THE Freeman

IDEAS ON LIBERTY

NOVEMBER 1964

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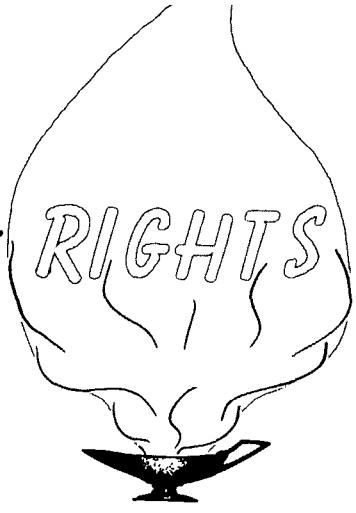
WHEN WISHES BECOME RIGHTS



LEONARD E. READ

REFLECT on the "backward" countries in the world; the "distressed areas" in the U.S.A.; the many individuals who are poverty stricken, lame, blind. Then add all the unfulfilled desires and yearnings of nearly 200 million Americans, ranging from better food, housing, clothing, medicine, hospitals, mink coats, and automobiles to putting three men on the moon. What a field for the would-be philanthropist if all these wants were within his power to fulfill!

Let us imagine that you have been offered a magic power to satisfy everyone's material wishes with no effort on your part. Suppose, for instance, that you had Aladdin's lamp and could call up a jinni that would confer any good or service on anyone you might choose to help. If you could thus satisfy desires for material things with neither cost nor effort on the part of anyone, would you be willing to assume the role of Aladdin and bestow benefactions like manna from heaven?

Perhaps you are among the very few whose answer would be an emphatic "No!" There are those few who would immediately sense the consequences of such reckless "humanitarianism": no more farming; the closing of all factories and stores; trains and planes coming to a stop; students no longer studying; a heaven on earth – a veritable Shangri-La! No more problems; labor passé; self-responsibility "old hat"; effort relegated to the decadent past; all obstacles overcome for mankind! These few know that when there is no exercise and flexing of the faculties, atrophy follows as a matter of course and our species disappears – all because everyone is granted riches for nothing more than the wishing!

If this sort of magic were only

half practiced, would the result still be bad? "Yes!" answered Benjamin Franklin, "If man could have Half his Wishes, he would double his Troubles." We may infer from this that if a man's objectives could be achieved for nothing more than wishes, no good would be served, deterioration would ensue. Struggle, earning one's spurs, conscious effort, calling on one's potentialities and bringing them into use are essential to survival – to say nothing of progress. This is crystal clear to a few. But not to the many!

The Modern Jinni

A majority of Americans, today, would accept the magic lamp. For it is obvious that most persons who would gratify a wish *at the expense of others* would more readily do so *at no expense to others*. Such wishers are among us by the millions, all in pursuit of something for nothing – effortless wish gratification – at someone else's expense.

These many Americans have found their magic lamp in the Federal political apparatus, and what a jinni! Aladdin's lamp evoked a jinni of supernatural powers; but this modern jinni is a composite of quite ordinary human beings and, as a consequence, it relies on the earthly ways of humans. Even so, we must never sell it short; it is unbelievably clever.

Aladdin's jinni performed only on call; it responded to wishes when requested. This modern American version, on the other hand, displays zealous initiative in that it:

(1) invents wishes for people;
(2) persuades people that these wishes are their own and, then, actively solicits their gratification;
(3) convinces people that these wishes are among their natural rights, and
(4) casts itself in the role of "helper."

Mythology in its heyday never came up with a jinni to equal this.

Golden goals for people to adopt? It was this jinni, not the people of the Tennessee Valley, that initiated TVA with its below-cost pricing. It was this jinni that conceived "social security," the Peace Corps, and so on.[1]

Further, the jinni insinuates its golden goals into the minds of people as wishes capable of fulfillment. The jinni appears in nearly every community of the nation and in many countries of the world selling its wishing wares. Federal

[1] This point is excellently covered by Dr. Emerson P. Schmidt in "The Public Demands . . .?" See THE FREEMAN, August, 1964.

urban renewal projects are promoted far more by the bureaucracy in Washington than by local citizens. Federal largess is *urged* upon the citizenry. Of course, the reason is clear enough: urban renewal is an integral part of the numerous Federal "full employment" projects required as coverups of the unemployment caused by other Federal policies.[2]

Remove All Sense of Guilt

But it would hardly do for this jinni to gratify wishes were the performance attended by any sense of guilt on the people's part. So, how does the jinni dispose of this hazard? Simple! It transmutes wishes into "rights," and remains above suspicion in this legerdemain. Do you wish a restoration of your decaying downtown? Very well; that wish is a right. Do you wish lower rates for power and light? Presto! The wish is a right. Do you wish a better price for your tobacco, a better job, a better education than can be had by your own efforts in willing exchange? These wishes are now your rights. As one spokesman for the Federal jinni so eloquently phrased it:

> Enjoyment of the arts and participation in them are among man's natural rights and essential to his full development as a civilized person. One of the reasons governments are instituted among men is to make this right a reality.[3]

Except in this political never-never land, it would be absurd to labor the point that a mere wish for material betterment does not create a right to its fulfillment; that is, a wish does not, in any moral or ethical sense, establish a claim on someone else's property. Yet, transparent as is such doublethink, this is precisely what is accepted by a majority of our countrymen. When the intellectual, quoted above, insists that "enjoyment of the arts and participation in them are among man's natural rights," he is not referring to a right to attend the opera provided the citizen can buy his own ticket; he means that the citizen has a claim on the property of others to build opera houses and to stage performances for his enjoyment.[4] Labor unions with their right-to-a-job concept and businessmen with their right-to-a-market idea (outlawing competition) are dealing in the same category of false rights. Indeed, this can be said for

[2] For a development of this point, see the chapter, "How Pressure Groups Cause Inflation" in my *Anything That's Peaceful.* (Irvington-on-Hudson, New York: The Foundation for Economic Education, Inc., 243 pp. $2.50 paper; $3.50 cloth.)

[3] See *The Commonweal,* August 23, 1963, p. 494.

[4] See "Can Opera Be Grand If Socialized?" THE FREEMAN, September, 1962.

all of socialism – without exception!

Rights, in the context under examination, are claims. When we say we have a right to life and liberty, we are staking out our claim to them. We find our sanction for this in the self-evident fact that life and liberty are an endowment of the Creator, not of society or the collective or government.

But, when people say they have a right to a job or to enjoy the arts or to lower power and light rates or to an education or to a decent standard of living, they are staking out a claim to the fruits of the labor of others. Where rests the sanction for this claim? It simply comes from the notion that a wish is a right.

The absurdity of this wish-is-a-right sanction comes clear if we reduce the problem to manageable proportions: a you-and-me situation. Do I have a just or rational or moral or ethical claim to use your income to build an opera house for me? Or to buy opera tickets for me? Or to construct a golf course for me? Or to provide a "living wage" for me? Do I have a valid claim to use your income to erect my school and staff it with teachers, or finance my church and supply clergymen?

Most people victimized by the magic transmutation of wishes into rights will, in this you-and-me situation, answer the above questions in the negative. What escapes them is that the problem is not altered one whit by adding one person or a hundred or a million of them. And, if it be contended that numbers do matter, then, pray tell, what is the magic number? A majority? Must we not infer from this majoritarian cliché the indefensible proposition that might makes right? Once we accept the fallacy that a wish is a right which, in turn, has to be founded on the error that might makes right, we are led, logically, to the syllogistic conclusion that a wish is might. And what could be less rational than that?

A Benevolent Role

The modern jinni, however, must go on to even greater magic. For it is not adequate merely to dream up wishes for people, to sell them on accepting the wishes, and to solicit the gratification thereof. And more is required than to transmute the wishes into rights. One other bit of abracadabra is a must if the jinni's image is to remain unassailable: the jinni must cast itself and be popularly accepted in the role of helper. To be thought of as a modern Robin Hood or as a robber of Peter to pay Paul would destroy the whole illusion.

In any community in the land may be found people pointing with pride to some "necessity" the local citizens could not or would not finance, explaining that it was made possible "with *the help* of the Federal government." Or, read at random on any subject falling within the enlarging Federal embrace and you will come upon statements like this:

> The cost of such machines is so prohibitive that no one institution or company can undertake to build one. In our country, *it was only with the help of the Federal government*... that the cosmotron and its successors were built.[5] (Italics added)

The modern American jinni, lacking supernatural powers, cannot bring down manna from heaven. Being earthly, its manna is earthly in origin. Having nothing whatsoever of its own, its "gifts" must, perforce, stem from what is taken by coercion from others. It cannot be otherwise.

But Is It Helpful?

The questions posed are: Do these "gifts" qualify as help? Is this jinni, in fact, a helper? Are the "beneficiaries" really helped? If we can answer these questions in the negative, we come out from under the jinni's spell.

Help is a social term.[6] At least two persons – the helper and the helped – are implicit in its meaning. There cannot be one without the other. The extent to which one is helped is measured precisely by the nature and amount of the helper's contribution. What is received by the one is what comes from the other. *Nothing is altered by the transfer.* If the helper's help is a loaf of bread, the recipient is helped to the extent of a loaf of bread. If the contribution is a rotten egg, the other gets a rotten egg – nothing more nor less! Emerson summarized these facts succinctly and dramatically:

> Cause and effect, means and ends, seed and fruit, cannot be severed; for the effect already blooms in the cause, the end pre-exists in the means, the fruit in the seed.

Property taken without consent is correctly branded as ill-gotten.[7] If passed on to another, the other receives ill-gotten property. *Nothing is altered by the transfer.* Ac-

[5] See *The Atom* by George L. Bush and Anthony Silvidi (New York: Barnes & Noble, Inc., p. 109).

[6] Self-help is irrelevant in this context.

[7] The collection of a tax to cover the legitimate and principled functions of government, related to keeping the peace, is itself legitimate and principled and drastically differs from a use of the taxing power to feather the nests of some at the expense of others. See my *Government: An Ideal Concept.* (Irvington-on-Hudson, N. Y.: The Foundation for Economic Education, Inc., $1.50 paper; $2.00 cloth) pp. 11-57.

cording to moral law, as well as the law of the land, one who takes property without the owner's consent commits a crime. When such property is passed on to and accepted by another, the other is adjudged an accomplice to the crime.

Property taken without consent cannot be given, for *to give* is conditioned on and presupposes ownership by the giver. I cannot give that which is not mine. Thus, the jinni's largess cannot qualify as gifts but only as loot. Citizens who have been pointing with pride at their rebuilt downtown section or at the new hospital "financed" by Washington or at their subsidized this-or-that should modify their exclamations: "See what we have done with the loot of the Federal government!"

Loot is not help, one who loots is not a helper, and one who accepts the loot is not really helped.

Power to tamper with the volitional faculties of others is, in fact, a dangerous possession. Nor does it much matter whether this power be used to restrain these faculties, as in private or political dictatorship, or exerted to relieve the need for the exercise of these faculties, as in private or political welfarism. However strong the compulsion in most of us to modify or improve the lot of other people, if we would avoid causing more harm than good, we must confine ourselves to those aids that stimulate the renewed exercise of the volitional faculties in others. This suggests a rejection of *all* powers to impose, leaving instead a reliance upon ingathering or drawing power – that magnetic, attracting, emulating force, the power that derives from such self-perfection as one may achieve.[8]

Not the Objectives, but the Means, Are in Doubt

I must not, in picking to pieces the notion that wishes are rights, leave the impression that wishes, of and by themselves, are proper objects of scorn. On the contrary, wishes, hopes, aspirations are among the most important forces motivating human progress, evolution, emergence. At issue here is only the means of their gratification.

We who reject illusory schemes are not denying the good life to others but merely pointing out that these political nostrums can lead only to desolatory dead ends. No good end can be reached by choosing a wrong way.

While it is not the purpose of

[8] This is not to be construed as an argument against the practice of charity in its best sense: coming to the rescue of those who are at the end of their rope – a subtle, sensitive, secret, highly spiritual experience rarely dwelt upon today, in or out of church circles.

this paper to explain the right way, that way is far from a secret – even though it be but little practiced and only slightly perceived. The right way is the greatest gratifier of human wishes ever come upon – when allowed to operate. It is as morally sound as the Golden Rule. It is the way of willing exchange, of common consent, of self-responsibility, of open opportunity. It respects the right of each to the product of his own labor. It limits the police force to keeping the peace. It is the way of the free market, private property, limited government. On its banner is emblazoned Individual Liberty. ◈

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AUTHORITY minus RESPONSIBILITY

JESS RALEY

THE RAVAGING ACTION of a mob is by no means humorous, but the so-called big city race riots have produced some funny arguments. Among the reasons advanced as an excuse for the riots are the heat and humidity, boring reruns on TV, unemployment, poor housing, illiteracy, lack of understanding by society, lack of opportunity, and lack of recreation. No one seems to have written or spoken a word to the end that any individual involved was responsible for his or her action.

Municipal, state, and Federal governments stand accused of failure to provide their wards with acceptable houses, education, and employment. We are told over and over again that the taxpayers owe these people better housing, but scarcely anyone seems willing to suggest that any rioter who is unhappy with his present abode should make an effort to build himself a better one.

We are told that more tax collections absolutely must be allocated to educate the underprivileged mobs, but hardly a voice cries out for more individual ap-

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plication to study and less attention to the ravishment of teachers as a possible remedy for illiteracy. Even the most severe critics of mob rule rarely suggest that there are opportunities in America other than an increase in welfare.

The riots have been, and will be, termed racial, to protect the illusion that America's list toward socialism is beyond reproach; but the root of this matter is more psychic than racial. True, most of the rioters, to date, have been nonwhites because the larger concentrations of state wards are found among those groups in the big cities. These are the people who have been most successfully indoctrinated with the theory that everyone has an inherent right to the fruits of any individual's labor. From the cradle, in most cases, they have seen their government take from the producers and savers and give to the more sophisticated bums. They have been taught to use their authority as citizens to vote themselves a raise – vote, at every election, for the candidate who promises the largest increase in "benefits."

Not Surprising

With these facts before us, no one should be surprised when this breed – spawned by the "something for nothing" theory rather than race – decides to take what they want and destroy personal property for kicks. Having never been obliged to earn the price of food or starve, provide shelter or freeze, they have no concept of the labor of love that begets private property and no sense or knowledge of individual responsibility.

Since the early 1930's, when the United States government ignored the limits of its vested authority and accepted responsibility for the health and personal welfare of any citizen willing to become a ward of the state, this theory of irresponsible citizenship has grown. The theory holds that industrious, ambitious, responsible individuals should be penalized and that lazy, irresponsible bums must be subsidized.

The "something for nothing" – authority without responsibility – theory has been with us from the beginning, of course, but it made little progress until enforced by the Federal government. Since that time, the theory has been accepted by vast numbers in all walks of life.

"If the student fails to learn, the teacher has failed to teach," is a popular argument today. In reality, very few teachers are endowed with that certain "thing" that renders their teaching irresistible. As in all professions, the vast majority are only earning a

living by doing a job. But notice the implication – the thinking behind this phrase. Responsibility is laid on the teacher, without recourse. The child supposedly has the authority to demand an education, but no responsibility to complete an assignment given by a teacher.

The courts have ruled that a prospective employee may not be refused employment for failure to pass an established aptitude test; one applicant may have had less opportunity to learn than other applicants and, since it might not be his fault that he was unable to do the job, he must be hired anyway.

Traditionally, in American industry, men have advanced to better paying, more responsible positions by learning the trade through close observation and application. In recent years the unions have maintained, and arbiters often concur, that an employee must be advanced when he acquires sufficient seniority, and given every opportunity to master the "job" later. In other words, there is no employee responsibility to learn; the employer must teach!

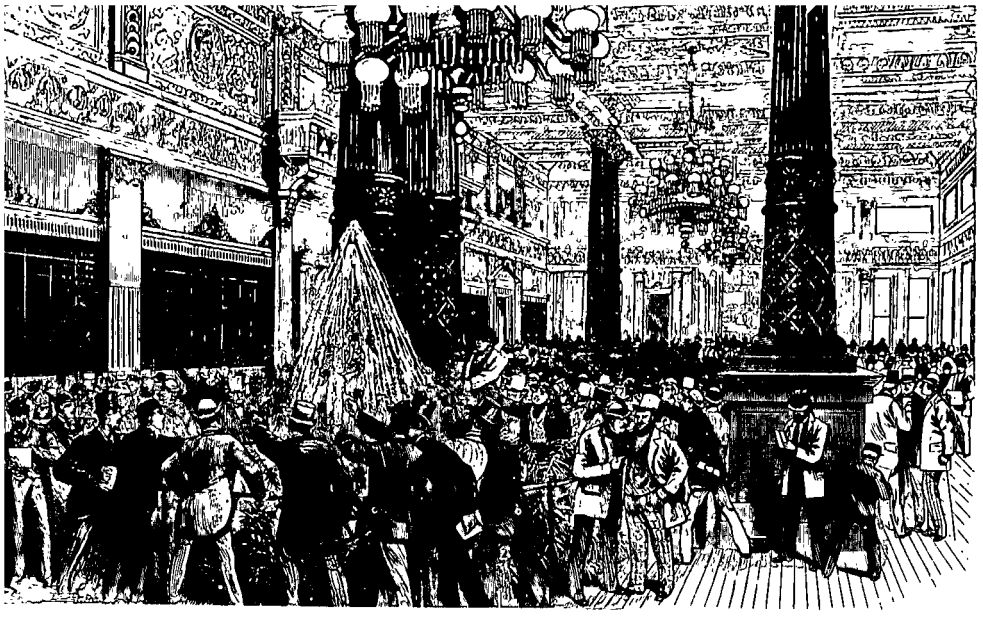
These are only a few of many examples that could be advanced in defense of the proposition that our so-called race riots are, in reality, no more than the natural results of predominant thinking in America today. Reduced to the simplest form possible, my thesis is that $(A\text{-}R)T = C$. Authority minus Responsibility, in Time, must equal Chaos. The time factor may vary slightly from race to race, but the end result is as certain as death. ◈

IDEAS ON LIBERTY

The Better Way

THE MORE COMPETENT BUSINESSMEN we have the less need for charitable institutions. Without any desire to detract one bit from the generous and noble spirit that prompts rich men to give liberally of their time and money to the promotion of cultural pursuits, I still think they are more useful citizens when they are making money than when they are giving it away.

WILLIAM FEATHER
The William Feather Magazine, September, 1964



Why Speculators?

PERCY L. GREAVES, JR.

BACK in February, 1871, a group of free enterprisers found a way to help cotton growers adjust their production to market demand. They organized the New Orleans Cotton Exchange. There, for 93 years, cotton growers, wholesalers, manufacturers, and profit-seeking speculators could buy and sell cotton at free market prices for present and future delivery.

The prices paid and offered were published in the press. No cotton grower or user was long in doubt about the state of the cotton market, present or future. For there is no better indicator of the state of a commodity market than the prices at which that commodity is bought and sold for various dates of delivery.

The prices of the New Orleans Cotton Exchange were long a valuable guide for farmers and manufacturers alike. For farmers, they indicated how much land should be planted in cotton and how much in other crops. Through the growing season, future prices indicated

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Illustration: The New Orleans Cotton Exchange, 1889. Bettmann Archive.

how much time, care, and expense should be spent in tending crops. When future prices were high, no expense was spared to bring every possible ounce to market. When future prices were low, farmers were warned not to waste too much time and expense cultivating and picking that last possible ounce.

For manufacturers and other cotton buyers, the Cotton Exchange quotations provided a base for estimating or determining their future raw material costs. This in turn helped them calculate the prices on which they bid for future business. On orders accepted for delivery over long periods of time, they could always make sure of their raw material costs by immediately buying contracts for delivery of cotton on the dates they would need it.

Cotton Prices Controlled

On July 9, 1964, the New Orleans Cotton Exchange closed its doors to trading in "cotton futures," as contracts for future delivery are known. For years such sales have been fading away. With cotton prices more and more controlled by the government, neither farmers nor manufacturers need the information or insurance of a futures market.

When demand for cotton drops off, the government advances the subsidized price to farmers and stores all unsold cotton. When demand for cotton rises, cotton pours out of government subsidized warehouses and sells at the government set price. Either way, the taxpayers lose. Until present laws change or break down, cotton prices will be set by the government, cotton acreage will be guided by bureaucrats, and valuable men, materials, and tax money will continue to be wasted in nonproductive enterprise.

This situation reflects a complete lack of understanding of the rules of human behavior and the role of speculators in a free market society. It substitutes the wisdom of a few striving to stay in political power for the wisdom of those who spend their lives studying every facet of supply and demand before pledging their names and fortunes in support of their considered judgment.

It is human nature for men to try to improve their future conditions. That is the aim of every conscious human action. Men make mistakes, but they always aim at success in providing a better future for themselves or their loved ones. Free market transactions are merely the attempts of men to improve their own situations by social actions which also improve the situation of others. Barring force, fraud, or human error, all

voluntary market transactions must improve the situations of all participants.

How Men Act

Actually, there are only three basic principles of human action. Men can act as gamblers, scientists, or speculators. Few acts fall entirely within any one classification. For every human action is confronted by elements of future uncertainty, such as those that exist in life itself.

Men act as gamblers when they know nothing in advance about the results except that some will win and others lose. There is nothing a man can know, study, learn, or experience that will help him to become a winner. When men gamble, the desired results depend upon pure chance. No skill whatsoever is involved.

Men act as scientists when they know in advance the results their actions will produce. Scientists deal only with solvable problems where conditions can be controlled and where identical actions in identical situations will always produce identical results. Automation is a modern example of scientifically directed action. In all scientific action, the repetition of prescribed procedure will always produce the same results. So, the more that scientists know about the laws of nature, the more they can undertake with prior certainty as to the actual results.

Men act as speculators when they have only partial knowledge and understanding of the results their actions are likely to produce. The more speculators know and understand, the better they can predict the future results of their actions. But they never can be certain of the actual results.

Most speculations involve people and how they will react to given situations. Since we can never know with certainty the future reactions of others, every action which involves others is a speculative action. Thus, all voluntary actions, including market actions, are speculative.

Why Men Specialize

The best way to increase the probability that speculative actions will produce the desired results is to increase our knowledge and understanding of all pertinent data, including the thoughts and ideas that motivate the actions and reactions of others. This takes time, study, experience, and economic analysis.

Men have found that the best way to gain more of the needed knowledge, experience, and understanding is for each one to select some limited area of human activity and then specialize in it.

Out of this division-of-labor principle the whole market system has developed. In a market society, everyone specializes and then trades the products of his specialty for the products of other specialists, his partners in total social production.

This system permits scientists to specialize in the automatic mass production of inanimate objects of wealth with certainty as to the physical results. However, men cannot plan or plot the market value of their products with scientific certainty. All such values are relative and speculative. They depend on the ever-changing ideas of buying men as to which of the many things offered for sale will give them the most satisfaction for the sums they have to spend.

Specialization can and does help men engaged in marketing and other speculative social actions. It permits them to learn more about what they sell and also more about the needs and wants of those to whom they seek to sell. Thus they become wiser and more efficient speculators, wasting less time trying to sell the wrong things to the wrong people.

Perfect results depend on the perfect prediction of future conditions. Because of human fallibility, this is rarely possible. However, better predictions and thus better results are often achievable. Greater specialization tends to reduce errors and help men achieve better results.

Many men prefer the relative security of a reasonably assured steady income to the insecurity of a wholly speculative income—an income that may turn out to be very high, very low, or even a net loss. Such security-seeking people tend to become employees.

Others prefer the lure and excitement of speculation. Such people are the investors, employers, business promoters, and professional speculators. They assume responsibility for the uncertainty of a business venture's future success or failure. Their likelihood of success depends largely on their ability to predict the future wants of buyers.

Better Foresight Pays

In a mass production market economy, the function of prediction and speculation falls primarily on investors, business promoters, and specialists rather than on consumers. When producers seek to act as scientists only, creating wealth by relying on the known laws of the physical sciences, they must find others to undertake the predictions and speculations as to the future conditions of the market.

Such specialists must estimate, at the time production starts, what

consumer demand, competitive supplies, and other market conditions are likely to be at the time of sale. Such speculators then assume the responsibility that the planned production will meet the whims and wishes of consumers. Their income will depend on how correct their early predictions of future conditions prove to be.

As the division of labor has progressed, men and firms have tried to reduce their predictive and speculative functions to limited areas in which they become specialists with a better understanding than most other men. They concentrate on making or marketing certain goods and, in doing so, pay little attention to the market conditions of other goods, including their raw materials which may come from faraway sources with which they are unfamiliar.

Of course, the future prices they can get for their finished goods are in part dependent upon the ever-changing prices of the raw materials with which they are made. So, to protect themselves against future price fluctuations in their raw materials, businessmen sometimes engage in "hedging." By "hedging," they transfer the hazards resulting from the uncertainty of future prices to professional speculators in those products.

How Hedging Works

A good example of "hedging" is the case of the cotton shirt manufacturer. He is a specialist in making and selling shirts. He knows that the selling price of cotton shirts is largely dependent upon the price of raw cotton. He has little time to study the cotton-growing conditions around the world or the other prospective demands on the raw cotton supply. He is fully occupied with his own problems in the shirt business. However, he would like to avoid the consequences of unforeseen changes in the prices of raw cotton.

Under free market conditions, he can hedge by contracting to sell at current prices raw cotton which he need not buy or deliver until the date he expects to sell the shirts he is making. Then, if the price for shirts has fallen, due to a drop in raw cotton prices, he would buy raw cotton at the lower price to meet his hedging contract. The profit on his raw cotton transaction would offset his loss on the shirts.

On the other hand, if the prices of both raw cotton and cotton shirts have risen, the extra profits from his shirt sales will be offset by his losses on the hedging transaction in raw cotton. By hedging he can protect himself against all possible fluctuations in raw cotton

prices which might affect the prices of the shirts he sells. He rids his mind of this worry so that he can concentrate on the details of the shirt business at which he is a specialist.

The man who takes his hedge is usually a professional cotton speculator. He is a specialist who studies and interprets all the available data and conditions that are likely to affect future raw cotton prices. He trades in cotton a thousand times for every once or twice by the average cotton manufacturer. He knows how much has been planted in the many cotton-growing countries. He studies the rainfall and other weather conditions which may affect the size of the various crops. He keeps up-to-date on laws and proposed laws that may affect raw cotton prices. He follows the ups and downs in foreign exchange and transportation costs.

He also keeps an eye open for changes in demand for each type of cotton. He has informed ideas about increased demands arising from new uses for cotton, as well as any decreases due to the substitution of synthetics. He watches developments in mass purchasing power, production, and consumption in faraway lands like India. In short, he learns all he can about anything that might affect the supply of, or demand for, cotton and thus bring about a change in future raw cotton prices.

As a well-informed specialist, the speculator is much better able to predict future cotton prices than is the man who specializes in growing cotton or manufacturing cotton shirts. Competition among speculators trading on a commodity exchange forces them to share the benefits of their knowledge with their customers.

Businessmen can protect themselves from some speculative losses by taking out insurance. However, customary insurance can only be bought for risks which are largely known or predictable. Losses from fire, death, theft, or transportation accidents are thus distributed over all those insured, instead of falling entirely on the ones who suffer a specific disaster. Future price changes do not fall in this category. They are the same for everyone. Only the well-informed specialist is equipped to speculate successfully and "insure" others against losses from price changes.

A False Popular Notion of the Speculator's Role

In popular thinking, the speculator is a bold, bad man who makes money at the expense of others. Many people believe he gains his livelihood by luck, gambling, or inside manipulation. There are,

of course, a few dishonest speculators who lie and cheat, as do some in all occupations, but the honest speculator is a serious specialist who serves mankind. He constantly strives to obtain a better understanding of future market conditions. He then places this better understanding at the service of all interested parties. Whenever his predictions are wrong, it is he who loses. When he is right, he and everyone who trades with him benefit. For if they did not expect to benefit, they would not trade with him.

The service of a speculator is to smooth out some of the gaps between supply and demand and some of the extreme ups and downs in prices. He tries to buy when and where a commodity is plentiful and the price is low and to sell when and where the commodity is in short supply and the price is high. When he does this wisely and successfully, he tends to raise extremely low prices and reduce extremely high prices.

Frequently, the speculator is the first to foresee a future scarcity. When he does, he buys while prices are still low. His buying bids up prices, and consumption is thus more quickly adjusted to future conditions than if no one had foreseen the approaching scarcity. A larger quantity is then stored for future use and serves to reduce the hardships when the shortage becomes evident to all.

Since a price rise tends to encourage increased production, the sooner prices rise, the sooner new and additional production will be started and become available. So a successful speculator reduces both the time and the intensity of shortages as well as the hardships which always accompany shortages.

Likewise, speculators are often the first to foresee an increase in future supplies. When they do, they hasten to sell contracts for future delivery. This in turn drives down future prices earlier than would otherwise be the case. This tends to discourage new production that could only be sold at a loss. It also gives manufacturers a better idea of what future prices will actually be. So, here again the speculator tends to smooth out production and consumption to the benefit of all concerned.

Speculators Spread Supplies

A good example of how speculators serve society was provided in the coffee market a few years ago. A small newspaper item reported a sudden unexpected frost blight in Brazil. Speculators immediately realized that such a frost must have killed large numbers of coffee bushes. This meant much smaller future supplies for the United

States. So the speculators promptly bought all the coffee they could below the price they thought would prevail when consumers became fully aware of the approaching shortage. This tended to raise coffee prices immediately.

The effect of this was to reduce consumption and stretch some of the existing supply into the shortage period. It likewise alerted coffee growers in other areas to be more careful in their picking and handling of coffee so that there was less waste. Higher prices encouraged them to get to market every last bean, which at lower prices would not have been worth the trouble. Higher prices also speeded up the planting of new bushes. Since it takes five years for a new coffee bush to bear berries, the sooner new planting was undertaken the shorter the period of shortage.

The speculators who first acted on this development served every coffee consumer. If these speculators had not driven up prices immediately, consumers would have continued drinking coffee at cheap prices for a time. Then, suddenly, they would have faced a still greater shortage and still higher prices than those that actually prevailed.

By buying when coffee supplies were still relatively plentiful and selling later when the shortage was known to all, speculators helped to level out the available supply and reduce the extreme height to which prices would otherwise have risen. Speculators make money only when they serve society by better distributing a limited supply over a period of time in such a manner that it gives greater satisfaction to consumers. They thus permit other businessmen and consumers to proceed with greater safety and less speculation in their own actions.

Speculators Can Lose

If a speculator buys a product thinking its price will rise and it later falls, he loses money for the simple reason that he has acted against the general welfare. He has sent out false indicators to producers and consumers alike. That happened just recently in the case of a large sugar importer. The firm bought large quantities of sugar when it was selling at 11¢ a pound. Its purchases were not hedged. In six months or so the price of sugar fell below 5¢ a pound and the importer was forced to file a petition under the National Bankruptcy Act.

Hedging with a professional speculator would have prevented that loss. Of course, if the speculator had made no better esti-

mate about future sugar prices than the importer did, it might have been the speculator who filed under the bankruptcy law. But as a rule, speculators are the specialists who are best informed on what future prices are likely to be.

Fruits of Intervention

When governments set prices, quotas, acreage limits, or other hampering restrictions on the honorable activities of men, they countermand the checks and balances that the free market places on supply and demand. The result is always surpluses and shortages: the former, where producers' rewards are set too high; the latter, where they are set too low. Where there are surpluses of some things, there will always be shortages of others. For the men and materials subsidized to produce surpluses have been lured from producing those things which free market conditions would indicate that consumers prefer.

Political interference with free market processes can only burden the taxpayer and weaken the human impulses of free men which tend to bring demand and supply into balance at the point which provides the greatest consumer satisfaction. With the passage of time, each such intervention can only make matters worse. Then, if people still believe the remedy for every economic ill is more intervention, political interventions will increase further until the police state is reached.

In any such trend toward a police state, the speculators are among the first to be eliminated. They are the specialists who study world-wide markets in order to reduce the uncertainties that face all farmers and businessmen. Without the services of speculators, bottlenecks of production — a symptom of socialism — soon develop.

Men and materials are then wasted in the production of surpluses. As a result there are ever-increasing shortages in the things people want most but can't have because the means to produce them have been misdirected by government decree. The recent end to trading in cotton futures on the New Orleans Cotton Exchange is an omen that should make thoughtful men reflect on the road we are now traveling. ◈

MOONLIGHTING

W. M. CURTISS

ARE YOU a moonlighter? Most of us are, in one way or another.

The term moonlighting refers to holding down more than one job, the purpose being to gain additional income. The practice is reported to be widespread.

In the "good old days" when 90 per cent of the workers were farmers, that first job was about all anyone could handle – rising with the sun and the chickens, and ready when they were, to call it a day.

Then, with savings and capital, came technology and industrialization. A man could earn a better living working 8 hours for five days a week than six 10- or 12-hour days had previously afforded. This gave him more time at home each day with his family, and a day now and then for fishing or golf or other forms of leisure. There were some, of course, especially the young and vigorous and those with heavy family responsibilities, who preferred more income to more leisure. They were willing to work more than 40 hours a week if it meant more income, and such jobs were open in a number of industries.

The depression of the 1930's, with its heavy unemployment, helped to spread the erroneous theory that the number of job opportunities was limited and that these jobs ought to be shared among available workmen.

The law recognized the 40-hour week, requiring employers to pay one-and-one-half times regular wages for overtime hours. This, of course, was an added cost of doing business and a hindrance to the laborer seeking extra work and income. Though studies enumerated the blessings of the shorter day and week, the main idea was to spread the work.

The point is that this compulsory spread-the-work idea is now built into our economy; in most cases, the person who prefers more income to leisure must now seek a second job rather than work more hours at his regular job – hence, moonlighting. And the shorter the work week, the more moonlighting.

During the depression, there was considerable unemployment among the rubber workers in Ohio. Labor unions and management negotiated a 36-hour week which has continued to this day; this helps explain the very high

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incidence of moonlighting among these workers. In other words, a 36-hour week doesn't keep a man as fully employed as he would like to be when the choice is more income or more leisure.[1]

Higher Pay the Object

What this suggests is that any further compulsory reduction in the length of the work week should be considered with caution. Electrical workers in New York City recently went on strike for a 30-hour week, among other things. This was not a question of spreading the work, because there were few unemployed electricians. Nor was it an expression of demand for more leisure. It was a thinly-disguised way of increasing wages. The workers knew that many of them would be asked to work beyond the 30 hours in a week at time-and-a-half for additional hours. This would yield a handsome wage indeed; and with a strong union, with tight control over the entrance of new members, such a monopoly arrangement is not impossible.

Even with a penalty of time-and-a-half for overtime work, some firms prefer to pay it in special cases rather than hire and train new workers for the job. This added expense to the firm is not as great as first appears because some of the fringe benefits – now a sizable proportion of the entire payroll – do not increase with overtime pay. The fact that many firms now pay the time-and-a-half penalty indicates that it is the best alternative under the circumstances.

High government officials recently have suggested that overtime wages should be double the regular wage rate. The argument seems to be: "If time-and-a-half for overtime will not discourage this evil practice, let's try double time." The objective, of course, is to reduce unemployment – to spread work among more employees.

There can be little doubt that the new proposal would discourage the hiring of overtime help. Few firms could afford it. Whether it would appreciably reduce unemployment is another question. It would certainly stimulate a search for greater efficiency and accelerate the introduction of labor-saving equipment. It doubtless would mean an over-all reduction of take-home pay for workers and probably would result in fresh demands for increased pay scales.

[1] It is reported that many second jobs taken on by moonlighters are in the category of contract work or self-employment such as housepainting, and thus are not subject to tax withholdings. The amount of this income which escapes taxation, cannot, of course, be accurately measured. But that is another story.

One thing is certain: Double time for overtime would increase moonlighting.

We should have realized by now that unemployment during periods of general prosperity is caused by overpriced labor – overpriced by reason of compulsory minimum wages or because wages have been negotiated under threats of coercion at a level higher than a free market would allow. A happier alternative is to let the worker and the employer agree on wages and hours suitable to both.[2]

Moonlighting at Home

Increased leisure has given rise to another kind of moonlighting, sometimes referred to as "do-it-yourself," and involving everything from refinishing furniture to actual home building. This is a reversal of the long-time trend toward specialization and division of labor in an advancing economy.

An example of moonlighting is that of the small, part-time farmer working at an industrial job within driving distance. While he can hardly be called a farmer, he is able to get some of his living off the land and may have a bit to sell. Thus, he is moonlighting – extending his income as though he held two jobs.

Many would not think of these activities as moonlighting – the extension of income. Many would say they paint their own homes because they have the leisure and like to use it in this active manner. True enough, much of the do-it-yourself activity of workers around their homes on weekends and on vacations is fun-work. But consider this: Suppose it would cost $600 to hire your house painted. You would have to earn around $900 before taxes to get the $600 for the painters. So, you may choose to moonlight or do-it-yourself. Not bad! But, you'd better like house painting!

The answer to the question of leisure versus income is a very personal one and varies tremendously between individuals. Involved, besides the length of work week, is the trend toward compulsory and permanent leisure at age 60 or 65. Rather than force workers into a uniform pattern, it would seem desirable to leave arrangements as flexible as possible. This should benefit both employers and employees. While there is nothing inherently wrong with moonlighting, it seems a rather clumsy way of solving the problem of the man who would prefer additional income through additional work. ◈

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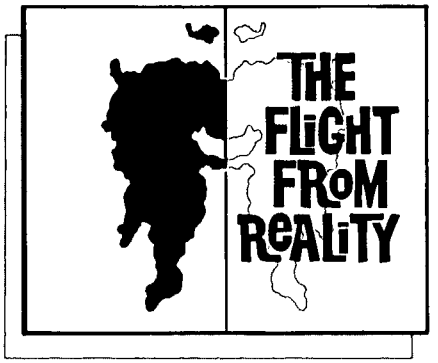
[2] For a more complete discussion, see *Why Wages Rise* by F. A. Harper, Foundation for Economic Education, Inc., 1957.



2. *Symptoms of the Flight*

CLARENCE B. CARSON

ANYONE who announced to an academic audience that he was going to do a work on "The Flight from Reality" might expect that the first questions he would be asked would go something like the following: "What is reality?" Or, "What do *you* mean by reality?" That such questions would almost certainly be asked may be itself the leading sign of the flight from reality. The questions are important, of course, and will require answers, but for the moment that can be deferred to deal with their implications.

Indications are that few people in academic circles would consider it strange that the question of what constitutes reality should be raised. In a contemporary work on the history of Western philosophy – a book which traces thought from Thales in ancient Greece to Bertrand Russell in modern Britain – the scholar concludes with these observations, among others:

> So far we have tried to suggest that, even though they are not eternally true, the answers philosophy gives are useful and significant in terms of their cultural context. Now we must point out that, valuable as philosophy's answers are, they are not as important as the *questions* philosophy asks. In fact, we may say that the chief function of philosophy is to *ask questions*, rather than to answer them. Its function is to rebuff all forms of dogmatism and intolerance, to keep before the mind a

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sense of possibilities unrealized.... Thus the real utility of philosophy lies precisely in what seems to some its futility. Its especial competence lies in its seeming incompetence – in the way in which it discourages too definitive conclusions and too neat solutions.[1]

In short, it appears that philosophy succeeds to just that extent that it fails to answer the questions that it raises. But lest this state of affairs be supposed to be restricted to philosophy, the writer assures us that the matter is otherwise.

The "incompetence" of philosophy is . . . not a peculiarity of philosophy. None of the sciences has attained an eternal truth. Consider what relativity has done to Newtonian physics. . . . Or consider what the discovery of the non-Euclidian geometries has done to mathematics.[2]

Professors and Patrons and the Quest for Truth

One might suppose, then, that intellectuals, scholars, and teachers would be found in sackcloth and ashes, repenting their impostures upon society or praying for guidance that they might find some truth. Obviously, such is not the case. They make a virtue of the failure to attain truth and belabor those who would proclaim truth as "intolerant" and "presumptuous."

We might expect, at the least, that the clients and patrons of such education would withdraw their support. On the contrary, as is well known, intellectuals, scholars, and teachers have never before enjoyed such influence and affluence as they do today. Billions of dollars are poured into education; students come forth in ever greater numbers to educational institutions; research receives bountiful support from governments and industries, philanthropists and politicians. The failure to attain truth does not appear to inhibit men from "professing" it and students from purchasing whatever it is they have to teach. If the value lies only, or even predominantly, in the quest, one wonders why so many should choose the academic endeavor. Why not, instead, "quest" for a lower golf score? At least there are standards by which improvements in a golf game can be measured.

There is much more to the story of contemporary education, however, as will become clear later. But on the face of it, such attitudes as the above surely constitute symptoms of a flight from reality, both by professors and patrons.

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[1] W. T. Jones, *A History of Western Philosophy* (New York: Harcourt, Brace, 1952), p. 995. Italics mine.

[2] Ibid., p. 997.

The Central Problem: What Is Real?

The matter cuts deeper, too. It is true that the study of philosophy has been in somewhat of a decline for a good many years. This would appear to be a realistic response to the bankruptcy of philosophy, understandable and even commendable. Actually, no such interpretation can be allowed. If philosophy is indeed bankrupt, we cannot *know* whether the giving up of the quest for truth by way of philosophy is *realistic* or not. For we do not know what is *real.* The central problem of philosophy is the determination of what is real. If philosophers have not arrived at truth in this regard, it should be obvious that truth cannot be attested in any other area of thought. The possibility of illusion in all matters would be ever present, and no means for separating the illusory from the real would exist. Reason would be of no use, for reason is only as valid as the premises upon which it rests, and the premises must be referable to some reality.

Nor can the scholar take refuge in methods and quests. The man who claims that he is concerned only with imparting a method may be making an honest statement, but he is evading the central question about his labors. How does he know that his method is of any value? The method can only be of use in arriving at truth if it is related to reality in such a way as to discover truth. The employment of a method or an endless quest for the unattainable may have subjective personal value, of course, just as mountain climbing may have, but this can only concern the individual involved, not the public at large.

That philosophers should blithely announce the futility of their quest, that scholars should ignore the consequent absence of underpinnings in their endeavors, that the public should provide support for research that has not been carefully related to some truth, that students should spend years learning methods which may have no applicability to the achievement of their ends, and that hardly anyone in a vast establishment should bother to mention the matter, should certainly be construed as a symptom of the flight from reality. Indeed, the lack of concern about first things that is involved in the state of philosophical thought comes very close to being the flight from reality itself.

But let us stick with symptoms at this point in the study. There are a great many of these. Only a few can be given, and the ones chosen as examples should demonstrate that the flight is wide-

spread, that the intellectuals have succeeded in drawing much of the populace, or at least policymakers, into the web of their illusion. The next two examples will be drawn from economics.

Monetary Manipulation

One of the most pronounced symptoms of the flight in economics is the handling of monetary matters by governments. Specifically, governments virtually everywhere engage in monetary manipulation. They engage in deficit spending, public works programs to revive sagging economies, issuance of fiat money by banks under their control, the establishment of minimum wages, and so on. In order to be able to do this, governments make one of the simplest flights from reality: they cease to make payments in specie—that is, gold or silver. Following this, their flights become much more imaginative and complex.

The justifications for monetary manipulation are numerous and ingenious. Money is identified with "purchasing power," and apologists propose to increase "purchasing power" by increasing the amount of money in circulation. Monetary manipulation is used as a method of spurring investment. Consumer spending is promoted by government expenditures which will place money in the hands of consumers.

Such practices, and the justifications offered, are founded upon misunderstandings about the nature of money, if we assume that the apologies are seriously made. Money is a *medium* of exchange. It is that *through* which an exchange of goods and services is effected. Transfers of commodities from one owner to another are made by the use of money. The "purchasing power" resides in the commodities, however, not in the money. (Money may, of course, be a commodity itself, as when some precious metal is used. In this case, it would have "purchasing power," which would derive from its commodity value.) The fact that people will turn over goods and services to others in return for money creates an illusion that money has "purchasing power."

Governments, presumably operating under the sway of this illusion, increase the amount of currency in circulation. By so doing, they do not increase the "purchasing power" of the citizenry. Instead, they reduce the amount of goods which will be turned over for a given amount of money, reduce it in proportion to the amount of the monetary increase. Since what money will purchase depends upon the amount of goods and services available, the only

way to increase the "purchasing power" of the citizenry is to increase the amount of those goods and services. If the amount of goods are increased and if the amount of currency remains the same, a given amount of money will, in effect, command more goods.

While an increase in the supply of money does not increase "purchasing power," it does have consequences. By increasing the amount of money in circulation, governments confiscate a portion of the value of the money which anyone happens to hold or have due him at the time of the increase. Governments also can and do redistribute this confiscated wealth by spending programs and by other devices. In short, programs which are advanced as stimulants to the economy are, in effect, programs for the redistribution of the wealth.

It is difficult to determine whether inflationary programs are symptoms of a flight from reality by those who advance them or by the general public which accepts them. The United States government has had economic advisers in influential positions for years. These have consistently advanced inflationary policies. They are either ignorant of the consequences of such actions or they are guilty of making surreptitious proposals for the redistribution of the wealth.

Foreign Aid

Another symptom can also be given from the economic sphere. This one has to do with economic assistance given by the United States to other countries since World War II. As is well known, the United States government has spent huge sums of money on foreign aid. This aid has taken many forms: outright grants, technical assistance, "mutual" assistance, loans, and so forth. The aid has been justified on many grounds: the responsibility for aiding allies in postwar reconstruction, the containment of communism, national self-interest, humanitarianism, among others.

Let us restrict our discussion to the economic and humanitarian justifications, however. The humanitarian argument usually goes something like this: There is great suffering in the world, occasioned by hunger, malnutrition, and disease. The United States is a wealthy nation, and it should share its bounty with those in need. The two statements which follow are based mainly on these premises. The first one was made by a representative of the National Council of Churches of Christ in the U. S. A., and on its behalf:

We believe human life is sacred, being of primary value, so mutual aid is indispensable as it literally makes the difference between life and death for some people, and improves living for millions of others.[3]

The second is from a statement made for the Society of Friends:

United States policy should be designed to help that part of the human race, about two-thirds of whom are sick or illiterate or politically or economically disadvantaged, develop their God-given potentialities. It means primarily helping others help themselves to do the things they want to do toward our joint community aspirations and ideals. This kind of program must express both a deep, passionate concern for people and a determination that they need not suffer from conditions which are not their fault. We should settle into this task on a long-range basis.[4]

It is understandable and even commendable that men should be concerned with suffering and deprivation in distant lands. Let it be noted, too, that American policy was (and is) *responsible* to some indeterminate degree. This responsibility was not, however, humanitarian; it was economic, though there might well be humanitarian grounds for objecting to the economic policy which fostered suffering. To understand American responsibility for foreign deprivation, it is necessary to know something about how foreign trade is conducted. Presumably, foreigners suffered to some extent because they could not purchase goods which Americans had for sale. They could not purchase these goods because Americans could not (or would not) spend or invest comparable amounts abroad.

We can back into an explanation of this state of affairs by stating the reason for it in this way: Foreign goods were more expensive than their equivalent in American goods. Therefore, Americans bought mainly goods of domestic manufacture. In consequence, foreigners could not buy the needed goods from America.

The Obstacle to Exchange

The solution to this problem should have been rather simple, economically speaking. The people in a foreign land who needed American goods should have devoted themselves to producing those items which could be sold cheaper in America than the ones

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[3] Waldo Chamberlin, "Statement on Behalf of the National Council of Churches of Christ in the U. S. A.," *United States Foreign Aid*, DeVere E. Pentony, ed. (San Francisco: Howard Chandler, 1960), p. 48.

[4] Edward F. Snyder, "Statement on Behalf of the Friends Committee on National Legislation," in *Ibid.*, pp. 50-51.

of domestic origin. This would have provided the wherewithal to purchase American goods. So they might, and probably would, have done if the matter had been left in the economic sphere. It was not. Instead, political interference had made economic solutions virtually impossible. Indeed, such responsibility as Americans bore for the situation could be ascribed to political interference, though it should be kept in mind that countries in which there was suffering contributed to their own condition quite often by domestic political interference.

To be more specific, the main obstacles to international trade in the postwar period, so far as American action affected it, were tariffs and subsidies. Protective tariffs kept foreigners from being able to undersell American products quite often. If some foreign land were able to overcome even this handicap, a clamor would arise from the domestic interest involved for higher tariffs or quotas, or both.

The other great difficulty was that American food products were quite often too high to be sold abroad or to effect a general lowering of food prices in the world. This was directly related to hunger and starvation. American prices were kept high by allotments, parity payments, and other subsidies. It should be kept in mind that foreign governments aggravated the situation by their own subsidies, price supports, minimum wages, and import quotas. Many governments scared away investors by nationalization and confiscation of property, thus creating "underdevelopment" and then clamoring for government-to-government loans to take up the slack.

Solution Creates More Problems

It should be axiomatic that when political interference has caused a problem, the solution to the problem would be the removal of the political interference. It should be, but it is not today. Instead, the attempt was made to solve problems created by political action by additional political intervention. By and large, governments continued their tariffs, subsidies, regulations, and nationalizations. America granted and loaned money so that other countries could buy goods from America, hire technical assistants, and make capital investments.

The problems that this course of development has created are legion. Foreign countries became dependent upon the United States; the aid was quite often used to bolster corrupt regimes; nations spent huge sums upon prestigious items such as steel mills (though

it cost them much more to produce steel than they could have bought it for on the world market) and airlines; and Americans have become busily engaged in interfering in the internal affairs of countries around the world. The debilitating effects of these developments upon the independence and strength of the countries involved need not be dwelt upon here. The economic distortions produced by progressive intervention are manifold.

Much more could be said about these matters, but enough has been said to make the point. Under the guise of humanitarianism and defense, Americans have been drawn into a web of intertwined interventionism. Foreign aid has often forestalled the economic consequences of intervention for foreign countries (such as bolstering the Labor Government in England in the late 1940's), but it could not solve the problems, for it was related to the causes only in the sense that it was like them. Intervening to solve problems caused by intervention can be likened to breaking the other leg of a man who already has one broken leg in order to get him back on his feet. The fact that Americans have been pursuing such policies rather consistently is another symptom of the flight from reality.

Identity of Government with People

Let us take an example now from the area of political theory. The most fruitful field for discovering some flight in the contemporary world would be theories concerning democracy. The myths about democracy are so numerous that to select one is necessarily to neglect a great many others. Perhaps the central one, however, can be phrased this way: In a democracy the government *is* the people. A complete identification exists between the government and the people. According to this view, government in a democracy manages to catch up, congeal, and utilize the whole being of a people. More than a hundred years ago, the American historian, George Bancroft, suggested some such notion in the following words:

> Thus the opinion which we respect is, indeed, not the opinion of one or of a few, but the sagacity of the many. It is hard for the pride of cultivated philosophy to put its ear to the ground and listen reverently to the voice of lowly humanity; yet the people collectively are wiser than the most gifted individual, for all his wisdom constitutes but a part of theirs. . . . It is when the multitude give counsel that right purposes find safety; theirs is the fixedness that cannot be shaken; theirs is the understanding which exceeds in wisdom; theirs is the heart of which

the largeness is as the sand on the seashore.[5]

Whatever this passage may mean, it is certainly intended as a justification of democracy. And, so far as it is, it suggests that a complete identity of people and government occurs. Of course, Bancroft actually assumes such an identity and is bent upon arguing the superiority of decisions reached by the people collectively. Our concern, however, is not with the contention but with the assumption.

Public Debt No Problem

All sorts of conclusions are regularly drawn from this supposed identity of the government with the people. For example, some say that there is no need to worry about the public debt. After all, they say, we owe it to ourselves. Others impute morality to government because of its identity with the people. The foreign aid, discussed above, was supported on moral grounds, and this was made to appear logical by assumptions about democracy. Some would hold the American people individually and collectively responsible for the actions of the government in a democracy. It has been alleged, for example, that the American people bore such guilt as there may have been for the dropping of the atomic bomb on Hiroshima. Again, the identification theory tends to validate such an allegation.

Let us set this assumption beside political realities in America, since it is commonly held that the United States is a democracy. Is, or could, such an identification be effected by the political processes now employed? The most common procedure followed by the citizenry to participate in government is by voting. By voting the citizen marks an "X" or pulls a lever beside the name of the candidate for whom he votes. He has chosen one name from among two or more, if the office was contested. If a majority of those voting chose the name, he has helped to select the man who will serve, if the vote was in the general election. If his candidate was not elected, he has participated in the election, but only to a most limited extent in the governmental actions that stem from the man elected.

But, to keep matters simple, let us suppose that his candidate won. Does this mean that there is a complete identity between the voter and the man elected? Hardly. The voter may have known

[5] George Bancroft, "The Office of the People in Art, Government and Religion," *Social Theories of Jacksonian Democracy*, Joseph L. Blau, ed. (New York: Liberal Arts Press, 1954), p. 269.

nothing of any of the candidates and have marked his ballot for the one who headed the list. On the other hand, he may have carefully considered the positions of the men on a number of issues and voted for the man who favored a preponderance of those he favored. The voter would not have been unusual, however, if he had voted against the man he disliked by voting for the other candidate. Quite possibly, none of the candidates suited him, but he voted for the one he considered the lesser of the evils.

In any case, so far as the elected official represents the government, so far as voting coincides with participation, no complete identification has been made between the people and the government. By participating in the election, the citizen may have given his tacit approval to the electoral system. By failing to revolt, he may even have given tacit approval to the government. By voting for the candidates of one political party rather than those of another, he may have some effect on general policies to be pursued.

But there is no way to stretch the cloth of the present political process to make a suit that will fit the notion of complete identification between the people and the government. Since no such identification has been vouchsafed, all programs based upon the premise of identity are insecurely based. In fact, they have no real base or foundation. In short, American acceptance, so far as it exists, of the belief, that the public debt poses no problem because we owe it to ourselves, that governments can act morally, that there is a collective responsibility for all government action in a democracy, should be taken as another symptom of the flight from reality.

Government and Birth Control

One other symptom may be in order. There is much professed concern today about what is known as the population explosion. Dire predictions are made about what life will be like if the population increase continues as it has in recent decades. They may be right, but what do they propose to do about it? Most proposals have had to do with birth control. An effort has been made to get the United States government to make available information and perhaps devices for birth control. How much and to what extent governments could or should effect birth control is, of course, highly controversial. But, if government action is taken, it should be noted that governments will be discouraging with one hand what they have been encouraging with the other.

Surely, one of the greatest ra-

tional deterrents to having children is the considerable financial responsibility involved. When parents are responsible for feeding, clothing, educating, innoculating, and entertaining their children, they will be most likely to have second thoughts about large families. Modern governments have, however, taken over a considerable part of these activities. Presumably, the same people who favor government propagation of information about birth control would favor an extension of governmental activities in education, in building parks, playgrounds, and zoos, and in providing medical care. They would thus favor relieving parents of responsibilities which they still have. Moreover, tax exemptions for children would seem to promote the bearing of children, if government action affects the matter at all. In short, proposals are made that government facilitate child bearing on the one hand and promote birth control on the other.

No one, to my knowledge, has pointed out these inconsistencies. The fact that they are not generally recognized as inconsistencies is yet another symptom of the flight.

Other Signs

Many other examples could be given of the symptoms of the flight from reality. They could be taken from developments in the arts, in religion, in international relations, in the use of technology, and so on. But perhaps the point has been made. There are widespread indications that programs, policies, studies, and actions are not being checked against any reality. Philosophers proclaim that they cannot determine what is real. Economists sanction programs which bear only a tangential relation to any discernible economic reality. Political theorists concoct relationships that can by no stretch of the imagination be induced from the facts. School building goes on apace and students multiply; yet many professors are in the position of not being able to decide whether education deals with reality or not. These must be signs of a flight from reality.

Sky Hook Systems

Now it is not my contention that no system of ideas would support the programs and actions described. On the contrary, it is my belief that there is a vast ideological edifice being used as a launching pad for the flight from reality. My point will be, however, that this launching pad is suspended in mid-air, hanging from a sky hook, as it were. To be more literal, the systems of

ideas which are supposed to support the programs are themselves not founded in reality.

The proof of this assertion must be made in connection with a conception of reality, however. Until that is set forth, the above are largely examples of inconsistencies, evidence of a widespread disparity between announced aims and the methods used to arrive at the aims. Inconsistencies are symptoms, not the thing itself. Diagnostically, symptoms tell us something is amiss, in this case that departures have been made from reality. Such a conclusion in the realm of ideas is roughly equivalent to a medical conclusion that the patient is ill. What is wanted, in both cases, is to know what the specific cause of the trouble is. To adjudge the character and content of a flight from reality, it must be viewed from the vantage point of reality.

The next article in this series will concern "The Nature of Reality."

Free Speech

DEAN RUSSELL

IN THE UNITED STATES, the police will protect everyone (including a communist) in his right to speak freely. True enough, local passions in certain sections of our nation still restrict freedom of speech on certain topics, but the fact remains that there is less of this interference today than ever before in our history. So far as I know, every good and bad economic and political and social idea known to man is being advocated by someone today in every state of our union – publicly and under police protection.

Of course, there have always been economic consequences attached to speaking one's mind. But surely that is good rather than bad; for presumably, no one would

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exercise his freedom to speak on controversial issues unless he wanted something to happen. And only a childish mind could dream of a situation in which the consequences would invariably be favorable to the speaker and never unfavorable. For example, I have always spoken freely and publicly against governmental intervention in our economy. That attitude is, of course, supported by only a small minority today. Thus I was hardly surprised at the reaction a few years ago when I was searching for my first teaching job. The top administrators of several of our most famous universities stated quite clearly that they did not want me as an instructor of economics in their classrooms; they honestly believe that I am too one-sided and narrow in my viewpoints. Several other schools, however, were quite willing to expose their students to my viewpoints. I accepted the best offer for my services, and eventually became Professor of Economics and Head of the Department in an excellent liberal arts college.

That's the way it should be — each person speaking freely, and being grateful indeed that potential employers have the freedom to hire, or not to hire, on the basis of an applicant's announced philosophy or, for that matter, for any other reason.

I note with considerable alarm, however, that many of my teaching colleagues have a different idea of freedom of speech. Under the vague heading of "academic freedom," they insist on the right to say anything they please, but complain that their freedom of speech is being interfered with when the economic consequences of their speaking are unfavorable rather than favorable. Such a person neither understands nor wants freedom of speech; he merely wants a special privilege that will protect him against the economic actions of persons who disagree with what he says. This is a fatal step away from freedom. ◈

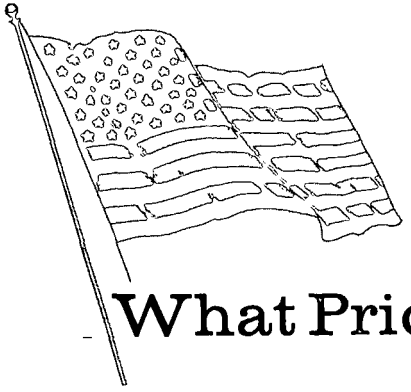
IDEAS ON LIBERTY

The Supreme Test

THE SUPREME TEST of an educated person is his willingness to sacrifice for an abstract ideal.

FRANCIS P. GAINES

LEOPOLD SCHWARZSCHILD



What Price Freedom?

SOCIALISM makes its principal appeal on economic grounds, but, paradoxical as this may sound, its economic aspects are in the last analysis secondary. It raises a problem of a quite different nature, a problem which towers above the economic one as the Himalayas tower above the cliffs of Dover. This problem is to what extent socialism imperils human freedom. And what we are discussing here is not the freedom of millionaires. No, it is your, our, my freedom that is in question. Nor is it the perverted thing represented as "freedom" by modern sophists that concerns us, but freedom without sophisms, the one for which testimony has been given in prison and exile, on gallows and battlefields, in every period of history.

Frankly, if this were not the problem, it would hardly be worth while to argue, it certainly would not be worth while to fight about it. The prospect that socialism will slow up rather than hasten economic progress would not suffice to excite men's minds. They would be disappointed in their expectations; but, after all, they are used to that. If their faith and will are so strong, let them put their socialism into practice. Mankind will manage to get along with less economic progress. In fact, since they will be compensated for this by the abolition of unemployment, they will manage all the better. A lowered rate of economic upswing alone would not be worth any

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Leopold Schwarzschild (1891-1950), distinguished journalist and editor and opponent of rising German nationalism, was forced to flee his native Germany by the Hitler government and lived in the United States after 1940.

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counter-agitation, determined resistance, tragedy.

But even if the economic aspects of socialism were as wonderful as its proponents say and believe, this alone would not justify any ecstatic enthusiasm for it. It would still have to be ascertained what price must be paid for the economic gains in terms of freedom; it would still have to be decided – and in full knowledge of the dilemma, not in ignorance or frivolity – whether the will to pay this price really exists. The economic discussion skims only the surface of the problem of "basic changes." At bottom, it is immaterial who is right or wrong in this discussion. The serious fundamental – I would even say the tragic – core of this problem remains unaffected by it. That core is the question of freedom.

A Single Employer

Let us avoid all abstractions. Socialism means that there will be only one employer in the country. The advancement, success, indeed the daily bread of every single man would be in the hands of that single employer. He alone could give jobs. He alone would decide whether you go up or remain down below. From him alone you would receive your bread, not to mention the butter on it. From him there would be no escape. You could no longer slam the door in the face of this employer, who would no longer be one in a hundred thousand, but the only one. You could not look for another, for there would be no other. You could not escape into an independent way of making your living, for this would not exist, either. The prayer: "Give us this day our daily bread," would, in point of fact, become a prayer addressed to the monopolistic employer, the state.

It is not at all necessary to assume that this monopolistic employer would be a hard boss, although this, too, is possible. We can readily suppose that in the factories and shops and offices and laboratories everything would be irreproachable and that the content of the pay envelopes would be generous. This has nothing to do with the great problem. The great problem is that the state would be irresistible.

Who would be able to risk its displeasure? The laws might say a hundred times that you had the right to your own opinion, but they would no longer be a guarantee. They would protect you – as far as they went! – from arbitrary actions of the police, the courts, and the prisons. But they would not protect you from not obtaining the better position to which you aspired nor from losing the one you had. And this single fact

would be more powerful than all the rights and freedoms. Against a government that controlled everyone's subsistence no one could really take advantage of his rights and freedoms. To arouse the displeasure of such a government would be suicidal. If it asked anything of you, you could no longer refuse; you would risk being turned into the street a month later, under some pretext or other.

Even more impossible than to resist individually would be any kind of general organized opposition. No one could risk being a candidate against a government candidate, if this were connected with the danger of economic excommunication. No one could lead opposition parties or belong to them, start or support campaigns, call meetings and speak at them, if these were contrary to the wishes of the government. Yes, even if through some supreme inconsistency the newspapers escaped becoming state property, they would still be unable to express any kind of opposition. The government, as owner of the printing plants and paper factories, would be able to create the most unbearable difficulties for them. The editors and writers who as a rule have ambitions to become playwrights, novelists, screen or radio writers and commentators, would not dare to expose themselves to the vengeance of the sole play-producer, publisher, moving-picture producer, and radio-station owner. When the government is everyone's only bread-giver, any opposition becomes a piece of foolhardiness which no normal person would risk. And there are always more people ready to suffer the death of a hero in battle than to rot in civilian life.

A Power Over Subsistence

This is the real danger of socialism. A dreadful power is inherent in the means of subsistence. Alexander Hamilton, in the classical language of the *Federalist*, warned of this. "In the general course of human nature," he wrote, "a power over a man's subsistence amounts to a power over his will." But there are various degrees of power over a man's subsistence. The more easily a man can change the means of subsistence he has for another, the less power it has. General Motors Corporation has great power over a sub-manager who earns thirty thousand dollars a year and could find an equally lucrative job only with great difficulty. This sub-manager can be ordered around by General Motors – if it wishes to order him around – to a fairly considerable extent, even in regard to his private life. But in normal times General Motors has very little power over an ordinary worker, who can get ap-

proximately equal wages elsewhere if he does not like his job.

And another important consideration must be added: there are also various degrees of interest that an employer can show in his employees' will. A normal employer is rather indifferent to what his employees think, do, or want in matters that are not connected with his business. The radius of his interests is not so large that he needs to exert power over the whole radius of their interests. But for the employer who is the *state,* not only matters concerning one business are important; countless other matters are important, too. Each man's will interests him in innumerable respects. He has a far greater incentive to take real advantage of his power over people's wills.

Stronger than the Guillotine

Should we not therefore tremble before the prospect of a social order in which there is only one single master over all the means of subsistence, and in which this single master is the state? A witness who knew something about this has warned us. Lenin himself explained quite clearly the meaning of state power over the bread of every individual. This significant statement is in *Peasants and Workers.* He was referring not to the printed notes called money, which are the usual means of getting one's daily bread, but to the printed notes called ration cards, which are a different way of getting one's daily bread. If these two kinds of printed notes can be handed to you only by the state, then both of them represent its monopolistic power over your daily bread; and this is what Lenin said about the meaning of full state power over the people's daily bread: "The ration books . . . are in the hands of the Proletarian State, the most powerful means of control. Those means will furnish a power unprecedented in the annals of history. Those means of control and compulsion are stronger than the laws of the convent and the guillotine."

"Unprecedented . . . stronger than the guillotine"! Why mince words when one wants to speak frankly? In the hands of the government that wants to use it, the power over everybody's subsistence amounts to a guillotine over everybody's free will. Once in possession of this power, it can decapitate all the liberties of a country within a very short time. Let me repeat that in order to achieve this result it hardly needs to violate any laws, for no law can ever prescribe when an employer should find an employee satisfactory and when he can find him unsatisfactory. For this reason tyranny will be able to develop

in spite of the barriers of the existing laws as easily as rats pass under a fence.

It is difficult for the human mind to imagine things which it has not seen. For the inhabitants of a free country it seems almost impossible clearly to understand the process through which freedom is lost. One must have personally witnessed it once in order to realize its nature. As a rule, those who have never witnessed it, always remain too innocent about it. They think of the conditions to which they are accustomed. "It can't happen here." Why should anything change much? The state will become the sole owner of everything, but for the rest—so people imagine – everything will remain as it is. The old institutions and mechanisms, the Constitution, the Bill of Rights, opposition, parties, elections, parliaments, courts, all this will continue to function the day after socialism just as it did the day before.

A Right Unexercised

What a delusion! Everything can change. The single fact that everybody's bread is in the power of the government sterilizes all these institutions and mechanisms, even if they continue to exist in name. The right to speak against the state is of no value if no one dares exercise it. Mechanisms for the control of the state are of no value if the people, who are the life of these mechanisms, are compelled to behave in a servile fashion. From the moment this monopolistic power falls into the hands of the state for the first time, the people who will then be entirely dependent upon it will become more and more cautious. The moment the guillotine of the withdrawal of subsistence falls on the necks of a few overbold dissidents, the sclerosis of the political organism will set in. The blood which is still flowing through its old veins will be poisoned by fear. The body will no longer move, but will be moved. And once things have gone thus far, there will be no obstacle to transforming at will even the nominally subsisting institutions and mechanisms, the constitutions, bills of rights, and laws. Freedom will be lost. The blackout will descend.

"But my government will not do this," replies the optimist. "It will be a government which I myself have chosen and put in power. It will be composed of people whom I know, who all their lives have fought for the cause of the people and for freedom. I can entrust my welfare to them without fear." It can be said that behind all the enthusiasm for "basic economic changes" there is a confidence that the governments which will wield

the increased power will be benevolent and noble and self-restrained. This is an assumption which the optimists, whether they know it or not, simply cannot do without. The leaders think: "I will be the government," and that settles the matter as far as they are concerned. The followers think: "This will be my government, and I can be sure that it will not abuse the instrument of increased power – at least it will not abuse it against me."

But one has no right to be sure of any government – least of all, of the unknown government of tomorrow. We cannot put ourselves blindly into anyone's hands. *"Se méfier c'est l'essence de la liberté."* ("Distrust is the essence of freedom"), says Montesquieu. Even what is in the minds of those who have fought all their lives for the cause of freedom is, in reality, never quite clear. When such people achieve power, they often enough show surprisingly different faces. And even aside from this, hardly any government has ever refrained from using the full measure of power it had. When difficult situations and crises arise, when opposition threatens, every government goes to the extreme limit of its actual power. Yes, perhaps the more firmly they are convinced that they are right and beneficent, the more readily they go to this extreme limit. Good intentions are one of the most common bridges to tyranny; the road to hell is paved with good intentions.

Is It Worth the Price?

Are any economic advantages worth this dreadful price? Even if the economic hopes of socialism came true, would this compensate us for the loss of freedom? Would it compensate even for the loss of part of our freedom? Would it compensate even for the establishment of a regime which implied a grave danger to freedom?

The genuine socialists of the Marxian school were at least clear in this respect. They declared roundly that what we call freedom did not interest them. What they proclaimed was explicitly dictatorship. They called it dictatorship of the proletariat – which is again an illusion, because a dictatorship can be exercised only by an individual or by a few individuals. Their minds were quite made up that a dictatorship was to rule. And Lenin explained: "The very meaning of the word 'dictatorship' signifies the existence of an absolute government which is not limited by any laws, takes no notice of any rules whatsoever, and relies directly on violence."

These socialists, too, believed that dictatorship would disappear

some day. But it must be emphasized that they promised a curious, not very reassuring kind of disappearance. Dictatorship was to pass away only after a very long period of transition—"after a whole historical epoch has elapsed." And the process of its disappearance was to be accomplished by virtue of a mystic apotheosis that, with the best will in the world, does not sound very convincing. The end of the dictatorship, we are told, will not come because it will be abolished; no, something much more grandiose and mysterious will take place. After socialism has ruled for a whole epoch, the state will disappear. Such a perfect harmony will set in that no state or government will any longer be necessary. "The state withers away," as Marx put it. "The state renders itself superfluous . . . it dies," as Engels commented.

Utopia Proclaimed but Never Described in Detail

Unfortunately they never told us in greater detail what the world would look like in this paradisiac condition, without states and governments. Although this millennium is the proclaimed final goal and ultimate justification of the whole socialist adventure, any concrete description of it has so far not been vouchsafed to us. Today most socialists do not seem to know anything at all about this last goal of their journey. It is no longer mentioned—least of all in Moscow. The bulk of today's socialists thus have no idea of how distant and how extremely uncertain the end of the dictatorship is, according to their own doctrine; they do not realize that it would depend upon an absolutely unsubstantiated miracle. But be that as it may, the genuine communists and Marxian socialists cannot be reproached with being obscure, deluded, or irresolute in the matter of freedom. The socialist doctrine is unequivocal on the point that freedom as we know it must actually be sacrificed, and sacrificed for an indefinite period.

But do you, reader, share this resolute contempt for freedom? If people were clearly confronted with this dilemma, would any proportion of them worth mentioning consent to abandon even a part of their freedom, were it only for the duration of a "historical epoch," until that fata-morgana world without states and governments was achieved? Despite all the confusions, the opposite is certain! Confronted with this dilemma clearly, understandably, without any hocus-pocus, the overwhelming majority in the democratic countries would refuse to sacrifice their traditional rights and free-

doms for the sake of any other advantage.

A Downward Path

So let us make the dilemma clear instead of obscuring it by sophisms. Let us establish clearly that there is hardly a surer way to lose all freedom than to make the state the monopolistic owner, employer, and feeder. Tragic is the error of those who dream of being able to lead mankind upwards on this path. For it is the path downwards. Tragic is the role of those who hope to attain a flourishing liberalism by following this road. They would lead all liberalism into the desert.

Tragic, indeed, is the role of so many liberals in this matter. Nothing has changed in the ultimate philosophy of the liberal camp, which is my camp. Now, as before, the basic ideals of this camp are those of humanity: the rights, sovereignty, dignity, and inviolability of the individual. It has never been more necessary to fight for these ideals than it is today. Without groups and centers which constantly and tenaciously wage the struggle for these ideals, conditions would soon degenerate everywhere. Today the liberal mission is more important than ever. But how pitiful it is to see so many liberals fall victim to the illusion that their ideals are best served by means which in truth would strangle these ideals! What a tragedy to see them embrace the idea that the quintessence of liberalism is something which is in reality the negation of the whole liberal heritage!

Yes, in the whole thousand-year-long history of liberalism there has never been any uncertainty as to the source of the overwhelmingly greatest danger to the rights, sovereignty, and inviolability of man. There was never any doubt that while there are many small, diffuse, special dangers to the dignity of every individual, there is only one single great concentrated danger to the dignity of all: the danger of strangulation by the organized power of the state. The fight for freedom, human rights, and human dignity has always consisted in restricting the power of that crushing thing, the state, in balancing it and dividing it. This was the whole proclaimed meaning of liberalism. All the struggles for freedom in history were struggles against the power of the state. In the last analysis they all amounted to conquering and preserving that simple indefinable thing which Justice Brandeis called the most fundamental of all rights: "The makers of the Constitution sought to protect Americans in their beliefs, their thoughts, their emotions,

and their sensations. They conferred, as against the government, their right to be left alone – the most comprehensive of rights and the right most valued by civilized men."

The "New Liberalism"

What a spectacle to find so many liberals of our day following the exactly opposite path! They no longer erect walls against the state and defend them. They call upon us to tear down existing walls. They no longer try strictly to limit the zones to which the state has access; they invite it to supervise ever widening zones. They are furious against small, diffuse, special damages which they find anywhere or of which they only suspect the existence. Their sharpest attacks are directed against the "monopolies" – that is, against the biggest among the hundreds of thousands of employers. But to banish the real or imaginary sins of these monopolies, they call for a titanic supermonopoly which would combine the power of all the hundreds of thousands of employers and which represents all the great dangers in concentrated form. Liberalism is the descendant of the doctrine of "divided powers": let no power be totally in one hand! Today, completely reversing this doctrine, the liberals desire to place in one hand the economic power which, thank God, is now divided among a hundred thousand; and, to place it in the very hand that already holds the political power. And all this for the sole purpose of achieving an extraordinary improvement in living standards – which again is imaginary!

Important Questions

Is there no road back from this error? Can you no longer recognize the truth that the hundreds of thousands of employers, whatever the sins of any one of them, are still incomparably more bearable than would be one single total employer? Is it still not clear that a thing can be bad, but its opposite immeasurably worse? The faith in the saving virtues of the opposite has in our lifetime led to an unprecedented catastrophe; it led mankind directly into a new war instead of into the hoped-for perpetual peace. Are we destined to discover that the faith in the opposite will through a new direct development bring servitude to mankind instead of the hoped-for higher freedom?

Abundance for all: what an alluring aim! It cannot be achieved more successfully through socialistic methods than through "free enterprise." But even if it could be, do not lose sight of the price! Let

not this one passion, this one desire, this one appetite rob mankind of all sense to such a point that it takes the risk of giving the state all power over every man's subsistence – or even over most of it. Then once again Edmund Burke's dictum will be confirmed: "Men are qualified for civil liberty in exact proportion to their disposition to put chains upon their own appetites. . . . It is ordained in the eternal constitution of things that men of intemperate habits cannot be free. Their passions forge their fetters." Should the passion for gigantic economic progress lead to the plunge into economic omnipotence for the state or to anything approximating it, fetters would be forged of which the innocent do not suspect the true nature. A cruel historical irony will materialize: the "total state," against whose power victory has been won on the battlefield, will after the war be admitted through the back door.

Let us, therefore, remember the truth that man's well-being is composed of many elements. Let us not forget that what seems to favor one element can be fatal to another. Let us not sacrifice one in order to improve another, let alone to improve it in a purely imaginary fashion. And least of all let freedom be the sacrificed element! If after this war destiny mercifully asks us the Shakespearian question: "What is't thou canst demand?" let our answer be, first and foremost, now and always: "Our liberty!"

Let us agree that *the government's power over the means of production means its power over everyone's subsistence. Its power over this sounds the knell of individual freedom.* ◈

IDEAS ON LIBERTY

The Wrong Approach

A FREE ECONOMY and society expands the opportunities for all its members but leaves it largely to them to decide what they will do about it. This is the antithesis of the present sociological approach, which regards the poor as a segregated class; either they must be dragged out of their poverty by mechanical Government programs or else maintained in their poverty by the rest of society. Since there are always those only too willing to live at the expense of others, that approach may only swell the ranks of the shiftless and help perpetuate poverty.

The Wall Street Journal

THE ROAD IS BETTER THAN THE INN

> We are now beginning to realize that these centuries, so self-satisfied, so perfectly rounded-off, are dead within. *Genuine vital integrity does not consist in satisfaction, in attainment, in arrival.* Cervantes said long since: "The road is always better than the inn." When a period has satisfied its desires, its ideal, this means that it desires nothing more; that the wells of desire have been dried up. That is to say, our famous plenitude is in reality coming to an end. There are centuries which die of self-satisfaction through not knowing how to renew their desires, just as the happy drone dies after nuptial flight.
>
> ORTEGA Y GASSET, *Revolt of the Masses*

THE PASSAGE quoted by Ortega from Cervantes may be taken as a reply to the arguments of the utopians, whose energies are so much given to dreaming of the future that many of them do not know how to live in the present. To them, the present is contemptible, intolerable. You might say that in their thought they have socialized human longings, but colored them with a kind of collectivist avarice, making their struggle for power embody contradictory emotional components. They are lustful for the common good, angry at delays, and stridently self-righteous in their contentions. Any implication that a man may live a good life in the present is met by sneering rejection.

The other side of the question, however, must have its statement. It is true enough that much of the present *is* contemptible. There is always a sense in which the utopians are right. There is the likelihood, if not the certainty, that people who show no interest in the sort of changes the utopians talk about are themselves quite content with the status quo and indifferent to the welfare of those whose lives are ill served by the present.

The chief difficulty in resolving this contradiction lies in the fact

From *Manas*, February 12, 1964

that when men do find a balance between these two aspects of their lives – between work for the future, for better social or other arrangements, on the one hand, and a full expression of themselves as human beings, here and now, on the other – they find it intuitively, and not by any plan or program that can be incorporated in some progressive scheme. This sort of private resolution tends to be ignored or held to be worthless by the utopians, since their methods of arousing interest in what they believe ought to be done are not calculated to encourage people to make the best use of their present circumstances. Those circumstances must be made to *change*, and to admit them to be a matrix of any sort of growth would be to compromise their utopian ardor.

What can be done about this? Nothing short of a complete redefinition of utopian ends can help, it would seem. Even the *methods* of change must somehow lend themselves to a fullness of human life. These, as we say, must be "organic" to the kind of lives we want to live, and not a series of preparatory steps. The goal, in short, is not an inn, but a proper road. The good life would then be recognized as a form of endless movement along the way, and never a static, final condition. ◈

IDEAS ON LIBERTY

Same Old Problem

AT THIS MOMENT society is very generally philanthropic, extremely desirous of improving the condition of the multitude; it is deeply affected by sufferings from disease and want, from close, small, and crowded dwellings, and seems resolved by legislation to get rid of dirt and discomfort. The object is excellent; the legislation, however, in the main is really directed against property; it is carried out, and can only be carried out, by some kind of restrictions and some kind of office-bearers to see them executed – an infallible means of dividing the existing amount of wealth in smaller portions, with no tendency to increase the whole, and certain, therefore, to sharpen and augment the poverty it really aspires to lessen.

The Economist (London), June 7, 1856

ON MINDING ONE'S OWN BUSINESS

WILLIAM GRAHAM SUMNER

THE PASSION for dealing with social questions is one of the marks of our time. Every man gets some experience of, and makes some observations on social affairs. Except matters of health, probably none have such general interest as matters of society. Except matters of health, none are so much afflicted by dogmatism and crude speculation as those which appertain to society. The amateurs in social science always ask: What shall we do? What shall we do with Neighbor A? What shall we do for Neighbor B? What shall we make Neighbor A do for Neighbor B?

It is a fine thing to be planning and discussing broad and general theories of wide application. The amateurs always plan to use the individual for some constructive and inferential social purpose, or to use the society for some constructive and inferential individual purpose. For A to sit down and think, What shall I do? is commonplace; but to think what B ought to do is interesting, romantic, moral, self-flattering, and public-spirited all at once. It satisfies a great number of human weaknesses at once. To go on and plan what a whole class of people ought to do is to feel one's self a power on earth, to win a public position, to clothe one's self in dignity. Hence we have an unlimited supply of reformers, philanthropists, humanitarians, and would-be managers-in-general of society.

The First Duty

Every man and woman in society has one big duty. That is, to take care of his or her own self. This is a social duty. For, fortunately, the matter stands so that the duty of making the best of one's self individually is not a separate thing from the duty of filling one's place in society, but the two are one, and the latter is

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William Graham Sumner (1840-1910). Episcopal minister. Professor of political science at Yale, 1872-1909. President of the American Sociological Society. Author of many books and articles. This is Chapter VIII of his book, *What Social Classes Owe to Each Other*, published in 1883.

accomplished when the former is done. The common notion, however, seems to be that one has a duty to society, as a special and separate thing, and that this duty consists in considering and deciding what other people ought to do.

Now, the man who can do anything for or about anybody else than himself is fit to be head of a family; and when he becomes head of a family he has duties to his wife and his children, in addition to the former big duty. Then, again, any man who can take care of himself and his family is in a very exceptional position if he does not find in his immediate surroundings people who need his care and have some sort of a personal claim upon him. If, now, he is able to fulfill all this, and to take care of anybody outside his family and his dependents, he must have a surplus of energy, wisdom, and moral virtue beyond what he needs for his own business. No man has this; for a family is a charge which is capable of infinite development, and no man could suffice to the full measure of duty for which a family may draw upon him. Neither can a man give to society so advantageous an employment of his services, whatever they are, in any other way as by spending them on his family. Upon this, however, I will not insist. I recur to the observation that a man who proposes to take care of other people must have himself and his family taken care of, after some sort of a fashion, and must have an as yet unexhausted store of energy.

A Twofold Danger

The danger of minding other people's business is twofold. First, there is the danger that a man may leave his own business unattended to; and, second, there is the danger of an impertinent interference with another's affairs. The "friends of humanity" almost always run into both dangers. I am one of humanity, and I do not want any volunteer friends. I regard friendship as mutual, and I want to have my say about it. I suppose that other components of humanity feel in the same way about it. If so, they must regard any one who assumes the *role* of a friend of humanity as impertinent. The reference of the friend of humanity back to his own business is obviously the next step.

Yet we are constantly annoyed, and the legislatures are kept constantly busy, by the people who have made up their minds that it is wise and conducive to happiness to live in a certain way, and who want to compel everybody else to live in their way. Some people have decided to spend Sunday in a certain way, and they want laws

passed to make other people spend Sunday in the same way. Some people have resolved to be teetotalers, and they want a law passed to make everybody else a teetotaler. Some people have resolved to eschew luxury, and they want taxes laid to make others eschew luxury. The taxing power is especially something after which the reformer's finger always itches. Sometimes there is an element of self-interest in the proposed reformation, as when a publisher wanted a duty imposed on books, to keep Americans from reading books which would unsettle their Americanism; and when artists wanted a tax laid on pictures, to save Americans from buying bad paintings.

I make no reference here to the giving and taking of counsel and aid between man and man. The very sacredness of the relation in which two men stand to one another when one of them rescues the other from vice separates that relation from any connection with the professional philanthropist, the work of the social busybody, and the empirical legislator.

Social Quacks

The amateur social doctors are like the amateur physicians – they always begin with the question of *remedies*, and they go at this without any diagnosis or any knowledge of the anatomy or physiology of society. They never have any doubt of the efficacy of their remedies. They never take account of any ulterior effects which may be apprehended from the remedy itself. It generally troubles them not a whit that their remedy implies a complete reconstruction of society, or even a reconstitution of human nature. Against all such social quackery the obvious injunction to the quacks is, to mind their own business.

The social doctors enjoy the satisfaction of feeling themselves to be more moral or more enlightened than their fellow men. They are able to see what other men ought to do when the other men do not see it. An examination of the work of the social doctors, however, shows that they are only more ignorant and more presumptuous than other people.

We have a great many social difficulties and hardships to contend with. Poverty, pain, disease, and misfortune surround our existence. We fight against them all the time. The individual is a center of hopes, affections, desires, and sufferings. When he dies, life changes its form, but does not cease. That means that the person – the center of all the hopes, affections, etc. – after struggling as long as he can, is sure to succumb at last. We would, therefore, as

far as the hardships of the human lot are concerned, go on struggling to the best of our ability against them but for the social doctors, and we would endure what we could not cure.

But we have inherited a vast number of social ills which never came from Nature. They are the complicated products of all the tinkering, muddling, and blundering of social doctors in the past. These products of social quackery are now buttressed by habit, fashion, prejudice, platitudinarian thinking, and new quackery in political economy and social science....

The Most Needed Reform

The greatest reforms which could now be accomplished would consist in undoing the work of statesmen in the past, and the greatest difficulty in the way of reform is to find out how to undo their work without injury to what is natural and sound. All this mischief has been done by men who sat down to consider the problem (as I heard an apprentice of theirs once express it), What kind of a society do we want to make? When they had settled this question *a priori* to their satisfaction, they set to work to make their ideal society, and today we suffer the consequences. Human society tries hard to adapt itself to any conditions in which it finds itself, and we have been warped and distorted until we have got used to it, as the foot adapts itself to an ill-made boot. Next, we have come to think that that is the right way for things to be; and it is true that a change to a sound and normal condition would for a time hurt us, as a man whose foot has been distorted would suffer if he tried to wear a well-shaped boot. Finally, we have produced a lot of economists and social philosophers who have invented sophisms for fitting our thinking to the distorted facts.

Society, therefore, does not need any care or supervision. 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 your own business. It is nothing

but the doctrine of liberty. Let every man be happy in his own way. If his sphere of action and interest impinges on that of any other man, there will have to be compromise and adjustment. Wait for the occasion. Do not attempt to generalize those interferences or to plan for them *a priori*. We have a body of laws and institutions which have grown up as occasion has occurred for adjusting rights. Let the same process go on. Practice the utmost reserve possible in your interferences even of this kind, and by no means seize occasion for interfering with natural adjustments. Try first long and patiently whether the natural adjustment will not come about through the play of interests and the voluntary concessions of the parties.

The Root of Dictatorship

I have said that we have an empirical political economy and social science to fit the distortions of our society. The test of empiricism in this matter is the attitude which one takes up toward *laissez faire*. It no doubt wounds the vanity of a philosopher who is just ready with a new solution of the universe to be told to mind his own business. So he goes on to tell us that if we think that we shall, by being let alone, attain to perfect happiness on earth, we are mistaken. The half-way men – the professorial socialists – join him. They solemnly shake their heads, and tell us that he is right – that letting us alone will never secure us perfect happiness.

Under all this lies the familiar logical fallacy, never expressed, but really the point of the whole, that we *shall* get perfect happiness if we put ourselves in the hands of the world-reformer. We never supposed that *laissez faire* would give us perfect happiness. We have left perfect happiness entirely out of our account. If the social doctors will mind their own business, we shall have no troubles but what belong to Nature. Those we will endure or combat as we can. What we desire is, that the friends of humanity should cease to add to them. Our disposition toward the ills which our fellow man inflicts on us through malice or meddling is quite different from our disposition toward the ills which are inherent in the conditions of human life.

To mind one's own business is a purely negative and unproductive injunction, but, taking social matters as they are just now, it is a sociological principle of the first importance. There might be developed a grand philosophy on the basis of minding one's own business. ◈

The Invisible Hand

WYATT B. DURRETTE, JR.

OUR GIANT GOVERNMENT, giant corporations, and giant unions make it difficult to see how the market economy functions and to understand the role profits play. Though we frequently refer to the "invisible hand," it is seen with little more clarity today than when Adam Smith identified it in 1776:

. . . 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. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.

The following personal experience may help to exemplify how the market functions and profits play their part.

To help defray expenses while in law school, I worked part time as equipment manager for the varsity athletic teams. There, in the locker rooms, I met a senior of some ingenuity who had established and developed a popular and profitable orange juice concession.

He offered to pay me a certain amount each afternoon if I would help. The juice sold for 10 cents a cup, cash or credit, and we dipped it out from behind the equipment counter. This worked fairly well, except that now and then, if there was a heavy call for

Mr. Durrette has finished law school and is doing graduate work in Political Science at Johns Hopkins University.

shoulder pads or other equipment, the lines would lengthen and impatience would cost us sales of juice.

Since the "owner" of the juice business had no other reason to stay in the locker room, he soon offered me a better deal – 50 per cent of the profits if I would operate the concession. He would see that ice and juice were always available.

So, I became a partner and continued to operate the concession as before, giving little thought to measures to increase sales. There were no complaints, and it never occurred to me to make changes. I think now that my complacency then stemmed from the fact that I was doing all the work for only half the profit.

The situation changed when my partner graduated. The next fall, as sole owner of the concession, I began to contrive ways to increase sales, and profits. As Adam Smith might have observed, I was motivated only by the desire for personal gain; but I realized that if I failed to provide a good product and adequate service at a reasonable price, my sales would decline.

My first innovation was to offer a free cup of juice to each customer who bought five in a day. Immediately, many of my 3-and 4-cup boys began to down an extra cup or two to get the free one. They were getting more juice for each 50-cent outlay, and I was gaining sales and profit.

Next, with equal satisfaction to all concerned, I offered a free cup for each ten purchased in a week.

Finally, I moved the concession from behind the counter to a centrally located table, invested in two large plastic containers and six dippers, and instituted self-service. The increased volume of business was amazing. Again, the customers were pleased with the changes I had made in an attempt to increase my profit.

Here, then, was a monopoly operated by a profit-seeking entrepreneur. But, contrary to the popular myth, no one was being exploited. The willing customers were getting more product for their money and faster service.

Yet, the myth persists, and the assault on profits continues. The national government first takes half, then taxes again the dividends received by owners. These and other highly progressive income taxes siphon off much of the venture capital so desperately needed for economic progress.

Of course, different conclusions can be drawn from my experience and arguments made that it has no relevance to the affairs of big industries today. Still, it may afford some slight challenge to the prevailing dogma. ◈

The Case for the FREE MARKET

EVERY FOURTH YEAR we get involved in the frenzied madness of a presidential election. A candidate says a sensible thing – such as that it would be in keeping with a general profession of a belief in free enterprise if the TVA were to sell whatever facilities it possesses that have nothing to do with flood control – and all hell breaks loose. The head of a great Detroit union, with a gesture of horror, says the candidate will soon be advocating the sale of the U.S. government to General Motors. At another point the candidate remarks that social security would be better if it were voluntary. Practically everybody jumps on him, and he tries to make a sidewise retreat by saying that he only wants social security to be "strengthened."

Watching the quadrennial show, Leonard E. Read correctly estimates that politicians are powerless of themselves to change things. The politico, when he is running for office, is a mere resultant of forces. The way to move society on its axis is not to play politics. It is to persuade teachable people to think as you do. And the best way to do this is to be a good personal living example of the philosophy you hope to spread.

Leonard Read is not running for office, so he can freely say what some people would describe as the damnedest things. His book, *Anything That's Peaceful: the Case for the Free Market* (FEE, $3.50 cloth, $2.50 paper) wouldn't get him through the New Hampshire primary. He believes that government should be limited to such things as keeping the peace, preventing fraud, dispensing justice, and fending off attacks by foreign powers. He says it is violent coercion to force social security on anybody. He thinks that Robin Hood, who advocated taking money from

one set of people to give it to another, should properly be called Robin Hoodlum. He argues that any type of government economic intervention forces human energy into shapes that are marketable only at the end of the police club. He doesn't consider that people think well in committee. He refuses to vote when the choice is between two trimmers. He challenges the idea that the government is peculiarly fitted to run the post office, or to maintain schools, or to plan the coming of either a good or great society. In short, his opinions are such that he couldn't be elected to the office of dog catcher, let alone win a state primary.

Nevertheless, Mr. Read, by insisting that the state should not intervene to keep people from doing anything at all that's peaceful, is beginning to shake up American society as no political figure has ever managed to do. I know this because I have witnessed the come-back of the freedom philosophy over the past twenty years. Mr. Read began in the nineteen forties as a still, small voice. He had a few accomplices then. There were a couple of emigrant economists of the Vienna neo-liberal school taking issue with the dominant Keynesian hosts. Three women – Ayn Rand, Isabel Paterson, and Rose Wilder Lane – were wondering what had gotten into men to make them think that the way to release energy was to deliver everybody to the dictates of a public planning authority. The columnists, radio commentators, and magazine writers who believed in economic freedom could be counted on a couple of hands. When the writer of this review teamed up with Henry Hazlitt and Suzanne La Follette to start THE FREEMAN, he was told by an old friend, his first night city editor, that he had better consult a psychiatrist, for surely he was sick, sick, sick.

Doubtful Uses of Coercion

All of this was scarcely a generation ago. Mr. Read still sounds extreme to the conventional way of thinking when he says that education would be improved if there were no tax-supported public schools. But private schools throughout America have started to come back in recent years with a rush. Not so long ago an ex-President of Harvard University, James Conant, was advocating the abolition of private secondary schools as "undemocratic" institutions. Dr. Conant isn't talking this way today. The "freedom philosophy" has been creeping up around him, changing the climate in which he speaks as an authority on secondary education.

Mr. Read doesn't think you necessarily have to forbid socialistic

enterprise by law to restore freedom. Take this matter of the Federal monopoly of mail delivery, for instance. Mr. Read is satisfied that if the law were changed to permit private corporations to undertake the delivery of mail, and if an unsubsidized Post Office were to be put on an accounting basis comparable to that forced on private industry, some ingenious free enterprisers would soon compete the government out of the mail business. For what, so Mr. Read asks, is difficult about delivering mail? The telephone company, in transporting the human voice three thousand miles from New York to San Francisco, does something that takes much more ingenuity. And, so Mr. Read adds, the American Telephone and Telegraph Company showed a profit of $22 billion when the Post Office was losing $10 billion.

That the climate has changed since Mr. Read, with a handful of confederates, started to preach the freedom philosophy is proved by the lip service that is now being paid to libertarian generalities. A candidate for vice president resigns as co-chairman of the socialistic Americans for Democratic Action and makes a sudden appearance before a number of important businessmen to assure them that he isn't anti-business. An occupant of the White House invites a prominent publisher to Washington to assure him he is all for self-made men. The TVA may still be regarded as sacrosanct, even when it burns coal to add to the electricity that is made by use of water power, but it is getting tougher to sell huge river development schemes to the public. The objection to saddling the existing social security system with new compulsory payments for new services becomes respectable among the poor, for they are at last beginning to see that the value of the social security they already have depends on keeping inflation from getting out of bounds.

The Non-Politician

During the twenty years I've known him, Mr. Read has not, to the extent of my knowledge, ever argued for or against any specific Congressional bill as such. He has not attacked or supported specific men for specific public office. This is not because he values tax exemption for his foundation, for it is part of his fundamental creed. He can't have voted very often in his lifetime, for he believes that it is just as wrong to vote for a small-scale trimmer as it is to vote for a big one. As this country reckons things, he is the completely non-political man. He even argues that we might do better if we were to choose our Congressmen for non-

recurring terms by lot, for by such a method we would get representatives who would have no stake in buying voters with their own money. Such obliviousness to the emotions that are unleashed in most breasts in a campaign year is a marvel to behold.

Yet I do not doubt that Mr. Read will one day be a chief architect of a change in this country that will have a profound effect on our philosophy of government. He is a positive force, and, being such, he shapes the adaptation of other people without buttonholing them, or demanding that they vote for this or that bill or this or that man.

I say this with profound admiration, even though I have often, in my lifetime, voted for the man whom I have regarded as the "lesser evil." I have always been hopeful that a "lesser evil" might, in office, be more likely than a "greater evil" to see the light on the Road to Damascus. Almost invariably I have been disappointed, yet I persist in coming back for more. But contact with Mr. Read has done much to make me serene in the face of continual disappointment in the electoral process. Even "greater evils" can be forced, by changes in the intellectual climate, to slow the pace toward socialist goals. And when the natural listeners and followers in the middle begin to listen to the intellectuals of the right instead of the intellectuals of the left, even the greatest of "evils" will begin a new career of trimming in the right direction. ◈

▸ THE AGE OF INFLATION by Jacques Rueff; translated by A. H. Meeus and F. G. Clarke (Chicago: Henry Regnery Company, 1964). 175 pp., paper, $.95.

Reviewed by Percy L. Greaves, Jr.

MONSIEUR RUEFF is an eminent French statesman and economist. He played a major role in re-establishing the French franc after the inflations of both World Wars. This book, a collection of six essays and the author's 1958 recommendations – which were largely accepted by General de Gaulle – appeared last year in the French. Rueff writes from a European or world viewpoint and makes an impassioned plea for an immediate end to present-day monetary policies while there is still a chance to do it without producing a worldwide catastrophe.

As he phrases it, "Mankind is seeking – and waiting for – a leader who will display the courage and intelligence required to rescue us. If such a leader does not exist, or if political circumstances prevent him from emerging, man's destruction is as inevitable as that

of a man falling from the roof of a skyscraper."

Disclaimers by the dozen cannot alter the fact that we live dangerously in an age of inflation. For half a century, governments the world over have been meeting their extra expenses by inflating the number of their monetary units by the billions. The United States is no exception. In the last year, our officials have sanctioned an increase in the nation's money supply of almost 20 billion dollars.

Each added dollar buys something and thus reduces the purchasing power of previously owned dollars. The few who spend these new dollars first are the gainers, while the majority, whose dollars buy less, are the losers. What is worse, the whole economy is deranged as producers try to satisfy the first spenders of the newly created money. When the inflation ends, as it must some day, let us hope that the necessary readjustments will not be too painful.

Jacques Rueff's collection of essays lays stress on one little-understood international aspect of our government's policy of dispensing "foreign aid" while increasing the money supply at home. For years, M. Rueff has been chiefly concerned about the effects of an increasing number of European-owned dollars left on deposit in the United States. Our government has encouraged this policy since it cuts down on the current outflow of gold.

The facts which rightly disturb him so much are:

1. More and more American dollars are spent, lent, or presented to foreigners without ever leaving the United States or reducing the number of dollars which can be spent in the United States.

2. American banks lend out these foreign-owned dollars domestically while paying interest to the foreign depositors.

3. Foreign central banks, which can legally demand gold for these dollars, treat them as if they were gold reserves and thus use them as a base for expanding their own domestic money supply.

So, the continuing American inflation becomes the basis for the further inflation of many European currencies. As M. Rueff states it, this policy "has saddled a considerable portion of the United States gold stock with an exceedingly high double mortgage. If a substantial part of the foreign holdings of claims on dollars were cashed in gold, the credit structure of the United States would be seriously threatened."

He would like to see the situation corrected, and promptly. If this is not done, he fears this house of cards may come tumbling down. Unfortunately, however, the au-

thor weakens his case by endorsing expansion of the money supply for the "needs of business" and against domestic government securities. But for anyone interested in the top economic problem of our age, this little book is a frightening reminder of what could be just around the corner for our civilization. ◈

▸ IDEAS AND INTEGRITIES: *A Spontaneous Autobiographical Disclosure*, by Buckminster Fuller (Englewood Cliffs, N. J.: Prentice Hall, Inc., 1963) 318 pp., $6.95.

Reviewed by Arthur P. Moor

AS engineer-designer-builder, Buckminster Fuller has become famous for his "geodesic domes" and other structures which span large areas with light, strong space-enclosures, built on a principle about 2,000 times as efficient, per pound of material, as ordinary building methods. His domes, like all technological advances, are based on discovered ways of doing more with less – less weight, less bulk, less time, less cost. And technology, according to Fuller, is simply the art and science of "doing more with less." Increasing service with diminishing cost is good economics in any field. But since technology is now so diversified in so many different fields, are there any general principles or laws by which technology advances, and with increasing acceleration? Fuller believes there are, that the principles are simple, but infinitely extensible in application. The chief shock and invigoration of his autobiography is the tracing of his own reasoning and quest for the "inclusive equation" of the industrial complex.

Among Fuller's observations along the way are these:

1. The major source of increasing wealth is the organization of energy. The physical universe does not wear out or run down by use; the intellectual factor of organization and design improves with use, and is self-augmenting. Since increasing production and world-around service flows from the progressive integration of technologies, the primary initiative can be taken by the individual designer. If one sees a gap-closing task in the world equation for which his experience and competence prepares him to make a contribution, and finds no patron or sponsor for the task, he may assume he is being directly challenged by the Universe and will be supported by it, often in indirect and unpredictable ways. "One of the rules of Nature is that she permits us each day the integrity of that day's thinking."

2. The integrity of the Universe is extensible to man, but "only through the congruent integrity of the individual."

3. Increasing wealth and freedom will be achieved through comprehensive design and planning in a world service context. This, however, is not to be confused with state planning, or political planning, any kind of authoritarianism or compulsion. We cannot expect politicians to solve the problems of technology, industry, and economics any more than we can expect them to solve problems of chemistry. The problem and the solution is in progressive design and production for a world society, and can only be hampered or obstructed by attempts to subordinate it to the limited interests of any political or economic pressure groups.

The book is amply illustrated with pictures of his structures, and is crowded with fresh observations on economic history, the development of technologies in shipbuilding and aircraft design, the application of these in forward planning to "livingry" instead of to "weaponry," and his experiences with labor unions. It is not a book for browsing or drowsing — but if you like rugged climbing with some breathtaking views, don't miss it! ◈

- THE CONSERVATIVE PAPERS, introduction by Representative Melvin R. Laird (Garden City: Doubleday & Company, Inc.). $1.45.
- WHAT IS CONSERVATISM?, edited by Frank S. Meyer (New York: Holt, Rinehart and Wilson). $4.95 cloth, $2.75 paper.
- SUICIDE OF THE WEST by James Burnham. (New York: John Day Company). $5.95.
- THE CONSERVATIVE AMERICAN by Clarence Manion (New York: The Devin-Adair Company) $4.75.
- THE CHALLENGE OF CONSERVATISM by Paul A. Sexson and Stephen B. Miles, Jr. (New York: Exposition Press) $4.00.
- DIALOGUES IN AMERICANISM (Henry Regnery Co. (Chicago, Illinois) $3.95.

Reviewed by Edmund A. Opitz

IN the Battle of the Books, the conservatives have it by a mile. Compare the first volume listed above with its counterpart of two years ago, *The Liberal Papers*. That was a tired, party-line plea to quit rocking the boat; the book under review, on the other hand, has vigor and variety. Its scholarly authors are not members of the club, but each in his own way, in the sector assigned to him, registers his dissent from the prevailing "liberal"

prescriptions. Topics run the gamut from inflation, union power, NATO, and federalism to the free market, civil liberty, and foreign aid.

This work is in the nature of a handbook for policy makers, whereas *What Is Conservatism?* smacks more of the study. But again, there is no party line; the terms of the discussion are broad enough to permit inclusion of an old-fashioned Whig's not very convincing account of why he is not a conservative!

There are major differences of emphasis within the conservative camp, even as concerns the name itself. Some stress the liberty of the individual, his right to a domain of his own exempt from the encroachments of the state; others stress the importance of continuity and tradition in human affairs. Editor Meyer has, as a matter of fact, made "consensus and divergence" a theme of his book. Libertarians and traditionalists share much common ground and are linked naturally in a common cause; that, at least, is made clear by each of the dozen contributors. This and the preceding volume supplement each other beautifully; the academic community, if it takes its pretensions seriously, cannot shrug them off.

Liberaldom already feels itself stung by Burnham's book. His point of departure is the thesis that civilizations are not murdered; they commit suicide. Macaulay predicted more than a century ago that we would breed our own Huns and Vandals; Ortega, in 1930, foresaw a "vertical invasion of the barbarians." More prosaically, the central values of Western civilization no longer generate spontaneous loyalty and affection in the hearts and minds of many of our contemporaries. Diagnosing this situation Burnham necessarily zeroes in on that body of doctrine currently labeled "liberalism." He seeks to understand the program promoted by present-day "liberals" by laying bare the premises on which their thought and actions are based, and by systematizing the implications of their creed. In effect, the "liberal" is stretched out on the analyst's couch with his psyche exposed. This amounts to radical soul-surgery and the "liberal" won't like it. He's not supposed to like it! Nor will all conservatives be pleased. But all men of good will, whatever the device engraved on their banners, will benefit from the kind of jolts and jabs that a profound and unorthodox mind like Burnham's can administer. And they will be stirred by Dean Manion's diagnosis of our recent

past and his prescriptions for a better future. We of the present are stuck with the untoward – and unforeseen – consequences of the liberal program of a generation ago. That program promised to make America over; and its very success has proved its undoing! Liberalism is less sure of itself today, and conservatism is resurgent.

A new consensus is being hammered out in our time which, in the normal course of events, will replace the current orthodoxy. That orthodoxy is challenged by Messrs. Sexson and Miles in an excellent little book, as informal and enlightening as a conversation over the back fence. It is challenged again, more formally, in the final book, comprising three debates between Steve Allen and Bill Buckley, Robert Hutchins and Brent Bozell, and James MacGregor Burns and Willmoore Kendall. Speaking for liberaldom, Professor Burns believes that the party which can mobilize a majority behind it should be given a free hand to run the country. He would not deprive conservatives of this opportunity when their time comes, that is, when a majority of the citizens are conservatives. And it is for this reason, he concludes, "that I want the liberals of the nation to have a right to rule in what I think is their day today." When a political philosophy has to resort to the numbers game, its days, as a philosophy, are numbered. ◈

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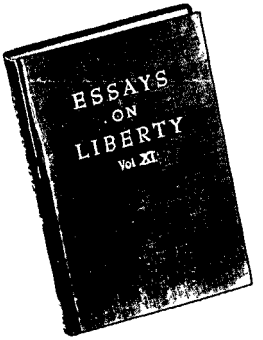

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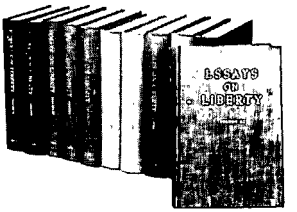

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