THE FREEMAN

IDEAS ON LIBERTY

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DECEMBER
1991
VOL. 41
NO. 12

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THE FREEMAN
IDEAS ON LIBERTY

Published by
The Foundation for Economic Education
Irvington-on-Hudson, NY 10533

President of The Board: Bruce M. Evans
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The Freeman is the monthly publication of The Foundation for Economic Education, Inc., Irvington-on-Hudson, NY 10533. FEE, established in 1946 by Leonard E. Read, is a nonpolitical educational champion of private property, the free market, and limited government. FEE is classified as a 26 USC 501 (c) (3) tax-exempt organization. Other officers of FEE's Board of Trustees are: Thomas C. Stevens, chairman; David H. Keyston, vice-chairman; Paul L. Poirot, secretary; Don L. Foote, treasurer.

The costs of Foundation projects and services are met through donations. Donations are invited in any amount. Subscriptions to *The Freeman* are available to any interested person in the United States for the asking. Additional single copies $1.00; 10 or more, 50 cents each. For foreign delivery, a donation of $15.00 a year is required to cover direct mailing costs.

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Bound volumes of *The Freeman* are available from The Foundation for calendar years 1971 to date. Earlier volumes as well as current issues are available on microfilm from University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106.

The Freeman considers unsolicited editorial submissions, but they must be accompanied by a stamped, self-addressed envelope. Our author's guide is available on request.

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Cover art: © *Dover Books*

PERSPECTIVE

Soviet Keynesians

The Soviet Ministry of Finance would be very surprised to find out that its monetary policy since 1985 has been a typical Keynesian one. The Keynesians advocate a budget deficit and oversupply of money for the stimulation of consumer demand. Keynesianism was discredited in the West during the 1970s because Keynesian policies directly led to stagflation, where there is inflation, no economic growth, and rising unemployment. The excessive supply of money was extremely destructive even in the West where there is market competition. What can we say about the Soviet economy, where there is no competitive market and only huge monopoly structures? Here we see that the oversupply of money combined with price increases is a direct path to the decrease in production and destruction of the economy. That is what we witness today.

In 1985 the government's philosophy was, "We'll suffer, but we'll learn." This hasn't worked because it isn't the government that suffers, but rather the general public.

—YURI OLSEVICH of the Soviet Academy of Sciences, writing in the April 1991 issue of *Ogonyok*

The Role of Government

The rightful role of government in a free society is to provide justice, not goods and services. It does this using law. Life, liberty, and property existed before legislation, thus causing man to make laws to secure these. The law is merely the organization of the individual's natural right of lawful defense. It is the substitution of this common force for individual forces that is to protect persons, liberties, and properties, equally.

The inevitable question now arises: How can the government provide any goods or services if the only way it can do this is to steal the property it is supposed to protect? The inconvenient answer for fans of redistribution is that it cannot do the impossible. It either provides justice by protecting property, or perverts justice by redistributing it—but it cannot do both simultaneously.

— R. W. BOEHM, writing in the June 1, 1991, issue of the Portsmouth, New Hampshire, *Herald*

The Market in Burned-Out Light Bulbs

In Kiev, the capital city of the Ukraine Republic, the price of a new light bulb is 35 or 40 kopecks. (There are 100 kopecks to a ruble.) Yet a market has emerged in Kiev for burned-out light bulbs, and people pay as much as two rubles for a burned-out light bulb. I doubt that any American could figure out why burned-out light bulbs would be selling for five or six times the price of a new light bulb; only a native of the Soviet Union could understand that.

The explanation is simple. The price of a new light bulb is indeed only 35 or 40 kopecks, but the average person cannot find, let alone buy, them. There is a shortage of light bulbs, as well as a shortage of everything else. So people buy burned-out light bulbs, take them to their place of employment, and when no one is looking, they unscrew the functioning light bulb, replace it with a burned-out light bulb, and take the new one home.

—EMANUEL S. SAVAS,
speaking at Saint Vincent College,
March 20, 1991

A Little Vacation

New York City's shelter system for homeless families has become so livable that hundreds, if not thousands, of families who could stay elsewhere are flocking to shelters so they can move to the top of the list for permanent subsidized housing, city officials say.

Dorian and Renita Steeley and their three children, for example, were crowded into a two-bedroom apartment with relatives. But they wanted their own place. So they went to the city and said they were homeless. They now have a pleasant two-bedroom apartment in a Bronx shelter, at a cost to the city of $2,730 a month.

Mr. Steeley is certified to work with the mentally ill, and Mrs. Steeley has been employed as a dental assistant. But they are now receiving public assistance, and neither plans to work until they get a permanent place to live.

"I consider this a little vacation," she said recently.

—CELIA W. DUGGER, writing in the
September 4, 1991, issue of *The New York Times*

Medical Care

The only problem with our medical-care system is that the government and other third parties are paying the bills.

The government has established various cost-containment programs in an effort to reduce its share of the financial burden for hospital care, physician services, and prescription drugs for Medicare and Medicaid patients. These programs have given the government license to ration medical care and have raised the cost for those who pay their own bills by as much as 50 percent.

The only thing that is breaking down is the government system of paying for medical care. If our bloated bureaucracy can't provide medical care for a small percentage of the population, why would anyone want it to try to provide medical care for all Americans?

—FRANCIS A. DAVIS,
writing in the March 1991
issue of *Private Practice*

The Power of Attraction

Don't get too upset with the declining standards all around you and your inability to influence others regarding what you see as the errors of their ways and their thinking. Remember, the only person you are responsible for is you. That puts a big premium on your thinking and your behavior. Concentrate, therefore, on improving yourself, and if you get good enough, the power of attraction will soon reveal itself by influencing others to follow your example.

—H. F. LANGENBERG,
speaking before the Republican Women's Club,
Union, Missouri, April 18, 1991

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A Toast to the Holidays

by Donald G. Smith

The holiday season means many things to the divergent complex of human beings who constitute our Western civilization. For some it is a deeply moving religious experience, for some it is a round of parties, and for others it is some time off from work. It is family time, travel time, and often the loneliness of being away from home.

For everyone, however, it has a significance that is inescapable. The Christmas-Hanukkah-New Year season represents a summing up, a reflection, and maybe an equal sprinkling of introspective applause and regrets.

As a writer on political and economic issues and one tied unabashedly to the capitalistic system, I cannot help but reflect upon what it must be like to do one's summing up in a socialistic economy. Like most Americans, I am accustomed to analyzing my accomplishments, trying to understand and correct my failures, and getting things set up for a new time frame in my personal and professional life. How discomfiting it must be to find oneself robbed of all this; how depressing to have it all placed in the hands of a planning committee, a group of strangers reading charts and printout sheets to determine if everyone was marching in cadence and how many showed up for roll call.

Mr. Smith is a writer living in Santa Maria, California. He has been a frequent contributor to The Wall Street Journal.

Socialism has always seemed to be a nonproductive and wasteful employment of human talent, but at holiday time there is another reality, which is the cheerless existence it offers to those unfortunate enough to be caught up in it. While ostensibly offering all things to all people, it really is nothing more than mediocrity spread across the board and a dollop of cold gruel for all hands.

The holiday season would be quite meaningless without hope, and there is no hope for anyone unless there is freedom. A stagnant, half-alive, over-planned bureaucracy can authorize a yule log, a menorah, a Christmas tree, and even a New Year's toast, but the meaning is lost on people who can only be part of a mass and are not allowed to be individuals. Hope is a pitiful thing indeed when it is only a synonym for escape.

There are socialists who claim that their system allows freedom, but it is only an authorized and "correct" form of independent existence—the right to graze with the herd but not to run off and explore the forest. It is notable too that the people who live in a socialistic system, whatever manner of worker's paradise has been selected for them, are willing to take the risks that are necessary to get out. It might mean climbing a wall, stealing a train, digging a tunnel, or crossing an ocean in an overcrowded and leaking boat, but the human spirit is drawn to freedom like a moth to a lamp.

In North Vietnam, 900,000 people moved south until Ho Chi Minh closed the border, and in China we saw a similar scene in the great Hong Kong embarrassment. During the Clement Attlee years in Great Britain, the brain drain was nearly catastrophic. The brightest and the best simply packed up and left, and they were still going when Winston Churchill returned to 10 Downing Street and gave them a reason to stay.

Although quite unplanned, the people of the world have voted in the greatest election ever seen, and the free society has won in a landslide. People everywhere want the rewards from their own efforts and are willing to suffer the losses from their mistakes. It is as simple as that.

No committee can strike hope from the human soul, and no government can keep people from seeking freedom. It is the message of the holiday season and the reason that we can reflect on the past and plan for the future as free men and women with someplace to go and a reason for going there.

And so, a holiday toast: To freedom and the right to manage our own destinities. As long as people will risk their lives to get it, we have cause to revel in it. Happy holidays to everyone! □

"When My Country Is Free"

by Robert A. Peterson

Not long ago, I had the opportunity of hosting Marcos, a representative of "Free Angola," at my school. His message on the Angolan people's 15-year struggle to bring the Marxist, Cuban-backed government of Angola to the negotiating table was so well received that ours was probably the only high school parking lot in the country with student cars sporting "Free Angola" bumper stickers.

After his speech, I took him out to lunch. Our conversation ranged from politics to family to African and American cuisine. The longer we talked, the more I was struck by the similarities between us. We were the same age, knew many of the same people, shared many of the same ideas. The missionary school where he was educated was much like the school where I serve as headmaster, both seeking to teach the best in the Western tradition to their students.

We found that we both believed very strongly in the private property order. A recent paper on what Marcos' organization proposes for Angola sounds like something I could have written: "Private initiative must be encouraged for the success of any free society. The individual must have the freedom to choose his own destiny. . . . When the state begins to wield control over the economy, the consequence is often rationing of essential products with little or no freedom of choice for the consumer. . . . The state should not try to substitute or compete with private businesses. . . . Every individual should have the right to buy, sell, or freely exchange his assets."

Mr. Peterson is headmaster of The Pilgrim Academy in Egg Harbor City, New Jersey.

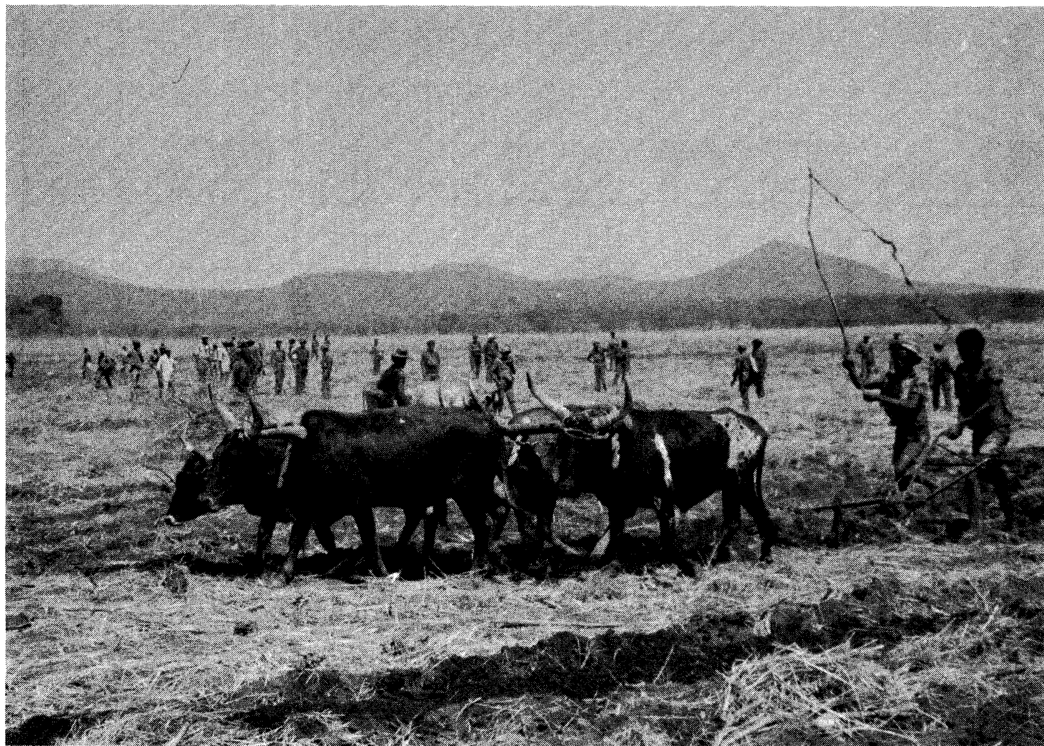
Marcos then shared with me his hopes for the future in such a society: "When my country is free, I hope to open a travel agency and show people from all over the world my beautiful country."

"When my country is free." I've never forgotten those words, for no matter how much Marcos and I had in common, I was free, and he was not. And that made all the difference in the world.

As a child growing up in a free country, I had my choice of jobs—picking blueberries, pumping gas, washing cars, working in the family business. Marcos, on the other hand, had to live at a subsistence level. Without the opportunities created by a free market economy, coupled by the disruption of civil war, there was little Marcos could do to lift himself up by his own sandal-straps. When I reached college age, there were nearly 4,000 colleges in America from which to choose. Marcos had no choice: his education was cut short by the war.

I literally married the girl next door, in a church three blocks from land my great-grandfather farmed. Marcos married a fellow Angolan far from home, in Portugal, both virtual exiles from their country. His parents have never met his wife. Whereas I can see my parents every day, Marcos hasn't seen his family in over 10 years—when the battle lines were drawn, they were on the wrong side. As Marcos told me, "My own mother wouldn't recognize me."

Most Americans can pursue any line of business they want, and invest in markets all over the world. Marcos, however, must work for the liberation of his country before he can even think



FREE ANGOLA INFORMATION SERVICE, INC.

According to the author, we'll never know how many Angolans were kept from developing their country into an advanced nation with quality medical care, modern agriculture, and business enterprises.

about making his first kwanza, the basic unit of currency in Angola. In a word, Marcos' life is on hold until his country is free.

"When my country is free." How many other millions of people—both today and in the past—have whispered these same words? How many Chinese, East Europeans, Russians, and Angolans like Marcos have harbored these same thoughts? Sadly, we'll never know how many Thomas Edisons, Jonas Salks, Marie Curies, or Florence Nightingales—people whose discoveries and services have enriched mankind—have been oppressed by coercive governments. We'll never know how much Eastern Europe—with its traditions of music, literature, and industry—could have contributed to the world from 1945 to 1990. The long dark night of Communism saw to that. And we'll never know how many Angolans were kept from developing their country into an advanced nation with quality medical care, modern agriculture, and business enterprises.

The world is indeed a much poorer place because people cannot vacation in Angola, study Angolan wildlife, wear Angolan diamonds, drink Angolan coffee, or eat Angolan fish. (Once a staple for even the poorest Angolans, fish is now a luxury.) In turn, the foreign exchange generated from such products would raise the standard of living of all Angolans and give them opportunities they never dreamed of.

Today, events are unfolding in Angola that may make Marcos' dream a reality. In accordance with a peace treaty signed in Lisbon last spring, the warring factions in Angola are putting down their arms and getting ready to compete in this former Portuguese colony's first free elections, to be held in 1992. It is a rare opportunity in a nation that once exported 30 percent of all Africa's slaves.

For those of us who believe in freedom, now is no time to forget about Angola. Although Angolans are optimistic about the future, there are many pitfalls along the way, and the situation could quickly deteriorate. If Angola is to become a free society, free marketeers like Marcos will need moral, educational, and investment support from friends in the West.

Someday, perhaps soon, Marcos' country will be free. And when it is, I hope Marcos gets his heart's desire—his own travel agency. When he does, I want to be one of his first customers. □

New G.O.A.L.s at Work in Michigan

by Michael W. Fanning

The spectacular red, gold, and yellow fireworks of autumn ignite in the trees of south-central Michigan. The sun's early Saturday morning warmth highlights nature's brilliance as 50 college students slowly haul themselves out of bed. In carloads they soon descend onto several acres of woods tucked away in the rural county seat of Hillsdale. There, the students congregate in a nature preserve donated to the residents of Hillsdale County by a local manufacturer, Simpson Industries, to be enjoyed as a flora and fauna learning resource as well as for recreation.

Yet weeds, garbage, and even erosion have taken their toll on the Simpson Outdoor Laboratory, and these young people have seized the initiative, determined to halt the preserve's decline. Several months earlier, many of these students had cleaned up the trails and spread mulch along them.

On this particular Saturday in October, however, the students embark on a far more ambitious and complicated project. Wielding everything from tools and shovels donated by Hillsdale residents to a Ford backhoe, they move earth and heave stone all day. The town, impressed with the commotion, rallies the students in their monumental endeavor. The Marriott Corporation, TCBY, Subway, Domino's, and Little Caesar's Pizza outlets in town, for example, donate $300 worth of food.

In the preceding weeks, a handful of student leaders have spent countless hours publicizing the project, recruiting workers, raising funds, and rounding up the necessary tools and equipment. Their organization, energy, and persistence have finally paid off. By late afternoon, exhausted students review their amazing handiwork: a specially engineered anti-erosion water management system.

Several days later, veterans of the project are seen sporting T-shirts around campus. The shirts capture the spirit of hard work and teamwork forged on that hot, dirty, tiring day. The shirts are emblazoned in bright blue letters that say it all: "I survived the Simpson Project."

* * * * * *

It's 3:00 on an unseasonably warm Monday afternoon in November. Nancy Pitzler, a junior from Bellevue, Washington, has just ambled out of her third and last class of the day. Although accustomed to the hectic life and hard work of college, she yearns for a catnap. The night before, Nancy burned several cans of midnight oil studying for a mid-term exam while simultaneously writing an essay for her honors seminar course—college cramming at its best.

Nancy summons her strength and marches down a gentle hill to her dorm room, enjoying the warm sunlight on her face. Once in her room, she does something uncommon among young people her age. Rather then sneaking in that short nap, she begins to tend to the various details of the volunteer project she founded during her sophomore year, the "Elderly Companionship Program." The idea behind her program is to foster friendship, understanding, and cooperation

Mike Fanning, the Foundation for Economic Education's 1991 summer intern, continues his education as a political science major at Hillsdale College and as a G.O.A.L. student.

between senior citizens and college students.

Using the recommendations of local church pastors, Nancy pairs college volunteers with the elderly in what could best be described as a "grandparent-grandchild" relationship. Students visit their adopted "grandparent" weekly to run errands, watch a baseball game, swap stories, share a meal, attend church, or simply take a stroll together. For their part, since most college students are far from home, they appreciate a little piece of "home" and a loyal friend close to college, especially when it comes to sharing a hot, home-cooked meal!

Nancy finds the program to be enriching for young and old alike—an observation that is a source of encouragement and motivation for her. Yet, while helping others, she too has experienced firsthand the personal rewards of voluntarism. In her words, "Being a volunteer, I can assure I'm part of the solution instead of part of the problem."

* * * * * *

Nancy isn't alone in exhibiting a "go-get-'em" volunteer spirit. When he's not dazzling crowds across the Midwest on wintry Saturday nights with his talents as point guard on the college varsity basketball team, and when he's not devoting long, grueling hours to his studies in the library, Jason Andrews of Bothell, Washington, can be found calling the shots in the city-wide basketball league he launched for elementary school children.

Jason's precocious interest in community service, however, doesn't stop there. He also spends at least three hours a week with his "little brother," Matthew. Among other things, Jason provides Matthew with a needed male role model. Yet Jason, like Nancy, is different from most college students his age in that his college is teaching him about voluntarism in the classroom. He is able to apply his new-found knowledge of philanthropy as a volunteer in the "classroom of life."

* * * * *

At a time when many young people are viewed in a negative light, Nancy Pitzler, Jason Andrews, and the 50 volunteers of the Simpson Project are examplars to the contrary. In fact, these students are leaders-in-training of a new American generation reared with and committed to values practically extinct in many people considered leaders today. They are young people gaining valuable experience at offering voluntary, practical, innovative, non-governmental solutions to community needs. Nancy, Jason, and the Simpson Project organizers have been fortunate to gain this experience as members of a unique, private-sector initiative at work on the campus of a small, liberal arts college in Michigan.

A Unique Idea

With a $900,000 grant from the W.K. Kellogg Foundation of Battle Creek, Michigan, Hillsdale College unveiled the G.O.A.L. (Great Opportunities for Assistance and Leadership) program in 1988. Composed of 40 students and one full-time director, G.O.A.L. is an interdisciplinary, community-service scholarship program. It supplements Hillsdale's traditional liberal arts education with classroom instruction in philanthropy coupled with hands-on, practical, problem-solving experience in the voluntary sector in Hillsdale County.

Through this dual emphasis on academics and action, the program imparts to Hillsdale students the responsibility of individuals to improve the lives of other people by freely giving of themselves. This unique education is designed to inculcate in the young a sense of responsibility and accountability so that upon their graduation, they will be prepared to lead a life of active citizenship, philanthropy, humanitarian service, and leadership. Hillsdale College President George C. Roche explains the philosophy of G.O.A.L.:

> It is one of the unfortunate truths of our time that a large portion of our people neither understand nor accept responsibility for serving the community. With the growth of government and increased dependence on its programs, the idea of active citizenship and assuming a personal obligation for the well-being of society has come more and more to be viewed as a relic of the past.... Little or nothing is taught in our nation's schools about the significance and practical benefit of helping others, voluntarily with no coercion by government....
>
> We saw two sets of parallel and complementary needs, and we acted upon them. First, we saw that many of our young people, raised in an age that is increasingly materialistic and self-absorbed, need to commit themselves to something outside themselves, something that can give meaning and purpose to life. Second, we observed the many needs that exist right

here in Hillsdale County—urgent needs for the basic material requirements of life and the educational opportunities that can provide a better future for those who would otherwise never have a chance.

From these observations we began innovating. The result is G.O.A.L. . . . designed to encourage the creative instincts of students, challenging them to find new, imaginative ways of addressing community problems and meeting basic human needs.

Three Responsibilities

Students from a wide variety of backgrounds across the United States apply for membership in G.O.A.L. All applicants have a proven record of leadership and voluntarism in their home communities, churches, and schools, as well as outstanding academic achievement. A competitive application process ensues, culminating with an interview before a faculty/administration selection committee.

Selected students are promptly charged with responsibilities in three areas. First, they venture into the Hillsdale community to research needs and design service programs to address those needs, giving a minimum of five hours a week. As George Roche says: "Go do something. Don't write me another paper about it. Do something. We're here to do more than have a higher standard of living."

Some students work independently—like Jason with his community basketball league—while others work in conjunction with local service and charitable organizations, such as the Optimist Club of Hillsdale and the Hillsdale County United Way. Indeed, local Optimist Club members elected Jon Eckhardt, a G.O.A.L. student and Hillsdale native, vice president of the club. Chris McKenzie from Bay City, Michigan, sits on the United Way Board of Directors.

These young people are gaining valuable insights into the operations of not-for-profit service organizations. McKenzie says: "One main purpose of G.O.A.L. is to build bridges between the college and community. We are to take care of our fellow man. Taking care of others begins here."

Students also attend monthly lectures delivered by outside experts. For example, G.O.A.L. students recently discussed with *Washington Post* columnist William Raspberry his interest in teen voluntarism. In addition, every Sunday evening all G.O.A.L. members convene to discuss concepts of philanthropy, voluntarism, and leadership, among other topics. In order to assess the leadership skills developed and nurtured through their year-long community-service activities, students adjourn to Battle Creek after finishing final exams in mid-May to participate in an intensive three-day retreat.

In their second realm of responsibility, G.O.A.L. students are expected to involve themselves in a variety of extracurricular activities on the Hillsdale campus—ranging from Greek fraternities and athletics to student government and the college newspaper. As a group, the 40 G.O.A.L. students participate in 34 campus activities or honors groups while working in 43 off-campus community volunteer projects.

Finally, despite this whirlwind of involvement on and off campus, students must fulfill challenging responsibilities in the classroom. G.O.A.L. students must carry full academic course loads and earn a minimum 3.0 grade point average in order to retain their scholarships. Their median grade point average of 3.5 on a 4.0 scale suggests that G.O.A.L. students have no difficulty fulfilling this requirement.

Additionally, students enroll in a semester-long course taught by the G.O.A.L. director. The course teaches students the "techniques and traditions" of voluntarism, the history of philanthropy, and not-for-profit management. This instruction provides G.O.A.L. students with an intellectual groundwork for their in-the-field activities. Thus, not only does Nancy Pitzler, for example, operate her Elderly Companionship service project, she is active in a social sorority, numerous honoraries, and the campus Christian fellowship group. She carries a 3.7 average and pursues a double major in French and American Studies.

Scholarships for Leaders

This is a scholarship program, after all, and herein lies a unique twist. Hillsdale awards substantial merit scholarships to these student leaders, who otherwise might be financially unable to attend Hillsdale, to allow them the opportunity to attend a liberal arts college and learn firsthand the practical benefit of philanthropy and commu-

HILLSDALE COLLEGE

G.O.A.L. students at work in the Simpson Outdoor Laboratory.

nity service. The academic/service scholarships provide students with an excellent incentive to make the most of their time, in and out of the classroom. Rather then holding down a part-time or full-time job, G.O.A.L. students can devote significant time not only to hitting the books but to service as well.

Commenting on the rationale for scholarships, G.O.A.L. Director Duane C. Beauchamp says: "The scholarship is designed to free students from the necessity of working to get money for their educations. It doesn't pay students for their service in the community but rather provides the means for them to give of themselves."

These scholarships, however, are not automatically renewed each year. According to the 1989 annual report of the W.K. Kellogg Foundation: "Recipients are evaluated annually for demonstrated growth in leadership and volunteerism. . . . As fellowships are renewed from year-to-year, students become more self-directed in their activities. They are eventually required to write and submit a proposal for possible funding by a foundation. The final year focuses on the students' long-range volunteer plans as part of their career planning."

Variety of Niches

The scope of the G.O.A.L. program in Hillsdale County is evidenced by the wide variety of project niches carved out by students. Ann Sundareson of Troy, Michigan, set up a tutoring program to aid Hillsdale youngsters in their schoolwork, especially mathematics. Ann remarks, "The G.O.A.L. program provided me with an opportunity to show what I could do, and to demonstrate to others that there are people who care and who will take time to serve."

Kim Melvin is a talented student-athlete from Perrysburg, Ohio, and she orchestrates a Southern Michigan Special Olympics basketball tournament at the college sports complex every year. Her colleague, Jennifer Sanderson of Monroe, Michigan, coordinates her own community literacy program for adults.

Kenneth Pierce decided to compile a library of recorded books for the vision impaired. The Grand Rapids, Michigan, native reads books onto cassettes, and through his work the visually handicapped can enjoy many of their favorite literary works by simply listening to Kenneth's voice.

Stephanie Tietje of Leland, Michigan, volun-

teers weekly at the Hillsdale County Medical Care Facility. Besides visiting with patients, Stephanie assists the staff by organizing events and social activities. She also works with Alzheimer's disease patients to improve their memory by using tactile stimulation and the manipulation of simple objects on a device known as a memory board.

Julie Hasenbein of Wauwatosa, Wisconsin, coordinates an after-school center at the First Presbyterian Church that keeps an eye on 15 small children. Working parents entrust their children, ranging in age from kindergarten to fifth grade, to Julie and her team of volunteers from 3:30 to 5:30 every weekday afternoon. Julie asserts that "through these volunteers, the children are given good role models in social behavior, values and morals, academics, and respect for others." The after-school center has proved so effective in addressing the growing day-care needs of working parents that a Presbyterian Church in nearby Jonesville, Michigan, has established a similar center of its own.

Scott Woodman, an aspiring doctor from the Detroit suburb of Northville, involves himself at the Hillsdale Community Health Center. Most notably, he organized a renovation of the hospital's pediatrics unit. "Working at the hospital, you have to put yourself in the shoes of the people you're helping. What if I had that illness? It makes volunteering easier, because I would want somebody to care for me in this way."

Detroit's Miechia Esco has experienced voluntarism in several G.O.A.L. projects. "My involvement in these projects gave me the opportunity to receive as much as I gave," she comments. "Helping others get the chance to accomplish on their own: that is the real spirit of voluntarism!"

However, these G.O.A.L. students are by no means the only Hillsdale students to experience the value of community service firsthand through their college educations. All G.O.A.L. members are expected to provide opportunities for their classmates' involvement in volunteer projects that suit their respective personal interests and complement their talents. For example, in Jason Andrews' basketball league, he recruits six college students to volunteer their time as coaches to serve alongside Hillsdale residents recruited by the city Recreation Department.

Michelle Porritt of Oxford, Michigan, views G.O.A.L. as a volunteer "clearinghouse" for students: "Before Hillsdale had G.O.A.L., there was nowhere for would-be volunteers to go for guidance, but now they know we're here and we can plug them into a program." By motivating their classmates to contribute their time and energy to worthy community causes, G.O.A.L. members spread the spirit of voluntarism across the Hillsdale campus. In the words of Birmingham, Michigan's Paula Shelton: "I never had the opportunity to be involved in volunteer programs. G.O.A.L. has provided the guidance to show me how to serve effectively." Appearing on the Christian Broadcast Network's Family Channel "Straight Talk," Paula told host Scott Ross that service to others "is far more rewarding than time I spend by myself. The investment that you make in people's lives and what you get back from that is inspiring."

Hometown Voluntarism

G.O.A.L. students don't confine their community service to Hillsdale County, however. Upon becoming G.O.A.L. students, they sign "student growth contracts" agreeing to give 20 hours of service each summer in their hometowns. For example, according to *G.O.A.L. News*, the program's quarterly newsletter, Nancy Kwant spent her summer "vacation" volunteering not only in her hometown but in several other cities. In her hometown of Lowell, Michigan, she peeled potatoes, helping the Franciscan Sisters "prepare meals for the jubilees celebrating the nuns' 25- and 50-year anniversaries in the religious life."

Nancy then packed her bags for a Pennsylvania day camp where she could work with poor children from low-income housing projects in Pittsburgh. "She helped the scrappy five-to-eight year olds play games, do crafts, and learn how to listen to stories," *G.O.A.L. News* reports. Her strength, patience, and compassion were constantly tested since, in Nancy's words, "these kids were used to so much hostility." In addition to her camp work, Nancy found time to build and restore houses with the Pittsburgh chapter of Habitat for Humanity.

From Pittsburgh, Nancy Kwant moved on to Springfield, Massachusetts, where she gained invaluable experience at a day camp for Spanish-speaking children. She was able to put her foreign language training to use, astonishing the kids by speaking fluently in their native tongue. Many of these children were the victims of child abuse,

broken homes, and drug-infested neighborhoods.

Traveling south from Springfield, Nancy landed in Connecticut where she wrapped up her summer the way she started it: peeling potatoes. She volunteered in the kitchen of a Hartford tutorial center. With these experiences in hand, Nancy returned to Hillsdale and resumed her studies with "a new view as to what it is to sacrifice and adjust. So little is required to try and make that difference [in people's lives], I wonder why more people don't give it a chance."

A Rare Species

The G.O.A.L. program is rearing a rare species of leader committed to the values and virtues of voluntary citizen cooperation in solving societal problems—values and virtues in short supply today. As George Roche notes: "In the absence of government intervention, leadership in the form of volunteerism and altruism can promote permanent solutions to problems confronting the Hillsdale community as well as the nation. This program involves students working to help people locally. It's not more government funds or programs; it's individuals seeing problems in the community and doing something to resolve them."

G.O.A.L. is a model of private initiative applicable to many colleges and universities across the United States. George Roche, quoted in the *Detroit Free Press*, says, "I would think [G.O.A.L.] has great potential. I don't see why we couldn't have this on most college campuses.... It certainly should have a place in higher education. If it doesn't, I'll be disappointed in higher education." The *Phoenix Gazette* echoes Roche in a January 20, 1990, editorial: "The Hillsdale program is a modest but worthy effort to rekindle interest in common purposes. It sets an example for other schools to follow."

Hillsdale's program is an innovative way to finance the college education of some of our young leaders while imparting to them one of the most important truths articulated in the academy: the sanctity of free individuals, exercising their talents to improve themselves and the lives of others. G.O.A.L. Director Duane Beauchamp sums it up: "G.O.A.L. combines education and action. It promotes the best instincts of young people. And it places the responsibility for community service where it should be placed, not on government, but on the moral conscience of the individual." □

Why Teenagers Can't Find Work

by John V. LaBeaume

During the summer of 1990, despite two months of intensive searching, I was unable to find employment. I could locate no employer willing to exchange $3.35 per hour, the "training" minimum wage, for my unskilled labor. In essence, I was legally priced out of the market.

This means that prospective employers and I were prevented, because of the minimum wage, from agreeing to mutually beneficial exchanges. After a few weeks of fruitless search, I was willing to work for one dollar per hour, which most well-meaning minimum wage proponents would declare "unjust." One dollar per hour, however, was one dollar per hour more than I earned that summer.

Prospective employers deemed my services, quite rightly I suppose, worth less than the minimum wage. Anyone who hired me for the "training" wage most likely would have lost money. An

John LaBeaume is a high school senior in University City, Missouri. He did find work in the summer of 1991.

employee's output, after all, must exceed the employer's total costs if the employer is to earn a profit.

The cost of hiring, we must remember, exceeds the employee's wage. Other factors such as Social Security contributions, workers' compensation, unemployment payments, insurance, uniforms, and parking increase the cost. It also is expensive to comply with the many regulations imposed on employers by the state.

Particularly expensive is compliance with child labor laws. These often-archaic rules restrict the number of hours a young person may work, when he may work, as well as the types of jobs he may seek. They drive up the costs of hiring unskilled youth, thus giving older competitors more leverage with prospective employers.

Perhaps I would have been more fortunate had I been looking for work in the summer of 1989 when employers and employees often skirted minimum wage and child labor laws, resulting in more jobs for minors. However, in early 1990, then-Secretary of Labor Elizabeth Dole launched Operation Child Watch, a crackdown on the violators of minimum wage and child labor laws, during which hundreds of thousands of dollars in fines were levied on employers defying these laws. In the summer of 1990, the hypersensitivity of employers was evident as they attempted to comply with these laws to avoid a $1,000 fine for each violation.

The defense offered by minimum wage proponents, including unionists interested in reducing competition from people willing to work for less than their artificially high, union-mandated wages, is that without the minimum wage, minors would be "forced" to toil as "slave labor." This argument trivializes the seriousness of the concepts of *force* and *slavery*. A person is *forced* when another physically compels him to act; this is hardly the case here as the employee is free to leave his job at any time. *Slavery* is the state of one human living in the possession of another, and slave labor is forced labor without compensation; this is not applicable here because some compensation is made, however low, and neither party owns the other.

Extremely low wages won't occur in a free market because of the low productivity that would ensue. A worker is unlikely to produce with quality if he decides that he isn't receiving compensation that makes the job worth his while—if he accepts such a position at all. Thus it isn't in the employer's interest to offer wages so greatly unagreeable to the employee. And if he does, competing employers will be quick to offer higher wages so as to hire the worker away.

Minimum wage and child labor laws exclude unskilled young people from the labor market and increase teenage unemployment. At the same time, they undermine the rights of free association and exchange, and deny the lesson of self-responsibility which comes from getting that first job. □

The Productivity of Freedom

IDEAS ON LIBERTY

For the economy as a whole, there can be no Santa Claus, no "free lunch." Society must pay for what it gets. The payments thus made are the incomes of the recipients. Most of us are on both sides—paying and receiving. On one side, we want the amount to be large; on the other side, we want it to be small. Each of us presumably tries to do the best we can, to make the best settlement possible with what he has, in getting income and then in using it.

The greater our freedom to make the best bargains, the better in general will be the results. No one wants to pay others more than their services are worth, and freedom to reject demands for overpayment reduces the likelihood that we shall be forced to do so. In turn, the broader our range of freedom, the larger our opportunities to get the most that our services are worth to others.

—C. Lowell Harriss

The Great American Epic

by Davis Keeler

Why is it that the Civil War seems to be the great American epic? Why isn't it the American Revolution? The winning of the West was an epic deed, but it stretched over so many years and had such a shifting cast of characters that it may lack the focus needed for a great tale. But does the story of the Revolution have some similar shortcoming?

It is a story of disparate peoples who left their ancient homes in search of freedom, crossed a perilous sea to live in an unknown wilderness, and came together to cast off the yoke of a great power and establish a nation that was to become the shining hope of mankind. This is not skimpy material to work with.

The problem can't be dialogue, for this was a highly articulate bunch, who have left us a great mass of eminently quotable tracts, sermons, speeches, documents, pronouncements, and declarations, many of which are models of English usage.

True, the Revolution included a lot of people wearing powdered wigs and knee breeches, and sitting around on spindly furniture. But is this a fatal flaw? Is the late 18th century simply too far away for our imagination?

The answer, I suspect, is that the Civil War has two things going for it that the Revolution can't match. For one thing, there are the characters. Washington may be admirable, but he never wanted to be lovable, and in that, as in most things, he succeeded. The rest of the popular leaders fought only locally, and none carried through the entire war in the way Grant, Lee, and Joe Johnson did.

On the British side there were some interesting characters—Tarleton was a dashing rogue, "Gentleman Johnny" Burgoyne was able to recover across the supper table most of what he had lost in the field, and Cornwallis had an interesting career, though unfortunately not in America—but our history has never paid much attention to them, and certainly never painted them as courtly gentlemen fighting for a lost and noble cause.

Probably more important is the Lost Cause. The Revolutionary generation saw the world in the dispassionate light of Enlightenment reason, but the Civil War came at the height of Victorian sentimentality and acquired an emotional charge that has stayed with it ever since. There was, further, the practical necessity of romanticizing the Civil War and granting nobility to the defeated, in order to heal the nation's wounds. In contrast, by the end of the Revolution the most determined loyalists had been exiled or had chosen to emigrate, and there was no such need of national reconciliation.

Another problem with the American Revolution lies in its definition. Was the war the Revolution? John Adams wrote that the Revolution was over in 1775, that the war wasn't a part of it. By this he meant that the revolution in the minds of the people rejecting the legitimacy of British rule had already occurred, and the fighting was simply to ratify that change. After 1775, a British victory was

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DOVER BOOKS

Saratoga: The Second Battle of Freeman's Farm, October 7, 1777. Burgoyne's army was defeated, thus dashing British hopes for a quick end to the war.

impossible: a military victory would have only delayed realization of the change in political philosophy that already had taken place.

This change came to a head at the end of the French and Indian War, when the British Parliament decided to tax the colonists for the military protection they were receiving from the mother country, and imposed, in 1765, the famous Stamp Tax. This tax, on its face not unreasonable, became the catalyst of long-standing complaints against both the substance and form of British rule. In the decade that followed, these complaints, expressed in the prevailing philosophical language of the natural rights of man, led through a series of confrontations to a complete rejection of British rule. Thus, when Jefferson drafted the Declaration of Independence, he wasn't seeking to convince an uncertain nation, but was, as he claimed, merely setting out the widely held political beliefs of the colonists.

The American Revolution, properly understood, was therefore an intellectual revolution that took place over a period of some 10 years in public debate and private discussions, in the hearts and minds of the colonists. A people were moved to reject a familiar and long-respected authority and hazard their lives, their fortunes, and their sacred honor on the hope of a new nation based upon self-government and the God-given and inalienable right of the individual to life, liberty, and the pursuit of happiness. And they pulled it off, creating a nation and form of government that has inspired the hopes of people throughout the world ever since. □

The Chinese Won't Forget

by Sheila Melvin

My decision to return to China for a journey that would take me from the wild jungle border with Burma to the windswept plains of Inner Mongolia in the summer and autumn of 1990 was not an easy one.

I had been a student at a Shanghai university in the spring of 1989 and had left China shortly after the massacre in Tiananmen Square. I didn't care whether a decision to return would be deemed "politically correct" by the arbiters of such things back home, but I did fear that the Chinese people I encountered might construe my presence as a sign that the massacre had been forgotten and all was "business as usual" with China so far as Westerners were concerned. But, I wanted to go back.

I wanted to pick up the belongings I had left behind, to visit the friends I had bid so hastily good-bye, and to see for myself if it was true, as countless Western news reports had led me to believe, that the Chinese people, like amnesia victims, had forgotten the democracy protests of 1989 and the massacre that brought them to an end.[1]

Both fears—that my presence would be misconstrued and that the Chinese people had forgotten—were to prove completely unfounded.

Our first night in China, my two traveling companions and I ate at the Cooking School Restaurant in Kunming, the capital of Yunnan Province. We shared a table with two men, one a provincial government official, the other a jewel trader. Upon learning that we were American, the men immediately proposed a toast.

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"To America," said the jewel trader, raising his glass of Five Star Beer high, "the country that saved Fang Lizhi and helped him gain his freedom. If it were not for America, Fang Lizhi would be a prisoner in his own country, or worse. We salute you."

Startled by the public toast to our country and to Fang, the dissident physicist who sought shelter in the U.S. embassy in Beijing for one year following the crushing of the pro-democracy movement, we joined in the toast. When we had put down our glasses, the government official added, "Do not hate me because I am a government official—we don't agree with what happened on June 4, either. Not all government officials are bad."

Realizing that it was safe to discuss openly the events of 1989, I told the men that I had been in Beijing on June 4 of that year. Their jaws dropped.

"Then you saw," said the jewel trader.

"Then you can bear witness," said the government official.

Bearing Witness

As briefly as possible, I told the men how, with two American friends, I had traveled by train from a small town north of Beijing and arrived in the capital on the evening of June 4. Public transportation was shut down, a situation we attributed to the ongoing protests. So, oblivious of the ongoing massacre, we had set out walking to Tiananmen Square.

Although we had trod over smashed bricks, rocks, and bottles, past burnt-out buses and army

COURTESY OF SHEILA MELVIN

Beijing residents confront the soldiers on Qianmen Avenue on June 4. The gesturing man is warning that the soldiers have seen our camera.

vehicles, the possibility of imminent danger hadn't occurred to us. Crowds of people filled the streets, most of them gazing silently at the wreckage, so we assumed all was safe.

We came within sight of Tiananmen Square and saw that it was completely surrounded by tanks and by soldiers who were seated cross-legged on the ground. Beijing residents were standing near the soldiers, apparently talking to them. Others hung back, gazing at the Square through binoculars. We took out a camera and snapped some pictures. Noticing us, a dozen soldiers stood up and began pointing at us and shouting. We hid the camera and jogged away. At the intersection, we decided to walk over one block to Chang'an Da Jie, the Avenue of Eternal Peace.

The section of Chang'an between Tiananmen Square and the Beijing Hotel was filled with hundreds of people. Those up close were yelling at the soldiers, those farther back were simply standing and staring. As we neared, several people approached us to vent their fury.

"Do you see them?" asked one man, pointing at the soldiers. "They used to be called the 'People's Liberation Army,' but they are not called that anymore. The 'People's Army' does not shoot the people."

My friends walked closer to Tiananmen, and a European ran toward me. "I've seen 30 people killed where I was standing," he said. "The people are cursing the soldiers. They are calling them turtles and dogs, and the soldiers are getting angry. Something is going to happen. You had better leave."

He ran off. I looked past the soldiers at the hazy, purple sky and then scanned the street for my friends. It soon would be dark. A sharp noise ripped through the air, a noise I assumed to be firecrackers. It seemed an odd time to be setting off firecrackers.

A second later I saw scores of people running toward me, screaming, and I realized that the noise was gunfire. In response to the name-calling, the soldiers had opened fire with their AK-47 assault rifles and were shooting straight down the street. My friends were nowhere to be seen, so I ran, praying that the shooting would stop. It didn't.

I dove behind an overturned bicycle cart in the

middle of the road. All around me people were falling to the ground, but I didn't know if they were wounded, or merely taking cover, as I was. Next to me, an old man, apparently in shock, sat in the road staring at the soldiers. His forehead was bleeding, but I couldn't tell if it was from a bullet wound or a scrape.

The shooting continued unabated. I got up and ran toward the sidewalk where I hid behind a telephone pole with a cluster of women in light summer dresses, all of them quaking in terror. The shooting was soon directed toward the sidewalk, and we all ran.

Somehow, I made it to the shelter of a cross street next to the Beijing Hotel. Here the wounded were being ridden away on the backs of bicycles. The wounded I saw had all been shot in the back. I was surprised at how small the wet, red holes that marked the bullets' entry into human flesh were.

Those who escaped uninjured were comforting each other. "It's nothing," people told me. "It's nothing. You're all right. But, when you get back to America, make sure to tell the people there what you saw today in China."

My friends rounded the corner onto the cross street. The man standing next to them when the shooting started had taken a bullet in the stomach and dropped to the street, dead. The shooting still went on.

As we walked hurriedly down the street, groups of people applauded us and thanked us for being there. Others shouted out their estimates of the dead—10,000 was the number generally given—and yelled that the soldiers had been burning bodies in Tiananmen Square all night. We made our way through back streets and alleys to the train station, passing on the way hundreds of people preparing to confront the soldiers, armed with nothing but their sorrow and their rage. When I urged them to turn back, they laughed.

The train station, filled to overflowing, looked like a refugee camp. We jumped on the next train to Shanghai and left the country by boat five days later.[2]

When I finished telling the two men in the restaurant what I had seen in Beijing in June 1989, they looked at me with anguished faces.

"Our government lies to us," said the government official. "How many do you think really died?"

"I am glad you were not hurt," said the jewel trader. "What happened to you shames China."

Where the Heaven Is High

Tian gao huang di yuan is an old Chinese saying that translates, "The heaven is high and the emperor is far away." It has several meanings, one of which is that the farther a person is from the emperor, the freer he is to do and say as he wishes without fear of interference or punishment. Although China technically no longer has an emperor, the saying is as applicable today as it was in any dynasty.

Across China, but particularly in regions distant from Beijing, ordinary people—teachers, factory workers, entrepreneurs, government officials, taxi drivers, journalists, and service workers—used chance encounters with me to loose their pent-up emotions concerning the 1989 protests and the government's repression of them.

In Lijiang, a remote town in Yunnan Province two days from the nearest airport or railhead, a young entrepreneur described the democracy protests staged in her town. When I expressed surprise that Lijiang, with a population of 50,000, had been the site of democracy protests, she chided me. "We have universities!" she cried. "We have students and we love freedom the same as the people in Beijing!"

Her boyfriend, a factory worker, assured me that the people of Lijiang were well-informed about the nationwide student movement and about the massacre that ended it. "It was Li Peng's fault," he told me. (Li Peng, the Prime Minister, announced the declaration of martial law in Beijing on nationwide television and is widely blamed for the violent suppression of the protests.) "We hate Li Peng," he continued. "And we don't like Deng Xiaoping, either. The only Chinese leader we like is Mao Zedong. He made mistakes, but he loved China."

On trains, in the crowded second-class carriages in which I rode, passengers continually sought opportunities to speak with me about the massacre.

"Last year [1989], we had hope," said a 46-year-old factory manager, his voice shielded from other passengers by air rushing in through the open window. "The students rose up and we all supported them and there was hope. But, since

COURTESY OF SHEILA MELVIN

The Goddess of Democracy, with the Great Hall of the People in the background, in Tiananmen Square on the afternoon of June 1, 1989.

the June 4 incident, there is no hope. It was horrible. Horrible."

Said another man on the same train, "We used to love our country. We used to be patriotic. But not now. I don't like the government; I can't stand it. No one can. We are just waiting for another chance to rise up." Asked when that chance would come, he replied, "It's too hard to say, but it will. This cannot go on."

A third passenger on the train had just returned from the Middle East where he sold Chinese-made water pumps. "If the Beijing students rise up again and the Shanghai workers unite behind them, then we will win for sure," he explained in fluent English. "But, we don't want revolution. Too many will die. We want peaceful change."

On another train, a wealthy private businessman volunteered his explanation as to why the protests did not succeed. The democracy movement failed, he said, because the students were too young, didn't remember the Cultural Revolution, and "did not understand that student protests never succeed in China."[3] He felt that most Chinese had supported the protests "in their hearts, but many were afraid to show it." He went on to describe his nation as one racked by crime, prostitution, drug abuse, and even occasional terrorist acts such as the blowing up of trains. After Deng Xiaoping dies, he speculated, "It could be like your North-South war. The governments of many provinces don't want to listen to Beijing anymore. They may fight."

Nearer the Emperor

Closer to Beijing, discussion of the protests and of the massacre was more muted. Even the phrase "June 4 incident" was avoided in favor of the more innocuous "last year," or "in 1989." But, while direct criticisms of the government were veiled or avoided, resentment hung thick.

In Shanghai, students at prestigious Fudan University, many of whom were active in the protests, had returned to school a week before the scheduled start of classes in order to perform manual labor such as weeding, pruning, raking, and painting. Asked if the labor was voluntary, a Fudan employee said, "No. It is punishment."[4]

The criticism voiced in Shanghai often took the form of sarcasm. Mention of the growing democratic freedoms and economic prosperity in Taiwan sent a cab driver and a professor into spasms

of bitter laughter. "Freedom! Ha, ha, ha! Look out the window—freedom! Taiwan freer and richer than China? Ha, ha! Freedom and wealth—we have so much of it, we don't know what to do with it. Didn't you know?"

In Beijing, where residents were supposed to be eagerly preparing for the Asian Games, workers and intellectuals alike expressed the belief that the government's prime motivation in sponsoring the games was to wipe out memories of the massacre. "It won't work," several people told me. In the lobby of a Beijing hotel, a young writer ignored the surveillance cameras trained on the coffee shop in which we sat and eagerly questioned me about the fate of such escaped dissidents as Chai Ling, Liu Binyen, and Yen Jiachi. Unfortunately, I was unable to tell him anything he didn't already know from listening to the Voice of America.

Beyond the Wall

I left China on a train bound for Moscow. My fellow passengers, most of them Chinese, opened up noticeably once we were beyond the Great Wall, even more so when we had left China behind and entered Mongolia. Outside the boundaries of their nation, scientists, teachers, opera singers, and tai chi masters spoke freely of the hopes they had lost the day the tanks rolled into Tiananmen Square.

"I joined the Communist party five years ago when I was young and believed it could still save China," said a scientist on his way to Germany. "On June 4, I learned just how stupid I was. I would give up my party membership today if I weren't afraid that doing so would hurt my family."

A 28-year-old English teacher from southern China obtained permission to board the train by somehow convincing authorities that Moscow was his first stop in a land-and-sea journey to Uganda, where he intended to visit his uncle. The teacher, whose taxi-driver brother had lent him $1,000 for the trip, had no intention of going to Uganda. Neither did he have any plans to return to China until he had gained citizenship in a Western nation. He made his decision to leave China immediately after the troops moved into Tiananmen Square.

"I have friends in Italy," he explained. "They can help me get a job in a restaurant. It is better to be a dishwasher in Italy than to be a teacher in China." □

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1. A brief item in *The New York Times,* December 9, 1990, mentions the phrase "The Chinese Amnesia" and attributes its coining to "a prominent Chinese exile in England." The phrase is specifically used to describe the manner in which imprisoned Chinese dissidents are forgotten and more loosely used to describe the way in which the Chinese supposedly forget their failed democracy movements and the men and women who have been killed or jailed because of their democratic aspirations.

In an October 7, 1990, article in *The New York Times* entitled "Far from Tiananmen: TV and Contentment," Nicholas D. Kristoff paints a picture of a rural Chinese populace that is content with its lot and supportive of the government's decision to massacre the democracy protesters. He writes, "Here in Song, home to peasants like those who make up 70 percent of China's population, people seem relatively satisfied with the Government and with the crackdown." It may be true that rural Chinese are more inclined to be supportive of the government than urban Chinese, but I believe that the tone of the article, and of many other similar articles published in the popular press in the past year, is thoroughly misleading.

2. We were obliged to leave China by boat because the trains weren't running and all the roads in Shanghai were blockaded, making it impossible to get from my university to the airport, except by motorcycle. Officials at the U.S. consulate in Shanghai did nothing to help the 20 American students at my university. In fact, I was unable to reach a consular official by phone until the early evening of June 8, although I called dozens of times on June 5, 6, and 7. One American who got through to the consulate on June 7 was asked if she realized that she was calling after working hours.

Students from Canada, France, England, Italy, Belgium, and Hungary were evacuated from the university, which was considered an extremely dangerous place to be if troops moved into Shanghai, and then flown out of the country. Consular or embassy officials from Japan, Poland, the U.S.S.R., and Burundi were in frequent communication with their nationals at the university. Only the West German consulate was as insouciant as the American consulate, but, in the end, it sent cars to take the German students to the harbor. The American consulate refused even to do this.

3. When I asked this man if the May Fourth Movement in 1919 didn't qualify as a successful student movement, he explained that the May Fourth Movement was different because it was a protest against powers outside China, not inside.

According to Chow Tse-tsung, author of *The May Fourth Movement: Intellectual Revolution in Modern China,* the first recorded incident of students gathering to criticize the government took place in 542 B.C., when Confucius was 9 years old. The criticism was tolerated by the government. In the first century B.C., 30,000 students at the Imperial College protested the government's punishment of an official they considered meritorious. In the second century A.D., students joined with officials and intellectuals to criticize the government. Several hundred were imprisoned and executed.

As to why the phenomenon of student interference in political affairs first arose, Chow writes, "In a monarchy without a genuine legislature or system of popular representation, it was perhaps inevitable that the educated minority should under duress seek to express itself."

4. Electricity also was denied Fudan students during the 1989-90 school year as punishment for participating in the democracy protests. Students, who live seven to a room, were permitted only a ceiling light until 11:00 P.M. No electricity was provided to the outlets where students normally plug in radios, fans, and other appliances.

Catholicism's Developing Social Teaching

by Robert A. Sirico, CSP

The latter part of the 19th century saw momentous changes brought on by the Industrial Revolution. In an attempt to bring to bear the insights of transcendent faith on real-world matters, Pope Leo XIII, who reigned from 1878 to 1903, penned an encyclical letter that would become known as the Magna Carta of Catholic social teaching. The revolutionary changes Leo witnessed had transformed the social and technological patterns of European life and were the immediate occasion for his letter *Rerum Novarum* in May 1891.[1]

Rerum Novarum was the first of the modern social encyclicals.[2] While certain foundational moral teachings are expressed in these documents, much of what they deal with are matters of a contingent and prudential nature.

The student of Catholic social teaching will therefore note that it is dynamic and always subject to development. In honor of the centenary of Leo's encyclical, Pope John Paul II declared 1991 a Year of Church Social Teaching and issued a ground-breaking new encyclical, *Centesimus Annus* (The Hundredth Year), which represents a dramatic development in the encyclical tradition in favor of the free economy.

I set out to examine *Rerum Novarum* with a somewhat focused intention, in order to provide a backdrop for understanding how momentous the appearance of *Centesimus Annus* is. It is not so much my goal to write here as a theologian, but rather as a student of what Ludwig von Mises called "the forces that bring society into existence," namely the activities of the free market. There will, of course, be a theological dimension to these remarks, and to that extent I write with an awareness of the ecumenical setting of today's religious dialogue, and the desire of all people of goodwill to learn how to build a society that is just, free, and prosperous.

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The Role of Encyclicals in Official Catholic Teaching

Our discussion of *Rerum Novarum* and *Centesimus Annus* will be deepened by an understanding of what it means to speak authoritatively in a Roman Catholic ecclesiastical understanding and what the bounds of that teaching authority, or magisterium, are.

The Catholic Church makes the claim that its magisterium carries with it a privileged insight into matters of faith and morals. Nonetheless, the teaching authority itself recognizes certain boundaries to its competence and has outlined, very generally, the parameters of that competence. There are times when the boundaries may be obscure and where they may overlap fields outside its immediate mission, but this merely makes the business of interpreting these documents more challenging, it does not vitiate the church's claim for them.

An initial distinction to note is that between generally authoritative pronouncements by church leaders and specifically infallible pronouncements. Catholic understanding in this area

is frequently misunderstood by those outside the church, as well as by Catholics themselves.

Church teaching may be exercised in a solemn or extraordinary manner, as when a given doctrine is defined by an ecumenical council of bishops or when pronounced *ex cathedra* (from the chair) individually by the pope. Distinct from this exercise is the ordinary teaching of the popes, as in an encyclical.[3]

Further gradations of the church's teaching authority may be noted: allocutions of popes, the letters and teachings of various Vatican secretariats and commissions, the homilies of a pope, the teachings of bishops either within their own dioceses or in national conferences, and the teaching of pastors to their parishioners and catechists to those inquiring into Catholic belief. All of these, and others as well, participate in varying degrees in the church's teaching mission and charism.

Our discussion here relates to an encyclical, which is a papal letter circulated throughout the whole of the Catholic Church, and in more recent days, a letter addressed beyond the church to all people of goodwill. As encyclicals, *Rerum Novarum* and *Centesimus Annus* therefore enjoy a relatively privileged position within the hierarchy of official Catholic teaching.

Two things should be noted: First, as encyclicals, *Rerum Novarum* and *Centesimus Annus* make no claim to infallibility as such. Second, it is necessary to read the documents carefully to discern where Leo and John Paul claim to speak from the very heart and core of church teaching, and where they are attempting to make a practical and prudent application of that core teaching to the day-to-day world.

The purpose of this essay is not to examine the function of Catholic dogmatic teaching, but to explore two instances of church teaching dealing with the social realm.

The Historical Backdrop of *Rerum Novarum*

The events of the late 18th and the 19th century form the immediate historical context of this encyclical, especially the two great revolutions which defined and marked the era: the French Revolution and the Industrial Revolution. The philosophical backdrop for these revolutions was, of course, the Enlightenment, which spawned the philosophical, religious, political, and economic reflection that formed Continental liberalism.

Freedom from authority was the axiom upon which this liberalism was based, and decades would pass before a distinction between the legitimate and illegitimate exercise of authority would emerge, for example, in the way Lord Acton in the last century and Robert Nisbet in this century would later demarcate power from authority.[4]

For many Continental liberals, this meant opposition to the authority of the dominant religious force: the Roman Catholic Church, in both its moral and its civil manifestations. The French Revolution destroyed the ancien régime, which had determined the course of Western civilization from the early Middle Ages. The result sent shock waves through a church that had long-standing social and political links with the deposed old order. Thus, the French Revolution led to a direct assault on the church's authority, not solely in the spiritual realm; it rebelled against the traditional temporal authority the Catholic Church enjoyed at that time as well.

This last factor, especially the attack on the church's property, is what led Leo into his defense of private property in *Rerum Novarum*, arguably the most concise and solid defense of the right to private property offered by the magisterium of the Catholic Church until the promulgation of *Centesimus Annus*. The seething anti-clerical hatred generated by the French Revolution, however, caused the church to be very leery of liberal ideas. The history of Catholic social thought in this area might have been very different had the church encountered liberalism in its British, rather than its Continental, manifestation.[5]

In the meantime, Karl Marx had midwifed socialist thought and offered a complete philosophical analysis of the industrial situation with his own doctrine of economics, anthropology, and eschatology in his attempt to respond to the laissez faire of liberalism.

An Analysis of *Rerum Novarum*

The principal focus of *Rerum Novarum* is given in its very title, *On the Condition of Workers*. To lose sight of this is to sever Leo's thoughts and intentions from their moorings, and to make it difficult to understand his essential moral contentions

as well as his prudential suggestions. The result is to blur some essential distinctions, and confuse cause for effect. Sadly, this is much of the history of the interpretation of this document.

It would be impossible in the limited space allotted to this essay to examine the full thrust and development of the whole of Catholic social teaching which finds its modern impetus in the promulgation of *Rerum Novarum*. For our purpose it will be necessary only to examine the document itself and to observe the ground it shares with an essentially free-market approach to social organization. This also will enable us to see *Centesimus Annus* as an authentic development of Leo's thought.

Leo notes at the outset of his work that the great upheavals occurring in his time encompassed both the political and the economic domain (#1)[6] and he acknowledges that "the problem is difficult to resolve and is not free from dangers." (#4)

Socialism offered itself as the solution for the ills of society; it is no exaggeration to say that in *Rerum Novarum* Leo looks upon this offer with withering disdain. Of the socialist program, he says that it "is so unsuited for terminating the conflict that it actually injures the workers themselves." (#8) Socialism does this, the pope argues, because it violates the right of people to direct their own lives and to improve their lot, and because it violates the right of man "to possess things privately as his own." (#9 and #10)

In Defense of Private Property

Leo's defense of private property is rooted in a mode of natural law argument reminiscent of John Locke. After distinguishing human nature from that of animals by virtue of man's faculty of reason, the pope says:

> Since man expends his mental energy and his bodily strength in procuring the goods of nature, by this very act he appropriates that part of physical nature to himself which he has cultivated. On it he leaves impressed, as it were, a kind of image of his person, so that it must be altogether just that he should possess that part as his very own and that no one in any way should be permitted to violate his right. (#15)

Note the similarity of this argument to that employed by John Locke in his *Two Treatises of Government*, written around 1690. In his discussion of property, Locke says:

> Though the earth, and all inferior creatures be common to all men, yet every man has a property in his own person. This nobody has any right to but himself. The labour of his body, and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property. It . . . hath by this labour something annexed to it, that excludes the common right of other men.[7]

For Leo, as for Locke before him, and as for St. Thomas before them both,[8] the right to private property is not merely some abstract theory; it is, rather, an extension of the rights which find their origin and "reside in individuals," (#18) and are to be enjoyed and safeguarded by the legitimate authority, which exists for this very purpose. Thus, the pontiff concludes, "Private ownership must be preserved inviolate." (#22)

Likewise, *Rerum Novarum* renounces any form of coercive egalitarianism and asserts: "There are truly very great and very many natural differences among men. Neither the talents, nor the skill, nor the health, nor the capacities of all are the same, and unequal fortune follows of itself upon the necessary inequality in respect to these endowments." (#26)

In paragraphs 31 and 32 Leo outlines a series of obligations that employers have toward their workers. Although some have interpreted Leo's expressions of concern for workers in an interventionist sense, a balanced reading reveals that it not only contains a clear condemnation of socialism, but it attempts to offer concrete ways in which class conflict may be avoided. The pope's pastoral heart is displayed here as he expresses his concern that workers should be given what they are "justly due." He also warns against the use of what he calls "the arts of usury," but this admonition must be read within the context of his discussion of fraud and coercion. Had Leo a clearer understanding of the role the market plays in setting interest rates, he probably would have taken the more benign view of "usury" than his successors did.[9] This reference should be read as

a prudential, not a fundamental moral, assertion. In general, it would be difficult to find in this section anything that would generally offend the moral sensibility of the ethical employer.

The encyclical shifts from an economic perspective to aim at what it considers a higher ideal. Here is where the distinction between practical policy suggestions and basic moral premises becomes apparent. The responsibility of the civil order is in part to insure that people act in ways that are just in their economic relations. Leo's use of the term "justice" is derived from its classical, Aristotelian-Thomistic meaning: "treatment in accord with desert." Contemporary usage of "justice," on the other hand, seems to offer a blank check for a host of entitlement programs.[10]

Christianity, however, does not stop with the basic demands of justice. By offering a transcendent perspective, it calls people to the virtue of love as well. Leo doesn't make the mistake of collapsing the one into the other. In saying that "no one, certainly, is obliged to assist others out of what is required for his own necessary use," he is not dispensing the faithful from their obligation to the poor. He chooses, instead, to make an all too frequently forgotten distinction: "These are duties, not of justice, except in cases of extreme need, but of Christian charity, which obviously cannot be enforced by legal action." (#36)

This section of *Rerum Novarum* provides an outline of the transcendent vision of the human person contained within Christianity. The acceptance of Christianity can only be achieved by an exercise of free will, hence the living out of this commitment must be performed freely as well. In this regard, Leo moves within the classical liberal tradition in believing that freedom may be sufficient for a just society, but it is not sufficient for a good one.

Limits of Law

The encyclical also expresses a concern that applies as much today as it did when it was penned a century ago. That concern is the supplanting of the church by the state in the former's ministry to human needs. (#45)

Paragraph 53 offers a good example of the confusion that results from the failure to distinguish between the moral principles in which church teaching is anchored and the prudential suggestions made to implement them. Here Leo is addressing himself to the conditions of workers and their moral and spiritual well-being. He enumerates a number of concerns: strikes, disintegration of family life, religious backsliding, "incitements to sin" by the mixing of the sexes, and overwork. He then concludes that "in all these cases, the power and authority of the law, but of course within certain limits, manifestly ought to be employed."

Two things should be noted about this passage. The first is that the overriding concern is the moral, religious, and physical condition of workers, not the method chosen to achieve their well-being. Second, even when permitting a governmental intervention, Leo is quick to establish a limitation set by reason, and that the law must not go further than necessary to remedy the situation.

Paragraphs 61-66 contain a complex line of reasoning. The pope argues that free consent is not a sufficient criterion for establishing a "just wage." Free consent, he says, fails to provide enough of the context to establish the morality of the wage offered when the wage is not sufficient for the preservation of life.[11] He says, "To preserve one's life is a duty common to all individuals, and to neglect this duty is a crime."

There are several aspects of Leo's careful argument worth noting. It is apparent that he fails fully to grasp the manner in which wage rates affect the whole of the economy. If the rate of wages is artificially high, the cost of the products produced by labor will be increased proportionally throughout the whole economy, placing many of those products outside the reach of the workers, who are also consumers. It is unfortunate that Leo didn't make the connection between the market wage and pricing system as the economically most efficient way to insure a living wage for workers. This perception, that the "just wage" is best insured by the market wage, is by no means alien to Catholic social thought.[12]

Another thing to observe about Leo's argument is the underlying goal in recommending this policy. Did he want to create a socialist or quasi-socialist society because he believed that socialism was the morally superior economic arrangement? Quite the contrary. His interest in insuring that workers obtain the highest wage possible was that he wanted them to become mini-capitalists by being able

to own and maintain property, to become members of the bourgeoisie. He says:

> If a worker receives a wage sufficiently large to enable him to provide comfortably for himself [and his family, he will eventually be able to] come into the possession of a little wealth. We have seen, in fact, that the whole question under consideration cannot be settled effectually unless it is assumed and established as a principle, that the right of private property must be regarded as *sacred.* (#65, emphasis added)

Thus, Leo makes an honest, well-intentioned mistake in a particular economic policy prescription, but not in his overall economic framework. The latter asserts that private property is a good thing for all people, deriving its legitimacy from natural law; further, it evidences a clear understanding of the dynamic nature of the market and the way in which protection of the right to property can inspire the poor to productivity and social harmony. (#66) Such economic dynamism can only occur, however, "if private wealth is not drained away by crushing taxes of every kind." (#67)

Reaction

This reading of *Rerum Novarum* is not a prevalent one today. It comes from a view of the world as expressed by classical liberals. The contents of the document, however, in my mind, lend themselves to such an analysis and are, in fact, wholly consistent in many ways with the development of classical liberal thought in the 20th century, as well as with the thrust of Pope John Paul II's *Centesimus Annus*. Articulating a classically liberal view of the social crisis is obviously not what Leo had in mind when he wrote his encyclical. Yet, I would contend that classical liberal thought is at least as much in the tradition of *Rerum Novarum* as is the collectivist interpretation it has historically received.

Indeed, the standard interpretation given *Rerum Novarum* in many circles has obfuscated much of what is authentically liberal in Catholic social thought. Unfortunately, the interpretations of certain theorists have so dominated discussions on what is the proper Christian response to social, political, and economic calamities or injustices, that any classical liberal interpretation of contemporary injustices is greeted as naive, insensitive, or even heretical.

This has had a dampening effect on the dialogue that must exist in Catholic, indeed Christian, quarters if we are to realize an authentic, informed, and workable moral solution to the social crisis that we are obliged to address. The dearth of classical-liberal religious social theorists, and the hostile opposition they receive in many circles, attests to a kind of intellectual monopoly held by non-liberals with regard to "accepted" interpretations of papal documents. Having outlined the ground *Rerum Novarum* shares with a free-market approach to social organization, a brief look at the reaction to the document, particularly in America, will serve to show how the present intellectual hegemony developed and entrenched itself.

Rerum Novarum wasn't breaking entirely new ground in addressing the social question. While it was the first papal response, there was a tradition of social thought that preceded and influenced Leo's encyclical.

Social thinkers prior to Leo were divided into a number of camps. Some condemned the new economic order while others approved of it. Many study circles and round-table conferences arose in the middle of the 19th century that had an important role in influencing Leo's thought.

Of these the Geneva Alliance and the Fribourg Union are representative. Leo paid close attention to these groups and their social analysis of the times. He rejected what he perceived to be the materialism of the new economic order, but wasn't averse to technological progress. He became interested in the work of the pioneer of social thought in Germany, Bishop Emmanuel von Ketteler of Mainz, as well as the German economist Lujo Brentano. According to Franz H. Mueller, "Ketteler . . . had become more and more convinced of the need of government intervention in social and economic matters, and particularly for protective labor legislation. Brentano . . . had insisted that only through unionization could the labor market become truly competitive."[13] This was a representative attitude shared by many church leaders.

The labor conditions faced by many was the principal impetus for much social debate. *Rerum Novarum* lent its support to various workers' associations or labor unions. The American effort to secure the Vatican's recognition of the Knights of Labor impressed Leo very much. The Knights of

Labor were the immediate forerunners of the American Federation of Labor (A.F.L.). They had come under suspicion in Rome, and were nearly condemned, due to secret initiation rites and dubious leadership.[14]

However, any thought of condemnation evaporated once these problems were settled to the Vatican's satisfaction, and especially after Cardinal Gibbons of Baltimore delivered a brilliant memorial on behalf of the Knights. Leo was generally moved by labor's plight, and he paid close attention to the activities of Cardinals such as Gibbons and Henry Edward Manning of England on behalf of labor. Due to their influence and activities *Rerum Novarum* became the springboard for the burgeoning labor movement in America and Europe.

The Development of Social Thought

America, like Europe, had a tradition of social thought that preceded *Rerum Novarum.* To the reformer's mind, Leo's encyclical gave them the support and recognition they needed to carry out their program. Leo deemed profound change to be necessary. Progress was not to be feared. While liberalism was to be rejected, so too was socialism. Whereas liberalism denied political intervention in the market and in industry's affairs, socialism overemphasized the role the state should play in both community and industrial life.

Leo saw laissez faire as the philosophy of the business *and* political establishment. He saw socialism making inroads into the thought of the masses, threatening to excite envy, encourage unreal expectations, and act as the true opiate of the people. For Leo, private property, rooted in justice and charity, should be the basis by which the welfare of working men and women is secured. No solution to labor's problem could be had without assistance from religion and the church. To Leo's mind, Catholic charity groups would work in defense of those who suffered from horrible living and working conditions until a more prosperous economic base could develop. Such groups would aid the work of both the state and workmen's associations to help relieve poverty.

The task of giving *Rerum Novarum* its social interpretation was swiftly taken up by the progressive left. While Leo advocated, in a measured way, his belief in the importance of securing a "living wage," eliminating Sunday labor, shortening the work day, and prohibiting or regulating the labor of children and women in factories, these points were seized upon by social activists and served as the launching pad for a much broader array of social advocacy and legislation. Those in sympathy with these planks in Leo's encyclical focused almost exclusively on them, too often at the expense of the rest, and great majority, of the encyclical which attempted to restrict the expansion of the state.

An example of this selective interpretation is pointed out by Aaron Abell, himself sympathetic with the left's social analysis, when he notes that after arguing for the proposals contained in *Rerum Novarum*, these theorists conclude by wanting to "use the taxing power to favor the multiplication of property owners."[15] The encyclical expressly warned against this. (#47)

The social activists, however, believed that in order to improve the admittedly less-than-desirable state of the laborer, both a public and private effort must be made. In the minds of such activists public response was often equated with an increase in the role of the state. Indeed, they saw the role of government as being chiefly concerned with promoting human welfare. Since the working class, in their way of thinking, contributed more than any other group to the prosperity and material well-being of the commonwealth, the state should be active in effecting legislation on their behalf.

American social movements served, in some cases, to give many the notion that private property was a natural right, but it could and should be extensively regulated by the state. According to Abell, "A social view of property . . . served as the entering wedge for much contemporary and future American Catholic participation in social reform." Such a view would seem to be contrary to the view expressed by Leo who articulated a view of property *rooted* in the individual, but which has social dimensions.

Many interpreters of *Rerum Novarum*, however, have overemphasized the social view of property. This reflects a bias against individualism and self-interest because of the belief that property owners will inevitably oppress the poor. The burden for relieving the poor in this view must fall on the state. According to Abell, "these early state

interventionists upheld the right of workers to organize and to engage their employers on the battle field of industry, they doubted labor's power, without the aid of the state, to wring justice from entrenched capital."[16] According to one priest, the Reverend Edward Priestly, prior to the promulgation of Leo's encyclical people were coming to the conclusion "that we must, more than we have hitherto done, make over to the state a closer oversight of the relations between classes."[17]

Hence, during the 1880s sympathy for the labor movement was born in the hearts of nearly all socially concerned Catholics of importance. In addition, a sympathy toward using the apparatus of the state to empower the downtrodden increased. These were, in the words of Cardinal Gibbons, "the most efficacious means, almost the only means" to combat the rise of monopolies and to check their "heartless avarice which, through greed of gain, pitilessly grinds not only the men, but even the women and children in various employments. . . ."[18]

The hierarchy's enthusiastic support for labor focused public attention on the condition of workers. Two Catholic congresses also were instrumental in fixing this pro-labor sentiment in people's minds. The first was in Baltimore in 1889, two years prior to the promulgation of *Rerum Novarum*; the second in Chicago in 1893, two years after. They were organized by the hierarchy with the aid of prominent laymen, and were aimed at mobilizing clerical and lay persons for "progressive social action." The congresses were well attended and equated capitalist greed with socialism and communism, all of which were denounced.

These congresses presented papers and argued for political, social, and economic change. Many called for increased government intervention, especially in the form of taxes on the rich. In addition, the congresses voted to set up study groups and distribute the new encyclical as widely as possible. Organized labor wanted to get the analysis of the encyclical included in labor organs and have it be part of addresses before labor audiences. Protestant advocates who were friendly to the growing notion of "the social gospel" reacted more than a little enthusiastically. They believed that by encouraging the state to get involved in the redress of abuses against labor, the pope had "ranged himself unmistakably on the side of the new Political Economy."[19] This "new Political Economy" initiates, in the American context, the march toward an economy of welfarism and interventionism.

The American Economic Association was equally enthusiastic about the new encyclical. While most economists didn't agree with the whole of it, none could deny its monumental importance. Argument ensued after the promulgation of the encyclical over the single tax issue. Henry George saw in it a repudiation of his program. He sent an open letter to the pope attempting to explain that under his plan only rent would be transformed into common property. Michael A. Corrigan, the archbishop of New York, forced supporters of George in his diocese to make public disclaimers. Catholic laymen rushed to George's defense and argued that what was included in the encyclical regarding public policy was not infallible. Cardinal Gibbons, among others, argued that supporters of the single tax should be allowed to judge the efficacy of George's proposal as they would be allowed to do with any other public proposal. Archbishop Corrigan was corrected by Rome, giving all progressive-minded Catholics the freedom to pursue public policy proposals without church interference. Theoretically, all public policy proposals were acceptable as long as they weren't contrary to the faith and moral teaching of the church.

The Roots of the Social Justice Movement

This new freedom acknowledged by the Vatican finally established the new movement for social justice. In 1899 the Reverend Thomas J. Ducey argued that the church should now lead the people to emancipation from "social and economic slavery" imposed on them by "trust kings and kings of monopoly. . . ."[20] However, according to Abell, the social movement never really got off the ground during the decade and a half following the promulgation of the encyclical. Abell attributes this to racial dissension that caused division and deep disunity among Catholics, a reference to the waves of immigration that swept the country in the last half of the 19th and early part of the 20th century.

The newer immigrants ran up against the older and more established immigrants who were less sympathetic to their condition, and who felt threatened by the competition for jobs they rep-

resented. The new arrivals, after 1900, from central and eastern Europe, were often accused of being involved in socialist causes. The Socialist Party, headed by Eugene Debs, was making inroads in all parts of American society. The period between 1912 and the beginning of World War I was the time of its greatest appeal. In 1912 the American Federation of Labor was one-third socialist. The Industrial Workers of the World (I.W.W.) offered the more radical trade unionists an outlet until the war, while many Catholic priests and laity became involved in the increasingly active socialist movement.

The American hierarchy repeatedly censured socialism as being materialistic, justifying this position by citing Leo's condemnation of socialism in *Rerum Novarum*. Social activists in return argued that these condemnations by the hierarchy were "exaggerated," that they even "misinterpreted" Leo's attitude toward socialism. In addition, they "ignored its positive program for Christian social reform."[21] Despite protests from the hierarchy, socialists were making considerable inroads into the Catholic community.

Father John Ryan and "Semi-Socialism"

Around 1905 the hierarchy began to articulate a program that would keep those Catholics who were attracted to socialism within the church. Their goal was to head off the burgeoning alliance between Catholic workers and socialists. Catholic social activists and theorists developed a strategy to construct progressive economic reform around what they deemed to be "the really salient passages" of *Rerum Novarum*.[22] This, of course, often meant those that favored interventionism and welfarism to the exclusion of those that warned against such policies. The new reformers argued that socialism contained in itself seeds of Catholic truth which the socialists had stolen and which Catholic social theorists should now reclaim. Leading this new approach was Father John A. Ryan—"the foremost academician of the American Catholic social movement."[23]

Ryan's first book, *A Living Wage*, was published in 1906 and advocated a minimum wage for all. He extended his argument by calling for other reforms and interventions in subsequent books and articles. Among these reforms were "indirect methods of augmenting the worker's income through legislative action; [including] the eight-hour day; restriction on the labor of women and children; legalization of picketing, persuasion and boycotting; conciliation and arbitration by state and national boards with compulsory powers; and relief of unemployment by state employment bureaus, labor colonies and social insurance. Likewise provisions should be made against accidents, illness and old age. Finally, the state should launch a housing program, not only condemning and preventing unsanitary housing and congestion, but erecting decent habitations for the poorer classes, to be rented or sold—preferably sold—on easy conditions."[24] Ryan also advocated public ownership of natural monopolies, progressive income and inheritance taxation, taxation on future increases in land values, and prohibition of speculation on the exchanges.

Ryan understood that socialism tended to destroy the faith of those involved. In that respect he thought it should be condemned. However, he felt that the economic aspect of socialism could be salvaged from its negative religious aspects. Hence, he called his program "Essential Economic Socialism" or "Semi-Socialism," and he believed this didn't fall under church condemnation. He believed that he was complying most faithfully with Leo's desire that the "rights and opportunities of private ownership be sufficiently extensive to safeguard individual and social welfare."[25] Ryan maintained that socialism could best safeguard private ownership with regard to the goods of consumption, and that it would only be necessary to convert the means of production, and not all consumer goods, into common property.

Ryan believed that economic socialism was not only in the best tradition of Leo, but that its promotion was good strategy. He felt that if reformers concentrated on refuting the negative religious assumptions of the secular socialist movement, while at the same time arguing in favor of its economic precepts, then Catholics would be less likely to get involved in the socialist movement as it was expressing itself politically—seeing the church as a champion of the kind of social reform the masses were demanding.

After 1908 a widespread Catholic movement for social reform began with Ryan as its leader. The first important group to champion social reform was the German Catholic Central Verein.

In 1908 they began with 125,000 members and established a Central Bureau for the Promotion of Social Education and founded a magazine called the *Central-Blatt and Social Justice*. In 1909 the Central Verein had a convention which called for more progressive labor legislation. The Verein worked tirelessly to promote social education and the labor movement. It also sponsored scholarships for the study of social problems as they existed in Germany. It set up summer schools for social study in 1912 at Spring Bank, Wisconsin, and Fordham University, and lobbied for a Catholic school of social science to be established. Ryan was encouraged by this blossoming educational movement and predicted that within a decade it would produce an army of men "able to justify Catholic opposition to both the abuses of capitalism and the excesses of Socialism" with "the ability and the courage to defend plans of positive social reform."[26]

Catholic Support for the Labor Movement

The 1909 Verein convention also called for support of the labor movement. It advocated faithful cooperation with groups like the American Federation of Labor, the National Civic Federation, and the American Association for Labor Legislation. The Verein influence was felt not only among Germans; its program was adopted by nearly all Catholics. This was largely due to the efforts of the Reverend Peter E. Dietz of New York, one of its most persistent members. Abell says that "just as John A. Ryan was the academician, so Peter E. Dietz was the organizer, of the American Catholic social movement."[27]

In 1909 Dietz attended the convention of the American Federation of Labor in Toronto. He believed Catholics weren't doing as good a job as the Protestant denominations in officially supporting the delegation, so he got himself appointed as a delegate to the 1910 convention, establishing a permanent Catholic delegate position at A.F.L. conventions in the process, and in a speech to the delegates assured them of Catholic support for trade unionism.

During the convention he brought Catholic trade union representatives together and formed a permanent organization called the Militia of Christ for Social Service. The Militia's purpose was to promote understanding of the church's social program and the cause of labor. Its labor program exhibited a vast influence immediately, and in 1911 the American Federation of Catholic Societies formed a Social Service Commission to promote labor's cause. The new Social Service Commission systematically circulated Leo's encyclical to be studied and applied with an interventionist slant. The Social Service Commission was essentially an enlarged Militia of Christ. These groups called for education and pressed for the establishment of schools, as well as inclusion of social science study into the curriculum.

These college graduates and professionals formed the Eunomic League ("well-lawed league") to discuss social problems, and several lecture courses were adopted to reflect the new concerns, the ones at Loyola-Chicago and Fordham being the most important. Some seminaries, in addition to The Catholic University of America, placed social studies in their regular curricula. With the successful launching of these educational programs, the pre-war Catholic social movement came to an end. However, this was the most critical and important time in the history of Catholic social thought to date. Much has merely been addition, re-definition, and extension of the programs begun during this period.

Following the war the organized socialist movement began to disintegrate, and economic problems arose which the American Federation of Catholic Societies lacked the ability to address. The hierarchy formed the National Catholic War Council in 1917 to deal with post-war social reconstruction.[28] Though it condemned socialism in a couple of places, it picked up where pre-war thought left off. In 1919 the War Council's Administrative Committee issued what has been called the *Bishops' Program of Social Reconstruction*. The statement was prepared by John A. Ryan, and it advocated such remedies for the country's social ills as:

> social insurance against unemployment, sickness, invalidity, and old age; a federal child labor law; legal enforcement of labor's right to organize; public housing for the working classes; progressive taxation of inheritances, incomes, and excess profits; stringent regulation of public utilities rates; government competition with monopolies . . . ; worker participation in man-

agement; and co-operative productive societies and co-partnership arrangements in order to enable the majority of wage earners to "become owners . . . of the instruments of production."[29]

It was with good reason that Ryan would come to be called the "Right Reverend New Dealer."

The bishops changed the name of the Council in 1922 to the National Catholic Welfare Council, and it is today known as the National Conference of Catholic Bishops. They also created a social action arm called the Department of Social Action which was charged with the task of seeing that the Bishops' program was realized. With that, Abell argues, the "reception of Leo XIII's labor encyclical was complete."[30]

The Catholic social movement has continued from that time essentially to argue the same points and advocate the same political and economic agenda. The names, councils, and circumstances have changed, but from Pius XI to John Paul II the social movement has retained its character.

The context in which this agenda has been framed, of course, has changed with the passing of time. According to G. J. Hebert, "Social changes during the period after WW II were naturally reflected in Catholic social movements. Specialization and organization became more and more characteristic of Catholic as well as other efforts. As the role of organized labor in American society was stabilized . . . , the labor movement was less prominent than formally as a battleground for social justice. . . ."[31]

More than labor, today's liberationist and environmentalist movements are the means by which the Christian left wages its battles for "social justice." Indeed, if they have moved in any direction it has been farther to the left as the left-wing Catholic scholar Gregory Baum has recently argued.[32]

A Dramatic Development

The latest installment in Catholic social teaching, and arguably its most dramatic development, comes in Pope John Paul II's *Centesimus Annus*, which commemorates Leo's encyclical. It may well represent a shift away from centralized planning within the Catholic tradition, and a reversal of the left-wing trend outlined in the previous pages.[33]

More than any other church document, this latest one celebrates the creativity of entrepreneurs and the virtues required for productivity. John Paul describes these virtues as: "diligence, industriousness, prudence in taking reasonable risks, reliability and fidelity in interpersonal relationships, as well as courage in carrying out decisions which are difficult and painful but necessary, both for the overall working of a business and in meeting possible setbacks." (#32)

The pope affirms both the practical and moral legitimacy of profit, entrepreneurship, appropriate self-interest, productivity, and a stable currency. He endorses the right to private property along with its social dimension and calls it a human right. And he distinguishes consumerism from the business economy.

Nowhere does the Holy Father imply that socialism and capitalism are morally equal, a sentiment some detected in his 1987 social encyclical, *Sollicitudo Rei Socialis*. This very deliberate move on the pope's part comes as a surprise to those who anticipated that, having been a principal player in the events that buried collectivism in 1989, John Paul would now employ the considerable prestige and power of his moral authority to anathematize the economic system of free exchange. Instead, John Paul encourages such a system, as long as it is rooted in legal, ethical, and religious traditions.

Beyond seeing no contradiction between virtue and freedom (a word frequently employed in his letter), the pope expresses deep reservations throughout the document about various forms of state economic interventions.

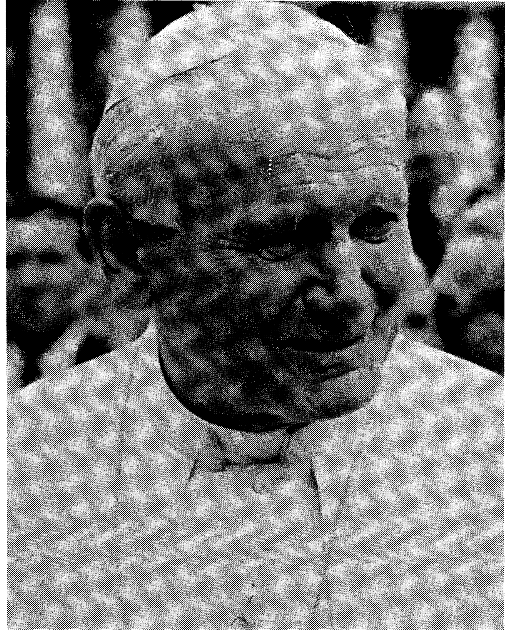
In this regard, the pope's letter strikes a considerably different tone from that of the U.S. bishops in their 1986 statement on the U.S. economy, "Economic Justice for All." The latter repeatedly called for increasing the role of the government to remedy social problems and was seen by many business leaders and economists as a moral sanction for the redistributivist state.

The pope, on the other hand, having seen the deleterious impact of governmental encroachments in Eastern European countries, questions the legitimacy of extensive intervention by the welfare state, or what he calls the "social assistance state." John Paul says, "By intervening directly and depriving society of its responsibility the social assistance state leads to a loss of human energies and an inordinate increase of public agencies, which are more dominated by bureaucratic ways

of thinking than by concern for serving their clients, and which are accompanied by an enormous increase in spending." (#48)

At the beginning of his pontificate some theologians thought that John Paul, having lived in a Marxist society, would approach social and economic questions with a certain sensitivity and sympathy to Marxist insights. What appeared to some commentators[34] on his first social encyclical, *Laborum Exercens*, as a turn to dialogue with Marxists, has ended up being not only a repudiation of the entire collectivist agenda, root and branch, but the warmest embrace of the free economy since the Scholastics.

Centesimus Annus represents an authentic development in the encyclical tradition at the same time that it constitutes a retrieval of the forgotten private property tradition of the Scholastics, most notably the School of Salamanca in the mid-16th century. This school of thought asserted that what Christianity says about private property is exactly what it says about the whole material order: It is good, but relative. Only God is absolute.[35]



CATHOLIC NEWS SERVICE

Pope John Paul II. In his encyclical* Centesimus Annus, *the pope affirms both the practical and moral legitimacy of profit, entrepreneurship, appropriate self-interest, productivity, and a stable currency.

To grasp the authentic significance of *Centesimus Annus* requires a blend of two approaches. First, read it on its own merits. As objectively as possible, one can exegete its various passages to discern its thrust and priorities on the basis of the text of the encyclical itself. Then, read the document in context of the previous social pronouncements by the Catholic teaching office over the past 100 years, and see what new themes, developments, and directions the present one initiates.

When read for itself, *Centesimus Annus* emerges as an uncompromising rejection of collectivism in its Marxist, Communist, socialist, and even welfare-statist manifestations. While the encyclical allows for a certain amount of intervention by the state in such areas as wage levels, social security, unemployment insurance, and the like, *Centesimus Annus* expresses repeated concern for observing the principle of subsidiarity (first tending to human needs on the local level), and warns against the effects of intervention both on the economic prosperity of a nation and on the dignity and rights of each person.

Centesimus Annus, then, indicates a decided preference for what it calls the "business economy," "market economy," or "free economy," rooted in a legal, ethical, and religious framework. While it rejects the notion that such a free economic system meets all human needs, it distinguishes the economic system from the ethical and cultural context in which it exists. In this way *Centesimus Annus* can criticize the excesses of materialism and consumerism and still endorse capitalism as being essentially in accord with Christianity.

A second way of reading this encyclical reveals it as an even more dramatic document. When read with an awareness of modern Catholic social thought, beginning with Leo XIII's *Rerum Novarum*, its historical import surfaces. *Centesimus Annus* evidences the greatest depth of economic understanding and the most deliberate (and least critical) embrace of the system of free exchange on the part of Catholic teaching authority in 100 years, and possibly since the Middle Ages, as noted previously. Moreover, it contains a modern appreciation for the dynamic nature of free exchange and the way in which wealth is produced.

When seen in this way, *Centesimus Annus* represents the beginnings of a shift away from the static, zero-sum economic world view that led the church to be suspicious of capitalism and to argue for wealth distribution as the only moral response to poverty.

There are several implications of this new direction worth considering. As already noted, there is the clear difference in thrust and direction apparent when *Centesimus Annus* is read alongside the 1986 U.S. bishops' letter, "Economic Justice for All." This has left the social-justice establishment unprepared to consider social questions from within the framework John Paul has constructed in *Centesimus Annus*. When one reads over the material these ecclesiastical cognoscenti have produced, it becomes evident that they are unfamiliar with the Continental economic tradition represented by Wilhelm Roepke, Ludwig von Mises, F. A. Hayek, Israel Kirzner, as well as the insights of the Virginia public choice school and others.

A further implication of this encyclical is that entrepreneurs and capitalists have been invited in out of the moral cold to which they felt exiled in the past. The Holy Father has affirmed their basic vocation and role, even while he challenges them to look beyond the economic bottom line and consider the moral aspects of their work.

A third implication is that this encyclical constitutes the epitaph for liberation and collectivist movements in terms of any official ecclesiastical legitimacy. The "Christian-Marxist dialogue" is dead, as even Gustavo Gutierrez, father of liberation theology, has recently conceded.

Centesimus Annus indicates a turn toward authentic human liberty as a principle for social organization on the part of the world's largest Christian church. Thus a new dialogue has begun.

This latest encyclical will go down in history alongside Vatican II's *Dignitatis Humanae*, on religious liberty, as representing the impact the American experiment has had on the teaching of the universal church. What *Dignitatis Humanae* did to open the church to the rights of conscience and religious liberty, *Centesimus Annus* will do to open the church to a full and vigorous dialogue with the idea of economic liberty. It is an idea that began with Catholic scholarship as seen in the Scholastics; it is fitting that it should be retrieved by this pope.

Conclusion

The hegemony of the left in social matters has, over the years, had an increasingly deleterious effect on the traditionally progressive and effective social mission of the church, and may only now be coming to an end. But it is crucial to understand that the reason for this is a fundamental misconception on the part of these thinkers regarding the context necessary for economic progress. It has been argued elsewhere that the progressive ideals of the left were co-opted by agents of reaction in an attempt to maintain centralized control.[36] So my objection here is not so much to the *goals* of the social reformers (e.g., living wages, decent working conditions, available health care), as much as it is with the programs advocated to achieve these goals.

The time has come for more dialogue between free market and socialist theorists within the religious community. Some understanding and consensus must be reached if our goal of "liberating" the poor from the shackles of poverty and injustice is to be authentically accomplished. There are encouraging signs that these inroads are finally being made.

Especially seen in the light of the collapse of the command economies in Eastern Europe, the program of the "progressives" has become somewhat stale, and is increasingly viewed as restricting economic progress and political freedom in many ways. Too often the old policy proposals first articulated by John A. Ryan are retooled and put forth today as viable solutions to economic and political oppression. At times it almost appears that the events—political, economic, and social—of the past 100 years, which have exposed the ineffectiveness of much of this social program, had not occurred.

Ronald Nash, an evangelical Christian philosopher, points to a simple fact that should be kept in mind by all Christian social theorists: "Compassion and love must be coupled with a careful grounding in the relevant philosophical, economic, political and social issues. If the . . . social activist proceeds in ignorance of the accepted tools of economic analysis, he risks turning bad situations into something far worse."[37]

Rerum Novarum is not without certain misconceptions relative to the practice of the free economy. Pope Leo appeared concerned that if the government doesn't exercise some control over economic transactions, the "powerful" will take over and abuse the weak. When Leo saw the activities of businessmen like J. P. Morgan, using the coercive power of the state to achieve and main-

tain monopolies, he reacted against such abuses by calling for interventions that he hoped would insure the widest possible distribution of private property. He failed to see that a freely operating market would act as the best insurance to achieve this goal, but this was a mistake in economic analysis, not a mistake in moral principles. It may be said that the economic analysis has been updated in John Paul's *Centesimus Annus*.

Where *Rerum Novarum* exhibits a concern that society be organized in such a way that a vibrant network of what we today would call mediating institutions be active in protecting and promoting the welfare of the commonweal, *Centesimus Annus* explicitly calls for such "intermediate communities" to be left free to extend their positive social impact. (#48 and #49) Taken as a whole, and read in the context of its historical setting, *Rerum Novarum* provides one of the most finely honed defenses of the free market and private property order in the annals of Catholic, indeed Christian, social thought up until the appearance of *Centesimus Annus*, which expands Leo's notion of property beyond land ownership, to include "the possession of know-how, technology and skill." (#32)

Both *Rerum Novarum* and *Centesimus Annus* are worthy of celebration by those who believe that individual liberty offers the best hope for the common good; and they are worthy of study by religious collectivists who mistakenly believe that religion in general, and Christianity in particular, ought to opt for socialism. □

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1. Literally translated *Rerum Novarum* means "of new things," although the general title of the encyclical actually is given as "On the Condition of Workers," or as the renowned Thomist Etienne Gilson more accurately entitled it, "The Rights and Duties of Capital and Labor."

2. *Rerum Novarum* would be followed by *Quadragesimo Anno* in 1931, Pius XII's Pentecost Radio Address (1941), *Mater et Magistra* (1961), *Pacem in Terris* (1963), *Gaudium et Spes* (1965), *Dignatatis Humanae* (1965), *Populorum Progressio* (1967), *Octogesima Adveniens* (1971), *Laborum Exercens* (1981), *Sollicitudo Rei Socialis* (1987), and *Centesimus Annus* (1991).

3. Francis A. Sullivan, *Magisterium: Teaching Authority in the Catholic Church* (New York: Paulist Press, 1983). Father Sullivan, a professor of ecclesiology at the pontifical Gregorian University in Rome, provides a balanced and extensive overview of the role of the teaching office of the Church.

4. See Robert Nisbet, *The Quest for Community: A Study in the Ethics and Order of Freedom* (San Francisco: ICS Press, 1990), where he says: "By authority, I do not mean power. Power, I conceive as something external and based upon force. Authority, on the other hand, is rooted in the statutes, functions, and allegiances which are the components of any association. Authority is indeed indistinguishable from organization, and perhaps the chief means by which organization, and a sense of organization, becomes part of human personality. Authority, like power, is a form of constraint, but, unlike power, is based ultimately upon consent of those under it; that is, it is conditional. Power arises only when authority breaks down." (p. xxvi)

5. A. M. C. Waterman, "Christian Political Economy: Malthus to Thatcher," *Religion, Economics and Social Thought,* Walter Block and Irving Hexham, eds. (Vancouver, B.C.: The Fraser Institute, 1986); also see Michael Novak's excellent discussion of John Stuart Mill in chapter 5 of *Freedom With Justice* (San Francisco: Harper and Row, 1986), pp. 81-107 and Irving Kristol's *Reflections of a Neoconservative* (New York: Basic Books, 1983), particularly chapter 12, "Adam Smith and the Spirit of Capitalism," pp. 139-76.

6. Throughout this article parenthetical references to specific sections in *Rerum Novarum* and *Centesimus Annus* follow the citations.

7. John Locke, *Second Treatise of Government*, paragraph 27. It should be noted that there is a debate as to whether Leo's use of the Lockean argument is a repudiation of the previous Catholic tradition on private property or a development and expansion of it.

8. Thomas Aquinas, *Summa Theologica, II-II*, q.6, a.2: "A man would not act unlawfully if by going beforehand to the play he prepared the way for others: but he acts unlawfully if by so doing hinders others from going.... A rich man does not act unlawfully if he anticipates someone in taking possession of something which at first was common property [i.e., existing in a state of nature], and gives others a share: but he sins if he excludes others indiscriminately from using it."

9. See J. T. Noonan, *The Scholastic Analysis of Usury* (Cambridge, Mass.: Harvard University Press, 1957).

10. F. A. Hayek, *The Constitution of Liberty* (Chicago: The University of Chicago Press, 1960), pp. 93, 99-100, 231-32.

11. The pope divides what he calls the "personal" dimension from the "necessary" dimension of the wage rate question. By "personal" he means what a worker and an employer agree upon as a wage; by "necessary" he means a wage sufficient to enable a worker to acquire life's necessities.

12. See Alejandro Chafuen, *Christians for Freedom* (San Francisco: Ignatius Press, 1986), pp. 180-86.

13. Franz H. Mueller, *The Church and the Social Question* (Washington, D.C.: American Enterprise Institute, 1984), p. 73.

14. Brother William J. Keifer, SM, *Leo XIII: A Light From Heaven* (Milwaukee: Bruce Publishing Company, 1961), pp. 146-49.

15. Aaron I. Abell, "The Reception of Leo XIII's Labor Encyclical in America, 1891-1919," *Review of Politics*, vol. vii, October 1945, p. 466.

16. *Ibid.*, p. 471.

17. *Ibid.*, p. 472.

18. *Ibid.*

19. *Ibid.*, p. 476.

20. *Ibid.*

21. *Ibid.*, p. 481.

22. *Ibid.*, p. 493.

23. *Ibid.*, p. 483.

24. *Ibid.*, p. 484.

25. quoted in Abell, p. 484.

26. Abell, pp. 486-87.

27. *Ibid.*, p. 488.

28. For an interesting history of this period see John B. Sheerin, CSP, *Never Look Back: The Career and Concerns of John J. Burke* (New York: Paulist Press, 1975). Burke was the founder of the National Catholic War Council.

29. Abell, p. 494.

30. *Ibid.*

31. G. J. Hebert, "Social Movements, Catholic," *New Catholic Encyclopedia,* vol. 13, p. 331.

32. Gregory Baum, "Recent Catholic Social Teaching: A Shift to the Left," *Religion, Economics and Social Thought,* Walter Block and Irving Hexham, eds., pp. 47-70.

33. This section is drawn from my articles in *National Catholic Reporter*, May 24, 1991, p. 6, and in *National Review*, June 23, 1991, pp. S9-S10.

34. See Gregory Baum, *The Priority of Labor* (New Jersey: Paulist Press, 1982).

35. For a fine analysis of the late Scholastics, see Alejandro A. Chafuen.

36. See Don Lavoie, *National Economic Planning: What Is Left?* (Cambridge, Mass.: Ballinger Publishing Company, 1985).

37. Ronald H. Nash, *Social Justice and the Christian Church* (Milford, Mich.: Mott Media, 1983), p. 2.

Free Trade and the Irish Famine

by John P. Finneran

In the mid-19th century, the political life of Great Britain was torn by a great debate on the principles of protection and free trade. The debate, with its triumph for the free trade cause, remains equally relevant today, for it shows that protection, whatever its theoretical merits, is ruinous in human terms. The cornerstone of the free trade victory was the repeal of the corn laws by the Tory government of Sir Robert Peel in 1846.

The Tories and the Corn Laws

The Tory party had had an ambivalent history toward protection and free trade. On the one hand, the Tories under William Pitt the Younger had favored free trade. With the onset of the Napoleonic wars, however, this policy was interrupted. When peace was established, the price of wheat and other grains, with their supply from abroad augmented by the increase in commerce that followed with the peace, went into a steep decline. Heeding the requests of landowners, who constituted the main pillar of Tory support, the Tory government passed the corn law of 1815, the first of a series of such laws that effectively excluded foreign grains from the domestic market. (It should be noted that the term "corn" in this context does not refer exclusively to maize, but to grains generally, and to wheat especially.)

When the issue of free trade versus protection came to a head, it would split the Tory party asunder. Indeed, Peel himself reflected his party's dual heritage. At first a strong supporter of protection, Peel became ambiguous, and finally came to favor free trade.

Punch magazine satirized Peel's attempt to bridge both wings of his party by a cartoon which showed him as a rider standing astride two horses at once. *Punch* commented: "The world has been lately astonished by the very rapid act of horsemanship performed by SIR R. PEEL on his two celebrated chargers, Protection and Free Trade. Protection is a very heavy charger, but Free Trade is a light and active filly, always going ahead with great speed and energy. The great merit of PEEL consists in the skill he has exhibited in giving the rein, now to one, and now to the other, with wonderful dexterity; now tightening the bridle, and now relaxing it; and, indeed, playing fast and loose with wonderful dexterity. Though he evidently has greater control over Free Trade, he controls Protection with remarkable adroitness. Altogether, his performance is among the most wonderful efforts of modern horsemanship."[1]

In economic terms, the case against protection is simple enough: It benefits the few at the expense of the many. The protected domestic interest benefits from the fact that foreign products are excluded or can only compete at a significant disadvantage. Less competition means the domestic interest can raise the price and lessen the quality of its product, leaving domestic consumers (that is, the vast majority of the population) with the choice of paying more for an inferior product or doing without. In the case of basic food products like grain, of course, this is a Hobson's choice, since everyone must eat.

It is no surprise, then, that the corn laws were from the outset vigorously supported by landown-

Mr. Finneran recently received his B.A. in history and in international relations from Tufts University.

ers, who grew domestic grain, and vigorously opposed by non-landowners, who had to pay more for their bread, and by classical liberal theorists. The case against protection had been made eloquently by Adam Smith in his *Wealth of Nations* as far back as 1776, but the depression of 1838 to 1842 caused a new generation of free trade proponents to rise to the fore. An Anti-Corn Law League was founded and expressed its views through meetings, petitions, pamphlets, and speakers. Two great orators, Richard Cobden and John Bright, contributed mightily toward enlisting popular sympathy in the free trade cause.

It appears that Peel himself was moving in his own mind slowly but inexorably toward support for repeal of the corn laws in the early 1840s. But any lingering resistance he felt toward repeal were swept away decisively by new and calamitous events in Ireland.

The Irish Famine

In August 1845, the potato crop in Ireland failed, beginning the frightful Irish Famine of 1845 to 1848. In the devastating hunger that followed, Ireland's pre-famine population of 8 million was reduced by death and emigration to 6½ million within three years. In addition, in the summer of 1847, 3 million were kept alive solely through charity and public jobs.[2]

A peacetime famine on such a scale had been unseen in Europe for centuries, and with good reason: Improved distribution systems meant that the effects of local crop failures could be mitigated by food brought from afar. Without the perverse effects of protection coupled with a land system that kept the Irish peasants cash poor and therefore unduly dependent for survival on their personal potato crops, the same should have been true for the Irish famine. Indeed, even as Irishmen were starving, Ireland's abundant wheat and maize harvests were being shipped to England. The effect of the corn laws was thus the following: Despite an abundance of food, both in Great Britain and abroad, the artificially high price of grain placed bread beyond the economic reach of cash-poor Irish deprived through the potato crop failure of their major source of income.

When criticized for advancing free trade measures that overreacted to events in Ireland, Peel exclaimed: "You may think I have taken too great precautions against Irish famine; you are mistaken. Events will prove that the precautions are not unnecessary. But even if it were not so, the motive is to rescue a whole population from the possibility of calamity and disease; and I shall, under these circumstances, be easy under such an accusation."[3]

The Oregon Dispute

A fortunate by-product of Peel's free trade measures was their effects on relations with the United States. Free trade, in classical liberal theory, is conducive to peace. "Free trade," Richard Cobden asked rhetorically, "What is it? Why, breaking down the barriers that separate nations; those barriers behind which nestle the feelings of pride, revenge, hatred, and jealousy which every now and then break their bonds and deluge whole countries with blood; those feelings which nourish the poison of war and conquest, which assert that without conquest we can have no trade, which foster that lust for conquest and dominion which sends forth your warrior chiefs to sanction devastation through other lands."[4]

In the case of the Oregon dispute of the 1840s, the theory conformed with reality. America and Great Britain at this time stood on the brink of war over ownership of the Oregon Territory (the present-day states of Oregon and Washington and part of the Canadian province of British Columbia). James K. Polk had been elected to the White House in 1844 under the slogan "54° 40' or Fight!"—a claim to the entire Oregon Territory for the United States. While it would be an exaggeration to state that Peel's free trade policy of this time was the sole factor that averted war (certainly America's simultaneous dispute with Mexico which would ultimately degenerate into the Mexican War was at least as important in causing the U.S. to seek a compromise), Peel's policies *did*, at least, contribute toward creating an atmosphere that was more conducive to a peaceful resolution of the conflict.

Hence *Punch* wrote: "The English Premier has taken the happiest method of dealing with the American President. POLK fires off inflammatory messages, while PEEL returns the attack with Free-Trade measures. The latter will, we have every hope, prove irresistible, and POLK will not be able to make a successful stand against the very

felicitous mode of warfare adopted by our Free-Trade Minister. It is not likely that the American people will be misguided enough to continue a hostility, which will be so directly opposed to their own interests. . . . America may, if it pleases, pelt us with its corn, while we return the compliment by pitching into the United States some of our manufactured articles. This will be much better for both parties than an exchange of lead, whether in the form of swan or grape, or packed in cannister."[5]

The End of the Peel Ministry

Once he had decided on repeal of the corn laws, Peel had to convince a parliamentary majority—which proved to be no easy task. In December 1845, Peel tried to effect emergency reductions in tariffs through orders in council, executive orders requiring a cabinet majority but no parliamentary vote, but failed to gain a majority in his own cabinet and was forced to resign. The Whig leader, Lord John Russell, was unable to form a cabinet, and Queen Victoria had to call Peel back. Peel was able to form a new ministry with the addition of William Gladstone, the future Liberal prime minister, as colonial secretary.

The new Peel ministry's attempts to repeal the corn laws were met in the Tory party with vigorous opposition led by Gladstone's future nemesis, Benjamin Disraeli, until then a little-known member of Parliament. Finally, after a great deal of agitation, on June 25, 1846, the corn laws were repealed with the support of Whig and Irish members of Parliament.[6] But the old Tory party was irreparably split. Indeed, on the very night that the corn laws were repealed, Peel's government lost a vote of confidence on its larger Irish policy, and Peel's political life came to an end. Only four years later, in 1850, he died following an accident suffered while riding a horse through Green Park.

Winston Churchill summed up Peel's career as follows: "He was not a man of broad and ranging modes of thought, but he understood better than any of his contemporaries the needs of the country, and he had the outstanding courage to change his views in order to meet them. It is true that he split his party, but there are greater crimes than that."[7]

Peel's own epitaph of his political career, delivered the night of his government's fall, deserves to be quoted at length: "I shall, I fear, leave office with a name severely censured by many honorable men who, on public principle, deeply regret the severance of party ties—who deeply regret that severance, not from any interested or personal motives, but because they believe fidelity to party, the existence of a great party, and the maintenance of a great party, to be powerful instruments of good government. I shall surrender power, severely censured, I fear, by many honorable men, who, from no interested motives, have adhered to the principles of protection, because they looked upon them as important to the welfare and interests of the country. I shall leave a name execrated, I know, by every monopolist [Peel's speech, reports *Punch*, was here interrupted by "Loud cheers and laughter"] who, professing honorable opinions, would maintain protection for his own benefit. But it may be that I shall sometimes be remembered with expressions of goodwill, in those places which are the abodes of men whose lot it is to labor and earn their daily bread by the sweat of their brow; in such places, perhaps, my name may be remembered with expressions of goodwill, when they who inhabit them recruit their exhausted strength with abundant and untaxed food, the sweeter because no longer leavened with a sense of injustice."[8] □

1. *Punch*, vol. 10, January 1846-June 1846, p. 104.
2. Figures from Edmund Curtis, *A History of Ireland* (London: Methuen & Co., 1968), p. 368.
3. *Punch*, "Introduction" to vol. 10, p. 3. (In fact, the pages to the Introduction are unnumbered.)
4. Richard Cobden, *Speeches on Questions of Public Policy,* vol. I (London: 1870) p. 79, cited in Michael Howard, *War and the Liberal Conscience* (New Brunswick, New Jersey: Rutgers University Press, 1986), pp. 42-43.
5. *Punch*, p. 155.
6. Technically, the corn laws were not repealed at this date. Maize was allowed to enter tariff free, and tariffs for other grains were drastically reduced (the duty on wheat, for example, was reduced to one-fourth of its previous level). The bill passed at this time scheduled an abolition of grain tariffs (except for a "mere nominal duty . . . for the purpose of procuring statistical returns of the quantity imported") for February 1849. An amendment to repeal the corn laws outright was defeated by a margin of 187 votes. See *Punch*, "Introduction," pp. 2-3.
7. Winston Churchill, *A History of the English-Speaking People*, vol. 4, "The Great Democracies" (New York: Dodd, Mead, and Co., 1965), p. 62.
8. *Punch*, "Introduction," p. 3.

BOOKS

CAPTURING THE CULTURE: FILM, ART, AND POLITICS

by Richard Grenier

Ethics and Public Policy Center, 1030 15th Street NW, Washington, DC 20005 • 1991 • 392 pages • $24.95 cloth

Reviewed by Greg Kaza

Ideological studies revolve around more than politics; they involve culture as well. Lenin was the first socialist to implement Marx's nightmare vision in the political realm. But another Marxist—the Italian Antonio Gramsci—played a crucial role in Marxism's spread to the cultural realm. Neoconservative Richard Grenier notes in this intriguing book that Gramsci was "the most prescient analyst of the contemporary relationship of art and politics.... Culture, Gramsci felt, is not simply the superstructure of an economic base— the role assigned to it in orthodox Marxism—but is central to a society."

Gramsci's famous slogan was "Capture the culture." Grenier documents how Gramsci's disciples continue their "long march through the institutions" of the cultural world. The collapse of socialism in the Soviet Union and Eastern Europe has totally discredited Lenin's political work. But Gramsci's legacy remains with us in the form of a powerful cultural left. In this collection of essays originally published in *Commentary*, *The Washington Times* and *The New York Times*, Grenier explores how "the modern artist's predisposition to estrangement has flung him, in America especially, straight into Gramsci's arms."

Many of Grenier's insights would warm the heart of any classical liberal. *Reds*, Warren Beatty's film about the Russian Revolution, "has politics after all," Grenier observes. "They are what can be called the 'politics of intent,' as opposed to the politics of achievement. If one has noble intentions, and means well toward one's fellow man, and one's heart is pure, and generous, and filled with love, then that is what matters. If one's ideas are unworkable, bring social disruption, disaster, and even tragedy on a colossal scale—one can't be expected to foresee all that, can one?" Despite the socialistic bias of *Reds*, there are highlights. At one point, Jack Nicholson, portraying Eugene O'Neill, drily remarks, "Something in me tightens, when an American intellectual's eyes shine at the mention of Russia."

Important post-World War II European filmmakers unknown to the average American—but not to flattering leftist critics—are an easy mark for Grenier. The late director Rainer Werner Fassbinder and other "New Wave" film-makers were creations of the West German government. "For without lavish government funding," Grenier observes, "this New German cinema would not only never have survived, it would never have been born." Fassbinder was part of "a *subsidized* underground cinema."

Grenier writes, "When you see [the Greek director Kostantinos Costa-Gavras in Europe] there are no evasions. He's your straight, mind-numbing Marxist. . . . But whenever he flies to America he converts to free enterprise. . . . He takes Americans for political illiterates, and fair is fair, he's usually right."

The Frenchman François Truffaut was a different sort of film-maker. Grenier observes that it "was not hard for General de Gaulle or his culture minister, André Malraux, to grasp that France had produced in Truffaut and [his followers] a school of film-makers whose conservatism, both cultural and political, was profound. . . . [Truffaut] simply could not abide a cinema that told him, in accordance with the modish ideas of the Marxianized French elite culture of his early years, that the world was a rotten place, evil, doomed. . . ." De Gaulle and Malraux moved quickly. Fassbinder was part of a government-subsidized, left-wing cinema, while Truffaut was subsidized by a government of the political right.

Some libertarians may be disturbed by Grenier's reduction of culture to the Cold War, but they should be more troubled by the scant attention paid to the South and Midwest, arguably the foundation of American culture. This comes as little surprise. To a neoconservative such as Grenier, New York is the center of the world. Despite this oversight, Grenier's book does contain one observation about that vast tract of land west of the Hudson River. Clint Eastwood, he writes, "draws the skilled industrial workers, farmers, men who if they no longer work with their hands come from a different America than the Vassar that produced

Jane Fonda and Meryl Streep." Fine. But there is *much* more that Grenier could have said about the South and Midwest.

Shortly after the Bolsheviks took power in the Soviet Union, Lenin declared, "Of all the arts, for us cinema is the most important." Richard Grenier observes, "Only in America . . . is it possible for a critic to be in the editorial offices of an influential organ of the press . . . and have an editor say: 'Who's Gramsci?'" Two good reasons, despite its shortcomings, to read this book. □

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THE NATIONAL REVIEW COLLEGE GUIDE: AMERICA'S 50 TOP LIBERAL ARTS SCHOOLS

edited by Charles Sykes and Brad Miner

A National Review Book, 150 E. 35th Street, New York, NY 10016 • 1991 • 212 pages • $14.95 paper

Reviewed by Raymond J. Keating

In this age of "political correctness," "cultural diversity," "deconstructionism," and "gender neutrality," one might think that it is no longer possible to receive a traditional, well-grounded liberal arts education. And although it is increasingly difficult to find sound liberal arts colleges and universities, Charles Sykes and Brad Miner have proven that it is not, in fact, impossible. Their new book presents the prospective college student, his or her parents, and the high school counselor with a steady rudder for evaluating academic quality.

The editors identify three styles of American higher education. One is the "land-grant" institution, which is based on "technical expertise important to a particular region." A second is the "German" university, focused on "highly technical research." The third style, and the editors' overarching preference, is the "English" university, as it is "designed to graduate well-rounded scholar-citizens."

The criteria for evaluating academic excellence used by Sykes and Miner by no means typify the average college guide. Size, percentage of faculty Ph.D.'s, amount of research grants, or the number of published works by faculty members are not to be found among their tools of evaluation. The editors have three primary criteria upon which a college or university is judged:

1. by the quality and *availability* of the faculty;
2. by the quality of the curriculum, with special regard for schools with a liberal arts "core" . . . that respects the tradition of the West;
3. by the quality of the intellectual environment: that elusive interaction among students, faculty, administrators, alumni, and townspeople—the entire university community.

As for the faculty, the editors consider "teaching ability above other measures of performance." This contrasts sharply with the prevailing, though misguided, publish-or-perish mentality in academia today.

Sykes's and Miner's criteria, while firmly grounded on the traditional ideal of what a college should be, represent, in today's environment, the exception rather than the rule. For if they were not the exception, such a book wouldn't be needed. It is, in fact, a most useful college guide, as its sole focus is on the quality of education.

William F. Buckley Jr., in the book's introduction, expounds on this idea of a quality education: "And such education, [the editors] are convinced, requires not merely that graduates of an institution emerge technically qualified to handle the machinery of the modern world. They must learn something about what happened in the evolution of the modern world. And they must be exposed to some of the reasons why the bias gradually crystallized in favor of human freedom, and why the freedom of the marketplace is essential to that freedom." Such thoughts on education are deemed outmoded by many academic institutions, and by some are even considered taboo.

Indeed, the search for truth has been supplanted in many academic settings by relativism, egalitarianism, multi-culturalism, and an over-sensitized environment that excludes debate. Sykes and Miner, on the contrary, in their own words, "have opted as often as possible for schools that have not supplanted education with political indoctrination, have not subverted justice in pursuit of equality—whatever that is." They explicitly "reject any university that tolerates . . . assaults on academic freedom."

A few of the editors' own comments about various colleges and universities are in order to gain a feel for the temperament of this guide (all the insti-

tutions chosen by Sykes and Miner are worth consideration; the comments I have selected are merely for illustration):

"Although it is hopelessly out of step to pursue wisdom rather than 'diversity' these days, that seems exactly what BU's [Boston University's] new pilot core curriculum attempts to do."

"It is worthwhile to recall that nearly all of the early American colleges and universities began as church-related institutions, reflecting the belief that liberal learning was integrally tied to a recognition of the role of faith in history and culture."

"It is no exaggeration to say that the history of liberal learning in the twentieth century has largely been the story of higher education's response to the remarkable core curriculum put into place during the first half century by Columbia College."

"[Furman's student volunteer] program not only instills the values of voluntarism, but also provides a first-hand lesson in non-statist approaches to social problems."

"While the vast majority of schools compromised both their independence and academic integrity by accepting . . . federal controls, Hillsdale fought back in a decade-long struggle that culminated in Hillsdale's refusal to all federal support. . . . Since then, Hillsdale has gone it alone, building its programs around the traditional principles of freedom, morality, free enterprise, individualism, and independence."

"There is no mistaking the traditionalism of campus life at [Thomas] Aquinas. Students address one another as Mr. and Miss in the classroom, adhere to a dress code, eschew drugs, and follow a strict moral code."

The National Review College Guide is unique. It doesn't adhere to current academic trends but, rather, critically evaluates them in light of a traditional, proven core of knowledge. The fact that Columbia is the only Ivy League school to make this top 50 list is instructive. The Ivies have faltered in recent times. For example, "At Yale," the editors note, "the denial of a core of knowledge is made explicit." Sykes and Miner advise these institutions to "return to the basics—to teach undergraduates systematically a core of tested knowledge, and to revive the tradition and discipline so rigorously followed throughout all but a few recent years in their long histories."

Sykes and Miner issue other caveats pertaining to some of the so-called top institutions in this nation. For example: "Imagine the surprise of students in Duke's English Department who take a sensible-sounding course in Shakespeare only to discover that the professor teaches *King Lear* as a critique of sixteenth-century British capitalism."

In this period of slackening academic standards and gross politicization, this book should be a primary source for those who seek a quality education. □

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DRUGS AND CRIME

edited by Michael Tonry and James Q. Wilson

University of Chicago Press, 11030 S. Langley Avenue, Chicago, IL 60628 • 1990 • 574 pages • $39.95 cloth

Reviewed by Doug Bandow

The so-called drug war remains one of the most contentious issues facing us. There seems little doubt that the government's attempt to stamp out illicit drug use has failed. According to the National Institute on Drug Abuse, 74.4 million people over the age of 12 have tried drugs, despite decades of prohibition. Nearly 27 million people use illegal substances at least once a year. Rates of drug use are now falling, but the declines started before the periodic escalations of the drug war during the 1980s.

At the same time the harm from prohibition and the ever more Draconian enforcement policies legislated by vote-minded politicians has sharply escalated. The U.S. now has more than one million people in prison, giving it the highest rate of imprisonment in the industrial world. Young blacks are more likely to die in urban gun battles resulting from drug prohibition than they were serving in the army in Vietnam. Drug users seeking to pay the inflated prices of illegal substances commit thousands of property crimes in cities and suburbs. Children, who receive lesser criminal punishments, are increasingly recruited into the drug trade; many also become users.

Even James Q. Wilson admits in *Drugs and Crime* that "attempting to suppress the use of drugs is costly—very costly." Although he believes that legalization would result in greater problems, many of the essays in *Drugs and Crime* suggest

otherwise, demonstrating how prohibition funds a violent criminal underground while failing to halt drug sales.

For instance, one study of New York City noted that drugs have transformed "the conduct norms of the criminal underclass subculture.... Crack has dramatically expanded the prosperity of the criminal underclass economy as well as incorporated and strengthened new elements into the criminal underclass subculture." Were drugs not illegal, of course, there would be little ill-gotten wealth to dispense.

Alas, the apparent success of police efforts in New York to end street sales has proved largely illusory. "Such intense police pressure, however, did not eliminate drug-selling activity or make major reductions in the number of sellers. Rather, heroin and cocaine sellers developed new strategies for marketing their products," conclude the researchers.

Two other experts have contributed a detailed study of state and local enforcement efforts. The solution to drug abuse, they observe, is hard to find: "While 'the drug problem' and responses to it seem simple enough from the distance of a politician's podium, a preacher's pulpit, or an editorialist's desk, from close up they reveal an almost disorienting complexity of goals, techniques, and targets. How best to use limited, and largely uncoordinated, enforcement, adjudication, and punishment resources to address the multifaceted drug problem is anything but obvious."

What is obvious, however, is that tougher enforcement tends to push up drug prices, and hence property crime by addicts stealing to satisfy their habits. The researchers conclude that the evidence does "suggest that the possibility of a tradeoff, at least in the short run, between reducing drug consumption and reducing crime is not merely hypothetical."

Another form of violent drug crime inflamed by stricter enforcement policies is described as "systemic" by researchers: the assaults and killings that occur naturally in the course of the drug trade. "Both the nature of the business and the state of the customer—often nervous, perhaps feeling deprivation effects—make violence a frequent outcome in the drug trade."

The form of drug-related violence of least concern is that committed by users because of the pharmacological effects of the drugs themselves. The authors of another chapter in *Drugs and Crime* observe that "use of illicit drugs does not appear to be strongly related to onset and participation in predatory crime.... Most of the underlying causative factors, such as irregular employment or weak attachment to school or parents, are not amenable to intervention by the justice system. Moreover, general prevalence figures for drug use do not give much hope that even major reductions in the numbers of people who use illicit drugs could significantly reduce the numbers of incidents of predatory crime."

In the end, even Wilson, critic of drug legalization though he may be, seems to recognize that the drug problem is not easily manageable by government. "Above all, we do not know how to alter the moral climate so that drug use is regarded as loathsome," he complains. And until we do change that moral climate, drug use will continue, irrespective of the severity of the government's war on drugs.

Drugs and Crime is first and foremost a valuable resource as to the relationship between drugs, the drug laws, and crime. Its honest appraisal of that relationship makes it much more, however—a case for withdrawing the criminal law from what is most fundamentally a moral problem. □

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FREE MARKET ENVIRONMENTALISM

by Terry L. Anderson and Donald R. Leal

Pacific Research Institute for Public Policy, 177 Post Street, San Francisco, CA 94108 • 1991 • 208 pages
$28.95 cloth, $14.95 paper

Reviewed by William H. Peterson

Property should be in a certain sense common, but, as a general rule, private; for, when everyone has a distinct interest, men will not complain of one another, and they will make more progress, because everyone will be attending to his own business.

Aristotle, *Politics*, Book II, Ch. 5

Thus did Aristotle take Plato's advocacy of communism to task. Aristotle's stress on private property rights is reflected in the approach to environmental concerns taken by research associates Terry Anderson and Donald

Leal of the Political Economy Research Center at Bozeman, Montana, in their study on how America should best manage its natural resources and achieve environmental quality.

Anderson and Leal maintain that most of the proposed solutions to perceived environmental problems today call for centralized, politicized, and bureaucratized approaches that are not even consistent with the science of ecology. Moreover, they hold these solutions pit winners against losers in a zero-sum game that tears at America's social fabric.

Their brilliant answer of what they call "free market environmentalism" depends on an Aristotelian voluntary exchange of property rights between consenting owners that promotes human cooperation and mutuality of interests. In short, it offers, say Anderson and Leal, "an alternative that channels the heightened environmental consciousness into win-win solutions that can sustain economic growth, enhance environmental quality, and promote [social] harmony."

The authors furnish an example of such harmony in the case of the National Audubon Society's Rainey Wildlife Sanctuary in Louisiana. There the Society, a group opposed to oil and gas development in most wilderness settings, acted differently when it happened to own the land and mineral rights in an extensive area that is home for deer, armadillo, muskrat, otter, mink, thousands of geese, and many other birds.

That home has in no way been measurably damaged by the Society's allowing Consolidated Oil and Gas to extract oil from the wildlife sanctuary for years in exchange for royalties so that the wildlife group can better carry on its work. To be sure, the Society imposed extra precautions on the company oil wells to prevent pollution in the huge marshland, but the environmentalist group/business firm partnership still evidences what the authors see as a win-win environmental solution.

This solution may provide the key to what to do about the Interior Department's proposal to permit oil exploration in the 1.5 million acre coastal plain of Alaska's Arctic National Wildlife Refuge—about 8 percent of the nation's largest preserve. That plain may contain as many as 9.2 billion barrels of economically recoverable oil, quite possibly America's last great oil reserve, according to petroleum geologists.

But the proposal, backed by President Bush, encounters strong opposition in the environmentally sensitive, politically attuned Congress. Still, this opposition seems to ignore the Rainey Sanctuary and the Alaska pipeline experience of successfully preserving wildlife while producing a valuable resource. And it ignores various recent Middle Eastern oil disruptions, the latest involving Desert Storm.

The note on Congress and President Bush points up the inevitable intrusion of politics and the consequent diminution of private property rights in most proposed solutions to pollution. The Clean Air Act of 1977, for example, requires the "best available technology" standards for new coal-fired electricity generating plants. But these standards, administered by the Environmental Protection Agency, precluded specific pollutants-emission criteria, thereby not allowing plants to burn cleaner, low-sulfur western coal without having to install expensive stack-gas scrubbers, which cost a lot more to buy and operate.

Where's the politics? Just here: A "clean air/dirty coal" coalition of environmentalists and eastern coal producers lobbied Congress and the EPA for the technological fix. The eastern coal producers worried that a sensible environmental policy would induce electric utilities to buy low-sulfur western coal to the exclusion of high-sulfur eastern coal. The environmentalists, for their part, are just not particularly cost-conscious when it comes to pollution control, often arguing that the best solution isn't good enough, that "pure" air and water really means 100 percent pure.

The upshot has been not only the undermining of private property rights but higher-cost electricity for consumers and, ironically, still more air pollution due to a reduction in the rate of replacement of older, dirtier utility furnaces and boilers.

Anderson and Leal neatly encapsulate their strategy of getting private property rights to clinch the war on pollution by noting a sign on the side of a commercial garbage truck: "It may be garbage to you, but it's our bread and butter." □

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