

the Freeman

VOL. 19, NO. 1 • JANUARY 1969

- The Collective Guilt Myth** **William Henry Chamberlin** 3
Blaming everyone else for the faults and failures of an individual is unlikely to improve the social climate.
- The Only Kind of People There Are** **Roger J. Williams** 10
Our differences, traits of individuality, are wasted under central planning—require freedom to develop.
- The Rise and Fall of England:**
11. The Fabian Thrust to Socialism **Clarence B. Carson** 14
Concerning the history of the Society and its development since 1884.
- The Free Society and Its Enemies** **Tibor R. Machan** 25
One's basic view of human nature determines largely whether he favors freedom or not.
- Marx's View of the Division of Labor** **Gary North** 28
An analysis of Marxian errors that have been politically implemented into major disasters in our time.
- How We Discourage Investment** **Henry Hazlitt** 36
The high tax rate on the earnings of successful business ventures is a short-cut to economic stagnation.
- Education in America:**
4. The Decline of Intellect **George Charles Roche III** 38
How dangerous a little knowledge may be is revealed by those who would reject their intellectual heritage in a new adjustment to circumstances.
- In Praise of the Conventional Wisdom** **Jack McCroskey** 48
Our common sense ought to prevail over the utopian promises of socialism.
- An Inquiry Concerning Inequality** **W. A. Paton** 53
Variations in nature and in the nature of man point to the blessings of diversity.
- Book Reviews** 61
"War, Peace, and the Presidency" by Henry Paolucci.

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

the Freeman

A MONTHLY JOURNAL OF IDEAS ON LIBERTY

IRVINGTON-ON-HUDSON, N. Y. 10533 TEL.: (914) 591-7230

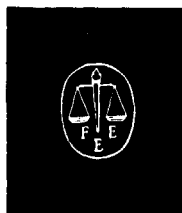
LEONARD E. READ *President, Foundation for
Economic Education*

PAUL L. POIROT *Managing Editor*

THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a non-political, nonprofit, educational champion of private property, the free market, the profit and loss system, and limited government.

Any interested person may receive its publications for the asking. The costs of Foundation projects and services, including THE FREEMAN, are met through voluntary donations. Total expenses average \$12.00 a year per person on the mailing list. Donations are invited in any amount—\$5.00 to \$10,000—as the means of maintaining and extending the Foundation's work.

Copyright, 1969, The Foundation for Economic Education, Inc. Printed in U.S.A. Additional copies, postpaid, to one address: Single copy, 50 cents; 3 for \$1.00; 10 for \$2.50; 25 or more, 20 cents each.



Any current article will be supplied in reprint form upon sufficient demand to cover printing costs. Permission is hereby granted to reprint any article from this issue, providing customary credit is given, except "The Only Kind of People There Are," "The Rise and Fall of England," and "How We Discourage Investment."

WILLIAM HENRY CHAMBERLIN

THE COLLECTIVE GUILT MYTH

THE UNITED STATES in the present decade experienced three assassinations of prominent public figures: President John F. Kennedy, his brother, Senator Robert F. Kennedy, and the Negro leader, Dr. Martin Luther King. Each of these tragedies brought forth a chant of the alleged collective guilt of the entire American people for the crime of an isolated individual. Those who succumb to this emotional reaction should recall the wise words of Edmund Burke: "I do not know the method of drawing up an indictment against a whole people."

There are more than 200 million Americans, people of the most di-

verse backgrounds, interests, levels of education and knowledge, political and economic sympathies. To hold all 200 million responsible for the isolated acts of more or less deranged individuals verges on national masochism and is downright absurd, as may be recognized if one recalls the circumstances of these killings.

President Kennedy was the victim of a mentally unstable person whose sympathies, so far as can be judged from his record, were confusedly Leftist. The man accused of shooting Dr. King in Memphis is awaiting trial, so the facts are not all available. What is not in doubt is that the overwhelming majority of Americans deplored the crime and bore no direct or indirect responsibility for it. Again, subject to further rev-

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

elations at the trial of his assailant, Robert Kennedy seems to have been an innocent bystander, shot because of the implacable feud between Jews and Arabs in the Near East.

Other Lands Plagued

Deplorable as are such acts of violence, they scarcely form a reasonable basis for indicting the whole American people. Political assassination is as old as recorded history and has taken place in almost all nations under various circumstances. There are examples in the Old Testament, in the annals of Greece and Rome. In an age more familiar with classical languages and history, a parallel might have been drawn between the Kennedy brothers and Rome's Gracchi, who tried to shift the balance in the cumbersome Roman constitution away from the patricians toward the plebeians, although they were of high birth themselves.

The Middle Ages afford many examples of hated, weak, or unlucky rulers who were done to death in one way or another. And the history of the Russian Empire has been wittily and not inaccurately described as despotism tempered by assassination. Some Czars perished as a result of palace coups, with the complicity of their guards. Alexander II was assas-

inated in his capital, St. Petersburg, after several unsuccessful attempts, by a small determined band of revolutionaries who called themselves Narodnaya Volya (People's Will). This same group took pains to dissociate itself from the killing of President Garfield (the nonpolitical act of a disappointed office seeker), putting out a statement to the effect that the assassination of high officials was a legitimate form of struggle in Russia, with its denial of liberty, but impermissible in a free republic.

Ironically enough, Alexander II was the most progressive of modern Czars, having emancipated the serfs and introduced other reforms. The last Czar, Nicholas II, was shot down with his Czarina and all their children in a blood-drenched cellar, following the sentence of a self-constituted Bolshevik court during the Russian civil war in 1918.

Nor have other European countries been free from murder for political causes, some of them committed by anarchists and other revolutionaries who believed in "propaganda by the deed." Among the more distinguished victims were King Humberto of Italy in 1900 (he died murmuring some words about "the dangerous trade of kings"), President Sadi Carnot of France, who was stabbed dur-

ing a visit to Lyons, Prime Minister Canovas of Spain, and the Empress Elizabeth of Austria. Her killing, by an Italian anarchist as a symbol of hated royalty, was especially ironical because Elizabeth had rebelled against the excessive formality of Vienna court life, separated from her husband, and was leading a life of private retirement in Switzerland.

So America has no monopoly of assassinations of prominent public figures, for political and non-political reasons. Yet no one has ever suggested that the Russian, Italian, French, or any other people should be regarded as involved, en masse, in these crimes.

Steps to Curb Crime

The alleged sickness of American society is a favorite theme of those who would implicate all Americans when a John F. Kennedy, a Robert F. Kennedy, a Martin Luther King is murdered by a specific individual. Now contemporary American society unmistakably has its faults. But these do not constitute some vague sickness. They are the consequence of the failure of definite individuals and groups to measure up to their duties and responsibilities.

The United States crime rate, especially in violent forms of crime, is a national disgrace because the executive, legislative,

and judicial branches of the government have failed in their obvious obligation to do something about it. The rate of murder, assault, armed robbery, and similar crimes has grown in precise proportion as the handling of brutal criminals has become softer, more permissive, more ineffectual. State after state has been abolishing the death penalty, even for the most atrocious cases of murder without extenuating circumstances, for purposes of robbery, for instance.

From the Supreme Court down, the trend of judicial decisions has been not toward protecting the peaceful citizen in his home or on the streets, but toward hampering the police in their work and protecting the criminal against proper punishment for his misdeeds. There are also outrageous delays in bringing the most notorious criminals, about whose guilt there is no reasonable doubt, to answer for their crimes before the courts, which are often clogged with cases involving trivial and minor offenses.

Crime is like sin; every candidate is publicly against it. But there has been no progress, rather retrogression, in taking practical concrete steps to reduce a higher incidence of crime and insecurity in the streets; in public parks, even in private homes, than one finds in foreign countries on a

comparable level of education and civilization.

Ordinary crime, as well as political assassination, is not something for which the whole American people may reasonably be held responsible. In its present outrageous dimensions it is the natural and inevitable result of neglect and failure in the framing of laws, and the laxness and delay in administering these laws. What is needed to promote a downward turn in the violent crime statistics is not to "cure" a "sick" society, but a number of specific practical measures designed to reverse the modern trend to coddle the criminal at the expense of his victims.

Mob Manifestations

This national guilt myth is responsible for other faulty judgments and analyses. A very serious example of mass violence, accompanied by murder, assault, wholesale arson and looting has been the rioting in predominantly Negro sections of a number of United States cities and towns in recent years. Another such example, on a minor scale, was the action of some students at Columbia University in taking physical possession of the President's office and other buildings, holding some college administrators prisoners for a time, defiling the buildings

which they occupied, shouting obscenities over the campus, and forcibly disrupting for a time the normal functioning of a great institution of learning.

A presidential commission published a report on the causes of the riots in the cities; an academic commission, headed by Professor Archibald Cox of Harvard, published a report on the disturbances at Columbia. Although different persons were involved, there was a curious similarity in the method of reasoning in these two reports. The direct perpetrators of violence were left uncensured or, at most, praised with faint damns, while criticism was concentrated on alleged secondary causes: on that familiar scapegoat, "society," in the case of the rioters; on the college administration, in the case of the student disturbances.

Almost half a century ago the Governor of Massachusetts, Calvin Coolidge, later President, won national acclaim with his declaration on the occasion of the strike of Boston policemen: "There is no right to strike against the public safety by anybody, anywhere, at any time." (What a pity no one could repeat these words with authority in New York at the time when it was paralyzed by strikes, slowdowns, and threats of strikes by such essential groups of pub-

lic servants as teachers, policemen, firemen, and sanitary workers!)

Both of the reports under discussion might well have started with the same words, applied to rioting in a free country where there are plenty of opportunities for expressing grievances and seeking to redress them in a peaceful and orderly way. Instead, the presidential commission placed the principal blame for the riots on racism in white society. Insofar as racism implies deliberate prejudice and discrimination against others because of race, color, and creed, it is a vicious and dishonorable thing; yet, the law has not yet been devised that would make every individual love or esteem all his neighbors or fellow-citizens.

Signs of Progress

Few Americans today would avow themselves as racists, and external signs of discrimination on grounds of race and color have been swept away by one legal enactment after another, some by the Federal government, some by the states. Deliberate segregation by color in schools has been illegal for fifteen years. Even so, it might spare some friction and bitterness if some zealous Federal bureaucrats and state education administrators would remember that,

while the law forbids segregation, it does not enjoin integration up to the point of destroying the neighborhood school and compelling the busing of children away from their homes into unfamiliar and sometimes unsafe neighborhoods.

Discrimination on trains, in buses and public accommodations has been legally outlawed. Doors of opportunity are opening more widely. There are more black faces on college campuses and in white-collar jobs. Negro representation in national and state legislatures is increasing.

Under these circumstances, what rational goal is served by squalid outbreaks of race hatred and other destructive instincts, such as the maniacal impulse to burn on a large scale—and mainly houses and stores that serve the Negro community? The net effect of these outbreaks has certainly been to retard, not to advance Negro progress, to discourage the forces of goodwill, and strengthen the bigots and racists, white and black.

Destruction on Campus

The student outbreaks at Columbia, the University of California, and elsewhere are also mindless in the extreme, except for a nihilistic minority who wish to bring higher education to a

halt. This is not to say that there are no legitimate student grievances, overcrowded facilities, poor food, and a skimping by some big-name professors of their basic function as teachers in favor of writing books and performing odd jobs for government agencies and foundations. Such grievances, when presented in a sensible and civilized way, will certainly win sympathy and redress, except insofar as they are rooted in one cause about which little can be done: the storming of admission doors by more students than universities and colleges can comfortably accommodate.

But the "causes" which prompted the radical minority of the Columbia students to break up the normal functioning of the university were almost incredibly trivial. There were two: the decision of the University to build on its own property a gymnasium which would have benefited both the students and the adjacent Harlem community; and the participation of a few professors in projects sponsored by an institute of defense analysis.

Neither of these issues was a proper matter of student concern; neither justified such obviously illegal doings as the sacking of the President's office, the seizure of university property, the provoked clash with the police, the

shouted obscenities across the campus. Indeed, this last conspicuous feature of the Columbia and other travesties of revolution might well warrant an inquiry by admissions officers as to the kind of homes from which the students were selected.

Outbreaks of Disorder Call for Stern Measures

Blaming everyone for wanton outbreaks of disorder except those actually responsible for these acts is not good morals, good logic, or good policy. Nor is it much use to attack that familiar scapegoat, "society." The proper course for the future is for the civil authorities to put down future riots, should these occur, with all necessary force.

As for university and college students, their right to hold meetings, to parade with placards, to picket peacefully for some cause should not be abridged, although it is hard to see how the pursuit of knowledge is advanced by trying to prevent the sale of California grapes or to interfere with fellow-students who wish to be interviewed for employment with a chemical company. A sharp line, however, should be drawn between peaceful demonstrations and those which involve trespassing on college property, restraint on the free movement of individuals, and

denial of the right of other students to attend classes. Young collegians who fancy themselves in the role of Trotskys, Mao Tse-tungs, and Che Guevaras should be given a plain warning to cease and desist, or to transfer their juvenile playing of revolutionary games elsewhere.

Responsible Individuals

It is time to examine critically a number of assumptions that are bred of the myth of the American national collective guilt complex. For instance, it is sometimes taken for granted that racial friction is unique in America. This disregards the numerous ethnic conflicts in other parts of the world, including the genocidal savagery of tribal feuds in such newly emancipated African lands as the Congo and Nigeria.

The war in Vietnam is denounced as an example of "American imperialism." Vietnam is certainly a sorry story and may have

been a serious blunder. But there has never been the slightest American desire to exercise imperialist domination over that country or to derive profit from that faraway land even remotely comparable with the sacrifice of blood and treasure in its jungles and rice paddies. Right or wrong, wise or unwise (and it may be a long time before a fair historical judgment is possible), the American military intervention has been for the purpose of warding off the establishment of communist dictatorship in South Vietnam and leaving the people of that tormented country freedom to choose their own government and way of life.

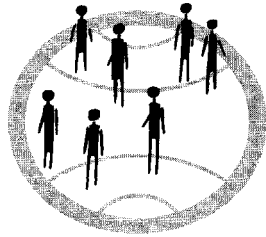
The extreme forms which the American national guilt complex sometimes takes are as foolish and unwarranted as the old-fashioned spread-eagle oratory of United States chauvinism. It is useful to remember that guilt is always individual, never collective. ♦

IDEAS ON LIBERTY

Someone to Blame

SO LONG as the attitude in society is that people are responsible for themselves, but that nature inevitably will limit what we can have, there is a chance that the discontent people feel will be directed at nature. But when we take the attitude that government is all-powerful, that it's only because somebody didn't pass the right law that we're in a bad way, then discontent will be directed at people.

ROGER J. WILLIAMS



The only kind of people there are

IF SOCRATES were resurrected, I suspect he would call attention again to what was written about 25 centuries ago: Know thyself; if you know a lot about other things and are ignorant of yourself, this is ridiculous.

We in this advanced and scientific age have never taken Socrates seriously on this point. I maintain that we are being ridiculous; we seek to plan and yet are not informed about ourselves for whom we plan. Of course, we know *something* about ourselves, but science has never undertaken a serious job of understanding people — a multidisciplinary undertaking. We have not tackled the job of understanding ourselves with one-tenth of the fervor we

have shown in our research in outer space.

One of the most important facts about ourselves we have not grasped: All of us are basically and inevitably individuals in many important and striking ways. Our individuality is as inescapable as our humanity. If we are to plan for people, we must plan for individuals, because that's the only kind of people there are.

In what ways are we individuals? First as to our bodies. These ways are tangible and not subject to argument. Each of us has a distinctive stomach, a distinctive heart and circulatory system. Each of us has a distinctive muscular system, distinctive breathing apparatus, and an endocrine system all our own. Most surprising and significant perhaps, each of us has a distinctive set of nerve receptors, trunk nerves, and a brain that is distinctive in structure and not like other brains.

We are individuals also with re-

Dr. Williams is Professor of Biochemistry at the University of Texas. This article is slightly condensed and published by permission from his address before the American Institute of Planners at Hot Springs, Arkansas, July 12-19, 1968.

Dr. Williams' latest book, *You Are Extraordinary* (Random House, 1967), is available from The Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y., 10533, \$5.95.

spect to our minds. We do not all think with equal facility about the various things that can be thought about. Einstein was an extremely precocious student of mathematics, but on the other hand, he learned language so slowly that his parents were concerned about his learning to talk. William Lyon Phelps, the famous English professor at Yale, on the other hand, confessed that in mathematics he was "slow but not sure." There are at least forty facets to human minds. Each of us may be keen in some ways and stupid in others.

The importance of this individuality in minds would be hard to exaggerate. Because of it two or more people agree with each other only *in spots*, never totally. The grandiose idea that all workers of the world can unite and speak and act as a unit is wholly untenable because of individuality in the minds of the individual workers. Nor can all capitalists unite, and for the same reason. Neither can all Negroes, all Latins, all Chinese, all Jews, all Europeans, or all English-speaking peoples.

It is often assumed that people disagree only because of self-interest and differences in their education. They also disagree because their minds do not grasp the same ideas with equal facility. Sometimes an individual has a specific idea which seems to him

perfectly clear and potent. To him it seems certain that once this idea is expressed it will gain automatic acceptance. Practical trial shows, however, that it does not. To other individuals, because the patterns of their minds are different, this supposedly clear and potent idea may appear foggy, dubious, or even unsound.

Failure to recognize individuality in minds is widespread and is a revelation of the fact that we are ignorant about the people for whom we plan.

"Environmental Determinism"

I do not know that anyone else has ever expressed it this way, but on a long walk with Aldous Huxley about a year before he died, he decried to me the fact that the prevailing philosophy today may be described as "environmental determinism." Environment is assumed to be the only factor in our lives; inborn individuality in body and mind are completely neglected. According to this philosophy, every child who is placed in a slum environment becomes a delinquent and a criminal. This, from the work of the Gluecks at Harvard and others, is manifestly untrue. Neither is it true that every child who is furnished with plenty becomes for this reason an honorable and upright citizen.

Our "social studies" and "social science" teaching in all our schools and universities is permeated with environmental determinism which shows no interest in the crucial facts of individuality and quite inevitably tends to destroy all moral responsibility. A delinquent cannot help being a delinquent, we are told. Society should take all the blame. A criminal is that way because society has made him so, so society is to blame. This is blatant oversimplification in the name of social science! It disregards how human beings are built—their fundamental nature—and can by its short-sightedness lead to a breakdown of our civilization.

What I have been saying does not in any sense deny the importance of environment. Environments are what we can control, and to study how to improve them is the essence of planning. But we, the people, are not putty; we are individuals, and *we* need to be understood.

Individuality Is Crucial

To me it seems certain that the facts of individuality need to be taken into account. There are three areas, related to planning, in which I have some special knowledge. In all these areas individuality is crucial.

Take for instance the area of nutrition and health. It would be

relatively easy to produce economically in factories a "man-chow" which would supposedly be the perfect food for the average man. Laboratory experiences as well as wide observations show, however, that this "man-chow" idea is completely unrealistic. It will not work. Because of biochemical individuality we do not all like the same foods nor can we thrive on the same mixture. Many human beings are so built that they derive a substantial part of the satisfaction of life out of eating. Taking variety and choices from them would be depriving them of their pursuit of happiness. The best food planning devised involves supermarkets where thousands of kinds of foods in great variety are available.

The Food and Drug Administration in Washington has, at least until very recently, done its planning on the basis of the hypothetical average man and has sought to regulate the marketing of medicinal substances, vitamins, and the like on this basis. This cannot work because of the hard facts of biochemical individuality. Real people—individuals—do not react in a uniform manner either to drugs or to nutritional factors such as amino acids, minerals, and vitamins.

No planning in the area of nutrition and health can work on a

long range basis unless the facts of individuality are taken into account. If we plan for people, we must plan for individuals, because that is the only kind of people there are.

Another area of planning in which I have some special knowledge is that of education. I have recently completed my fiftieth year as a teacher. While I have in mind no pet schemes for reorganizing schools or universities, I have had for years a growing consciousness that no successful long-range planning can be done unless we recognize fully that every mind is a distinctive one and that every young person is endowed with peculiar aptitudes which need to be recognized, developed, and used. One of the worst lacks in modern education is the failure of youngsters to know themselves and to recognize their own strengths as well as weaknesses. Education for the hypothetical average child is no good. We must plan for individual children; that's the only kind there are.

Closely related to the problem of planning education is planning to curb crime, violence, racial hatred, and war. As Clement Attlee aptly pointed out years ago, the roots of war are to be found in the minds and hearts of men. The late Robert Kennedy pointed out when he was Attorney-General

that peaceful relations between people cannot be enforced with guns and bayonets.

In my opinion, we will get nowhere in planning to curb violence by thinking in terms of the city of Dallas killing John F. Kennedy, the city of Memphis killing Martin Luther King, or the city of Los Angeles killing Robert Kennedy. Of course, social factors enter into violence, but there are important individual factors, too.

No informed person can think that curbing crime and violence is a simple problem. Because it is difficult, it is all the more important that we seek out — thoroughly — the root causes. I maintain that a great weakness which we exhibit in this modern scientific age is *ignorance about ourselves*.

Finally, let me say that our love of liberty and freedom is based upon this individuality. If we all had the same kinds of stomachs, the same kinds of muscles, nerves, and endocrine glands, the same kinds of brains, planning would be simple. We would all like exactly the same things. We would all be satisfied to read the same books, have the same amusements, eat the same food, and go to the same church. In short, we would all live happily in the same rut.

Planning is not that simple. We must plan for individuals — that's the only kind of people there are. ♦

The Rise and Fall of England



11. THE FABIAN THRUST TO SOCIALISM

THE FABIAN SOCIETY was organized January 4, 1884. Its organization resulted in the split-up of a group that had formed the year before and would be called "The Fellowship of the New Life." There were probably nine members of the Fabian Society at the outset.¹ This was the motto adopted by the Society:

For the right moment you must wait, as Fabius did most patiently, when warring against Hannibal, though many censured his delays; but when the time comes you must

¹ Margaret Cole, *The Story of Fabian Socialism* (Stanford: Stanford University Press, 1961), pp. 3-5.

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

strike hard, as Fabius did, or your waiting will be in vain and fruitless.

The significance of the Fabian Society is not immediately apparent. It was only one among numerous collectivist and socialist organizations at its inception. At a conference held in 1886 fifty-four such societies had representatives, and the Marxist Social Democratic Federation was not even in attendance. There were such organizations as the Socialist League, the Socialist Union, the Guild of St. Matthew, the Anarchist Group of Freedom, the Land Restoration Leagues, the Land Nationalization Society, and the National Secular Society.² Not only was the Fabian

² A. M. McBriar, *Fabian Socialism and English Politics* (London: Cambridge University Press, 1962), p. 23.

Society only one small group among many other socialist groups at the beginning, but even after more than sixty years of existence (1947) it had only about 8,000 members.³

The importance of the Fabian Society did not arise from the number of its members. Instead, it became so influential because it attracted into its ranks men and women who were leaders or would become leaders in a variety of intellectual fields. Shortly after its founding, George Bernard Shaw, Sidney Webb, Graham Wallas, and Beatrice Potter (who married Webb) joined the Society. Over the years, many other prominent English intellectuals and politicians would belong. In the 1920's, for example, it numbered among its adherents those who were or would become prominent such as Clement Atlee, Stafford Cripps, R. H. Tawney, Michael Oakeshott, Ernest Barker, Rebecca West, C. E. M. Joad, Bertrand Russell, Malcolm Muggeridge, Harold Las-ki, and G. D. H. Cole.⁴ Of equal, or greater, importance, the Fabians had an *idea*, and it was this idea which helped to draw so many intellectuals into their ranks. The

idea can be succinctly stated: The Fabians linked reformism by government action with socialism, the latter to be achieved gradually by way of the former.

So stated, the idea may not now be very impressive; certainly, it may not strike us as original, unique, or anything but obvious. That is because we are more or less familiar with it, because it has become a part of that baggage of ideas we carry around with us. This was not the case in the 1880's and 1890's. Socialism and reformism were antithetical currents whose advocates were usually in dogmatic opposition to one another. To appreciate what they did, it will be helpful to go a little into the background of these antithetical dogmas.

The French Had Help

Modern socialism was conceived in the midst of the French Revolution and was shaped within a few decades following the Napoleonic Wars. It was the work mainly of Frenchmen: of Saint Simon, Charles Fourier, Pierre Joseph Proudhon, Auguste Comte, and Louis Blanc. Men from other nations also contributed: Karl Marx, Friedrich Engels, Robert Dale Owen, and William Godwin, among others. At the time of the founding of the Fabian Society, there were three main streams of so-

³ Cole, *op. cit.*, p. 273.

⁴ Sister M. Margaret Patricia McCarran, *Fabianism in the Political Life of Britain* (Chicago: Heritage Foundation, 1954, 2nd ed.), pp. 41-45.

cialism: communitarian, revolutionary, and anarchistic.

Many of the early socialists were communitarians. That is, they proposed to achieve socialism instantly, as it were, by living in communities separated from the rest of society. An example of such a community would be Robert Dale Owen's New Harmony community in America, but there were many other such experiments. In these communities, there would be no private property; all would share in useful work; all would receive from the goods produced and the services provided. These communities were quite often conceived as places where men having taken care of their brute needs could devote most of their energies to intellectual and esthetic fulfillment. They were conceived as voluntary efforts, and if they were to become universal it would be because of their success as a way of life.

There were also the revolutionary socialists, of whom Karl Marx was to become the most famous. Marx spoke of his as scientific socialism—denouncing others as utopians—but that facet of his work need not concern us here. He envisioned—predicted or scientifically calculated, he might have said—a time in the future when the proletariat would rise up, cast off their chains, and destroy the bour-

geois state and all its paraphernalia. Socialism would somehow replace it in that last great stage of history.

Anarchism was most famously propounded by William Godwin and Prince Peter Kropotkin. Its central notion was that the state was unnecessary, that formal government employing force was equally unnecessary, that if it were abolished, society would take over and manage its own affairs peacefully. Some anarchists went about attempting to destroy the state in the most direct fashion, i. e., by political assassination. This was generally intended as a terrorist tactic, to so terrorize those in government that they would abdicate and all others would be afraid to take on their jobs. Not all anarchists, of course, pursued their objective in such a forthright manner.

Societism Unbridled

What gave these people title to be called socialist? What did they have in common that made them socialists? The point has long since been lost sight of largely, but it is this: they proposed that government or the state could be abolished and that society would wholly replace it by subsuming its functions. This doctrine might be clearer if it were referred to as societism rather

than socialism. Generally speaking, early socialists abstracted from liberal doctrine the idea that the state, or government, existed to protect property. (Liberals did not, of course, hold that this was the *only*, or even the underlying, reason for the existence of government.) Property — individualist, private property—, then, was the occasion for the state with its oppression, wars, and dislocative impact upon society. Abolish private property, and the state would no longer have any function. Or, abolish the state, and there would no longer be any private property.

There was, then, a deep hatred of and animus against the state by most socialists. The communitarian would abandon the state to its own devices, so far as possible. The revolutionists would assault it directly, and for Marx it would wither away. The anarchists would make it impossible. This attitude prevailed among many socialists down to the end of the nineteenth century, or beyond. (Indeed, it can be argued — conclusively, so far as semantics are concerned — that once they accepted the state and began to use it they ceased to be socialists.)

Out of the Ashes

This was the state of socialism when the Fabians began to study it in the 1880's. Socialists were

nowhere in power in any land, and it is difficult to see how they could have been, considering their animosity to government. Such communities as had been tried had been failures, usually abysmal failures. Their revolutions had aborted, as, for example, that of the Paris Commune in 1848. Anarchists were widely recognized as a menace, and of interest generally to the police. Socialists were fragmented into numerous groups, their antipathy a product both of temperamental differences among their leaders and their penchant for nit picking over fine points of doctrine. Their doctrines had been repudiated by most men who had heard of them, the estimate of them ranging from thinking of them as downright silly to being profoundly dangerous. Their leaders were frequently *personae non gratae* in their native lands. The inevitability of the triumph of socialism had no direct evidence with which to sustain the faithful.

Yet, there was a great ferment of ideas at work in England, and elsewhere, in the last three decades of the nineteenth century. The Victorian Way was under attack, as has been shown. Men were losing confidence in the validity of ancient certainties. There was a depression in the 1870's, which became known as the Great De-

pression. Reports of poverty and suffering were beginning to make an impact. Neomercantilism and nationalism were gaining sway in many countries. New ideas were being applied in many fields. Reformers, reform ideas, and reform organizations abounded.

The early Fabians were socialists searching for a *modus operandi* by which to achieve their goal. This distinguished them from most other socialists; these had very definite ideas about how utopia would be achieved; by way of communities, following some great revolutionary upheaval, by political assassination, via labor organization, by a revival of peasantry, and so on. In like manner, reformers were usually wedded to a favorite panacea: inflation, a single tax on land, a redivision of the land, urban housing projects, settlement houses, and such like. The Fabians were not encumbered by any such fixed ideas as regards means (though some would eventually become attached to nationalization in this manner). It would be unjust to them to suggest that they were all willing to use any means for attaining socialism, but they were certainly open to the use of a great variety of means to the eventual socialization of England. They had no bias in favor of revolution, nor any in opposition to government. Ameliorative

reform was quite acceptable, so long as it thrust England in the direction of socialism.

So it was that the Fabians acted as a kind of filter for the currents of ideas and movements sweeping about them, eclectically taking from whatever sources whichever ideas or programs suited their purposes. It would not be appropriate here to trace down all the sources of their ideas, but it will help to see what they did — and to see why they were eventually so successful — to note how they took from or flowed with certain currents that were already under way.

Reform by Force

One of the elements of Fabianism, as has been noted, was reformism, the willingness to use government power to make changes of a limited nature. The stage had been set for this by the liberals in the course of the nineteenth century. They had given reform a good name generally and had shown how, when it is applied in a limited manner, it can be made to work. The main impetus of liberal reforms, of course, had been to remove government restrictions, regulations, and prescriptions — to establish liberty —, such as the lowering of tariffs, removing religious qualifications for officeholding, repeal of the

navigation acts, repeal of wages legislation, freeing of the press, and so on.

But there was also a minor strain of interventionism in English liberal thought. This can be best approached by noting that there were two distinct currents that went into nineteenth century English liberalism. They were, respectively, the natural law philosophy and utilitarianism.

Those who adhered to the natural law philosophy—David Ricardo, for example—were not interventionists, at least not in the first half of the century. They believed in a naturally harmonious universe in which to intervene was but to bring about dislocations.

The Radical Nature of Utilitarians

The utilitarians had a quite different foundation for their beliefs, though they frequently arrived at similar conclusions. They are usually characterized as philosophical radicals. The leading figures among utilitarians were Jeremy Bentham, James Mill, and John Stuart Mill, in that chronological order. Bentham repudiated natural law, saying of those who had attempted to uphold it that they "take for their subject the pretended *law of nature*; an obscure phantom, which in the imaginations of those who go in

chase of it, points sometimes to *manners*, sometimes to laws; sometimes to what law *is*, and sometimes to what it ought to be."⁵ In its place, he substituted happiness or utility as his standard of measurement for what ought to be done. This cut away any absolute measure or standard by which to judge what action should be taken. (Utilitarians inclined toward democracy, toward determination by the majority of what would conduce to the greatest happiness.) This opened the way for reform in many directions.

At any rate, Bentham and his followers were enthusiastic reformers. One historian notes that "Bentham had a genius for practical reform. From his tireless pen flowed a series of projects for the practical reform of everything: schools, prisons, courts, laws. . . . By sheer energy and perseverance, Bentham and his followers . . . forced upon the public constant consideration of the question, 'What good is it? Can it be improved?'"⁶ John Stuart Mill edged closer and closer toward some degree of some sort of socialism as

⁵ Quoted in John Bowle, *Politics and Opinion in the Nineteenth Century* (New York: Oxford University Press, A Galaxy Book, 1964), p. 66.

⁶ Roland N. Stromberg, *European Intellectual History Since 1789* (New York: Appeltion-Century-Crofts, 1968), p. 53.

he grew old, and was for a considerable while under the influence of Comte's thought.⁷ The thrust of the utilitarians was toward the extension of the suffrage, educational opportunity for everyone, reform of the Constitution, reform of the laws, and so on. By the time of William Gladstone and the emergence of the Liberal party, these ideas were bearing fruit in proposals to restrict the sale of alcoholic beverages and the supplanting of church controlled education for some state variety.

Democratic Change Rendered Respectable

The utilitarian influence or bearing on Fabianism was threefold, then. The utilitarians made reform respectable, and established a bent in that direction. The utilitarians championed political democracy (and Mill especially emphasized freedom of expression) which would be taken up by the Fabians. Thirdly, Fabians harked back to particular thinkers in support of some of their ideas. One writer says, "The derivation of Fabian ideas from the Liberal tradition has always been stressed by historians, and the Fabians themselves insisted on it, sprinkling their writings plentifully with footnotes and other references to John Stuart Mill, the contemporary Liberal

economists and other respectable authors."⁸

But there was an important influence on the Fabians — or a current which they could use — from the natural law side of liberalism too. This may be a good place to note that any idea of philosophy can have some aspect of it abstracted so as to be used for quite different ends than its general tendency. This was what happened, at any rate, to an aspect of the natural law philosophy. A line of thought was developed in this way that led to the justification of a major government intervention. Several people traveled a similar route to this conclusion, but for reasons that will appear the American Henry George's thought may be used to exemplify this particular usage.

The Georgist Influence

Henry George was in the line of natural law thought. More specifically, he was a latter-day Physiocrat. The Physiocrats had sought for a natural order for economy, and they had placed great emphasis upon land and agriculture. George started from these premises and arrived at the conclusion that rent on land, or some portion of it, is unearned by the landlord — is an "unearned increment" —, is not rightfully his, and should be ap-

⁷ *Ibid.*, pp. 72-73.

⁸ McBriar, *op. cit.*, p. 8.

propriated by the government to be used for the benefit of society, which is the original source of this rent. The Fabians were early acquainted with this doctrine, though they were more inclined to use Marx's phrase "surplus value" than George's "unearned increment." Even so, George's reformism by way of taxation was grist for their mill.

George's *Progress and Poverty* was published in 1879. He made speaking tours in England in 1882 and again in 1884. One writer goes as far as to say that "four-fifths of the socialist leaders of Great Britain in the 'eighties had passed through the school of Henry George."⁹ Another historian declares that George's *Progress and Poverty* was the starting point for Fabian socialism.¹⁰ Another says, more circumspectly: "His eloquent writings and lectures brought many young men of the 'eighties, including some Fabians, to think along lines which were to lead them to Socialism."¹¹ If any doubt of his influence remains, George Bernard Shaw's testimony should clinch the argument. "I am glad to say," Shaw

wrote, "that I have never denied or belittled our debt to Henry George."¹²

Conservative Party Role

The Conservative party prepared the way and helped to establish the tendency for reformism in England also. This was especially true of it under the leadership of Benjamin Disraeli. In his novels Disraeli displayed his interest in and concern for poverty. One writer says that "he believed that the conditions of the common man could be improved by government action. He was, indeed, a believer in the maxim that much should be done for the people but very little by the people."¹³ In 1875, when Disraeli finally had an assured parliamentary majority behind him as Prime Minister, he began to press through a number of reform measures. A Trade Union Act was passed, an Artisans' Dwellings Act, a Food and Drugs Act, and a Public Health Act.¹⁴

But of equal or greater importance than the Conservative championing of reformism, usually

⁹ M. Beer, *A History of British Socialism*, II (London: George Allen and Unwin, 1953), 245.

¹⁰ R. C. K. Ensor, *England: 1870-1914* (London: Oxford University Press, 1936), p. 334.

¹¹ McBriar, *op. cit.*, p. 30.

¹² Anne Freemantle, *This Little Band of Prophets* (New York: Macmillan, 1960), p. 34.

¹³ Salo W. Baron, "George Bandes and Lord Beaconsfield" in George Bandes, *Lord Beaconsfield* (New York: Crowell, 1966), p. vii.

¹⁴ Ensor, *op. cit.*, pp. 35-36.

dubbed "Tory paternalism," was something which the Fabians must have imbibed from conservative philosophy. The *gradualist* approach to socialism is rooted in an abstraction from conservative sociology, whose progenitor was surely Edmund Burke. Implicitly, Burke tells us much about how society must be changed, to the extent that it can be successfully changed. Society is an organism, Burke held, and it cannot be changed or altered casually, or at will. Such changes as occur must not be offensive to the system as it is, should be in accord with it, and must be introduced slowly so as not to shock it. Now Fabians really had no objection to a socialist revolution, at least most did not, but they did not believe that this could be accomplished in England. Thus, their gradualist tactics at least accorded with a widespread English belief which owed much to conservative thought, however offensive what they introduced might actually be to the English system.

Theories of Evolution

Another element that went into the Fabian view, a current which they could turn into their own stream, was the evolutionary theory of development. For several decades prior to the organization of the Society, the evolutionary

conception of things had been gaining sway, particularly as a result of Hegel's philosophy of history, Charles Lyell's *Principles of Geology*, Herbert Spencer's *Social Statics*, and Charles Darwin's *Origin of the Species* and *Descent of Man*. Evolutionary theories were particularly important to utopians and socialists because they could be interpreted so as to give the impression that everything was changing, that nothing was fixed, and that all things were possible. This was another source and support, too, of the notion of making changes gradually. In view of the currency of these ideas, "it was only to be expected that the Fabians would avail themselves of these ideas to justify their programme. The extent to which they did so may be seen in several theoretical Tracts written for the Society at different times by Sidney Webb, and also in *Fabian Essays* . . ."¹⁵

The Fabians Motivated by Marxist Ideals

Marxism was a major influence on the Fabians. In this case, however, the adoption of Marxist ideas did not give added impetus to the Fabian cause. On the contrary, they would be an impediment at this time. Hence, Fabians were disinclined to ascribe ideas to

¹⁵ McBriar, *op. cit.*, pp. 60-61.

Marx or to credit him where credit was due. But the Fabians were socialists, and there is good reason to believe that their socialism was informed by Marxist ideas. The Marxist influence can be shown both by external and internal evidence. H. M. Hyndman, leader of the Social Democratic Federation in England, was greatly influenced by Marx.¹⁶ He published two books at a crucial time which were largely cribbed from Marx's writings: *England for All* (1881) and *Historical Basis of Socialism in England* (1883). A number of the early Fabians were deeply involved with the Social Democratic Federation. Not only that but also early reading lists for the Society indicate that several of Marx's works were available and presumably read. As one writer says, "The particular kind of Marxist works in currency amongst the Fabians had an effect on the development of their own theory. . . ."¹⁷ He notes that the *Fabian Essays* reveal "a number of elements taken over from Marxist theory. In addition to the emphasis on the role of the working-class in bringing Socialism into existence, the doctrines of the narrowing of the numbers of the capitalist class and the increasing misery of the working-class can

both be found there. . . ."¹⁸ It is worth noting, too, that both George Bernard Shaw and Sidney Webb virtually embraced Russian communism later in their lives.¹⁹

Utopianism

One other current present at the time greatly assisted the Fabians in the spread of socialism. It was utopianism. The great age of utopian literature, particularly the utopian novel, in English was from 1883 to 1912. Some seventy-four works appeared during this period.²⁰ According to one historian, the most influential of these works on British socialists were two books by Americans: Laurence Gronlund's *Co-operative Commonwealth* (1884) and Edward Bellamy's *Looking Backward* (1888). But the English also published important works of the genre: William Morris, *News from Nowhere* (1891), and Robert Blatchford, *Merrie England*, the latter selling over a million copies.²¹ It is important to keep in mind, too, that utopian literature was frequently vague about how socialism was to be obtained but provided

¹⁸ *Ibid.*, p. 62.

¹⁹ *Ibid.*, p. 92; C. Northcote Parkinson, *Left Luggage* (Boston: Houghton-Mifflin, 1967), p. 94.

²⁰ Glenn Negley and J. Max Patrick, *The Quest for Utopia* (New York: Henry Schuman, 1952), pp. 19-22.

²¹ Ensor, *op. cit.*, p. 334.

¹⁶ Beer, *op. cit.*, pp. 67-69.

¹⁷ McBriar, *op. cit.*, p. 11.

glowing pictures of the ideal society that would emerge. This helped greatly in popularizing socialist goals.

A Witches' Brew

From these elements, however disparate and antagonistic they may have been at the time, the Fabians concocted a blend which has come to be known as Fabianism. They fatefully linked government action (reformism) with the thrust to socialism. By so doing, they provided a *modus operandi* for achieving their goals which became increasingly believable to many people. By riding certain currents that were underway, they began to achieve respectability for their doctrines. In contrast to America, "socialism" became a word to conjure with in England rather than a dirty word. This should be attributed mainly to the Fabians and their methods. Moreover, they linked gradualism and

democracy to the movement toward socialism, thus making it that much more acceptable. The Fabians were not so much original in conceiving any of the elements as they were successful fusionists and propagandists. It was by their efforts, more than any others, that England was bent toward socialism.

And, there is a clear connection between the rise of socialism in England and the decline and fall of England from world leadership and greatness within a few decades. Chronologically, the relationship is about as close as it could be. But it must be made clear that it was not simply an accident that the rise of socialism in England paralleled the decline of that country. To do that, the Fabian methods and program must be examined, the movement to power told, and the erosive impact of all this on British institutions and practices explored. ♦

*The next article of this series will further explore
"The Fabian Program."*

The Free Society and Its Enemies

TIBOR R. MACHAN

THE EDUCATION of citizens in the philosophy of freedom must be the concern of all those who consider the free society the proper kind of social system under which man can live with his fellow men. Unfortunately, it is in this task that those who propose a free society find themselves least qualified. The reason is simple: how the problems of individuals, how their wants will best be handled is not something that we can forecast with certainty.

This basic uncertainty about the ways in which free men would deal with their lives — how they would manage to travel roads built by private concerns, to mention just one issue which is raised frequently — should not, however, prevent one from thinking about the issue once in a while. It is true that if a free society is based on the moral point of view that each man has the moral right to the use and

disposal of his property — including himself and his work — then it is of secondary concern how men will come to produce those things which we now seem to value very highly. Surely, if it is morally right to have private ownership of land, how that principle will effect the satisfaction of the now expressed desire for roads, parks, beaches, and the like is of secondary concern.

But it is also true that unless we can successfully demonstrate that a free society is good for people, that it is of benefit to man — that the moral principles serve his best interest — we cannot very well advocate its adoption. Yet we know that not everyone with whom we talk about freedom is thoroughly versed in the intricacies of philosophical reasoning. A recent discussion I had with a gentle lady of advanced years showed me that it is very difficult to resolve basic problems of epistemology with someone who, though basically intelligent, just has not the time or

Mr. Machan, candidate for the Ph. D. degree at the University of California, Santa Barbara, also teaches part-time and does free-lance writing.

the energy to absorb what is needed to consider such issues.

As a result, I considered demonstrating to some of my intellectual adversaries that some of the things we value today — roads, parks, forests, beaches, schools, and so on — not only would be available to people who wish to obtain them but would be obtainable in much better conditions and circumstances than now prevail. In attempting this, I found that one cannot limit himself to one alternative. Certainly, it is quite possible that city roads — as they are now known — would be maintained and owned by the local business concerns (groceries, gas stations, motels, banks, nightclubs, and the like). But it is also conceivable that roads might be defunct at the time when a free society will be established, and the problem would not even arise. The notion that we would travel in helicopters may now seem outrageous; but with free men, one can never tell what is going to catch on next.

An important feature of this type of presentation of the possibilities of and within a free society is that at certain stages it reveals a great deal about the person with whom one is talking. For instance, the lady with whom I was discussing the matter objected to my suggestion that businesses might own the city roads on the

grounds that “they might not let me walk on them unless I do it for the sole purpose of trading with them.” This revealed something very interesting to me about this lady. It strongly hinted that hers was a negative view of human nature. Clearly, it would be absurd and even self-defeating for anyone to make that kind of a limitation on property which is widely used and which works, in the end, to further his benefit. A business does not benefit solely through direct trade; good will, patience, and kindness to customers furthers one’s business operations in any market where buyers are free to choose where they will shop. We all find it disturbing when we are being pushed too hard by salesmen who cannot wait for us to make a decision. But the suggestion that honest business practices, competence, consideration for one’s fellow men, and respect of others’ rights, would foster ill will seems to stem not so much from a concern over the availability of generally recognized values and goods but from a basic distrust of the capacity of man for goodness.

Many people believe, consciously or subconsciously, that man by his very nature is either stupid or evil. They do not act on this in their personal lives — not always, that is — but they tend to think

it when the promise of human freedom is suggested to them. They look at history and believe that the evils result, not from bad ideas, distorted views, faulty reasoning, or the absence of reasoning by many powerful people, but from the basic, necessary deficiencies of human nature. And when this becomes evident, we who believe otherwise can go to work on a reconsideration of the philosophy of man and society.

Religion and philosophy have had great influence in bringing about the kind of society we have. It is only through reconsideration of the problems in those very abstract fields of study that we may be able to recast man's image. But our rethinking of those issues also may help us appreciate the confusion that persists in many minds about alternative systems of government and society. For clearly, if man is necessarily evil or deficient in important aspects of his character, no social system is going to bring about the goods which so many of our adversaries believe a free society cannot produce. As to the lady's objection, for instance, surely she must realize that if people would privately place stupid prohibitions on the use of the property which they open for trading purposes, they will vote just as stupidly when the use of city streets is considered

in the "democratic process." There is, after all, no guarantee that City Planning Commissions are composed of infallible and good people; and if they are all deficient by nature, the harmful judgments they make will affect all of us. An elite and a dictator are equally subject to the laws of human nature. So, it is a mistake to think that pure democracy or representative democracy — or any other system of government in which human beings administer the decisions — would protect us against the failings of naturally deficient or evil men. At least, in a free society we would be able to confine the source of evil and the responsibility for it much more efficiently; while, as it stands now, we all suffer at the hands of the majority and its representatives.

Discussing the values of a free society is an exasperating job. But it is immensely revealing; it tells one a great deal about why we are where we are and why we are not moving toward a better alternative more rapidly. By paying heed to some of the things that concern our adversaries, we can learn a great deal about them and about the problems we must overcome in order to progress toward the building of a truly free society. I am by no means pessimistic. But I would warn against believing that the task is a simple one. ♦

MARX'S VIEW

of the DIVISION

of LABOR

GARY NORTH

THE DIVISION OF LABOR is a subject which has fascinated social scientists for millennia. Before the advent of modern times, philosophers and theologians concerned themselves with the implications of the idea. Plato saw as the ultimate form of society a community in which social functions would be rigidly separated and maintained; society would be divided into definite functional groups: warriors, artisans, unskilled laborers, rulers. St. Paul, in his first letter to the church at Corinth, went so far as to describe the universal Church in terms of a body: there are hands, feet, eyes, and all are under the head, Christ. Anyone who intends to

deal seriously with the study of society must grapple with the question of the division of labor. Karl Marx was no exception.

Marx was more than a mere economist. He was a social scientist in the full meaning of the phrase. The heart of his system was based on the idea of human *production*. Mankind, Marx asserted, is a totally autonomous species-being, and as such man is the sole creator of the world in which he finds himself. A man cannot be defined apart from his labor: "As individuals express their life, so they are. What they are, therefore, coincides with their production, both with *what* they produce and with *how* they produce."¹ The very fact that man rationally organizes production is

Gary North is a member of the Economists' National Committee on Monetary Policy and is the author of *Marx's Religion of Revolution* (Nutley, New Jersey: Craig Press, 1968), from which this article has been adapted.

¹ *The German Ideology* (London: Lawrence & Wishart, 1965), p. 32.

what distinguishes him from the animal kingdom, according to Marx. The concept of production was a kind of intellectual "Archimedean point" for Marx. Every sphere of human life must be interpreted in terms of this single idea: "Religion, family, state, law, science, art, etc., are only *particular* modes of production, and fall under its general law." Given this total reliance on the concept of human labor, it is quite understandable why the division of labor played such an important role in the overall Marxian framework.

Property vs. Labor

Marx had a vision of a perfect human society. In this sense, Martin Buber was absolutely correct in including a chapter on Marx in his *Paths in Utopia*. Marx believed in the existence of a society which preceded recorded human history. In this world, men experienced no sense of alienation because there was no alienated production. Somehow (and here Marx was never very clear) men fell into patterns of alienated production, and from this, private property arose.³ Men began to appro-

priate the products of other men's labor for their own purposes. In this way, the very products of a man's hands came to be used as a means of enslaving him to another. This theme, which Marx announced as early as 1844, is basic to all of Marx's later economic writings.

Under this system of alienated labor, Marx argued, man's very life forces are stolen from him. The source of man's immediate difficulty is, in this view, the division of labor. The division of labor was, for Marx, the very essence of all that is wrong with the world. It is contrary to man's real essence. The division of labor pits man against his fellow man; it creates class differences; it destroys the unity of the human race. Marx had an almost theological concern with the unity of mankind, and his hostility to the division of labor was therefore total (even totalitarian).

Class Warfare

Marx's analysis of the division of labor is remarkably similar to Rousseau's.⁴ Both argued that the desire for private property led to

² "Private Property and Communism," *The Economic and Philosophic Manuscripts of 1844*, edited by Dirk J. Struik (New York: International Publishers, 1964), p. 136.

³ "Estranged Labor," *ibid.*, pp. 116-17.

⁴ J. J. Rousseau, *Discourse on the Origin of Inequality*, in G. D. H. Cole (ed.), *The Social Contract and Discourses* (London: Dent, 1966), esp. pp. 195-208. Cf. Robert A. Nisbet, "Rousseau and Totalitarianism," *Journal of Politics*, V (1943), pp. 93-114.

the division of labor, and this in turn gave rise to the existence of separate social classes based on economic differences. The Marxist analysis of politics relies completely upon the validity of this assumption. Without economic classes, there would be no need for a State, since a State is, by definition, nothing more than an instrument of social control used by the members of one class to suppress the members of another.⁵ Thus, when the proletarian revolution comes, the proletarian class must use the State to destroy the remnants of bourgeois capitalism and the ideology of capitalism. The opposition must be stamped out; here is the meaning of the famous "ten steps" outlined in the *Communist Manifesto*. Once the opposition is totally eradicated, there will be no more need for a State, since only one class, the proletariat, will be in existence. "In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the development of all."⁶

⁵ *German Ideology*, pp. 44-45.

⁶ *The Communist Manifesto* (1848), in *Marx-Engels Selected Works* (Moscow: Foreign Languages Publishing House, 1962), I, p. 54. For a critique of this view of the State, see my study, *Marx's Religion of Revolution* (Nutley, New Jersey: Craig Press, 1968), p. 112.

Marx actually believed that in the communist society beyond the Revolution, the division of labor would be utterly destroyed. All specialization would disappear. This implies that for the purposes of economic production and rational economic planning, all men (and all geographical areas) are created equal. It is precisely this that Christians, conservatives, and libertarians have always denied. Marx wrote in *The German Ideology* (1845-46):

. . . in communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have a mind, without ever becoming hunter, fisherman, shepherd or critic.⁷

A Utopian Ideal

A more utopian ideal cannot be encountered in serious economic literature. While some commentators think that Marx later abandoned this radical view, the evidence supporting such a conclusion is meager. Marx never explicitly repudiated it (although the more outspoken Engels did,

⁷ *German Ideology*, pp. 44-45.

for all intents and purposes). Even if Marx had abandoned the view, the basic problems would still remain. How could a communist society abandon the specialization of labor that has made possible the wealth of modern industrialized society and at the same time retain modern mass production methods? How could the communist paradise keep mankind from sliding back into the primitive, highly unproductive, unskilled, low capital intensity production techniques that have kept the majority of men in near starvation conditions throughout most of human history?

The whole question of economic production "beyond the Revolution" was a serious stumbling stone for Marx. He admitted that there would be many problems of production and especially distribution during the period of the so-called "dictatorship of the proletariat." This period is merely the "first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society."⁸ Marx never expected great things from this society. However, in the "higher phase of communist so-

ciety," the rule of economic justice shall become a reality: "From each according to his ability, to each according to his needs!"⁹ This will be easy to accomplish, since the vast quantities of wealth which are waiting to be released will be freed from the fetters and restraints of capitalist productive techniques. As Mises has pointed out, "Tacitly underlying Marxian theory is the nebulous idea that natural factors of production are such that they need not be economized."¹⁰ Maurice Cornforth, the Marxist philosopher, confirms Mises' suspicion that Marxists see all scarcity as a product of institutional defects rather than as a basic fact of the order of the world in which we live:

The eventual and final abolition of shortages constitutes the economic condition for entering upon a communist society. When there is socialized production the products of which are socially appropriated, when science and scientific planning have resulted in the production of absolute abundance, and when labour has been so enlightened and organized that all can without sacrifice of personal inclinations contribute their working abilities to the common fund, everyone will re-

⁸ *Critique of the Gotha Program* (1875), in *Marx-Engels Selected Works*, II, p. 24. This is one of the few places in which Marx presented some picture of the post-Revolutionary world.

⁹ *Ibid.*

¹⁰ Ludwig von Mises, *Socialism* (New Haven, Conn.: Yale University Press, [1922] 1951), p. 164.

ceive a share according to his needs.¹¹

Who Shall Plan?

A critical problem for the Marxist is the whole question of communist planning: How is production to be directed? By what standards should the society allocate scarce resources? Whatever Marx's personal dreams were concerning the abolition of scarcity, resources are not in infinite supply. It is because of this very fact that society must *plan* production. Marx saw this activity as basic to the definition of man, yet this very activity implies the existence of scarcity, a peculiar paradox for Marxism. The fact remains that automobiles do not grow on trees. Someone must decide how many automobiles should be produced in comparison with the number of refrigerators. Planning is inherent in all economic production, and Marx recognized this: "Modern universal intercourse can be controlled by individuals, therefore, only when controlled by all."¹² But how can they "all" register their preferences? If there is no private property (and, therefore, no free market economy), and if there is no State

planning — no political planning — then who decides which goods are to be produced and which goods are not? Murray Rothbard has stated this dilemma quite accurately:

Rejecting private property, especially capital, the Left Socialists were then trapped in an inner contradiction: if the State is to disappear after the Revolution (immediately for Bakunin, gradually "withering" for Marx), then how is the "collective" to run its property without becoming an enormous State itself, in fact even if not in name? This was the contradiction which neither the Marxists nor the Bakunists were ever able to resolve.¹³

The Problem of Scarcity

The need to coordinate production implies the existence of scarcities which the production is designed to alleviate. If everyone had all he desired at the moment of wanting it, production would be unnecessary. Raw materials must be fashioned into goods or indirectly into services, and these goods must be shipped from place to place. Such actions require *time* (interest on the investment of capital goods), *planning* (profit for success and loss for failure), and *labor* (wages). In short, *production* demands *planning*. No

¹¹ Maurice Cornforth, *Marxism and the Linguistic Philosophy* (New York: International Publishers, 1965), p. 327.

¹² *German Ideology*, p. 84.

¹³ Murray N. Rothbard, "Left and Right: The Prospects for Liberty," *Left and Right*, I (1965), p. 8.

society is ever faced with the problem "to plan or not to plan." The issue which confronts society is the question of *whose* plan to use. Karl Marx denied the validity of the free market's planning, since the free market is based upon the private ownership of the means of production, including the use of money. Money, for Marx, is the crystallized essence of alienated production; it is the heart of capitalism's dynamism. It was his fervent hope to abolish the use of money forever.¹⁴ At the same time, he denied the validity of centralized planning by the State. How could he keep his "association" from becoming a State? The Fabian writer, G. D. H. Cole, has seen clearly what the demand for a classless society necessitates: "But a classless society means, in the modern world, a society in which the distribution of incomes is collectively controlled, as a political function of society itself. It means further that this controlled distribution of incomes must be made on such a basis as to allow no room for the growth of class differences."¹⁵ In other words, given the necessity of a

political function in a supposedly stateless world, how can the Marxists escape the warning once offered by Leon Trotsky: "In a country where the sole employer is the State, opposition means death by slow starvation. The old principle: who does not work shall not eat, has been replaced by a new one: who does not obey shall not eat."¹⁶

Ultimately, the acceptance of the existence of scarcity must be a part of any sane social analysis. In contrast to this Rousseauian-Marxian view of the division of labor stands both the traditional Christian view and the libertarian view of Professor Mises. Men have a natural propensity to consume. If unrestrained, this tendency might result in looting, destruction, and even murder.

The Need to Produce

The desire to consume must be tempered by a willingness to produce, and to exchange the fruits of production on a value for value received basis. Each person then consumes only what he has earned, while extending the same right to others. One of the chief checks on men's actions is the fact of economic scarcity. In order to ex-

¹⁶ Leon Trotsky, *The Revolution Betrayed* (1936), quoted by F. A. Hayek, *The Road to Serfdom* (University of Chicago Press, 1944), p. 119.

¹⁴ "On the Jewish Question," (1843-44), in T. B. Bottomore, *Karl Marx: Early Writings* (New York: McGraw-Hill, 1964), pp. 34-40.

¹⁵ G. D. H. Cole, *The Meaning of Marxism* (Ann Arbor: University of Michigan Press, [1948] 1964), p. 249.

tract from a resisting earth the wealth that men desire, they are forced to cooperate. Their cooperation can be voluntary, on a free market, or it can be enforced from above by some political entity.

Scarcity makes necessary an economic division of labor. Those with certain talents can best serve their own interests and society's interests by concentrating their activities in the areas of production in which they are most efficient. Such specialization is required if productivity is to be increased. If men wish to have more material goods and greater personal services, they must choose occupations in which they can become effective producers. Those who favor a free market arrangement argue that each man is better equipped than some remote board of supervisors to arrange his own affairs and choose his own calling according to his desires, talents, and dreams. But whether the State directs production or the demand of a free market, the specialization of labor is mandatory. This specialization promotes social harmony; the division of labor forces men to restrain their hostile actions against each other if they wish to have effective, productive economic cooperation.

In this perspective, the division of labor promotes social unity

without requiring collective uniformity. It acknowledges the existence of human differences, geographical differences, and scarcity; in doing so, it faces the world in a realistic fashion, trying to work out the best possible solution in the face of a fundamental, inescapable condition of man. In short, the cause of economic scarcity is not the "deformed social institutions" as the socialists and Marxists assert; it is basic to the human condition. While this does not sanction total specialization, since man is not a machine, it does demand that men acknowledge the existence of reality. It does demand that the division of labor be accepted by social theorists as a positive social benefit.¹⁷

A Faulty Premise

Anyone who wishes to understand why the Marxian system was so totally at odds with the nineteenth century world, and why it is so completely unworkable in practice, can do no better than examine Marx's attitude toward the division of labor. It becomes obvious why he always shied away from constructing "blueprints for the communist paradise" and concentrated on lashing the capitalist framework: his view of the future was utopian. He expected man to

¹⁷ Mises, *Socialism*, pp. 60-62.

be regenerated by the violence of the Revolution. The world beyond would be fundamentally different: there would be no scarcity, no fighting, and ultimately, no evil. The laws of that commonwealth would not be conformable with the laws that operate under bourgeois capitalism. Thus, for the most part, Marx remained silent about the paradise to come. He had to. There was no possible

way to reconcile his hopes for the future with the reality of the world. Marx was an escapist; he wanted to flee from time, scarcity, and earthly limitations. His economic analysis was directed at this world, and therefore totally critical; his hopes for the future were utopian, unrealistic, and in the last analysis, *religious*. His scheme was a religion — a religion of revolution. ♦

IDEAS ON LIBERTY

Culture vs. Barbarism

CULTURE strives to establish a boundary between itself and barbarism. The manifestations of barbarism are called "crimes." But existing criminology is insufficient to isolate barbarism. It is insufficient because the idea of "crime" in existing criminology is artificial, for what is called crime is really an infringement of "existing laws," whereas "laws" are very often a manifestation of barbarism and violence. Such are the prohibiting laws of different kinds which abound in modern life.

The number of these laws is constantly growing in all countries and, owing to this, what is called crime is very often not a crime at all, for it contains no element of violence or harm. On the other hand, unquestionable crimes escape the field of vision of criminology, either because they have not the recognized form of crime or because they surpass a certain scale. In existing criminology there are concepts: a criminal man, a criminal profession, a criminal society, a criminal sect, a criminal caste and a criminal tribe, but there is no concept of a criminal state, or a criminal government, or criminal legislation. Consequently the biggest crimes actually escape being called crimes.

HOW WE DISCOURAGE

INVESTMENT

HENRY HAZLITT

PERSONAL INCOME tax rates that rise to the level of 77 per cent obviously discourage incentives, investment, and production. But no politician raises the point for fear he will be accused of defending the rich.

What is probably an even greater discouragement to new investment and increased production is the present income tax rate of 52.8 per cent on corporations. Yet this gets even less criticism than high personal income taxes. Nobody wants to defend the corporations. They are everybody's whipping boy. And yet they are the key productive element on which the nation's income, wealth, and economic growth depend.

There was at least some awareness of this until recent years. When the tax on corporation income was first imposed in 1913 it

was at the very cautious rate of 1 per cent. It never got above 15 per cent until 1937. In the midst of World War II it was still only 40 per cent. It did not get to 52 per cent until 1952.

Today such a rate is taken for granted. Yet most of those who approve of it, and even suggest it could be a little higher, are the very people who have been complaining most loudly in recent years about the country's disappointing rate of economic growth.

The present average tax on all corporations is about 45 per cent. On successful corporations of any size, however, the average rate is close to 52 per cent. Broadly speaking, therefore, when anybody contemplates a *new* corporate investment, he will not make it unless the investment promises to yield *before taxes* at least twice as much

as the return he would consider worthwhile. If, for example, a man would not consider a new investment worthwhile unless it promised a 10 per cent average annual return on his capital outlay, it would have to promise a return of 20 per cent on that outlay before taxes.

What is at least as important as reducing the incentive to investment is that the present corporate income tax reduces the funds available for investment. In the second quarter of 1968, according to estimates of the Department of Commerce, U.S. corporations were earning total profits before taxes at an annual rate of \$92 billion. Out of this their corporate tax liability was \$41 billion. This reduced their profits after taxes to \$50.7 billion. Out of this sum, in turn, \$24.4 billion was paid out in dividends while \$26.3 billion was retained in undistributed profits.

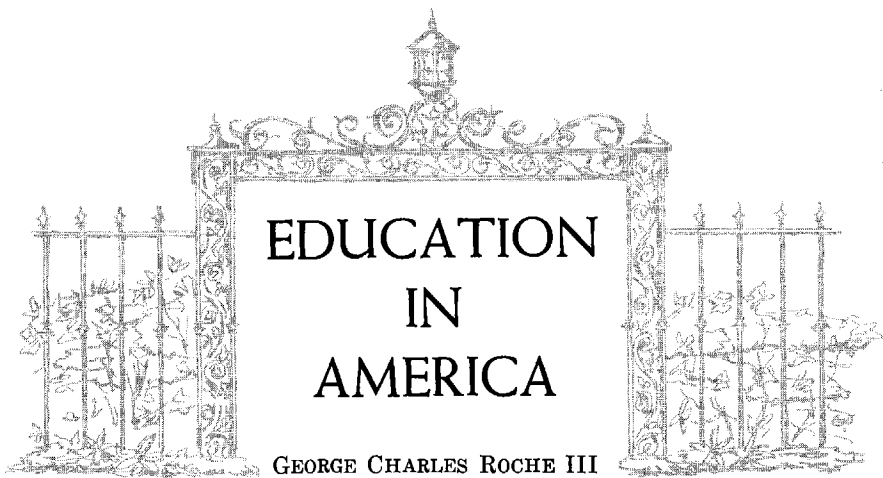
This last figure represents the corporations' own reinvestment in working capital, inventories, improvement, new plant, and equipment. If there had been no corporate tax whatever, and there had been the same proportionate dis-

tribution of profits between dividends and reinvestment, the amount of money reinvested would have been \$47 billion instead of \$26 billion—about \$21 billion, or 80 per cent, more a year.

By discouraging and retarding investment in new machinery and plant, the 52.8 per cent marginal corporation income tax shields existing obsolescent capacity from the competition of the new, modern and efficient plant and equipment that would otherwise come into existence, or come into existence much sooner.

It is obvious that a corporation income tax in the neighborhood of 50 per cent must drastically reduce both the incentive and the funds for new investment, and therefore for the consequent increase in jobs, productivity, real wages, and economic growth that the politicians are always calling for. By striking so directly against new investment, in fact, the present high corporate income tax slows down economic growth more effectively than almost any other type of tax.





4. *The Decline of Intellect*

THE LOWERED ethical standards of our age have been matched by a decline of intellect. Today, we place progressively less faith in man's intellectual powers, substituting a faith in institutionalized arrangements and methods. If we would help our young to develop and implement proper values in their lives, we must first recover the intellectual integrity to distinguish between good and bad. Such intellectual integrity rests upon a firm belief that man *can* think, and that no genuine substitute exists for human thought.

Dr. Roche is Director of Seminars for the Foundation for Economic Education. He has taught history and philosophy in college and maintains a special interest in American education.

If the school is to transmit the intellectual and cultural heritage, and develop in students a proper sense of morality, it must begin by teaching them to think.

Conversely, if we would help our young people to think, we must provide a cultural and moral framework within which their intellectual capacities may be exercised. Yet, this disciplined thought is precisely what is lacking in the home and the school.

Within the existing educational framework, moral and philosophic questions tend to be handled with the neutrality of "scientific objectivity." As the result, our children are provided no philosophic basis for their own thinking. Instead,

they take on the protective coloration of the dominant social mores — a form of “social adjustment” which places a premium upon non-thinking. Small wonder that our age of shrinking values also becomes the age of shrinking intellect.

Debunking Tradition, While Demanding Its Fruits

It is not quite fair to say that today’s intellectual leaders have no values. Although they are extremely skeptical about values and emphasize that skepticism in all their works, many modern “intellectuals” *do* have their own underlying value system which C. S. Lewis has sharply called into question:

It is an outrage that they should be commonly spoken of as Intellectuals. This gives them the chance to say that he who attacks them attacks Intelligence. It is not so. They are not distinguished from other men by any unusual skill in finding truth nor any virginal ardour to pursue her. Indeed it would be strange if they were: a preserving devotion to truth, a nice sense of intellectual honour, cannot be long maintained without the aid of a sentiment which . . . [they] could debunk as easily as any other. It is not excess of thought but defect of fertile and generous emotion that marks them out. Their heads are no bigger than the ordinary: it is the atrophy

of the chest beneath that makes them seem so.

And all the time — such is the tragi-comedy of our situation — we continue to clamour for those very qualities we are rendering impossible. You can hardly open a periodical without coming across the statement that what our civilization needs is more “drive,” or dynamism, or self-sacrifice, or “creativity.” In a sort of ghastly simplicity we remove the organ and demand the function. We make men without chests and expect of them virtue and enterprise. We laugh at honour and are shocked to find traitors in our midst. We castrate and bid the geldings be fruitful.¹

“There Is No Truth”

What are some of the philosophic underpinnings of the educational system now reaping such a bitter harvest? One of the most basic principles of the Deweyite pragmatism and instrumentalism which infects our schools and our social order is that the truth of an idea is measurable only by the consequences to which it leads. If the consequences of an idea are good, then the proposition is true. How do we measure good consequences? The good, so we are told by the instrumentalists, is that which achieves the proper social ends.

¹ C. S. Lewis, *The Abolition of Man*, pp. 34-35.

Does the individual have judgment in this matter? Is there some divine sanction by which we can evaluate such ends? The modern answer to both questions is "No." The measure of good is now exclusively social, eliminating individual judgment, eliminating any fixed standard of right and wrong, and indeed eliminating the very concept of truth.

The fact that a modern intellectual no longer searches for truth should not be construed to mean that he no longer searches for knowledge. The distinction comes in the fact that his search for knowledge evidences no interest in any ultimate reality beyond the immediate workability of an idea. Any value without direct application to the here and the now is considered pointless and unworthy of transmission as "knowledge."

Most men who have lived in Western civilization have premised their thinking upon the presence of a higher reality, dimly perceived yet serving as the basis for all human endeavor. That human endeavor was an attempt to discover and live in consonance with that higher reality through the use of man's *unique* capacity to reason. The modern intellectual, applying "scientific" methods and standards to his investigation, finds no evidence of such a higher

reality or any higher side of man as reflected in the individual. Thus, man comes to be viewed as nothing more than a creature engaged in the process of adaptation to his environment, a creature possessing neither soul nor mind in the sense in which Western man has developed the concept. The intellect itself, the individual's very capacity to think, is finally called into question.

No Use for the Mind

Today's educational framework affords no place for the mind. The concept of mind always demanded discipline on the part of the individual if the fruits of his intellectual processes were to command the attention and respect of his fellows. But in today's denial of mind, the new keys to man's personality are assumed to be composed exclusively of emotional factors, psychological "adjustment," and materialistic creature necessities.

"Adjust to your environment," our young people are constantly told. Such a denial of intellect has the effect of lowering standards for society as a whole while robbing each of us of the essence of his individuality.

Thought, if granted any validity at all, has come to be regarded as a rather mechanical process, measurable, and computable.

The social engineers predict that such intellectual concentrations will be beneficial to mankind as a whole and to each individual as well. The idea advanced by Julian Huxley of a "thought bank" is considered by them in all seriousness. To an inquiry of *The New York Times* in 1958, one of the scientists consulted about the socio-intellectual aspects of the year 2000, Professor John Weir of California Institute of Technology, answered that there will be no conflict among the thinking of individuals because "a common Thought Bank will be established from which all will receive instructions and to which all may repair in case of doubt." Less "scientific" but equally enthusiastic for a society that will have eliminated "divisiveness," are the recommendations of Professor Robert C. Angell. In *Free Society and Moral Crisis*, the author identifies what he calls the "moral web" with socialized attitudes, and "moral crisis" with deviant behavior. It is incidental to our present argument that Mr. Angell never tells us how one distinguishes whether a "deviant" group is *good or bad*—how one tells a saint from a delinquent, a gang from the twelve apostles—when both disrupt the social fabric and neither behaves according to "the common values of their culture." What is, however, relevant here is that the remedies he suggests for "social and moral integration" are all collectivistic measures, reached through public discussions in high schools, television panels,

Boy Scout and YMCA programs, group therapy, prisoner rehabilitation, and so on.²

Forget and Adjust

Such attitudes rest on two suppositions: 1. All past thinking and moral judgment must be discounted if not dismissed since it predates the definition of truth as "social good"; and 2. The preparation for those living in such a society must no longer aim toward the education of a freely choosing moral agent but instead must emphasize the "adjustment" of the individual to the total social good.

. . . the difference between the old and the new education will be an important one. Where the old initiated, the new merely "conditions." The old dealt with its pupils as grown birds deal with young birds when they teach them to fly: the new deals with them more as the poultry-keeper deals with young birds—making them thus or thus for purposes of which the birds know nothing. In a word, the old was a kind of propagation—men transmitting manhood to men: the new is merely propaganda.³

Such an educational system is not designed to develop a capacity for thinking or to halt the decline of intellect.

² Thomas Molnar, *The Decline of the Intellectual*, pp. 219-220.

³ Lewis, *op. cit.*, pp. 32-33.

It may well be that such an attempt at placing society over the individual (and, indeed, over God as well), would be unacceptable to many persons now living in this nation or in the Western world. It is true, however, that these are the dominant ideas among intellectuals who will largely influence generations to come. The departure from tradition, morality, and even human thought which seems far advanced in theory, has scarcely begun in practice. The most sweeping changes in our society lie ahead unless we decide to reverse the process.

In facing that decision, let us compare the new values with the traditional, with our Western heritage of discovery and development in morality, science, law, and art, a heritage based upon a firm and unswerving faith in man's ability to reason, in his unique gift of intellect. Remove man's power to think and to act on the basis of his thinking and you have destroyed the very quality which makes him human. To abandon such a history is to create a vacuum quite likely to be filled with the new "philosophy of change."

The Philosophy of Change

Today, we are told that we have swept aside the dead hand of the past with its constricting and confining tradition and morality. We

are told that the disciplines of former ages no longer bind us. We are told that, in view of these rapid transformations, all standards are relative to social considerations; man and society are whatever we choose to make of them. Thus, change itself, change for its own sake, becomes the dominant philosophy of the age. A variety of experiences (no matter what their quality) with constant growth (no matter in what direction) and constant activity (no matter how frenzied) are now to serve as a suitable educational goal. Here again, the decline of intellect is most graphically demonstrated.

What are the standards for judging the purposes and values thus successively emerging in the pupil's mind? If the teacher himself has no general aim, nor final values to which all this process is related; if education itself is to grow "in whatever direction a novelty emerging future renders most feasible. . . ."⁴

This is a pointless procession of the blind leading the blind. An "educated" man is often regarded as one who is quick and clever in discussion and ready and willing to discuss anything. To freely discuss on all sides of all questions, without standards, without values, is to insure the creation of a gen-

⁴ Jacques Maritain, *Education at the Crossroads*, p. 17.

eration of uninformed and talkative minds, a living demonstration of the decline of intellect.

During Goethe's travels in Italy, he spent some time in the company of an Italian captain. Describing the man, Goethe remarked, "This captain is a true representative of many of his compatriots. Here is a particularly typical trait of his. As I would often remain silent and thoughtful, he said to me once: 'What are you thinking about? One ought never to think, thinking ages one! One should never confine oneself to one single thing because he then goes mad: *he needs to have a thousand things, a confusion in his head.*'"⁵

The New Age of Doubt

How different is modern education from that traditionally followed in Western civilization! St. Thomas always warned students never to leave any difficulty unresolved in their study, to always fully understand whatever they read or hear and to "avoid speecifying on anything whatsoever." How few modern students follow such an injunction! He also warned teachers that they must "never dig a ditch [in front of the student] that you fail to fill up."⁶

⁵ Jose Ortega y Gasset, *Meditations*, p. 81.

⁶ Maritain, *op. cit.*, p. 50.

St. Thomas well knew that cleverly to raise doubts, forever to seek and never find, was, when carried to the extreme, the great enemy of both education and thought.

Many modern teachers have not learned what St. Thomas knew so well. We live in an age in which we are kept busy by endless induction. Today we substitute facts for truths. We engage in a constant round of activity on the assumption that, in Richard Weaver's caustic phrase, "Experience will tell us what we are experiencing." No standards, no evaluation, no genuine thought — it is to such a nightmare that the concept of change finally leads us. Any traditional philosophy is dismissed by modern man as "static." Thus, any values not constantly shifting are regarded as old hat, as unworthy for a "modern" mind. Institutions, values, attitudes that show constancy are finally dismissed by a philosophy, if it can be dignified by that name, of ceaseless change.

At any given moment, so says this new philosophy, the only means by which society can properly determine what values are acceptable is through a temporary consensus. Thus, we find a constant flight of endlessly shifting ideas and values, somehow to be caught on the wing and rendered

intelligible at a particular moment in time. Society now becomes the final arbiter of a "truth" as changing as the summer breeze, thus necessitating endless reratification by society. It should be clear that the only constant in such a society would be this supposedly infallible method of arriving at the truth.

The main concern of our modern intellectuals has been, not the discovery of an enduring reality, but rather the mastery of a method for measuring change. We no longer measure growth toward an ideal, simply because no ideal remains. When there is no longer a standard by which to test it, the intellect is clearly in decline.

Mental and Moral Vacuum

The collapse of standards and of the intellect is closely allied to the rise in scientism, as discussed earlier. Modern naturalism, materialism, and scientism hold that only material, physically measurable quantities and values can exist. Thus, all other standards of religion, ethics, and culture, including any accomplishment of the mind, are swept aside. The result is an intellectual and moral vacuum.

This vacuum extends to the most minor and everyday concerns of curriculum. Traditional subjects are being displaced by

courses in art appreciation, fly-casting, and other intellectual activities equally insignificant.

A value system is essential if students are to sort out and make use of the vast assortment of miscellaneous "facts" thrust upon them. Some hierarchy of values is essential to the use of the mind or intellect. And it is not surprising that young people who have thus been "educated" to deny their uniqueness, their capacity to think, should feel unfulfilled and confused by the world around them.

Meanwhile, the trend continues toward a collective mentality. Under a theory of ceaseless change and total "social goals," all values are determined by the current state of the environment. The environment, subject to manipulation by the state, may be depended upon to breed conditions demanding ever larger involvement of government in society. State control of society and education can be depended upon to provide systematic indoctrination through the innumerable channels of propaganda opened by the decline of intellect.

Social Failure

Such a system of total control, supposedly relieving the individual of all responsibility and all concerns, must prove fatal in the end.

Youthful enthusiasm and the joy of living may conceal the inner vacuum for some time, at least until one goes through the initial stages of adulthood — settling down in a trade or profession, getting married, having children, and finding a place in society. But in the midstream of life just before age makes its first appearance, the existential questions about the meaning of life as it concerns the individual are inevitably asked. Then the haphazard, practical cleverness picked up in the school and along the way proves frighteningly inadequate.⁷

Thus, there comes to the individual something of the dichotomy suffered by society: the simultaneous sense of power and insecurity. Today, we are told that everything is possible for us. We are taught to believe this; yet, never has talk of a returning barbarism and decay been more widespread throughout Western civilization. We bury ourselves under every conceivable material and political "security," only to find ourselves increasingly insecure and unprepared for what tomorrow may bring.

Circumstances Can't Choose

We may embrace the pragmatic idea that circumstances will decide the truth. But Ortega has reminded us that it is not circum-

stances which finally decide, but our character. We can move the choice away from the individual to mass man and society as a whole, we can abandon all of our traditional values in a wave of ceaseless change; still, somewhere deep in our hearts we know that *we* are deciding. We know this, even when our very indecision finally forms the future. Choice is not so easily abandoned.

Choice becomes increasingly difficult when our educational system turns out men capable of running the technical machinery of civilization but totally ignorant of the principles upon which that civilization rests.

Civilisation is not "just there," it is not self-supporting. It is artificial and requires the artist or the artisan. If you want to make use of the advantages of civilisation, but are not prepared to concern yourself with the upholding of civilisation — you are done. In a trice you find yourself left without civilisation. Just a slip, and when you look around everything has vanished into air. The primitive forest appears in its native state, just as if curtains covering pure Nature had been drawn back. The jungle is always primitive and, vice versa, everything primitive is mere jungle.⁸

Yes, the jungle is always there;

⁷ Thomas Molnar, *The Future of Education*, pp. 87-88.

⁸ Jose Ortega y Gasset, *The Revolt of the Masses*, p. 88.

and when a society begins to insist that there are no lasting values, that the individual is incompetent to choose his own path or to think his own thoughts, then the civilization based upon fixed moral values and free individual choice is destined to revert to that jungle.

The jungle is close indeed when we believe that a man is no more than the sum of his heredity and environment, and that his behavior, instead of his own choosing, is molded for him by his surroundings. A man thus molded could not be responsible for his action. A society composed of such men would be an irresponsible society that seeks wages without work, pleasure without pain, and learning without effort.

***Insatiable Appetites,
But Others to Blame***

Today, we often fail to see any relationship between crime and punishment, between effort and reward; we have no understanding of a hierarchy of values, no concept of a total unity governing human existence. The predictable result: a nation of spoiled children. These spoiled children are of all ages, but they share a common conviction that if their insatiable appetites are unsatisfied, someone is being mean to them. This may explain why the prom-

ises of science are so uncritically accepted at face value—the fulfillment of all desire in a flood of material goods and scientific progress. We are led to believe that the very riddle of life and death is about to be solved by science. If man can have both eternal life and satiation of all desire in the here and now, then what other god need he worship?

It is true that the price is high; we must be willing to give up our individual capacity to think and to choose, we must be willing to give up any fixed moral code. But what need has man for such things in social paradise?

Individuals within our society become steadily less productive on the intellectual and moral diet they receive. Tocqueville caught the essence of the underlying problem:

In ages of faith, the final end of life is placed beyond life. The men of those ages, therefore, naturally and almost involuntarily accustom themselves to fix their gaze for many years on some immovable object toward which they are constantly tending; and they learn by insensible degrees to repress a multitude of petty passing desires in order to be the better able to content that great and lasting desire which possesses them. . . . This explains why religious nations have often achieved such lasting results; for whilst they were thinking only of

the other world, they had found out the great secret of success in this.⁹

Perhaps the great religious teachers were right after all in their insistence that man must recognize some higher will than his own. Nowhere is this recognition of a higher will more important than in intellectual matters. It would appear that in the modern

world all too many men have so exalted the product of their own minds that they have come to see themselves as self-sufficient. In that illusory self-sufficiency, man has come, as we have seen, finally to lose the direction and point of his own intelligence. Indeed, modern man has ceased to believe in the quality of his own individual intellect, and thus brought about one of the fundamental failures of our age: the decline of intellect.

⁹ Richard Weaver, *Ideas Have Consequences*, p. 118.



*The next article of this series will discuss
"Discipline or Disaster."*

IDEAS ON LIBERTY

Facing the Crowd

THE SOUR FACES of the multitude, like their sweet faces, have no deep cause — disguise no god, but are put on and off as the wind blows and a newspaper directs. Yet is the discontent of the multitude more formidable than that of the senate and the college. It is easy enough for a firm man who knows the world to brook the rage of the cultivated classes. Their rage is decorous and prudent, for they are timid, as being very vulnerable themselves. But when to their feminine rage the indignation of the people is added, when the ignorant and the poor are aroused, when the unintelligent brute force that lies at the bottom of society is made to growl and mow, it needs the habit of magnanimity and religion to treat it godlike as a trifle of no concernment.

In Praise of the Conventional Wisdom

JACK McCROSKEY

SINCE its invention in 1958 by John Kenneth Galbraith, the phrase "conventional wisdom" has developed into an insult of broad and devastating power. Call an idea a part of the conventional wisdom, and far too many people, including many businessmen and college professors, are reluctant to pursue the thought any further. Who, after all, wants to sound archaic?

This development is thoroughly deplorable, for much of the conventional wisdom, although ancient and often neglected, is as valid today as ever. It deserves both defense and praise in face of the onslaughts against it.

Here are seven propositions drawn from the conventional wisdom, the attacks against them,

and some of the ways they might be protected and preserved for use in the political debates ahead.

- *You can't have everything — resources are scarce.*

Old hat, say many of our most popular critics. So marvelous is the U. S. productive machine that we actually can have everything. Automation has made work obsolete. People who prefer not to work should be put on the dole and encouraged to roll around heaven all day.

The facts of the matter are the reverse, of course. Median family incomes in the United States now run about \$8,000 annually; and, if we push ahead as diligently as we can, they may reach \$20,000 annually by the year 2000 — a sum most intellectuals who disparage the need for economic growth already earn or at least aspire to.

The author is Associate Professor of Finance and Economics at the University of Denver and is the current editor of *Business Economics*.

The key problem confronting the United States is still how to increase output, not how to redistribute what we already produce. Our major and continuing goal should be to bake a larger economic pie so that everyone can eat a bigger piece, not to reslice whatever pie is already on the dish.

- *It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from regard to their own interest.*

Most people today, our intellectuals insist, work primarily for honor and wisdom, security and status, blue ribbons and letter sweaters. Their desire for money is strictly secondary.

While the foregoing view may be partially correct, it is equally correct that given the current status of human nature we also need monetary incentives.

We need high wages and salaries to foster personal pride and dignity. We need high profits to encourage saving and risk taking. And we need tax rates that let us keep a senior partner's share of whatever rewards our efforts generate.

- *Consumers are kings.*

Many social critics find this notion terribly quaint. Consumers are enslaved by the hard sell and the soft sell, say the critics, by

planned obsolescence and a compelling impetus to waste. Let advertising croon its seductive tune, and consumers will tumble all over one another in a psychedelic scramble to buy any shabby contrivance sung about.

The truth is that no amount of advertising can sell consumers what they don't actually want — at least not for long. The American economy abounds with examples of massive marketing and advertising campaigns that failed. The sad saga of the Ford Motor Company's Edsel is the most renowned. And there are many others — including General Foods' inability to promote corn flakes with freeze-dried peaches even after advertising expenditures of more than \$3.5 million in 1966 alone. Not even the nation's dogs can be euchred into consuming what they don't genuinely enjoy, a point demonstrated by General Mills' decision to phase out Speak dog food after spending over \$1 million annually on advertising.

Consumers, being neither philosophers nor saints, naturally make mistakes. But by and large they do an excellent job of managing their own affairs — no matter what the critics claim. Heavy-handed emphasis on laws to "protect consumer interests" will ultimately reduce both consumer pleasure and consumer choice.

- *Build a better mousetrap, and the world will beat a path to your door.*
- *Higgling and haggling in the market place determine relative prices.*

If consumers really were subliminally driven to buy whatever advertising men tell them to buy, then the search for new and better products would prove superfluous. Consumers, the silly sheep, would enjoy being sheared. Besides, like the vast majority of sheep, they couldn't tell a superior mousetrap from an inferior door knob.

But U. S. businesses are engaged in a never-ending quest for new and better products, as is attested to by their \$7.5 billion annual expenditures on research and development. Businesses don't spend these sums out of altruism; they spend them in order to keep alive and growing in our hotly competitive economy.

What really affronts and frustrates many intellectuals is not the economy's failure but its smashing success in providing a bountiful array of mouth-watering items. It simply sets some intellectuals' teeth on edge to see most of the American people enjoying new automobiles and color TVs, vacation trips and football games, when, in their view, these people should be writing poems, painting pictures, and playing lutes.

The market caters to consumers not to the whims of reformers.

Not so, according to some of the most fashionable thinkers of our time. The market, like God, is dead. Five hundred or so giant firms dominate America's economy, and these firms set prices at whatever levels they please.

If businessmen completely commanded prices, then presumably the prices of individual products might sometimes rise but would never, never fall. From the many thousands of possible examples, here are just two showing that such command is absurdly exaggerated. One, from consumer markets, concerns TVs, which fell from around \$300 for a 12-inch table model in 1950 to around \$130 for a decidedly superior 17-inch set today. The other, from industrial markets, concerns basic aluminum, which fell roughly 30 per cent between 1961 and 1965. Surely, if TV and aluminum producers held absolute power over their prices — if they could safely ignore pressures from rivals who covet a piece of the action — then they used their power in the wrong direction.

Government, not business, constitutes the most immediate threat to free markets. And one of the most progressive steps we could take today would be the ending of

government control programs, many of which were introduced during the bad-old-days of the 1930's and most of which constrict the sway of competitive forces. For instance, minimum-wage laws, far from helping the poor, have pushed workers on the bottom rungs of the achievement ladder out of their jobs altogether; restrictions on agricultural output, far from preserving the family farm, have helped force down the number of farms from seven million in 1935 to three million in 1968.

- *Government should do for the people only what the people cannot do for themselves.*

Mention a problem — any problem from auto accidents to agricultural prices to dirty air — and a great many Americans will jump to the conclusion that the Federal government could immediately fix up the situation if only it wanted to. Arguments that government shouldn't and can't do everything are interpreted as a serving of political horseradish or as a sign of indifference to human suffering.

The fact is that government shouldn't try to do everything. It's a matter of record in countries from Hitler's Germany to Mao's China that centrally directed economic systems crush human liberties, political and artistic as well

as economic. It's also on the record that overly ambitious programs of the U. S. government lead to the loss of our traditional freedoms. Moreover, many government programs, such as public housing, have worked out in precisely the opposite way intended.

Much of what is needed in the United States today is a reordering of national priorities. Government has plenty to do, especially in the way of preserving the peace, with liberty and justice for all. But it can't do everything at once. Clearly we should take a fresh-eyed look at some of our older projects, particularly our subsidies to various political pressure groups which run into billions of dollars annually. We should also, whenever a new problem is discovered or invented, give serious thought as to whether private businesses and individuals might be able to cope with the trouble without running to Washington. And if it is a problem that can't be solved voluntarily, does that logically and automatically render it soluble by force?

- *Everyone has to pay his bills sometime or other — even the Federal government.*

The New Economics, which is based on the assumption that adroit manipulation of Federal spending and taxing can banish

both recessions and general price rises, has been overpromoted. American supporters of the New Economics apparently encountered so much resistance in first selling the notion that Federal deficits might sometimes prove beneficial that they went overboard in their public pronouncements. As a result, many government officials and even many businessmen suffer from the delusion that deficits don't matter.

But deficits do matter. And just a quick look at some of our most pressing economic problems will provide any fair-minded observer with persuasive evidence. Both our mounting inflation and our deepening difficulties in world money markets have stemmed in large measure from the cavalier acceptance of Federal deficits.

The Federal government, no less than the most humble private citizen, must handle its financial affairs with reasonable prudence — or else suffer the uncomfortable consequences. Far from being outmoded, this bit of conventional wisdom is more up-to-date than Marshall McLuhan.

* * *

Why, in the face of so much evidence, is the conventional wisdom held in such low repute? The

easy answer is simply that our times are out of joint. Alienation and despair are the catchwords of the day. And despite our extraordinary progress over the past several decades — including the marked increase of investment and production and the sharp reduction of poverty — every other person you meet seems convinced we're heading straight for economic perdition.

Maybe it's because life is moving entirely too fast. Instant food, instant money, and almost instant travel from New York to Los Angeles — all these are perfectly delightful. But perhaps they've also given us an impossible-to-satisfy appetite for instant utopia — a never-never land where hard work, personal disappointments, and all income differentials are not only abolished but abolished *right now*.

Well, we'll probably never reach utopia. What we can do is move toward a generally healthier, wealthier, and wiser society by making the right choices, some of them very hard choices. Much of what we need to help guide us along the way is less intellectual novelty for novelty's sake and more respect for the conventional wisdom. ♦

AN INQUIRY CONCERNING INEQUALITY

W. A. PATON

THE VIEW that a state of inequality in mankind is bad, almost wicked, has been booming. Among welfare "workers", school teachers (including the college professors), ministers, politicians, and in the ranks of reformers and do-gooders wherever you find them, there are many who are ardently espousing the egalitarian cause, and almost everybody nowadays acquiesces in the general notion that continuing efforts to whittle down the inequalities found in the economic sphere are warranted. As can be said of most movements promising to hasten the dawn of the millennium, the dedication of the true believers is typically based on emotion or mystic yearning rather than careful observation and

study, and total ignorance of the subject seems to be the norm among both the enthusiasts and those who simply go along. This benighted condition of the advocates, plus the prevailing lack of forthright opposition, or even of critical review, provide the excuse for this attempt to do a bit of probing.

Variation in Man's Surroundings. On undertaking even a limited inquiry the observer can hardly overlook, at the outset, the variations that are found on every hand throughout nature. Mother Earth is far from a homogeneous or quiescent mass. Our planet exhibits a great range of geologic formations and climatic conditions. Differences in soil and water supplies, and in temperature, wind velocity, humidity and so on are the rule, and in many localities

Dr. Paton is Professor Emeritus of Accounting and of Economics, University of Michigan, and is known throughout the world for his outstanding work in these fields. His current comments on American attitudes and behavior are worthy of everyone's attention.

changes in some factors are severe from day to day as well as from season to season. Turning to plant and animal life we find a fascinating complexity of classes, kinds, species, and other groupings, with noticeable individual differences within both broad and narrow divisions. Those who handle horses or dogs, for example, become very familiar with the marked dissimilarities in temperament and talent found among individuals in specific breeds, strains, and even in the progeny of particular parents. The plain fact is that we are everywhere confronted with variety, not uniformity. Indeed, the fussy person will note here that no two grains of sand, or blades of grass, or leaves on the tree, or kernels of wheat are identical in size, shape, and other features.

Man's Peculiarities. When attention is focused on man alone a wide range of characteristics is disclosed among races and regional groups, and also in narrow subdivisions such as the tribe, clan, or specific family. Differences in size, build, skin, eyesight, blood type and a host of other physical factors abound among representatives of *Homo sapiens*, wherever they live. And such differences can hardly be ignored by even the most rabid supporter of egalitarian doctrine. We can't avoid accept-

ing the proposition that no one can add a cubit to his stature by taking thought, and as yet there is no transplanting technique available or proposed by which several inches could be removed from Wilt Chamberlain's frame and transferred to one of his shorter teammates. Individual human beings do not look alike, they behave differently, and they are different, beyond doubt.

Sweeping Heredity Under the Rug. But this is not the whole story. Those who proclaim the basic equality of men may concede the differences in appearance and physical makeup and still argue that all of us begin life abreast in a basic sense, that all have the same potential or worth at the starting line. Taking this position means acceptance of the view that everyone is born a blank, a clean slate, or, alternatively, that each individual starts with precisely the same inherent level of intelligence, talents, over-all capacity. In other words, the factor of inheritance is either disregarded entirely or is considered to be equalized, and the individual's record in life is assumed to be due solely to the impact of environment, the influences and events experienced. Thus the door is opened to the claim that a poor performance is attributable entirely to an

unfortunate background of experience — lack of proper food, housing, or medical care, inadequate education and training, inferior employment opportunities, harassment and exploitation encountered, and so on, and also, perhaps, sheer bad luck.

For anyone who is well acquainted with human physiology and behavior, and indeed for all laymen with a fair amount of common sense and willingness to recognize realities, this thesis is hard to swallow, even preposterous. The evidence is conclusive that each individual comes on the scene with a distinctive package of traits, tendencies, capacities. Typically the differences are more outstanding than the similarities, and some of the ingredients may be at odds rather than in harmony. As to the impact of the varying hereditary package, moreover, the case is quite clear; on every hand examples appear in which the influence of inheritance is plainly reflected in the individual's career. This is especially noticeable among persons who are virtuosos in music, and in the fine arts generally; usually it is easy to spot conspicuous talent in the family trees of such individuals. And likewise among those who show brilliance in professional fields, or in any line requiring high-level ability, the hereditary background is com-

monly very much in evidence. "Brains" are inherited, beyond doubt, along with other qualities. That the more commonplace inclinations and aptitudes are handed down may be somewhat less apparent, but that inheritance plays a part here too can scarcely be questioned.

These comments are not intended to deny that outstanding ability crops up here and there where the ancestry of the individual — assuming the facts are available — is very unpromising. Even so, we will rarely see genius sprouting from a line of progenitors heavily loaded with morons. Further, although almost any one can become more capable with intensive training there is no program that will make great writers, philosophers, mathematicians, engineers, researchers, executives and so on from below-par raw material.

From the Haves to the Havenots. Recognition of the wide range of abilities and accomplishments among men, based at least in part on the hereditary variables, and of the impossibility of equalizing energy and talent through any system of education and training, leaves us still confronted by the widespread opinion that the good society, the happy land, is one where rewards, if not attainments, are substantially equal, and that

the coercive powers of the state should be invoked for the purpose of achieving — or at least moving toward — this idealistic goal. This view has been politically dominant for several decades in the United States (and in many other countries, of course), and the pressures designed to exploit the haves for the benefit of the havenots (and the havelesses) have been mounting. The major means employed, as we all know, has been that of maintaining a high level of tax levies on the more successful and productive individuals and business units and use of a portion of the funds thus confiscated to provide handouts to the elderly (our “senior citizens”), the unemployed, the needy students, the badly housed, the neglected children, the mentally retarded, the sufferers from disaster, the farmers (both poor and affluent), and many other special groups.

It is difficult to appraise the effect of these efforts to date in terms of progress toward economic equality, or in other respects. The assault on high incomes through the progressive tax structure has surely been a leveling influence, but even here the net results are not clear. In the case of high individual salaries, for example, there may be offsetting factors in the market for top-flight services. Earnings from property holdings

probably have been hit harder — over-all — than service incomes. Evidence is not wanting to suggest that initiative and enterprise have been discouraged by the weight of punitive taxation and the continuously increasing load of regulation and interference to which individuals and business organizations have been subjected. The GNP as officially computed keeps on increasing, but the rate of growth may well have been retarded by the flood of “reform” legislation. Evidence can also be found suggesting that some of the programs launched have not only missed the mark but have resulted in injury rather than benefit to the “underprivileged”. All in all the showing is not one for the egalitarians to crow about.

Equalizing Economic Satisfaction Impossible. That it is difficult to rate the results of the schemes designed to despoil the rich and leaven the lot of the poor, from the days of the New Deal on, would be conceded by most observers. The opponents of such programs, needless to say, would like to see a retreat begun from a movement that they regard as basically unsound and harmful. The supporters, on the other hand, while generally dissatisfied with progress to date, insist that what is needed is more of the same —

higher taxes on the well-to-do and on business enterprise, expansion of existing government aid programs and extension of such efforts in new directions, governmental control of economic activity all along the line. In other words, there is thus far no abatement of the enthusiasm for the egalitarian and socialist causes. In the light of this situation it may be desirable to point out the practical impossibility of cutting the economic pie into equal consumable slices for all, regardless of what is done to money incomes by tax levies or other financial confiscatory devices.

Assuming a society in which there is only one simple product consumed — plain rice, for example — a division of the output into equal portions by governmental authority may be imagined (although even in this extreme case the size of an adult share might exceed that of a small child, and other variations might well be prescribed or tolerated). But when attention is turned to the actual situation in the United States, or any other area with a market economy providing an output of many thousands of different kinds of consumer commodities and services, the task of providing each person with the same amount of consumer satisfaction encounters insurmountable obstacles.

Some folks like a big car and some prefer a small job. Some millionaires want a yacht with lots of marble and gold doorknobs and some don't care for such trimmings. The taste for sport and travel is not uniform, which means that not everyone wants an equal share of the output of fishing rods, golf clubs, sun glasses, and the like. Some of us are addicted to television watching and some are not, and there are still a lot of people who have no use for cocktails or cigarettes. Some like to read and some don't, and desires vary as to types of reading material. Not everyone cares for concerts and operas, and even if attendance were required how could everyone be furnished with equally attractive seats? And still more bothersome, how could it be arranged to provide everyone with the same degree of enjoyment? Some members of the audience will be relatively unappreciative, especially those with impaired hearing and those who don't know one note from another.

Likewise in the prosaic areas of food, clothing, furniture, and housing, in the presence of a market offering almost unlimited choices, the packages of individual preferences are legion. And is it proposed that we all be compelled to buy and eat the same kind of pizzas, or any pizzas, for example,

or wear neckties of a particular color? Are the diversities of consumer inclination to be disregarded by the police state envisaged, with a resulting required uniformity in products made available for consumption?

In the case of large and complex physical units of product the equalizer faces an obviously impossible problem of division. For example, if every family wanted a riding horse, and the number of families was larger than the number of horses available, it would hardly be practicable to award a piece of a horse to each.

No, the plain fact is that division of an elaborate array of consumer products into equal shares is literally impossible, and providing each individual with the same amount of "psychic income", or consumer satisfaction, is something still further out of reach. No human being or group, even if operating in the framework of a government bureau, and even if backed by plenty of armed marshals, can cope with such problems successfully.

The only kind of a society or community in which even an approach to equal sharing is practicable is the prison, the slave camp, an army of privates, or — temporarily — castaways or other distressed persons on short rations.

This brings us to an important

and neglected point. Equality in the distribution and consuming of economic output is inherently incompatible with a prosperous, progressive society, blessed with a great diversity of tangible goods and services. Variety may not be the spice of life but it is an essential feature of today's market economy. A complex, competitive market, pillared on specialization and exchange, is not easily developed where egalitarian views are dominant (as can be seen in some backward areas of the world today), and such an economy — even if long established and flourishing — can be crippled and eventually destroyed by a continuing avalanche of share-the-wealth measures — even if the extreme step of imprisonment or liquidation of the more prosperous (the treatment accorded to the Kulaks) is avoided.

Impairing Individual Incentive.

It was noted above that evidence is accumulating indicating that enterprise and productivity have been unfavorably affected by progressive taxes and the accompanying business controls and interferences. There remains for brief attention the question of the effect of redistribution programs — aimed at more equal sharing — upon individual human beings and their basic motivations.

That no two individuals have the same package of traits, inclinations, and abilities has been stressed. This does not deny, however, that there are some characteristics common to many men. One such widespread trait is an unwillingness on the part of the worker, in the vineyard or elsewhere, to see a part of his output commandeered by government, or private pirates, for any purpose. This is particularly true of the hustlers and highly efficient. The superior worker will not continue to maintain his stride indefinitely if the fruits of his labor are seized and turned over to others, be they worthy unfortunates or parasitic drones. The experience in this country and abroad of the scores of idealistic, utopian communities, often launched in an atmosphere of religious fervor, has a bearing. Examination of the history of such undertakings shows that almost invariably the more energetic and productive members became dissatisfied when they realized that they were supporting the inefficient and shiftless, and the usual outcome was either a slowing down to the pace of the sluggards, or departure for a more promising environment, if this were practicable.

Use of the machinery of taxation and other financial devices, including inflation, to take from

Peter and give to Paul, may temporarily obscure what is going on. In a complex economy, in which money and credit are employed to facilitate exchange, the participating individual often seems to have difficulty in tracing relationships and effects. The young berry picker who works diligently and effectively out in the swamp all day and has twenty quarts of nice raspberries to show for his efforts, would be astounded and infuriated if Uncle Sam came along and took half of his output away from him. But when he grows up and becomes superintendent of the berry canning factory, and is paid by check for his services, he may be somewhat less outraged when laws are passed requiring him to turn over to his good uncle—either by employer withholding or on his own initiative—half of his money income.

Free spenders of the other fellow's money seldom mention the need for efficiency and high productivity if the level of economic output is to keep pace with a growing population, to say nothing of an increase in the per-capita slice. They take it for granted that there will always be a willing mule to do the plowing, regardless of how well he is fed. The spenders talk and act as if the purse into which they dip to get the funds for their grandiose

schemes had no bottom whatever — like the widow's cruse of oil back in Elijah's time. There is good reason for regarding their faith as unjustified. Just where the breaking point will be reached in a particular setting can not be readily predicted, but the old story of the last straw and the camel's back should not be forgotten. One thing is certain: when the economic climate becomes so cloudy that it offers no lure to the enterprisers, the innovators, the hustlers, the savers, there will be a disastrous decline in productivity.

The conclusion indicated by this survey is that variation, differences, inequalities are a common-

place feature of man's life on this planet, and — what is crucially important — are indispensable to a thriving, growing market economy, with high living standards. A world in which there was a complete equality in economic shares and consumer satisfactions would be a drab, unproductive, slave-camp sort of place. Hence we will do well to guard against being beguiled by any version of the egalitarian philosophy, however idealistic and well-intentioned. Let's not be misled by those urgently beckoning us toward a downhill road. Let's be thankful for the blessing of diversity, *inequality*, and staunchly resist its erosion. ♦

Reprints available, 10 cents each.

IDEAS ON LIBERTY

The Independent Individual

THE SOCIAL UNIT is the independent individual; the more individual and independent he is, the more able is he to cooperate, and the stronger the society he creates. Cooperation is possible only amongst independent individuals; amongst others, there may be regimentation but no creative cooperation. Society is a vast, natural, complex, intentional, and yet largely unconscious cooperation amongst those able to stand on their own, and, in the exigencies of life, lend a hand.

From a Ford Sunday Evening Hour
broadcast by W. J. Cameron (circa 1937)

A POWER FOR PEACE

HENRY PAOLUCCI'S *War, Peace, and the Presidency* (McGraw-Hill, \$6.95) is just about as unfashionable as, in a time of almost universal stupidity, one could wish a book to be. A conservative who once ran for the U.S. Senate as the New York Conservative Party candidate, Mr. Paolucci is both a libertarian and a nationalist. He believes that international affairs can only be messed up by those who support any of the various movements toward "world government." Balance-of-power politics, says Mr. Paolucci, are not only inevitable; they are also healthy. A world monopoly of power would, by definition, be a power in the hands of the big population countries (Red China, India, Soviet Russia), and what this would do to the U.S., Western Europe, and the fringe nations of East Asia would be sad to contemplate. The good news in Mr. Paolucci's book is that it isn't going to happen.

As a libertarian, Mr. Paolucci

believes in "leveling up" the population of the U.S., which runs counter to the fashionable idea that taxation must be geared to the process of "leveling down." He is in favor of the "possessing classes," a phrase which he would undoubtedly throw in the face of Arthur Schlesinger, who uses similar phrases about the "haves" with a sneer. Mr. Paolucci thinks the Negroes should, in the words of William Graham Sumner, "get capital"; what they need more than anything else is self-respect, which is something that doesn't go with a life spent on relief. As a non-WASP (his Italian ancestry obviously means that he can't very well be a "white Anglo-Saxon Protestant"), Mr. Paolucci is keenly aware of the battle which minorities have had to wage in this country to achieve financial status and a feeling of belonging. But this is the lot of minorities everywhere; it is, says Mr. Paolucci, the human condition, and

there is no use weeping about it. The important thing is that, under the American form of government, individuals can pull minorities up. It has happened in the case of the Irish, the Germans, the Jews, and the Italians — and there is no reason why the Negro, coming north out of the agrarian south, can't "make it" in his proper turn. In any case, says Mr. Paolucci, it is not the business of government to force anybody to love anybody. The business of government is to protect individuals in their rights.

Law and Order

Mr. Paolucci's libertarian streak does not lead him to embrace the fallacy of anarchism. He believes in the check-and-balance republic of James Madison. But he also believes in "we, the people" united behind the President when it comes to facing foreign threats or the bids of minorities to dissolve the federal union. The central thought of his book is nailed down in a remarkable reply to Professor James MacGregor Burns, who, by implication, would welcome a diminution of U.S. sovereignty lest a nuclear holocaust should "wipe out all checks and balances — including the voters." Says Mr. Paolucci, "President Lincoln would have replied that a nuclear holocaust was less to be

feared than peaceful dissolution which would also wipe out checks and balances and with them the way of life that makes being a voter meaningful." The best things in life, says Mr. Paolucci, are those which men are prepared to die for, and it is no less true now than in ancient times that freedom is "made secure only when a sufficient number of persons who are willing to die rather than not be free combine their willingness politically." If our federal union goes, checks and balances will check and balance nothing, the Constitution will constitute nothing, and the civil rights of everybody, the Negroes included, will be "deprived of positive value as well as legal substance."

National Loyalties

Mr. Paolucci, though as a libertarian he could not very well think highly of Lyndon Johnson's domestic views, rather admires the way in which a hard-grained Texas patriot decided to go against the academic liberals' conception of the White House as the place for a continuous "internationalist" teach-in. James MacGregor Burns, Walter Lippmann, Arthur Schlesinger, the earlier Walt Rostow, all believed in a strong presidency — but only when the President was under the tutelage of the internationalists. When LBJ

turned out to be a different breed of cat than some of his predecessors, all the "strong executive" liberals started whooping it up for an even stronger U.S. Senate. The new idols were Fulbright, McCarthy, and other members of the Senate Foreign Relations Committee who wanted to take the conduct of foreign affairs out of the strong executive's hands.

But if LBJ stood out against "national dissolution," his policies were still opaque when it came to considering basic balance-of-power realities on the Atlantic side of the world. Walt Rostow, in the White House, might stand up for preserving the balance of power in East Asia. But he — along with Dean Rusk in the State Department — had been for "convergence" with the communists until the whole world was at a "take-off" position to practice meliorist economics that would feed everybody, the drones as well as the workers. The irony of the situation, as Mr. Paolucci sees it, is that Soviet Russia has, in practice, "turned Marx on his head" by creating, not a stateless paradise, but a tough supernationalistic State that will never accede to real disarmament. Moscow talks "internationalism" — but invades Czechoslovakia, arms communist nationalists such as Ho Chi Minh, and encourages the Arab nation-

alists who look to Nasser as their leader. To hope to build "internationalist" East-West bridges in this atmosphere is utopian.

Barbarians Within

As for the utopia of One-World rule, Mr. Paolucci thinks it would be the prelude to disastrous civil wars on a planetary scale. The history of ancient Rome broods over many a page in Mr. Paolucci's book. When a balance of power existed in the Mediterranean world, Roman citizens did not fight each other. They maintained internal discipline in order to stand guard against external enemies. But after the single great enemy Carthage was destroyed, the Roman classes turned on each other. The civil wars eventually came to an end, but the Roman Republic was insensibly transformed into the Roman Empire. This "One World" of antiquity established a universal peace — but the energies of the population flagged. And, eventually, the barbarians broke in. Mr. Paolucci thinks this is the "law" of One Worldism. But in modern times the barbarians lurk within the advanced countries as well as in the jungles of some of the tropical "underdeveloped" world.

There are some things that are not cleared up in Mr. Paolucci's

book. Would he regard the Clarence Streit blueprint for a federation of the Atlantic democracies as a concession to a debilitating "internationalism," or would he accept it as a proposal for strengthening the West in its balance-of-power confrontation with the Soviet East? Does he think West Europe should remain a preserve of "little nationalisms," or should it become a bigger federal entity with a possibly enhanced ability to live in a balance of power world? Before we can be

clear on strategies to be pursued against the communists, there may be some arguing to do about the claims of Paul Spaak, Clarence Streit, and other prophets of larger federal units. The question is whether countries such as Belgium, France, and Italy have become the "city states" of the modern Western world. It would be good to have Henry Paolucci turn his lucid mind to the consideration of where the thinking of James Madison can be applied to larger federal units. ♦

A NOTE TO ADVERTISERS

TO THOSE who have helped themselves and the Foundation over the years through commercial advertising in THE FREEMAN, our deep appreciation. However, it has never been a Foundation practice to actively solicit such advertisements, our interest being primarily to explore and promote ideas on liberty.

With that in mind, we are henceforth discontinuing all outside or paid advertising, and will use the available space, as in this issue, to advise readers of special offers of books or programs or services directly related to the main purpose of the Foundation for Economic Education: an improved understanding and practice of the libertarian ideal.

LEONARD E. READ, *President*