hispanics, are interesting. In 1984 the National Center for Health estimated that a black male has a life expectancy of only 64.8 years. This means that he will, in all probability, die before he reaches the Medicare eligibility age of 65, even though he will have paid taxes into the program throughout his working life.

John Goodman concludes:

> Medicare is a system which takes billions of dollars from the working population and hands it over to people who by and large are not working. It gives billions of dollars in medical benefits to people who did not earn those benefits and have no reason to claim entitlement to them. It takes taxes away from the working poor to pay the medical bills of retired millionaires. This system is basically unfair.

Cotton Lindsay of Clemson University, a leading expert on socialized medicine, notes:

> Long before governments took an active role in this area churches and charitable groups cared for the poor. I have seen no evidence that their health or anyone else's is better served now by our own or any other form of government medicine.

Nor can this failure be solved through more funding. It would only require 25% of the combined federal, state, and local welfare funds to raise every impoverished American above the poverty threshold. Yet in the democratic political process, redistribution will always work against the interest of the poor, and in favor of highly organized, politically powerful middle-class interest groups. The "egalitarian motive" of welfarism is only a smoke screen to camouflage the motivations of those who really benefit. The poor would be far better off under a system of voluntary charity than under the welfare state. ■

Mr. Hughes, a Mises Institute graduate student at George Mason University, is the author of a forthcoming Fraser Institute book The Political Economy of the Third Sector: The Nature and Significance of Charity, Philanthropy, and Volunteerism in Canada.

Government Child Care...from page 1

And actual government agencies are even worse. Private child-care centers, on the other hand, are accountable to parents and subject to market competition. They are therefore far more likely to look after the safety of their clients' children.

Advocates of government child care claim they want child care to be more available, yet at the same time they want rigid and federalized regulations. Regulations can only *lessen* the number of child-care centers because fewer providers will have the time, resources, labor, and facilities to qualify under Washington's official rules.

Regulations will not improve the quality of child care. They will restrict competition and establish a cartel of the largest firms, which are the only ones that can afford the costs of dealing with the government. It's no coincidence that the big businesses in the industry are actively lobbying for regulations which will crush small firms.

Another bad idea would force businesses to provide child care for employees' children. Such programs would be very costly for private firms, which would cover their losses by laying off workers. Moreover, they would avoid hiring young women with children. The very people that such programs are allegedly designed to help—young working mothers—would be the ones most hurt.

Some activists would even nationalize child-care centers. But government-run child-care centers will be no different from other government agencies. Would we want our children to be cared for by post office workers or bureaucrats at the department of motor vehicles? The workers could get special training in child care, but that's not what really matters. More important are the rewards and penalties a job offers.

Once a profit-making enterprise is turned over to the government, its entire character changes. It is no longer concerned about profit and loss. Like all bureaucracies, it's run for the benefit of the bureaucrats. Employees can't be fired, they waste money, and customers become an interference rather than a blessing. Such a system would have to work against the best interests of children.

In a private child-care center, the customer is king, employees have reason to work hard, and resources are used efficiently. Profits can only come through providing quality child care at an affordable price.

As a social worker, I work daily with poor mothers who use the underground market to secure child care. And I heartily approve. These mothers know far better than the D.C. government what's best for their children. In one case, a poor working mother had a loving neighbor take care of her child for three years. It was illegal (no license, no minimum wage, no inspections, etc.), but everyone benefited from the arrangement. Then in July, an informer turned her in, and the government shut down the neighbor's business. The result: this mother now has to spend *half* her paycheck on inferior government-approved child care. Everyone is worse off but the government itself, which has increased its power over family life.

Since government can only make things worse, I have a three-point plan guaranteed to increase the availability of quality, affordable child care. First, appeal all regulations and licenses, which would make much more care available. Second, grant unlimited tax credits to families who use child-care services, making them more affordable. And third, repeal the minimum wage law, which would dramatically increase the number of officially employable child-care workers.

I grant that my proposal would have little chance of passing, given the pressure groups stampeding to Washington. But the alternative will be an ominous and bipartisan increase in bureaucratic power over families and children. ■

Kathleen Spotts, who recently received her Master's in social work from Howard University, works at a private residential facility for abused and homeless children in the Washington, D.C. area.

Quote of the Month

"A characteristic social phenomenon of our day is the pressure group, an alliance of people eager to promote their own material well-being by the employment of all means, legal or illegal, peaceful or violent. For the pressure group nothing matters but the increase of its members' real income. It is not concerned with any other aspects of life. It does not bother whether or not the realization of its program hurts the vital interests of other men, of their own nation or country, and of the whole of mankind. But, of course, every pressure group is anxious to justify its demands as beneficial to the general public welfare and to stigmatize its critics as abject scoundrels, idiots, and traitors. In the pursuit of its plans it displays a quasi-religious ardor."

—Ludwig von Mises
Human Action, p. 318.

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