

THE *Freeman*

IDEAS ON LIBERTY

FEBRUARY 1964

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America's Built-in Unemployment

WILLIAM HENRY CHAMBERLIN

IT IS HARD to pick up a magazine or newspaper without reading an article about America's dangerous problem of mass unemployment. This is also a familiar theme of presidential messages, of discussion in Congress. No decent or humane person would lightly brush off the tragedy of involuntary unemployment, and there are regions where the decline or transfer of a traditional industry has created genuine hardship. But, when figures of the number of people out of work are cited, a considerable discount must be made for two categories: (1) those who would rather depend upon social security and relief payments than accept

jobs requiring minimum skill and paying comparatively low wages; and (2) those (especially adolescents) who are prevented from working by overdeveloped welfare legislation.

In the Greater Boston area, where I live and where a fair number of people are recipients of security and relief payments, there is a marked absence of the visible signs of distress that formerly marked periods of industrial depression and slack employment. There are no line-ups for free food; the few beggars are almost invariably drink or drug addicts; and one is impressed by the frequency of "Help Wanted" signs in the windows of stores, restaurants, and lunch counters.

The present editor of a national journal once told me of his experience when, just out of college in the depression-ridden thirties,

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Illustration: Ewing Galloway, N. Y.

he came from another state to New York with fifty dollars in his pocket and a determination to sink or swim on his own efforts.

"It was always possible to find a job," he said, "although it took some time to find the kind of job I wanted. I washed dishes in a cafeteria and took on other work of this kind until something better opened up. It wasn't a pleasant experience, although in retrospect it may have done me some good. Anyway, I never starved and never had to sleep on a park bench."

Anyone with this mental attitude would have little difficulty in getting off the rolls of the unemployed in Boston and adjacent communities; and this is true of most American cities and towns, except in special areas where readjustment has lagged after the decline of an important local industry.

Another unmistakable fact of present-day life that casts doubt on the existence of a really desperate type of unemployment is the extreme difficulty of obtaining domestic help or finding helpers for odd jobs. At a dinner party in an academic community the hostess remarked:

"Before World War II, the family of every professor in our department had a full-time maid. Now this is true of only two, and

they are independently well-to-do."

One explanation for this changed situation was furnished by the experience of a woman volunteer social worker who was checking up on the post-treatment condition of some patients who had been in the ward of the city hospital. To one inquiry she received the reply: "Mary is collecting security," as if this were a recognized occupation, as it doubtless is. In the time before "security" was widely and freely available, "Mary" presumably would have been doing some work for her money.

The Traditional Way

In the bad old days, when "security" in the modern sense of the word was unknown and there was a social stigma to receiving public aid, it was a familiar part of the experience of boys from poor families to help out with family expenses and pay their own way through college, to take on odd jobs outside school hours.

This was an old American tradition which was taken over by many children of Americans of newer stocks. Many of the men who later became prominent in business and the professions have passed through this early apprenticeship and almost invariably consider it a very useful introduction to life and its responsibilities.

Now, however, eager do-gooders

have surrounded the employment of youths with so many punitive restrictions in the way of minimum wages and maximum hours that potential employers who need assistance are frightened away from giving employment. An experience at a neighboring grocery store illustrates this point. The woman owner took on a delivery boy at what seemed to her a fair wage for the value of his work. Put up to it by some acquaintance with a knowledge of protective social legislation, the boy sued the owner for paying him less than the federal minimum wage and, on the basis of a court decision, extracted from her a letter of apology and a considerable sum in alleged damages.

Such experiences are not calculated to multiply job opportunities. Often the same social reformers who weep crocodile tears over the high incidence of unemployment among youths who have left school are adamant in upholding a mass of legislative restrictions which make it unprofitable and even impossible for owners of small businesses to take on youths as helpers. So the street-corner gangs multiply; and Satan, as the police court records show, finds plenty of work for idle hands, while the social reformers continue to lament and deplore.

This is an extension, in the

youth field, of a frequent cause of adult lack of work. The present-day coal miner, scrambling for work at cut-rate wages, has little reason for being grateful to John L. Lewis for forcing wages far beyond what the competitive traffic would bear. And newspaper workers, in editorial and craft departments alike, have little reason to bless the name of the head of the printers' union for shutting down New York newspapers in a prolonged drive for an uneconomic wage scale. The consequences have been declining advertising and circulation, fewer job opportunities, one large paper closed down, and others possibly in line to follow.

Sentiments and Laws

The problem of relief for people out of work in a modern industrial society offers no easy solution. It may be argued on humanitarian grounds that it is better to have nine shirkers, who could find work but prefer relief payments to wages appropriate to their level of skill, than one family in distress because the breadwinner, after an honest search, has not found employment.

At the same time the high official figures of unemployment must be discounted to allow for two important considerations. A good

many men and women prefer living on relief payments to accepting work at lower paid jobs. The howls that go up when someone like the former city manager of Newburgh suggests some reasonable tests for the genuineness of relief applications, or when it is proposed in New York City to require a reasonable period of residence before getting on the public handout rolls, show that this subject is enveloped in a fog of sentimentality.

The second point to consider is that, under existing legislation, young people in many cases cannot work at wages and under conditions which their prospective employers would find economic and reasonable. In other words, a good deal — not all, of course — of our statistical unemployment is of a built-in character which is not likely to disappear until and unless conditions for relief payments are appreciably tightened and restrictive regulations on youth employment are modified or abolished.

Myrdal's Medicine

Failure to recognize the built-in character of much American unemployment leads some social and economic commentators up a number of blind alleys. A good example is a recently published work by a Swedish social planner

named Gunnar Myrdal, *Challenge to Affluence*. A trend of the times is that European socialists have become more moderate, not so much in their ultimate aim of an egalitarian society with almost unlimited state controls over the individual as in their willingness to achieve this aim gradually, and without resort to violence. (The more extreme socialists, at one time or another, went over to the communists).

There is, therefore, a good deal of affinity between European socialists, in their present relatively moderate phase, and the more avid advocates of state planning and government spending and controls in this country. It is easy to think of American economists who largely share Myrdal's line of reasoning.

His proposed recipe for "getting America moving" is to expand welfare state measures, increase government spending and enlarge the scope of official planning. Myrdal would increase existing unemployment benefits, create a government subsidized medical system, and enlarge the functions of the state all along the line. The heart of his message, in his own words, is as follows:

"There is bound to be a bigger government in the sense that the government will have to take in-

creased responsibility for organizing public consumption in the fields of education and health. *It will have to redistribute incomes on a large scale by its taxation, social security schemes, and agricultural policies. It will have to invest much more in slum clearance and low-rent housing and, indeed, in the complete renewal of the cities and their transport systems, as well as more generally in resource development. It will generally have to increase its responsibilities for a larger part of consumption and investment and, consequently, for employment and production.*" (Italics supplied.)

All this advance toward a more socialized society and economy, according to Mr. Myrdal, may be counted on to kill two birds with one stone: to promote social justice and to "get America moving again." One finds in Myrdal's work frequent reflections of the idea voiced in professor-diplomat J. K. Galbraith's *The Affluent Society*: that the public sector of expenditure in America is starved and condemned to squalor, while the private sector is pampered and permitted to indulge in orgies of extravagance on such sinful luxuries as automobile tail-fins. So Myrdal writes:

"It is fairly generally recognized by those who have studied the problem that there is a seri-

ous and irrational bias against public investment and consumption in America."

Irresponsible Spending

Such a bias most probably exists; but there is no reason to call it "irrational." A good deal of concrete evidence from the experience of the United States and other countries could be presented to show that public spending, on balance, is less purposeful and more wasteful than private; and for one very obvious reason, among others: the public spenders are not risking their own money. It is also anything but irrational if the average American views with suspicion and distaste the idea that he is incompetent to spend or save his own money intelligently, and must therefore be subjected to the discipline of some faceless bureaucrats who would like to dictate through the use of the tax screw what he may purchase and invest.

Myrdal and those in this country who would agree with him that higher government welfare spending is a way out of a sluggish economic growth rate and its accompaniment, a burden of unemployment, seem almost magnificently oblivious of the present rates of American taxation, federal, state, municipal, and local. Even some politicians and econ-

omists who cannot be suspected of undue orthodoxy and conservatism in financial and economic matters are prepared to concede that the rates of federal income taxation are so high as to constitute a brake on the normal development of the economy.

Another important point to which the spenders turn a blind eye is that every dollar taken from the individual by taxation is a dollar lost to spending or to the equally important economic function of investment.

Risk Accompanies Choice

Being unemployed is one of the occupational risks of a free economy. It is the corollary of being able to choose and shift jobs at will. A communist state, disposing of the labor of its subjects, can find work for everyone — at timber cutting in Arctic conditions and with starvation food rations in Russia or at building dykes under the same conditions in China. Inmates of Sing Sing Prison also have guaranteed employment. Yet few people would eliminate the risk of being unemployed in a free society by emigrating to a communist-ruled country or by voluntarily subjecting themselves to a term in jail.

Direct attacks on unemployment by doles and leaf-raking “made

work” are unsatisfactory makeshift expedients at best. By far the most hopeful means of eliminating a serious figure of people out of work is to create an atmosphere of business confidence by appropriate fiscal and taxation policies which afford opportunities and incentives. And, if one may judge from the speed with which the German Federal Republic, since the end of the war, rose literally from rags to riches, transformed a shambles into booming prosperity, and quickly outgrew a heavy initial burden of unemployment, the most promising program for achieving these ends is just the opposite of what the planners like to prescribe. It has been balanced budgets, rigid limitation of public expenditures, justifying and accompanying tax reductions, and a clean sweep of price and wage controls that furnished the key to success in Germany.

As for the proposal to raise unemployment benefits, this would only increase the present considerable incidence of built-in automatic unemployment. The more favorable the financial rewards of being out of work, the more difficulty there will be in finding workers for a wider variety of occupations calling for little skill and paying comparatively low compensation. ◆

PAUL L. POIROT

UNEMPLOYMENT was no problem on Robinson Crusoe's island. Nor does it plague the people of primitive agrarian societies where each serves as jack-of-all-trades to wrest his bare living from nature. The American Indians, for instance, failed to utilize a number of natural resources, but all the people were fully employed — at a subsistence level.

In a sense, it seems that unemployment comes with capitalism and industrialization — a consequence of savings and automation and division of labor and trade — a problem that follows economic progress. But this says only that *employment* must come first. Before *A* can offer a job opportunity attractive to *B*, *A* must possess capital in the form of creative ideas, raw materials, tools, scarce resources that will enable *B* to work more effectively than he could on his own. There is nothing to be gained in doing each other's

laundry. The reason why individuals exchange labor, or work for one another, is that each gains something by the trade, or thinks he does. Some are more skilled at one task, some at another. Some men are able to save more and accumulate capital faster than others. Some have extraordinary managerial abilities. Some are superior salesmen. And so they trade, to their mutual advantage, offering employment opportunities to one another.

Employment opportunities must have been developed in a society before there can be such a thing as unemployment. But is there anything inherent in the industrialization process or in the market economy that necessarily causes unemployment? That a man can earn a better living for himself by working under another's supervision for wages explains why he might be so employed. It fails to explain why he might stop

working altogether or be unemployed. Why, then, does the problem of unemployment seem to develop as men begin to specialize and trade and seek economic progress through industrialization?

Look to the Intervention

There is abundant evidence that unemployment occurs in the most prosperous industrialized economies in the world. There also is ample evidence of unemployment in poverty-stricken nations such as Red China where industrialization is attempted through coercion and men are forced from traditional subsistence farming into the tax-supported heavy industries planned and promoted by the rulers. When shortages of raw materials or tools disrupt "The Plan" in Red China, the coolies who have been drawn into factories find themselves unemployed and starving.

Evidently, it is not the stage or the degree of industrialization that accounts for the severity or persistence of unemployment. Serious unemployment can occur in a United States of chronic surpluses as well as in a Red China or Russia of chronic shortages. Perhaps the surpluses and shortages afford a clue. These are signs of a malfunction of the market, of supply in excess of demand, or vice versa. There is a surplus of wheat

in the United States because someone has been using the force of the government to regulate the price of wheat, holding it up by law instead of leaving it free to rise or fall to that point which would tend to balance supply and demand and clear the wheat market. And the shortage of food grains in Red China likewise is the result of government tampering with the price signal, holding the prices down by law to a point too low to stimulate the production consumers want and otherwise would pay for.

It should be clear that a surplus or a shortage of any commodity is not an inevitable consequence of industrialization or of trade in an unrigged market. The surplus or shortage arises because of price control — because the market is not allowed to perform its natural function of bringing supply and demand toward equilibrium — because people are not permitted to buy and sell what they please at prices acceptable to everyone concerned. When a surplus or a shortage of any commodity occurs, you may rest assured that the force of government has displaced individual choice.

The effect of price control for services — that is, control of the level of wages — is the same as the effect of government price control of commodities. In other words,

unemployment in reality is a surplus of labor. And a surplus of labor can occur in any society *only* if someone is using the force of government to hold wage rates above the level that would clear the labor market. If willing workers are unable to find willing employers at a given wage rate, this means that the wage rate is being held at too high a level. On the other hand, if wages are set by government at lower than a free market level, then willing employers will be unable to hire as many willing workers as they'd like; the resultant shortage of labor is sometimes referred to as "over-full-employment."

Unemployment is *not* a necessary condition of industrialization or free market exchange; it *is* caused by control of wage rates — by the government directly, or by some person or group having usurped and exercised governmental powers of coercion. This explains why there can be unemployment in a prosperous wealthy nation as well as in Red China: wage rates are being held higher than the supply-demand situation warrants.

Unemployed by Definition

The government-assembled statistics of the United States show that unemployment has averaged over the past two years about 5.5

per cent of all experienced wage and salary workers, and that about 80 per cent of those classed as unemployed were eligible for government "unemployment compensation." Certainly, that is one answer to the question: "Who are the unemployed?" They are the ones the government recognizes as unemployed.¹

It may be argued, of course, that the government bases its count on faulty information, that many of those presumed to be unemployed are simply waiting out the normal interval between jobs, or that some of them have never really looked for job opportunities and wouldn't work if offered the chance. And of the four out of five actually being paid not to work, a high proportion must consider that arrangement the most satisfactory of all ways to "earn" a living. At least, it should come as no surprise to anyone that 5.5 per cent of the labor force are unemployed when the coercive power of government is used to uphold a high level of wages and when a government subsidy is made available to those who can't find work or won't accept it at prevailing wage rates and conditions of employment. From that point of view, it might appear that the

¹ See "What Is 'Employment'?" by Oscar W. Cooley. *The Freeman*, November, 1963.

government's count overstates the seriousness of the unemployment situation.

Working for Nothing

There is another side of the picture, however. Does the government's count include the thousands of farmers who are being paid not to produce wheat, cotton, tobacco, and other "basic commodities"? Are not these farmers as effectively unemployed as the laborers collecting "unemployment compensation" for not producing coal or cars or steel or whatever? And can it be said that they were fully and effectively employed who grew the wheat and cotton and other "surplus" commodities now deteriorating in government storage?

Are shipyard workers fully and effectively employed while building subsidized vessels for a subsidized merchant marine? What of those workers in "depressed areas" who are engaged in subsidized highway construction, or subsidized urban renewal; are they fully and effectively employed? Above all, what of the jobs "saved" in shady and questionable private enterprises by the government's deliberate policy of deficit-financed inflation designed to conceal business bankruptcies and thus keep working those union members who otherwise

would have priced themselves out of the market into the ranks of the unemployed?²

Without further extending the list of government projects and policies designed primarily to make work for the otherwise unemployed, it seems reasonably clear that the government's unemployment count has grossly understated rather than overstated the seriousness of the problem. When governments at various levels in the United States are spending more than a third of the total earnings of all individuals, there can be little doubt that far more of us are effectively unemployed than government statistics reveal. The beneficiaries of this government intervention and spending are not really earning their own living because they are not working at jobs for which anyone would voluntarily employ them.

Furthermore, these workers are worse than idle; for the purely make-work projects that employ them to no useful economic purpose also draw from the market all kinds of raw materials and tools and power and light and heat and other scarce and valuable resources, in effect wasting them and increasing the prices of supplies remaining for the crea-

² See "The Economics and Politics of My Job" by Ludwig von Mises. *The Freeman*, May, 1958.

tive and constructive purposes of those willing to risk their own time and savings.

The harsh fact is that government intervention — in the form of special powers and privileges to labor unions plus a vast tax-and-deficit-financed matrix of “depressed area” work projects designed to shelter and hide those who have arbitrarily priced their services out of the market — has

resulted in a surplus of labor, a rate of unemployment and maldistribution that not even the wealthiest nation in the world can long endure. The government statistics do not even begin to show the extent of the unemployment problem. The corrective is to repeal those grants of power and privilege, stop the foolish government spending, and let prices and wages find their own level in a free market. ◆

IDEAS ON LIBERTY

Job Security?

A COMMON DESIRE among humanitarians is steady employment for the workingman.

The demand is sometimes made at conventions of uplifters that the worker shall be guaranteed employment.

No one can quarrel with the sentiment back of such expressions, but there are certain ugly facts that must be faced before approval can be given.

The Bureau of Census at Washington maintains an index of all manufacturing establishments. The “turnover” is high. Many enter consolidations, but the majority die.

Here is an indication of the risk and uncertainty of capital, and the real reason why it is so difficult to guarantee anything to the worker.

Steady and permanent employment is a desirable goal, but to say that labor should be as secure as capital is amusing. Capital employed in manufacturing and distribution is never secure. Even gilt-edged bonds around which every conceivable protection is thrown have to be watched with hawklike eyes, as every capitalist will testify.

If there is no such thing as an absolutely safe investment, as some experts have stated, there can be no such thing as an absolutely permanent job.

Painting Government into a Corner

I AM GOING to discuss individual liberty . . . eventually; but I'm going to begin at the other end with liberty's opposite — tyranny. If this roundabout method needs a defense, I'll refer you to the procedure employed down on the farm to get a pig back into his pen. One's first thought is to aim the pig at the pen door, get hold of him, and pull. The pig resists. So then you get around back and push. Still no go. The expert solves the problem easily; he heads the pig in the direction he wants him to go, then pulls his tail in the opposite direction. If you want the pig to head northeast, pull his tail toward the southwest!

So I propose that we work our way around to liberty by starting with an all too common affliction of human society — namely, tyran-

ny or unlimited government. "The history of liberty," as Woodrow Wilson said in New York in 1912, "is the history of the limitations placed upon governmental power." So, if we start with a picture of unlimited government in our minds, and then — step by step — apply the proper limitations to governmental power, we should end up — if we have done our work right — with a pretty clear idea of what a free society looks like.

Visualize two rectangles. One represents government; the other, society. Now let us superimpose the government rectangle on the society rectangle. To all intents and purposes, we now have but one rectangle: Government has swallowed up society and the two form a single, organic whole. This I shall call the 1984 pattern, taking my cue from the famous novel of that name by the late George Orwell.

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The novel is set in England. It is an England where a diabolically clever officialdom has succeeded in reducing the citizenry to a bunch of robots, controlled from the top, twenty-four hours a day. There is no private sector in the society of 1984, no sphere for personal action which belongs to individuals as a matter of right. The society is operated by the government as if the country were a vast, automated factory. Such is the intention, and such the theory.

Now in actual practice, the theory limps a little. There are loopholes in even the most tightly organized, totalitarian society. The governmental machinery breaks down occasionally; officialdom is inefficient and occasionally corrupt. And so it is in 1984. The dictator of this society is called Big Brother. Big Brother's picture is everywhere, and the eyes of the portrait are designed so that as you look into them they seem to follow you. The universal slogan is: "Big Brother Is Watching You." His agents mingle with the populace to spy on people, and in every dwelling there is a two-way television set which keeps the home under surveillance.

The novel has a hero named Winston, who works in what is called the Ministry of Truth. Winston's apartment has the usual television set, but by an acci-

dent of construction one corner of Winston's room is out of range of Big Brother's seeing eye. Winston has a tiny sliver of privacy, but only because the Master Plan leaked at this point; the design is total political control of society, and the consequent extinction of personal freedom. Such a society is called totalitarian. The principal feature of such a society is that no limitations are set to the exercise of governmental power over people; the government is coextensive with society. As a result, this is a society without freedom—regardless of the authority invoked to sanction governmental invasions of the various sectors of life. That authority may proceed from the will of one man, or it may rest on the will of a majority. No matter. Controls are controls, and unlimited government by definition denies individual liberty, whatever the reason or the authority for the controls. Everybody in 1984 loved Big Brother; the regime was a total tyranny because it had the support of the whole people.

Unlimited Power

But that's fiction, you say, and in real life things are different. Well, there is many a slip between intention and action, or the human race would never have survived; but let's stick with inten-

tions for a bit. The first of the modern dictators was Lenin, who wrote: "The scientific concept, dictatorship, means neither more nor less than unlimited power, resting directly on force, not limited by anything, not restricted by any laws or any absolute rules. Nothing else but that." One of the men who learned from Lenin was Mussolini. "The State embraces everything," he wrote. "Nothing against the State; nothing outside the State; everything for the State." This is the 1984 design as exemplified in the blood brothers, communism and fascism — for the state to consolidate the society, and for the combination to engulf the individual person. There is an inherent tendency in the state to move in this direction — unless a significant number of men in the society succeed in mobilizing the right counterforces.

Go back again to our two rectangles. When government is superimposed on society, it means that all the various activities of people are controlled, directed, or commanded; that individual initiative is everywhere stifled, thwarted, or conditioned. Let me cite a quotation from Plato on this point, not as necessarily reflecting the mind of Plato or the actual conditions anywhere in Greece, but as revealing the destination of an ageless line of

thought: "The principle is this — that no man, and no woman, be ever suffered to live without an officer set over them, and no soul of man to learn the trick of doing one single thing of its own sole motion, in play or in earnest; but, in peace as in war, ever to live with the commander in sight, to follow his leading, and take its motions from him to the least detail In a word, to teach one's soul the habit of never so much as thinking to do one single act apart from one's fellows, of making life, to the very uttermost, an unbroken consort, society, and community of all with all."

It Can't Happen Here?

What was advanced by Plato merely as a speculative idea, something to play with, has been actualized in our day. Listen to the words of one of the foremost experts on the Soviet Union, Bertram Wolfe. Speaking of Russia, Wolfe says: "The state continues to direct and control all aspects of life. A single party continues to dominate and rule the state, and to act as the core of all organizations."

Well, you say, Russia is a long way off, America has a tradition of freedom, and the communists are no longer influential here. Besides, Americans are a good-natured people, and we wouldn't do

this to each other . . . would we? There *are* people who would do this to us, with the noblest of motives. Many instances occur to you, but let me offer just two. The first is from the pen of Senator Clark of Pennsylvania. Applauding the "liberalism" of American colleges, he writes: "Spiritually and economically youth is conditioned to respond to a liberal program of orderly policing of our society by government." The second statement is from a recent article by the eminent theologian, Reinhold Niebuhr. He is advocating liberalism of the Americans for Democratic Action type, and says, ". . . liberalism connotes a desire to use all the instruments and authority of the political state for the attainment of (social) justice. This means the welfare state, the politics of the New Deal, and the . . . Administration's current integration program . . ."

The trend is obvious. The country, under prodding such as this, moves toward a centralized society run from the top down. The national government commands each year an increasing portion of the people's earnings, and its power grows accordingly; its functions are extended and accelerated year by year. In other words, we are witnessing and living in the midst of the natural drift of a state reverting to type.

And a state reverts to type whenever counterforces are lacking. I propose in this paper to describe these counterforces in the hope of reactivating them.

History does not move in a straight line — there are ups and downs; there are periods of enlightenment, and ages that are dark. Liberty, too, comes and goes. It is lost and then found again. People experience the tyranny of a despotic ruler, endure it just so long, and then something inside them revolts. They frame a philosophy which provides the rationale for establishing sectors of individual immunity against governmental power, and they fight in various ways to achieve their goals. This is the pattern for the recurring struggle of men to be free in society, and it hinges on the success with which the functions of government are limited to curbing aggression and maintaining the peace of society. If men are to attain freedom in society, they cannot do so on any old terms, but only on the terms laid down by liberty itself.

Seven Major Concerns of Man

As we look back over human history, we note several major concerns which in every age have engaged the minds and hearts of men. These divide society into seven sectors. One of the great

human enterprises is Economics. Man has to eat. He has to protect himself from the inclemencies of the weather; and he covers his body for warmth and adornment. It is by economic activity that men satisfy their bodily needs for food, clothing, and shelter. Work is involved here, and man has a natural inclination to avoid work. That is why he invents labor-saving devices. One of the first labor-saving devices, as some cynic pointed out, was robbery. Now, a person produces for his own use and enjoyment and naturally he resents the thief; so, to curb thievery the police power comes into being. This is the seed-bed of government, and whether we like it or not, politics has always been one of the major pre-occupations of mankind.

Then there is Education. The adults of every society seek to introduce the young to the intellectual heritage of their culture and to initiate them into the world of the grown-ups. Schooling is part of education, and so is science.

The fourth sector is Art — the world of painting, sculpture, architecture, and literature. Art is a perennial concern of man and should occupy a realm of its own in society. So should Ethics. Men evaluate their own conduct and the conduct of others in terms of good and bad, right and wrong.

These are moral judgments, and they stake out the ethical realm in human affairs. People strive to be better; they seek the good life — the kind of living appropriate to our nature.

Moral effort takes us into the domain of Religion. Almost every person has, at some time or other, sat back and wondered what it's all about. Does the universe, that scheme of things of which we are a part, have any meaning, any purpose? What is the significance, the aim and object of human life? What am I here for? Nobody above the moron level can avoid asking questions of this sort, which is what William James had in mind when he observed that "mankind is incurably religious." Undeniably, every society has exhibited some interest in this dimension of our lives, however varied the rituals and the theology which express this interest.

The seventh sector of human life is reserved for the free play of Voluntary Groups. Obviously, there is some overlapping here with the previously mentioned enterprises. A factory is a voluntary association; so is a church, in our society. And there are other voluntary groups designed to further the ends of education, ethics, and art. Nevertheless, we need this category in order to include the groups men form for

sport, recreation, and just plain fun. These are the seven major areas of social life.

Assume that we start with a society whose government is unlimited, politics being deep into every human concern. Our task is to stake out the major human enterprises I have listed, to guarantee the integrity and relative autonomy of each by showing that—except for government, the realm of law—politics is foreign to it. When we have done this, the police power—or government—is painted into a corner where it belongs, exercising its rightful function of curbing destructive and criminal behavior and providing for the defense of the society against domestic and foreign enemies. When government is thus limited, the creative and productive actions of men are unhampered. Given this situation in a society, men would be free—as they are free today in one major realm, that of religion.

Separation of Church and State

There is one important principle on which most Americans are agreed—the principle of the separation of Church and State. We take this principle of separation for granted, hardly realizing how unique it is in history and how strange it still sounds to non-American ears. England, and

most countries of Europe, have national churches. A number of the American colonies had tax supported churches lasting, in my own state of Massachusetts, until 1833. Religious dissenters fared ill in many of the early colonies, but by 1779 the state of Virginia passed a Bill for Establishing Religious Freedom which was penned by the hand of Thomas Jefferson. "Well aware that Almighty God hath created the mind free," Jefferson begins, and then goes on to say "that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical." Nor was any man to suffer civil disabilities because of his religious beliefs. He was to be free in this area to believe or not, to align himself with a church or not. In any case, his rights as a citizen were not impaired. The law would touch him only when a crime had been committed, and then—before the bar of justice—the believer and the nonbeliever would be on equal terms. The First Amendment to the Constitution merely guaranteed that Congress would not overturn the religious arrangements the states had worked out for themselves.

The principle of separating Church and State is frequently confused with something that

sounds a little like it but is, in fact, altogether different — the separation of religion from society, the elimination of a spiritual dimension from social matters. Jefferson who, in the Declaration of Independence, wrote that men derive their rights from the Creator, and who elsewhere wrote, "The God who gave us life gave us liberty at the same time," did not favor a nonreligious, secular society. He opposed a religious establishment and did favor government neutrality toward the churches. Why? In order that religion itself could play its proper role in the affairs of men. What is this role?

The Old Testament View

Compare our situation with that of the ancient world. Man, Aristotle said, is a political animal. Aristotle was not merely calling attention to the obvious fact that men live in social organizations as their natural habitat; by calling man a political animal Aristotle was saying that man is the kind of a creature who may find complete fulfillment within the Greek city-state. The Greek *polis* was Church and State in one; its politics, one might say, was salvational. Our idea of relegating the state to the modest role of an umpire, keeping the peace by merely enforcing the

agreed upon rules, would have been largely incomprehensible to men of the ancient world. The head of the ancient state was also its religious leader; Julius Caesar, you recall, was also Pontifex Maximus, the chief priest. The individual, in this kind of a set-up, was really locked into society — body and soul. Then, along came a new religion which transformed the ancient world by teaching that only part of man is social, that man's essence belongs to God.

This idea is part of our heritage from the Old Testament, with its stress on God's transcendence. The common opinion in the ancient world was that a god was useful to have around to sanction social practices, to guarantee prosperity, and to insure victory in war. If a tribe lost a battle, this would be accepted as signifying the superiority of the god or gods of the victors; if a crop failed, the particular god who fouled up that situation was sacked. Some such idea of God is still widely held by our contemporaries. The Victorian novelist, Samuel Butler, satirized this notion when he said: "To love God is to have good health, good looks, good luck, and a fair balance of cash in the bank." But the ancient Israelites, although they lapsed now and again, discarded the notion of a god kept on tap to

bestow prosperity and victory. They believed in a God of righteousness and truth, and they saw the workings of God even in their own poverty and defeat. They forbade all graven images, as well as any attempt to represent God in concept or word. The holy name was never pronounced or spelled. God was wholly other; he transcended human affairs, and yet — as the Creator and Sustainer of life — he was involved in them.

This idea became part of Christian doctrine and it made a big difference to the politics of the West; it undercut the totalitarian idea which ruled the ancient world. Here is the way a British political scientist, J. B. Morrall, states the new political development which occurred after the fall of Rome: "The State as we should understand it today did not exist in the barbarian dark ages. Christianity alone was left with the task of providing the West with a social unity across its new barbarian frontiers. It did so by appealing not to a primarily political sense of obligation, but to a basis of divinely inspired and commonly shared spiritual fellowship. Medieval Europe offers for the first time in history the somewhat paradoxical spectacle of a society trying to organize itself politically on the basis of a spiritual framework (which gives to

political life merely a relative value). By so doing western European thought about politics was propelled along lines which were to be sharply different from those of any other human society."

A Neglected Premise

Political theory in our tradition is based on the assumption that men must be free in society because each person has a destiny beyond society which he can work out only under conditions of liberty. In other words, the inner and spiritual liberty of man implies the outer and social freedom needed for its completion. Loyal to these premises, the peoples of the West began their long and painful ascent toward the ideal of political liberty. By the time the West had attained a large measure of liberty — in the eighteenth century — the premises had been forgotten. They are neglected today, but at least we do accept the principle that government should keep out of ecclesiastical affairs. Religion is to be free from political interference, just as we hope the other areas of life shall some day be free.

The spiritual underpinnings of our institutions have suffered erosion, and we careen toward the pre-Christian idea of the state as the universal caretaker promising

to feed, clothe, house, train, and guide its minions. By its very label, the welfare state advertises its self-assumed benevolence; and by the same token it cloaks the power inherent in all political action. So successful is the disguise that it has even generated a specious religious support.

To sum up: Man is *not* a political animal, in Judeo-Christian thought. He necessarily lives in societies and his societies require government. But the government must be limited to keeping the peace and administering justice, in order that individuals may have sufficient latitude to fulfill the law of their being, here and hereafter.

Ethical Values

This brings us to the domain of ethics. Every high religion is concerned with righteousness and the practice of virtue. As our religious values have eroded, there has been a decline of standards in ethics and a worsening of conduct. The figures on crime tell part of the story. Between 1958 and 1962 our population increased by 7 per cent, but crime increased by 27 per cent. Bank robberies have tripled in six years; embezzlement has doubled since 1956; there is an automobile stolen every 90 seconds. We in America steal more cars each year than there are cars manu-

factured in Russia! Other forms of violence are on the increase. Harder to measure are losses in integrity, the casual going back on one's word, the lack of moral indignation. And, of course, the trend is rationalized. Ethical relativism is a widely held, but largely unexamined, theory. People of different cultures, we are told, have come to differing conclusions as to what is good and what bad; and this, we are told, means relativism in morals — no right or wrong as such. People of different cultures have likewise come to differing conclusions as to what is true and what false. If the ethical relativists were consistent, they would have to say that this proves all truth is relative. Very few do.

Some people embrace ethical relativism on humane grounds, because — they say — people who think X is better than Y will try to force X onto other people. This is bad logic and bad history. There have been annoying reformers who have sought to legislate morals, a misguided effort. But the great crusades, persecutions, and massacres of history have not been efforts to improve wayward conduct; they have been attempts to correct error, false belief. If one adopts relativism on humane grounds, he should be consistent and deny any distinction

between truth and error, on the grounds that people who believe they have The Truth might persecute on its behalf, as communists persecute ideological deviates.

The philosophy of the free society needs firm ethical support, and it is not getting it. As ethical standards decline, some people seek to correct the situation by passing laws to control behavior. Government is, in fact, a system of controls; but we ought to consider carefully the kinds of acts we decide to control by law. Crimes should be punished; on that point we all agree. But people cannot be made good by law; they can only be made less free, and that is bad. Anglican Bishop William Connor Magee made a famous speech in the House of Lords in 1868 opposing a law which would have prohibited alcoholic beverages: "I'd rather the English should be free than that England should be compulsorily sober," he said. Now it is only fair to assume that this churchman favored sobriety; but if he were forced to choose between sobriety and freedom, he would choose freedom as the higher good. The dictum, "You cannot legislate morals," is sound doctrine. But paradoxically, in a period when moral sentiments are weak, we have moved into the welfare state, which is a gigantic

effort to legislate morals on a national scale. When men go peacefully about their creative and productive tasks, minding their own business, government should mind *its* business and let them alone. It cannot make them good, and it should not try. It can, however, curb destructive and criminal actions, and doing so is its proper job.

Importance of Education

It is one function of the educator to be the gadfly of the state, but he cannot be a gadfly if he is on the state's payroll. When the state begins its bid for total power, it must at some stage seize control of the country's educational system; it must establish a Ministry of Truth, as in 1984. Every culture devises ways of easing its young people into adulthood, by imparting to them the heritage of that culture so that the patterns and values cherished by the citizenry may endure. But when there is a breakdown in the culture, there is a contest to determine what values and what information will be imparted to the young, and by whom. This gives the state an opening wedge for starting a vast conditioning process by which the young will be adjusted to their place in society and be kept ignorant of the fact that there is any higher or-

der of majesty than that of state. We have made some headway in this direction, but those who would take us down this road know that the time is not yet ripe to advocate controlled education — as they openly advocate a controlled economy — and so, although they want government schools and urge federal aid to education, they assure us that this will not mean federal control. Despite their assurances, subsidy must lead to control, and control means nationalized education — a contradiction in terms.

Freedom in the Arts

Now we come to the realm of art. The writers, composers, and painters of Russia do not create for an independent public; they work for the commissars. They do not seek primarily to embody such values as truth and beauty in literature and music; their work is designed to further the proletariat revolution. An official statement reads: "The aim of Soviet art today must be to form the consciousness of the people." American artists are in a tizzy these days on the question of the role of government in the arts. Some opera singers and actors have come out in favor of federal subsidy for the arts, and there is now a Federal Advisory Art Council. But many American painters,

sculptors, and writers are vigorously opposed to government interference and the Council of American Artist Societies is on record in favor of freedom in the arts. We don't want an official art any more than we want an official religion. The real artist is necessarily a free spirit; it is only the routine writers and decorators who would go on the public payroll. So in the interests of art itself, we must keep politics and government out of this realm.

Art associations are just one type of innumerable voluntary associations in our society. Political clubs and discussion groups are other types. Then there are athletic clubs, camera clubs, fan clubs, and a whole host of groups drawn together because the members share a common interest. The totalitarian state must seek to destroy all lesser loyalties within it, just as it seeks to destroy religious loyalties above it; but in a free society, voluntary associations of all sorts flourish.

Economic Freedom

Finally, we come to the economic sector of our society, the realm of business, industry, and trade. This is the place where nearly everyone devoutly proclaims his dedication to free enterprise and the free market while simultaneously calling for more

controls and regulations. This is a critical area of our life, because it is presently the prime target of those who prefer collectivism to a free society. Freedom cannot be won or retained on economic grounds alone, but it can be and is being lost on the economic battlefield.

Economic activity is fundamental to human existence. A Robinson Crusoe could get along without politicking, but if he did not work, he would die of hunger and exposure. Out of economic activity emerge the concepts of rights to property and claims to service around which many political battles are fought. Economics, on the surface, deals with prices, production, and the operations of the market as determined by our buying habits. Fundamentally, however, economics is concerned with the conservation and stewardship of the earth's scarce goods: human energy, time, material resources, and natural forces. These goods-in-short-supply are our birthright as creatures of this planet.

The strict limitation of government provides for an area of freedom in society within which men take care of their material needs by a system of bargaining, contract, and free exchange. "The market" is simply a label for the system which uses free choice in

buying and selling as a means of making economic decisions; it is the tactic of liberty applied to the workaday world. Within the network of market arrangements each man is rewarded according to the value his fellows place upon his offerings of goods and services. This reward is his "wage." Human nature being what it is, every man will tend to feel that his own wage is too low, whereas other folks' prices are too high. Most people develop a reality sense on this point; others never do.

Every collectivist ideology — from the welfare state idea to totalitarian communism — is strung on a framework of economic error. People are prisoners of their beliefs, and so long as they cherish a wrong understanding of economics, they will be appealed to by one form of collectivism or another. But when people embrace sound economics, collectivism will cease to be the menace it is today.

Parts of the Whole

Freedom is all of a piece, and economic freedom — within the proper moral and legal framework — is fundamental to the free society. Do we believe in religious liberty? Then unless there is private ownership of houses of worship, and private means for pay-

ing salaries, printing books, and holding meetings, religion cannot be free. Do we believe in a free press? But if newsprint is a government monopoly and all printing presses are government owned, how *can* newspapers be free? It is possible to have a *Daily Worker* in a capitalist country, but a *Daily Capitalist* in a communist country is inconceivable. Do we endorse academic freedom? But if government owns the schools and appoints the teachers, then freedom vanishes.

The restoration of freedom is a difficult job. It's one that will require every bit of ingenuity and determination we possess. Moreover, we ourselves are right in the middle of the picture. We cannot work from outside society, pretending that we are like gods fashioning a culture piece by piece; we are within society, and any improvements we might make have to be an inside job. Our situation reminds one of the story about a town council in Ireland. The town needed a new jail, so the council passed a four-point resolution: (1) The town will build a new jail to replace the old one; (2) To save labor costs the work will be performed by prisoners; (3) To save material costs, the new jail will be built with bricks and boards obtained by tearing down the old jail; (4) The

prisoners will live in the old jail until the new jail is completed!

Welfare Statists and Their Delusion

Not many Americans favor a dictatorship, but many Americans do favor the adoption of practices which will eventually lead to authoritarian rule. They believe in the welfare state, at the core of which lies a delusion. The welfare state is founded on the delusion that government — the power structure in society — after using its power to divest citizens of a portion of their earnings via taxation, will dispense the riches thus accumulated at the bidding of the powerless. It cannot be; power will respond to power. The poor and weak in our society employ no lobbyists, and the welfare state spends its billions at the behest of its upper bracket favorites.

Many of those who advocate the welfare state believe that society must be run by experts — given the current state of technology and the critical times we are in. But how do we know who is an expert, and who is not? At this point many intellectuals cast modesty aside and admit that they have themselves in mind. This simplifies matters for the rest of us, until we note that these experts disagree among themselves as to who is really an expert and

who is not. But one thing these experts favor, and that is the trend which is making our national government ever richer and ever more powerful. They applaud this, because they visualize themselves at the helm using the money and power accumulated in Washington to carry out vast programs of their own devising. But if history teaches anything about politics, it is this: The intellectuals and the idealists may dream up blueprints for a heaven on earth, but political power is never wielded by intellectuals and idealists — or not for long.

The welfare state operates on

an evil principle: somebody's program at everybody's expense. The intellectuals want a powerful government so that they can carry out *their* program, but this hope of theirs is doomed to continuous frustration — someone else always beats them to the punch. It will take a while before the intellectuals catch on to the futility of building for someone else's takeover, and by that time we'll probably have gotten ourselves squared away in the fields of economics, religion, ethics, art, and education. When this is accomplished, we'll have painted government into a corner, and men will be free.



EQUALITY UNDER LAW VS EQUALITY BY LAW

ROBERT W. BLAKE

ACCORDING to the Declaration of Independence, "All men are created equal."

But man is a creature of limitations. He is limited as to height, weight, strength, health, intelligence, beauty, virtue, inheritance,

environment, everything. Since these limitations vary from man to man, no man is equal to another, not physically, mentally, morally, or spiritually. In fact, all men are created unequal, except in one sense: All men are created equal under the Law. All men are equally subject to the same physical laws, the law of gravity, nutri-

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tion, growth, and so on. And all men are equally subject to the same moral laws: Thou shalt not steal; Thou shalt not kill, and the like. Since civil law is, or ought to be, an extension of moral law, all men should be equally subject to civil law. Whether a man is rich or poor, strong or weak, black or white, influential or a nonentity, should make no more difference under civil law than under physical or moral law. This is what is meant by the Declaration of Independence: All men are created equal *under law*.

Some well-meaning people, however, observing the limitations and consequent inequalities among individuals, now seek to go beyond mere *equality under law* and to enforce *equality by law*. Whereas *equality under law* protects unequal persons equally, *equality by law* penalizes some and rewards others for being unequal. This is Marxism: From each according to his means, to each according to his needs. Christ, on the other hand, said: "Sell what thou hath and give to the poor." The only difference is free will. Marxism is an attempt to achieve Christianity by force.

The Fair Employment, Fair Housing, Re-Training, and Public Accommodation bills, while motivated by Christian concern for the victims of prejudice, involve the

taking of jobs, housing, funds, and accommodations by force from the rightful (though prejudiced) owners and bestowing them upon others in the cause of equality.

Why Wrong?

Such *equality by law* is wrong for three reasons:

First, it requires taking by force what belongs to another. This is stealing, and the Law is, "Thou shalt not steal." Worse, it threatens the owner with fine or imprisonment and actual death, if he resists. This is killing or threat to kill, and the Law is, "Thou shalt not kill."

Second, if mere need or inequality confers upon the state the right to steal or kill, then each of us can, and many of us do, demand that the state steal or kill in our behalf, for we are all needy and unequal. If it is right for the state to steal or kill on behalf of a minority, how much more right to steal or kill on behalf of the majority! Since the state is controlled by the majority, it is inevitable that the minority find itself legislated out of the very jobs, homes, subsidies, and accommodations sought through legislation. And life itself may be the cost! The liquidation of countless Kulaks in Russia and Jews in Germany was the foreseeable consequence of conceding to the state the right to

steal and kill in the cause of equality.

The only safety for minority and majority alike, since each of us is a minority, is to affirm and defend the individual's absolute and inviolable right to life, liberty, and property, including his right to hire, sell, accommodate, and subsidize whom he pleases. That a man is prejudiced in the exercise of these rights does not confer upon the state the right to initiate or threaten violence against him. Every man has a right to his prejudice, which is his opinion. He does not have a right to enact his prejudice into law.

Third, being created unequal, the only equality a human can aspire to is perfection, moral and spiritual. Such perfection is achieved not by using force against my neighbor, but by using force against myself. If I set out to perfect society by perfecting my neighbor, I must ultimately kill my neighbor for only my neighbor has any power to perfect

himself. But if I set out to perfect society by perfecting myself, and my neighbor does the same, there is some hope of a more perfect society. If perfecting myself is my goal, the fact that my neighbor is imperfect does not oblige me to kill him, but to tolerate his imperfections as an aid to perfecting myself.

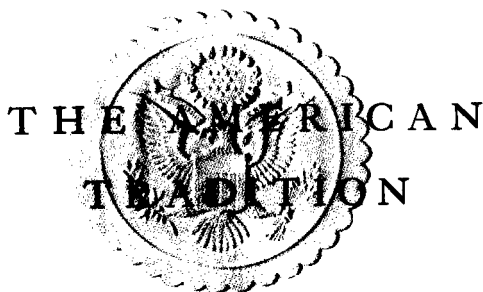
This, then, should be the goal of all individuals and groups. Instead of struggling outward for equality, struggle inward. Let us spend our energies enlightening ourselves and our own groups, beautifying our own neighborhoods, curbing our own propensity to violence and crime. Instead of trying to cultivate virtue in others, concentrate on cultivating virtue in ourselves. As this is done, true worth will command respect and the last barriers will fall. This goal can be achieved not by force and violence, applied by law from without, but only by free will and discipline exercised under law from within. ♦

IDEAS ON LIBERTY

Threat to Tyranny

HE WHO SUPPORTS his dignity and is a friend to freedom encroaches upon the superiority and the despotism of a tyrant.

ARISTOTLE, *Politics*



11. *Of Rights and Responsibilities*

CLARENCE B. CARSON

IDEAS that have come unsprung from the context which gave them vitality, practices that have been cut loose from the tradition in which they subsisted, may be likened to cancerous cells which prey at will upon the physical body. Again, when such developments have occurred, the resulting growths may be compared to the parasitic suckers on a corn stalk which sap the life of the original plant but produce little or nothing of their own. Something analogous to the above has happened to the American tradition of rights and responsibilities. "Rights" proliferate like wild cancer cells: e.g., the "right" to an education, the "right" to a "decent" wage, the "right" to a comfortable home, the

"right" to adequate medical care, the "right" to vote, the "right" to the use of public buildings, and so on. The "right" to strike is fastened like a "sucker" upon and saps the vitality of the right of a man to the use of his property. The thrust to the provision of "rights" for minorities threatens to crush the residue of individual rights in America.

It is no different in the matter of "responsibilities." They grow apace, in number and variety, while those matters which were formerly held to be the responsibility of individuals wither and die. President Kennedy had exhorted us: "Ask not what your country can do for you, but what you can do for it." If juvenile delinquency increases, we are all somehow to blame, according to the current myths. If Negroes

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Illustration: National Archives

are mistreated, all Americans have a part of the guilt. If peoples in faraway lands are "underprivileged," it is somehow the fault of the well-fed American. On the other hand, less and less is left solely for the individual to do for himself.

Under Cover of Confusion

Undoubtedly, it is true that those whom the gods would destroy they first make mad. It may be said with equal validity that those whom the gods would destroy they first *confuse*. At any rate, there should be no doubt that the deterioration of the American tradition has taken place beneath a cover of widespread confusion. There are many sources of this confusion. The belief that people have certain rights is a part of the heritage of Americans. But when something has been long established, people tend to forget the sources of it. Once established, practices tend to continue to be followed, and people will forget the basis of them.

But the current confusion about rights and responsibilities has more direct causes also. There has been a general decline in the precision of the use of language and a neglect in the teaching of logical thinking. Thus, vague expressions of ideas and questionable practices may go unchallenged.

Reformers in America have found it practical to advance their programs indirectly and to install them gradually. To accomplish this, they have employed the rhetoric of tradition — which includes such words as rights and responsibilities — to promote their programs which are profoundly anti-traditional. Collectivist, statist, and egalitarian ideas have been subtly advanced to replace the traditional principles. This has been carried to the point where many Americans must feel that their rights come from the state, that their responsibilities are collective, and that everybody is entitled to a minimum of worldly goods, if not an equality with every other man.

There is confusion, too, about the relation of rights to responsibilities. Conservatives may have contributed more to this confusion than "liberals," for they are given to asserting that rights entail duties and responsibilities. Since people tend to interpret assertions in terms of the prevailing ethos, the assertion may be taken to mean something quite different from what the conservative intended. Many people would no doubt interpret it to mean something like this: We owe the state a great deal in return for the rights it has granted to us. Indeed, President Kennedy merely

took the thought a step further and concluded that we should focus our whole attention upon duties and responsibilities to the state. Such a development I would interpret as a measure of our general confusion about rights and responsibilities today.

Some Vital Questions

It is a difficult undertaking to find the remains of the American tradition beneath the luxurious growth of rights and responsibilities which now obscure it. Rather than attempt to do that, it will be more profitable to go back in time and try to reconstruct the tradition historically. Some questions will serve to guide us in this task, namely: What was the American tradition of rights and responsibilities? What was the source of rights? Of responsibilities? Within the tradition, what was the relationship between rights and responsibilities? What were the rights which men claimed? What were the responsibilities? What was the relationship of governments to these rights? Did they grant them, recognize them, protect them? By what practices were rights protected? With what sanctions were responsibilities promoted?

Most of these questions about rights, so far as they involve ideas, have been answered with

the utmost brevity in the Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. . . .

Of course, there is much more to a tradition than felicitous phrasing in an honored document. A tradition is a body of practices, habits, customs, and institutions which may be buttressed by beliefs and ideas. Yet we can only write about it in terms of ideas, so it may be well to approach the tradition of rights and responsibilities from the vantage point of ideas.

There have been many phrasings of the rights which Americans believed were theirs. Jefferson's "life, liberty and pursuit of happiness" is the best known but not necessarily the most apt. Not only are the words not defined but also some of the phraseology is exceedingly vague, laying it open to a great variety of interpretations. For example, what does it mean that one has a "right to life"? It is possible to interpret the phrase in the following manner. In order to live, one has

to have the means of livelihood, i.e., food, shelter, clothing, and so forth. The right to life could be interpreted as a claim upon someone to provide the means of livelihood. The "right to the pursuit of happiness" is so vague that it could be used to justify any licentious pursuit that the most debauched person might dream up.

Life, Liberty, and Property

We know, of course, that these were not the meanings intended by those who subscribed to the sentiments in the Declaration of Independence. The whole ethos of the time as it can be discovered in the writings and documents which remain indicate that something quite different was meant. The usual way of summing up the rights which men believed they possessed was the "right to life, liberty and property." The Massachusetts Declaration of Rights, drawn by John Adams, spells out the meaning which most men of the time would have attached to the words quoted from the Declaration of Independence:

All men are born free and *independent*, and have certain natural, essential, and unalienable rights, among which may be reckoned the right of enjoying and defending their lives and liberties; that of acquiring, possessing, and protecting property;

in fine, that of seeking and obtaining their safety and happiness.¹

Jefferson defined liberty at one time in such a way that there should be no doubt as to his meaning:

Of liberty then I would say that, in the whole plentitude of its extent, it is unobstructed action according to our will, but rightful liberty is unobstructed action according to our will within limits drawn around us by the equal rights of others. I do not add "within the limits of the law," because law is often but the tyrant's will, and always so when it violates the rights of an individual.²

In short, the right to liberty is the right to think, say, and do what we will so long as we do not trespass upon the right of others to do likewise. Happiness, to these men, was the state of enjoying their liberties and the fruits of their labor (for which "property" was a convenient shorthand expression). John Adams suggested additional content to the word "happiness," content which others of his contemporaries may or may not have concurred in. "All sober inquirers after truth, ancient and modern, pagan and Christian, have declared that the happiness

¹ *The Political Writings of John Adams*, George A. Peek, Jr., ed. (New York: Liberal Arts Press, 1954), p. 96.

² *The Political Writings of Thomas Jefferson*, Edward Dumbauld, ed. (New York: Liberal Arts Press, 1955), p. 55.

of man, as well as his dignity, consists in virtue. . . . If there is a form of government, then, whose principle and foundation is virtue, will not every sober man acknowledge it better calculated to promote the general happiness than any other form?"³

No Claim Against Anyone Else

It should be clear from the foregoing that these rights did not establish a positive claim on anyone. On the contrary, they require only that other men respect them and that government protect the citizenry from trespass upon their rights. The point can be made more emphatically by investigating the sources of these rights. They were, as the above quotations indicate, conceived of as natural rights, as God-given, as subsisting in the nature of the universe. They were in no sense grants of governments nor bequests of states.

When the Founding Fathers said that man had a right to life, they meant that no one else had a claim on his life, that he was born free and independent. His right to life was his right to do with it as he would, to cherish and nourish it, to dispose of his time and energies as he saw fit. In practice, as modified by tradition, it meant that a man came to

the fullness of enjoyment of his rights when he reached an age of maturity. But before that, no one might take the life of another.

The corollary of this proposition is that no one has a natural claim upon the life of another. It follows, then, that the right to life cannot be the right to a livelihood, if it involves any claim upon someone to provide it. For such a claim would be at the expense of another man's right to the use of his life.

The natural rights theory has been the subject of much controversy over the years. Indeed, the theory has now been obscured by the confusion resulting from the controversies. Those who have opposed the validity of this theory have usually argued on the assumption that the belief in natural rights is based upon the historical existence of a "state of nature," and that in this state of nature men enjoyed certain natural rights.

Now there is no doubt that writers in the eighteenth century frequently referred to a state of nature. There should be considerable doubt that they were referring to an actual historical condition. The historical mode of reasoning, which is most common nowadays, was rarely, if ever, employed in the eighteenth century. This mode only came into its own

³ Peek, *op. cit.*, p. 85.

after the publication of the works of Marx and Darwin, among others. The Founders were thinking in terms of an enduring condition, not one that is basically changed by the passage of time. True, some writers did attach the "state of nature" to primitive man, but this is an accidental connection rather than an essential one, if one is employing a philosophical rather than an historical mode of reasoning. The "Laws of Nature and of Nature's God," to which Jefferson refers, are obviously a permanent part of the universe. They do not await the confirmation of anthropologists; they are something discoverable in the here and now by the employment of reason. In short, natural rights, to these men, were those rights which one has by nature.

Unalienable Rights

To demonstrate, let us reconstruct their mode of reasoning. Who has the right to the life of a man? Who could have gained such a title? Surely *no other man* has it. Who could have given him such a title? Can one man possess the life of another? Societies can and have conferred such titles, of course, but they are fraudulent, according to the natural rights theory. A man's life is his *in trust*; not even he may sell it in its entirety. His right to life is

"unalienable." Would anyone really care to argue otherwise today?

Or take a related question. Who has the right to the fruits of the labor of a man? Would not any man possessed of common sense conclude that that which he has produced with his own hands from his own materials is *his*? Whose else could it be? Property rights, properly worked out, are only social means for enforcing this individual right.

In the same manner, who can have a right to the use of the faculties of a man, to his liberty? Will it be argued that they really belong to someone else? Can such a right really be conferred by society or the state? The very nature of man proclaims otherwise: He alone can will the use of his faculties and bring them into constructive use. True, a man may be induced by coercion to use his faculties against his "will," but who could legitimately claim a prior right to do this? These rights bear no necessary connection to any real or imagined condition of savages. The introduction of anthropological findings into the discussion of natural rights has only served to confuse the issues. The source of the rights, as conceived within the American tradition, was concisely stated by John Adams:

I say RIGHTS, for such they have,

undoubtedly, antecedent to all earthly government — *Rights* that cannot be repealed or restrained by human laws — *Rights* derived from the great Legislator of the universe.⁴

Nonetheless, governments were believed by the Founders to be capable of serving useful functions regarding natural rights. Indeed, Jefferson tells us that governments are created for the express purpose of protecting and defending these rights. In this sense, it could well be said that governments are ordained of God. If there were no governments, the individual would frequently be unable to defend his life, liberty, and property. He would be at the mercy of stronger individuals and of bands of men who might despoil him and his. Thus, it is in the true interest of every man that governments be instituted to maintain law and order, to protect life and property, to punish the trespass of some upon others.

Natural Responsibilities of Man

Elaborate theories of “natural responsibilities” did not usually accompany presentations of natural rights theories. One might conclude from this that Americans placed a great deal more emphasis upon rights than upon responsibilities. I think, however, that such conclusions are not war-

ranted. As they conceived them, responsibilities are but the opposite side of the coin on which rights are inscribed, no more separable than is a single coin. It would even be possible to construct a theory of “natural responsibilities” which would be in keeping with what Americans believed and did. I propose to do so here.

What are the natural responsibilities of a man? First, he is responsible for his own acts. Even if coerced, he alone could have released the energy and directed the efforts which consummated a deed. Second, a man is naturally responsible for his own well-being, responsible for providing himself with the comforts of life. He is equipped, by nature, with sensations which inform him of his needs and with faculties which enable him to satisfy these needs. Third, a man is responsible for fulfilling the terms of any contract he enters into. Thus, if a man marries, he incurs knowingly and willingly an obligation to care for his wife in a manner befitting his position and abilities. Fourth, he becomes responsible for any children he and his wife have brought into the world, to nurture them until they have reached an age when they can become independent. Nothing could be more natural than that those

⁴ *Ibid.*, pp. 4-5.

who have been responsible for producing life should care for it during the period when it cannot fend for itself. Fifth, he has some responsibilities to the society which has provided a framework within which he can use his faculties for his own ends and for the fulfillment of his obligations. John Adams put the matter in this way:

Each individual of the society has a right to be protected by it in the enjoyment of his life, liberty, and property, according to standing laws. He is obliged, consequently, to contribute his share to the expense of this protection, and to give his personal service, or an equivalent, when necessary.⁵

These responsibilities, it may be noted, bear a demonstrable and complementary relation to the rights set forth above. If a man has the right to the use of his faculties, he is responsible for the manner in which he uses them. His right to his life embraces the responsibility for caring for himself and his own so that he exerts no claim on another man's time. It might be added that since he has unwittingly claimed the time of his parents he has incurred some obligation to them. Since by nature they will probably live into their declining years, he should be obliged to look after them dur-

ing the period of their senility. Since government exists to protect a man's rights, he is responsible for maintaining it in its performance of this function. Military service in defense against aggressors is an obvious obligation of a man. These responsibilities reinforce rather than diminish the rights claimed earlier. It is true that a tax for the support of governments and armies will take some portion of the fruits of the labor of a man. But if government contents itself with its protective function, the amount of the diminution should be small and the advantage of the protection would more than make up for the loss.

Moral Obligations

What of numerous other responsibilities which might be named? Are there not "neighborhood effects" of a man's action? Should not a man contribute to the education of other men's children? Are there not moral obligations to help the needy, to support churches, to contribute to those who have been victimized by some natural catastrophe, to care for widows and orphans, and so forth? Perhaps these are *moral* obligations. Many of us believe that they are. But by bringing them up for discussion, I have crossed the line from *natural* rights and responsibilities to *moral* obligations and

⁵ *Ibid.*, pp. 98-99.

duties. If there is to be a distinction between the *legal* and the *moral* realm, this line must not be transgressed by law. In the American tradition, natural rights were something to be protected by law. Natural responsibilities could also be enforced by law, though this was not always the case. In themselves, these rights and responsibilities were believed to be moral, but they did not begin to embrace the whole moral realm.

If pressed to deal with this distinction, many men at the time of the making of the American tradition would probably have said that beyond the realm of the natural lies the supernatural, beyond the physical lies the metaphysical, beyond reason there is revelation. But this region "beyond" is a matter for religion, a matter for the individual conscience, a matter for a man and his intimate relationship to his God. It would be presumptuous for human beings to legislate about such matters. To protect a man in his natural rights and to hold him to his natural responsibilities is but to free men for the assumption of their obligations and duties as they shall choose. But to impose these moral obligations and duties by law would be to strip them of their morality for the individual by removing the element of choice. It is one of the curious

anomalies of our time that the courts which have been so assiduous of late in protecting children from hearing the Bible read have been not at all concerned about governmental forcing of someone's ideas about our moral duties to other people's children, to other people's parents, to people in other countries, upon us. The Supreme Court strains at gnats and swallows camels. Its piddling decisions about separating church and state ignore the massive imposition of people's notions of morality upon us.

Governments Restricted

There were numerous American habits, customs, documents, and institutions which indicate that the above ideas did inform the tradition of rights and responsibilities. Since the rights claimed were natural rights, they needed no positive enactments of law to confer them. There was the danger, however, that the governments created to protect these rights would usurp them. Thus, governments were prohibited by the various constitutions from invading the rights of Americans. The Bill of Rights is an example of this at the national level, and state constitutions usually contained similar features. Property was protected by requiring payment and due process of law for

its alienation from an individual. Life and liberty were protected by numerous safeguards also. The enumeration of the powers of the various branches of government was an attempt to restrict the activities of government to those functions deemed desirable for the protection of life, liberty, and property. Negro slavery, which certainly ran counter to this whole philosophy, was in time abolished, and the rights of Everyman were secured in America. Such a statement ignores many violations and usurpations of the rights of individuals which undoubtedly occurred from time to time, but it would be true to say that these were exceptions to the rule.

Voluntarily Assumed Obligations

Responsibilities were quite often not imposed by law. In the nineteenth century, wars were usually fought with volunteers. The opinion of the community was quite often sufficient to impel men, who might otherwise have evaded them, to the living up to their responsibilities. It was expected that parents would feed and clothe their children, educate them formally or otherwise, prepare them for their lives as adults. It was expected that the children would look after aged, disabled, or destitute parents, that relatives would provide for widows and orphans,

that the community come to the aid of those who could not support themselves and were without relatives to help them. Houses were often large in an earlier America, and it was not unusual for a family to take in maiden aunts and disabled relatives. Charity was extended voluntarily to those in need on a large scale, as I have shown elsewhere.

Such was the American tradition of rights and responsibilities. But, as I indicated at the beginning of this article, the ideas have come unsprung from their context and practices have been cut loose from the tradition. Americans still speak of rights. Indeed, there seems to be no end to the rights which they claim. One does not hear much any more of the right to life, liberty, and property (especially, *not* property), but there is a great deal of talk about the right to work, to strike, to equal treatment from everyone, to a decent wage, to a comfortable home, to medical care, to an education, to security in old age, to protection from unemployment, and to all sorts of goods and services.

There are new responsibilities, too: to the state, to the world, to the community, to the school, to the tax collector, to labor, to farmers, to the "underprivileged," to the armed forces. By the same

token, older responsibilities have been sloughed off. The Public Welfare Department will look after aged parents with tax moneys. The community will educate the children, if it can't get federal aid. A man need not take too seriously his responsibility to provide for himself and his own; if he fails, he will be buoyed up by unemployment compensation, social security, and prepared for other work by retraining programs. All of this is supported by taxation, of course.

It should be abundantly clear that these new "rights" and "responsibilities" are not natural in their origin. Instead, they must be provided by the state. In order to provide them, the state must curtail property rights, diminish the right of a man to the fruits of his labor, and undercut the basis of independence upon which the exercise of rights depends. Moreover, the state can only provide these "rights" by increasing its powers greatly. Since there is no natural (or reasonable) basis for these new "rights," the result is the augmentation of power which is then used arbitrarily — in short, oppression.

Latter-Day Rights

Although these latter-day rights and responsibilities have no natural basis, they do have a foun-

ation of sorts. They are founded upon an ideology. In effect, this means that they are the creations of intellectuals. They are based upon what some intellectuals think should be, rather than what is. These men are the only ones privy to their motives. For aught we know, they may have the best of intentions. Confusion is widespread, and there is little evidence that many intellectuals are not victims of it also. They may be fully convinced that their new creations are "rights." At any rate, they have used the traditional rhetoric to advance them. Most of them have accepted the notion that the theory of natural rights has been discredited, but they have relied upon the traditional belief in rights to advance their own. Modern intellectuals are not noted for their piety, but they have appealed to sentiment and morality to get public acceptance of their programs.

But let us not play with words longer. There is no right to strike, no right to an education, no right to employment, no right to medical care, no right to decent housing, and no other right which man can create at will. Insofar as these things are provided, they are governmentally granted privileges. They are privileges granted at the expense of the rights of men. Natural rights could be a part of the

tradition of Americans because they stem from the nature of human existence and most men would believe them, or act upon them, if they had never heard of a theory of natural rights. A little child knows that if he has made something with his hands, it is his. On the contrary, it takes great ingenuity by thinkers and widespread confusion for people to be convinced that the fruit of the labor of others is theirs. Undoubtedly, the complexity of modern economies may make such confusion easier. But the strange conclusions are the work of intellectuals, not simply the product of complexity.

Unreasonable Assumptions

In like manner, the new "responsibilities" have to be dinned into our ears constantly, in the hope that we will accept them. It is easy for a man to understand that he is responsible for nurturing a child that he has fathered, but he cannot readily see that he is responsible for suffering in Vietnam. There is a reason for this difficulty. Most of us are *not* responsible for the suffering in

Vietnam, or anywhere else in the world. The bread that we eat did not come from their fields. The clothes that we wear were not made in their mills. If they are hungry, our fullness did not create it. In short, each of us is *not* responsible for all of us, and all of us are *not* responsible for each of us. Such conceptions of responsibility cannot stand the light of reason; they prosper only in the darkness produced by the heavy cloud of confusion.

The American tradition of rights and responsibilities could stand close examination. It was based upon realities that were and are close to everyone, realities that are either timeless or unlikely to change. Government-granted privileges and imposed duties and obligations are the figments of fertile imaginations, word covers for a thrust to power, whatever the intentions of those who have advanced them. They are temporary things, existing at the whim of legislators and administrators. On the other side of the cloud of confusion, if we persist in wandering through it, lies an age-old tyranny. ◆

- *The next article in this series will treat "Of Virtue and Morality."*

A Blessing of Extremism

LEONARD E. READ

THE WORD extremism, in the sense that the term is now used, is of fairly recent vintage. It has become popular only toward the end of our generation in which we have witnessed the U.S.A.'s rapid and widely approved plunge into all-out statism. It is strictly a smear word aimed at all the different types of opposition which statism has evoked. All opponents are, in terms of this usage, "extremists."

While the returns of America's political revolution (devolution is a better word) toward Old World omnipotence are incomplete, the full extent of the blight far from evident, the devolution itself is a *fait accompli*, water over the dam. It is no longer an event of the future to be feared; it is a catastrophe of the past, to be remedied — and remembered. Garet Garrett writing in 1944, entitled his book *The Revolution Was*. As he sug-

gested, the statist's objective is in the past tense. Few people seem to appreciate the terrible fact that we, already, are subject to a centralized government of unlimited authority. There now hangs over us a power apparatus with the authority to exercise control over the life and livelihood of every citizen; it can confiscate all our property and socialize every dollar of our income. The principle of statism is accepted national policy; short of a successful *counter evolution*, all that remains is to fill in the authoritarian details and suffer the consequences.

We will be helped in our analysis of "extremism" if we will keep in mind that the statist devolution, though popular, has always had opposition and, as the significance of the devolution has dawned on more and more people, the number of opponents and their

points of attack have increased. In other words, the devolution is not entirely a one-sided affair.

Furthermore, we must recognize that citizens cannot be classified as belonging strictly to one camp or the other, that is, as statist or antistatist. No such fine and distinct division is permissible. The fact is that each individual is in flux, undergoing constant emotional, intellectual, spiritual, and ideological changes which, taken together, shape his philosophy. Perhaps the closest we can come to any generalized classification is to assert that many persons, at any given time, are moving toward statism or away from it. I am unaware of any person who is a 100 per cent statist, or of anyone who thinks and lives in perfect harmony with individual liberty.

This much we know: The American people, with all their pro and con attitudes toward statism, have brought our nation to a *condition* of statism; on balance, we are presently a statist or collectivized America. True, many Americans are now opposed to the very thing they helped bring about. Indeed, there are those who still endorse statism in some areas while at the same time they react violently against it in other areas. Why this inconsistency? Doubtless, it is because they cannot see the fu-

ture consequences of present actions; they still trust in some form of political sleight of hand by which "you can have your cake and eat it, too"; they naively believe that so-called benefits can be bestowed by government without ever having to be paid for. It is as if government had access to some magic fourth dimension of wealth!

The Aggressive Guard

Instead of trying to analyze "extremism" in magnitudes we cannot comprehend such as billions of dollars, millions of people, and the social complexities of a nation like ours, permit me to construct a homology, an accurate matching in structure of the individual-governmental relationship as we have experienced it.

Suppose you have a property — some acres, orchards, herds, buildings. Fearing that your property might be despoiled by marauders, you employ a guard for protective purposes. You loan him your gun and contract with him to defend your right to life, livelihood, and liberty.

Should no trespassers or marauders appear, the guard, in any proper employer-employee relationship, would remain alert but inactive. It is plain that defensive action is only a secondary action; it is a reaction to someone else's aggressive action.

Let us now assume that the guard becomes impatient with his inaction; that he tires of his strictly negative role; that he honestly imagines he can run your affairs better than you can. Having acquisitive instincts for power over others, as do many human beings, and realizing that the self-same force he has been given to defend you and your property can be used to order your life and livelihood, he turns on you, his employer. Contrary to your wishes and using the very weapon you provided him, he sells some of your produce, pocketing a good part of the cash. Some of the cash he uses to increase his own wage; he gives other parts of it to neighbors he thinks are "needy"; more of your dollars are allocated by him to a savings account for your old age, but actually he uses these savings to finance a trip to the moon, replacing the funds with his IOU; he goes into debt, but cleverly monetizes the debt so that the dollars he "generously" allows for your use are diminished in value as they are increased in number; he dictates how much produce you may raise and the prices you may charge. In short, your hired hand, the guard you employed to defend you, comes to dominate your life and livelihood — the protector turned predator!

Being a normal, self-responsi-

ble, self-controlling individual, you rebel at this immoral and unwarranted authoritarianism, stoutly maintaining that you do not believe in any part of the guard's program.

The guard, in the meantime, will have rationalized his actions to the point of self-righteousness with two lines of defense. The first will glorify his attempted almightiness, "*But I am doing this for your own good.*" The second will belittle your critical reaction by a resort to name-calling. "*You are an extremist,*" he will charge.

The Anti-Extremists

Extremism, as currently publicized, is aimed almost exclusively at what is called "the extreme right." Khrushchev, for instance, has not been labeled "an extremist," nor have any of our home folks who sponsor federal urban renewal, or TVA and its extension, or compulsory social security, or foreign aid to socialistic governments, or any of those projects which make up the portfolio of statism. By their own defenseless definitions, none of these sponsors of statism is "extremist." But the leading proponents of statism are, almost without exception, the ones who hurl the epithet "extremist" at those who do not like and react against their attempts at almightiness.

Action and Reaction

Now we approach the nub of our analysis: *What we are witnessing is an instance of action and reaction.* The genesis of the reaction is the action; what is called "extremism" has its origin in the statist action itself.

To elaborate my point: Let your memory or imagination take you back three decades to presocial-security days. A person who then said he did not believe in compulsory social security evoked no name-calling at all. No one then thought to classify him as belonging to "the extreme right." At that time there was no social security to react against.

Later, compulsory social security became a political fact, as statist as anything that falls under the definition, as socialistic as any measure that ever originated within the walls of the Kremlin. Please note that it was the authors and sponsors of this legislation who took the statist action. Reaction, in the form of dissent, followed. And, it is the statist actionists who now call the antistatist reactionists "extremists." Had there been no statist action in the first place, there would be no anti-statist reaction now. Nor would the term "extremist," in its present context, have come into use.

Parenthetically, there is, now and then, a person who remarks,

"I deplore both the extreme right and the extreme left." To unmask this bit of nonsense requires only that it be translated: "I deplore both action and reaction." This is as illogical as to deplore the explosion and the kick of the shotgun or the swing of a golf club and the flight of the ball. Such remarks originate in utter thoughtlessness and thus do not admit of thoughtful analysis.

Return, for a moment, to the homology concerning you and your property. Recall that the guard you hired for protection turned against you and took control of both you and your livelihood. Under these circumstances, how would you react? What would *you* do? Interestingly enough, different people react differently. I posed the question to several friends. The first said he would bring in his neighbors and form a lynching party. The second, allowing that the guard had the gun, said he would acquiesce, take it lying down, so to speak. The third said he would turn philosopher. And the fourth said he would organize a foundation for economic education. The authoritarian action of the guard would evoke many different types of reaction; and the guard, if we may continue the homology, would, indiscriminately, call all of the reactionists "extremists."

Types of Reaction

I propose now to comment on the varied types of antistatist reactions that are evoked by statist action. Please keep in mind that the actionists tend to disparage all of the reactionists in one lump — “the extreme right.” Actually, each type of reaction is entitled to a description of its own, and anyone who indulges in such oversimplified name-calling as “the extreme right” can hardly qualify as a thoughtful person.

There are as many types of reaction as there are persons who react. There are those who react to statism by mere acquiescence; outwardly they are as unmoved by statist action as animals in the zoo. To change the metaphor, they draw into their shells and become the willing victims of their self-appointed masters.

Then there are those who only grumble, mutter in their beards, as the saying goes. These, together with those who acquiesce, become more or less allies of the statist, for their inclination is to “go along” with the *what is*, regardless of how much authoritarianism is imposed upon them.

But among us are numerous dynamic reactionists, the different types of which can, at best, only be generalized. Some are calm and rational while others are volatile and emotional. Some proceed

peaceably, others belligerently. Some expose the fallacies of statism while others, like those with statist leanings, indulge in name-calling. Some confine themselves to educational methods, others to political devices. Some try to gain a better understanding and exposition of freedom principles while others set out to reform “the ignorant masses.” Some see the fault in themselves and their own shortcomings, that is, they see their failure to become leaders of thought; others think the statist debacle has its origin only in the Kremlin and, thus, become “commie chasers.” Some do their work for freedom joyously while others work only in anger. Some give no thought to the time element except their own economical and effective use of it; others insist that “time is running out” and promptly rush off in every direction.

Liberty Is Provoked

There is a potential blessing in the reaction to statist action, but we must go deep to ferret it out. Offhand, most of us who lean toward liberty are inclined to regard all reactions against statist actions as blessings, as desirable. But, in my opinion, many of the reactions are more harmful than helpful; they accomplish no more than to harden the statist in their sins. What, then, is the nature of

that particular reaction by "the extremists" which can be described as "a blessing"?

Perhaps this blessing cannot be discovered unless we recognize that there is always something useful in most happenstances we regard as bad: that is, the useful is present if we can but discern it. Now, finding something useful in the statist action is almost too much of a challenge for any of us who are oriented in the direction of individual liberty. We generally conclude that statism is bad, all bad; it can't possibly have anything of value in it.

Liberty, as the late Paul Valery pointed out, is not *primary* within us; it is never evoked without being provoked. The idea of liberty, he claimed, is always a response. In the context of this paper, if Valery's thoughts be correct, the desire for liberty is always a reaction to authoritarian actions which provoke us. We rarely think we ought to be free, or think about it at all, until something shows us we are not free.

From this line of reasoning we are led to deduce that statist or socialistic or authoritarian actions — the terms are interchangeable — are, from time to time in history, a necessary preface to the existence of liberty. Without these upsurges of statism — attempts at human almightiness — most con-

sciousness of and attention to liberty would assuredly fade out of existence.

I recall, some eighteen years ago, discovering that there was little acceptance of articles on liberty by magazines and journals, that publishers showed only a dim interest in books on the subject. Indeed, during the first half of this century, there did not exist a consistent literature of the free market, private property, limited government philosophy with its moral and spiritual antecedents written in modern American idiom. I, for one, concluded from these depressing observations that the idea of liberty was all but extinguished in the minds of our people. Something was urgently needed to provoke a new, dynamic libertarian sensitiveness. The need in the form of statist action was supplied, and on the grand scale! Reaction began to develop. It is this reaction, *if of the right kind*, that is the great and rewarding dividend, a blessing of what the statist call "extremism."

So, what is this right kind of reaction? Let us first clarify what it is we hope to accomplish.

Overcoming Imperfections

Most freedom-loving people, I suspect, have in mind what they call a good society, one in which individual freedom of choice is a

distinguishing feature: that is, freedom of worship, freedom of speech, freedom to produce, exchange, and travel, freedom to work where and at what and for whom and for how much one desires, and freedom to do as one pleases with the fruits of one's own labor. It is likely that all of us share in these highly desirable objectives.

But how are such laudable aims to be achieved? This question brings me to an extremely radical answer: The good society, as it is called, cannot be realized by keeping the eye on the construction of a good society. Man is just as incapable of designing or creating a good society as he is of designing or creating life itself.¹ He can write constitutions, impose checks and balances, put "the right people in public office," pass and/or repeal legislation, join international organizations or whatever; he can scheme to his heart's content and the good society will never emerge from his drafting board any more than would a sturdy oak, were that his project. We all agree that "only God can

make a tree," and I am ready to concede that only God can make a good society.

As a living tree is the result of molecular configurations and life forces which man is utterly incapable of designing or creating or arranging, so is the quality of a society the result or consequence of tiny, individualistic forces. Imperfect man cannot manipulate imperfect men into a perfect society. The perfection of any society can be approached only as imperfections are overcome by its members, a project of infinite proportions, for man is imperfect by nature; man can never do more than approximate perfection. The quality of a society cannot be superior to the quality of its leaders. Rock or bramble or barren soil cannot be organized to show forth as a garden of roses.

Creation vs. Destruction

Why do we fail so grossly to recognize our limitations in creative action? I suggest the failure stems from the unlimited ways we can indulge ourselves in destructive action. These two opposites are not to be attained with equal ease. Creation rests on all the mysteries associated with growth; destruction, on the other hand, requires no more than climbing atop an elevator shaft and stepping off! Man can destroy a tree or keep it

¹ No man on earth knows how to make as simple a thing as an ordinary wooden lead pencil, let alone something as complex as "a good society." For an explanation of the miracle of a pencil, see my "I, Pencil," a pamphlet. Single copy on request to the Foundation for Economic Education.

from ever getting a start, but he cannot create a tree. Likewise, man can by personal misdeeds and by coercive and other ill-conceived legislation destroy a good society or keep one from ever coming about, but he cannot purposefully create one. A good constitution, for example, is no small accomplishment, but let me point out that it is no more than the best thoughts of good men committed to writing, a mere document unless it is generally subscribed to by people with the intellectual and moral qualities necessary to make it operative.

If this line of reasoning be valid, then it follows that the eye must be focused on self-improvement for, as I have tried to suggest, the good society rests on the improvement of its individual components. I see no way to approach this other than to investigate what constitutes individual improvement. If we are to think of improvement in its highest sense, we will have to find an answer to the question, what are we here for? What is man's earthly purpose?

I can find no answer to this question without running head-on into several of my basic assumptions:

- Man did not create himself for it is self-evident that he knows practically nothing about himself;

thus, I must assume the primacy and supremacy of an Infinite Consciousness.

- Second, I assume the expansibility of the individual consciousness.

- And, third, I assume the immortality of the individual consciousness or spirit, there being more to the Cosmic Scheme than this earthly moment.

In Tune with the Infinite

With these assumptions, the answer to earthly purpose comes clear: it is to see how nearly I can come to expanding my own consciousness into a harmony with Infinite Consciousness or, in other terms, to develop or bring to realization, as nearly as possible, those creative potentialities which are peculiarly mine, all of us being varied in this respect.

One need not be an accomplished logician to see that the above is an extreme reaction to all statist action. Anyone who has reacted in this manner must, perforce, believe, along with the writers of the Declaration of Independence, that man is endowed by his Creator with certain inalienable rights, that among them are the rights to life and liberty. Believing thusly, he is totally or extremely at odds with the statist who hold the state to be the endower of man's rights.

In any event, I have presented what I believe to be the right type of reaction. To the extent that statist action causes others to react similarly, to that extent is the resulting extremism a blessing — in my view.

One May Be a Leader

But let us return to the kind of individual improvement heretofore outlined. It is my contention that each of us individually should keep an eye on personal emergence in consciousness or, if you prefer, on an expansion of awareness or perception; keep the eye fastened on the upgrading of self rather than on society and, if practiced widely and successfully enough, the good society will follow more or less miraculously as a consequence. With our energies focused in this fashion, we will be working within our potential capabilities. When we go beyond this, when we try to manipulate others or coerce them into our ways or into some collective arrangement we may imagine as efficacious, we labor fruitlessly, wastefully, foolishly. We can no more force or compel the creative actions of others successfully than we can control the thoughts they entertain.

Of course, if this type of extreme reaction to statist action had to be general in order for the

good society to bloom as a fruit — that is, if the millions had to react in this manner for any good to come of it — then the cause of liberty would be hopeless. Luckily, this is not a requirement, as the history of movements attests.

All movements, good or bad, have been led by infinitesimal minorities; the masses have never been more than followers. Each movement has had a leader; someone is always at the head of the class. Using hindsight, we discover that these leaders could not have been predicted ahead of time and, further, they came from strange and odd places. Recall that the leader of one movement, nearly two thousand years ago, was born in a manger. He had and still has followers. The leader of a recent bad movement was an Austrian paper hanger. He, also, had followers. Who will be the leader or leaders of the one here under question? I do not know; you do not know; the person himself or herself does not know — for all of us are possessed of aptitudes and potentialities about which we are unaware.

To digress for the sake of illustration, one of the reactions to the present statist action takes the form of "Let's elect the right people to public office," as if this would rectify the statist action. This particular type of reaction

originates in a confusion of cause and effect. For whatever shows forth politically is nothing more than a mirroring or echoing or reflection of whatever the preponderant leadership thinking happens to be at any given time. If the preponderant leadership thinking happens to be statist, we'll witness statist in public office; but, if the preponderant leadership thinking happens to be oriented in the direction of individual liberty, libertarian thinkers will occupy the seats in government. To disregard the cause while trying to change the effect is as useless as trying to adjust the temperature by monkeying with the thermometer.

Levels of Leadership

If we will settle on the point that this is a personal leadership rather than a mass or societal problem, then each of us who would improve our society and help the cause of liberty is confronted with the change-over from being a follower to becoming a leader—no small undertaking. Now one does not become a leader in one fell swoop; the accomplishment appears to fall into stages or progressive levels of attainment. In broad terms, I see three levels:

THE FIRST LEVEL—*Achieve that degree of understanding which*

makes it impossible to join in or support, in any manner whatsoever, any socialistic proposal; in short, refrain from ideological wrongdoing.

To attain this initial level requires no "original" thinking, writing, or talking, but it is much more than an incidental step. It takes a lot of doing! For instance, to avoid supporting any socialism requires an intimate understanding of what socialism is, the misleading labels under which it appears, and the subtle ways it insinuates itself into social action and behavior. Few persons are able to recognize the nature of a socialistic practice once it has been Americanized. They think of a policy as socialistic only as and if it is practiced by such avowed socialists as the Russians. To uphold freedom effectively, one must be able to identify and understand homemade socialism. Every American practice has to be brought under rigorous inspection and scrutiny and examined in the light of socialism's definition: *Government ownership and control of the means of production.*

I am not suggesting that it is possible or practical to divorce oneself completely from socialistic or statist influences. Complete separation would demand no use of the mails, no eating of bread, no riding of planes or ships, doing

without an economical supply of power and light in more than 1,800 of our cities where this commodity is socialized, no selling of goods and services to or buying from socialistic institutions, and so on, ad infinitum. To live, one must accept the facts of this world, at least, to a large extent.² But it is possible so to live as never to sponsor or lend encouragement to a single socialistic invasion into the social and economic structure.³

One further thought: Do not underestimate the enormous influences set in motion by a person who refuses to sanction or promote any wrong action. Pronounced exemplary qualities have unbelievable radiating powers. The

² This is a delicate point and needs much reflection. For instance: How much government pap, in a "welfare" economy, should a person accept? This question is somewhat like: How much sedation should a patient take? The answer to both questions is: as little as possible. Both pap and sedation are killers of persons as well as of immediate pain.

³ The manager of a prominent business voiced the sentiments of many "leaders": "Yes, possible for you in your FEE Ivory Tower. But were I to take this straight and narrow path, I would be so at odds with the socialistic demands of my community that I couldn't keep my job." This is mere speculation on the manager's part. He has taken his orders from his own guesstimates of the popular taste for so long that he fears to risk an instruction from his own conscience. Further, a job which can be kept only through wrongdoing is no more respectable than is harlotry.

individual who gives no offense to libertarian ideals—even if he be utterly silent— attracts emulators, sets high standards for others to follow.

THE SECOND LEVEL— *Achieve that degree of understanding and exposition required to point out statist fallacies and certain principles of freedom to those who come within one's own personal orbit.*

Obviously, it requires more doing to reach this second level than to reach the first. This goes beyond the realm of abstinence and moves into the area of positive action. It demands that a person learn to articulate the understanding he acquires. Included are skills in talking and writing, the proper stance, and so on.

There appears to be no limit as to how far one can go in improving oral and written presentations. These disciplines are always subject to betterment, regardless of how far one has advanced. To really know a subject is to be able to speak or write it as easily as replying "49" to the query, "What's 7 x 7?"⁴

⁴ For some thoughts about the skills in exposition which are acquired by the regular practice of writing, see "Aids to Leadership," a chapter in my *Elements of Libertarian Leadership* (Foundation for Economic Education, Irvington-on-Hudson, N. Y. 183 pp. \$2.00 paper; \$3.00 cloth).

It is at this second level of leadership that stance — one's attitude toward others — becomes of great importance. There is the inevitable temptation, once a person comes into possession of ideas new to him, to inflict the new "wisdom" on others, to reform them, to make them over in his own image. So far as the advancement of libertarian ideals is concerned, the effects of this tactic are the opposite of those intended; it will send scurrying not only foes but friends as well. Little more will be accomplished than to earn a reputation as "a pest."

If one will wait patiently for others to recognize his newly acquired competence — relax until others are ready to listen and share his views — closed minds will open and become receptive. Indeed, no person can gain access to the mind of another until the other lets him in. It is the other who carries the keys and who unlocks the doors to his own perception. Prior to his decision to let us in, we are helpless. The "eager beaver" shows bad stance, and is rarely if ever admitted.

Advancement of libertarian ideals requires that each of us understand that the higher grade the objective, the higher grade must the method be. For instance, if one's objective were to destroy another, low-grade methods would

suffice. But if the objective be the expansion of another's consciousness or the increasing of his wisdom, then only high-grade methods can be effective. Advancing an understanding of libertarian ideals belongs to the same hierarchy of values as does the expansion of consciousness and the increasing of wisdom.⁵ In this respect, we can do nothing *to* others; we can only do something *for* them, and then only if we have something in store to give. We must recognize our limitations before we can begin to realize our potentialities.

THE THIRD LEVEL — *Achieve that degree of excellence in understanding and exposition which will inspire others to seek one out as a tutor of libertarian philosophy.*

This is the level attained by the *creative* thinker, writer, talker — the level at which the power of attraction comes into play.

All of us are aware of creative persons in various fields: religion, music, poetry, art, mathematics, the physical sciences, engineering, indeed, in all of the disciplines. These persons, as a rule, have reached their high status through practice and concentration on self-perfection. A person becomes so

⁵ See "The Methods of Leadership," another chapter in *Elements of Libertarian Leadership*.

rich in understanding and so inventive in explaining what he has learned or perceived that others, having ambitions for higher understanding, are drawn to him, that is, they *seek him out* as a tutor.

An individual may be sought as a tutor by only one or by millions, for a short period or for centuries. St. Augustine's *Confessions*, today, is among the most widely purchased of all autobiographies. That man, fifteen centuries after his passing, is still sought as a tutor by untold numbers — a measure of immortality, so to speak.

Reflect on the eminent naturalist, Luther Burbank. His work in his chosen field may have been as creative as man ever achieves. By turning his sights inward, that is, toward his own perfection, he experienced ideas, insights, inspiration, inventiveness. The garden spots of the world are richer and more beautiful by reason of this man's creative conduct. Suppose he had decided to concentrate, instead, on the shortcomings of others by calling attention to their unkempt gardens! He would have been remembered, if at all, only as a muckraker and the earth would have been left less, not more, beautiful by reason of his existence. No one would have sought him as a tutor.

The creative thinker, writer, talker of libertarian ideals concentrates on the perfecting of his own understanding and on discovering effective ways to share with others such light as he possesses. Effort of the deeply conscious variety may result in a new parable, an enlightening analogy or homology, minor literary inventions that cause another to remark: "Now I see what you mean."

Examples of creative thinkers who are sought as tutors? Adam Smith performed in this respect so well that he, perhaps more than any other person, was responsible for the Industrial Revolution. Carl Menger discovered the marginal utility theory of value on which the free market rests; Eugen von Böhm-Bawerk invented ways to explain the theory. His student, Ludwig von Mises, among his many findings, discovered that there is no valid basis for making market judgments in a state of socialism. And think of the Hayeks, Hazlitts, Fertigs, and countless others who have sought the tutorship of Mises. Many of these students, in turn, have been sought as tutors. Among our contemporaries, I can now name several hundred who qualify as creative thinkers, writers, talkers of the libertarian philosophy whom others seek out as tutors. But to name them would do offense to

the hundreds about whom I have never heard.

Yes, there are at least these three possible levels of libertarian leadership. Plainly, no one can start at the third level, or at the second. The first level must be attained first, and the second level next. There is, however, one splendid fact which all aspirants should recognize: Mastery of the first level will lead, inevitably, to a competency in the second; and from the second, many, in humility and unawareness, will emerge into the third with some degree of creative proficiency and, thus, will be sought as tutors.

How Man Evolves

Somewhat at variance with opinions I have held in the past, I now believe that the human situation has no utopian possibilities; that there isn't any prospect or even hope of experiencing any heaven on earth. Shangri-La is a pipe dream, not only at odds with history but contrary to the Cosmic Scheme.

Creation seems to call for evolution which, in the instance of man, requires an emergence in consciousness, a perpetual intellectual and spiritual hatching process. Man in his present earthly state is incapable of emerging solely by his own will and reason; it is necessary that he be confronted with

obstacles which, in overcoming or reacting against, moves him one notch upward on the stairway of infinity. Can we but conclude that the art of becoming is composed of acts of overcoming?

Thus, it seems that the human situation calls for a never-ending series of almost overpowering confrontations; regardless of how far man progresses, there is in store for him one difficulty or crisis or chaos after another as a part of the machinery of emergence. This is not to be deplored but, rather, to be accepted joyously as challenge; for without this law of polarity, this action and reaction at work, consciousness would fade into oblivion — man would return to animal.

Is it not self-evident that humanity in our millennium is on a somewhat higher level of consciousness than Neanderthal man? Were we able to trace man's general upgrading, we doubtless would discover that the path has not slanted upward in a straight line but, like so much we observe in nature, has taken a wavy course, now down, now up, each broad sweep ending on a slightly higher level than the previous one.

It is difficult, perhaps impossible, for any of us accurately to assess what stage of what wave we are now on, though it looks to me as if we were riding one of

the down-sweeps. But what do we observe? The plunge among humans all over the earth into authoritarianism is, as seemingly intended, creating an "anti-agency," that is, many individuals reacting *extremely* against the downward current. And it is from these that the new leadership will emerge. Take note of those persons — they are from every walk of life — and reflect on what's happening to

them. They are studying, thinking, growing in consciousness, and becoming increasingly sensitive to the meaning and significance of liberty; in short, they are the harvest, the cream of the crop, the spirited and spiritual reactionists to perhaps a necessary but nonetheless a deplorable action — these, I say, are the blessings of what the statist are calling "extremism." ♦

Reprints available, 10 cents each.



WHY OIL PIPELINES HAVE MADE PROGRESS

A QUIET REVOLUTION in liquid transportation has been achieved by the pipeline industry during the past dozen or so years with little fanfare or public attention.

There has been no spectacular scientific breakthrough, but a long series of individually minor improvements has steadily increased efficiency and lowered the cost of moving a barrel of oil.

The public has benefited directly, but has also received probably as much in indirect benefits from the fact that pipeline competition has forced other forms of transportation to increase their efficiency.

One example is the Colonial pipeline. Only 20 years ago the government subsidized the two Big Inch pipelines for wartime movement of Southwest oil to Middle Atlantic markets. After the

From *The Oil and Gas Journal*, September 23, 1963.

Illustration: A. Devaney, Inc., New York

war it was universally agreed that their continuation in oil service was uneconomic.

But today private companies are investing some \$350,000,000 in the Colonial project for essentially the same movement. And shipping interests, after first fighting the project, are now designing more efficient, highly automated coastwise tankers to retain some of the business.

LP-gas lines are another example. Their success has spurred railroads and off-line shippers to develop jumbo tank cars and other means of meeting pipeline competition.

And the mere threat of coal-slurry pipelines is bringing tremendous cost-cutting innovations in the rail shipment of coal.

What's the explanation? Are pipeliners inherently smarter than other transportation men? No. The answer is that pipelines have always been forced to compete against each other and against other transportation.

Only a minimum of regulation was imposed. Pipelines were forced to be common carriers and file

public tariffs. But they have no exclusive franchises, require no certificate for construction, and are largely free to set rates in their own business judgment. They are also free to experiment, to merge, interconnect, engage in joint ventures, and employ the economies of large-scale operation.

On the other hand oil pipelines have never been subsidized or pampered. They have had to fight for rights-of-way, while other forms of transportation have often benefited from public funds.

There's a lesson here. It is that nothing spurs technological progress and increased efficiency like stiff competition and the necessity to survive through merit alone.

Time and again oil pipelines have won business away from the overregulated railroads and the partially subsidized road and water carriers.

This is a lesson that should be noted by the ICC, the FPC, and all other agencies engaged in business regulation and economic planning. The best regulation is that which forces hard competition. ♦

Ignore

HUMAN NATURE ?

BACK in the nineteen thirties Leon Trotsky, then living in exile in Norway, wrote a book called *The Revolution Betrayed*. Its thesis was that Stalin had perverted the great Revolution which the Bolsheviks, under Lenin and Trotsky, had set in motion in October of 1917. Trotsky did not quite bring himself to argue that Stalin had revived capitalism, but he did say that bureaucratic privilege had so increased under the control of the Stalin faction that socialism had been dealt a most crippling blow.

Since Stalin was indeed guilty of all the sins imputed to him by Trotsky, one cannot deny the cogency of the surface argument in *The Revolution Betrayed*. In *The Prophet Outcast* (Oxford, \$9.50), which is the capstone volume in a generally brilliant trilogy about Trotsky, Isaac Deutscher takes only petty issue with certain details in the stream of criticism which Trotsky heaped upon

Stalinism from his various domiciles in exile at Prinkipo in Turkey, Barbizon in France, Vexhall in Norway, and, finally, at Coyocan in Mexico. Mr. Deutscher, who thinks the time will come when Trotsky will be rehabilitated in Russia as the man who anticipated all of Khrushchev's recent objections to the Stalin cult, regards *The Revolution Betrayed* as a seminal document in a coming revival of "classical Marxism." Indeed, *The Prophet Outcast* is generally devoted to the idea that the author of *The Revolution Betrayed* is destined to become nothing less than a world savior. Says Mr. Deutscher, in elaborating on Trotsky's contribution: "The West, in which a Marxism debased by Mother Russia into Stalinism inspired disgust and fear, will surely respond in quite a different manner to a Marxism cleansed of barbarous accretions."

This, of course, is a statement based on faith. As a matter of

fact, every assertion that is made in Mr. Deutscher's book rests on the faith that Trotsky had a true idea about the nature of man. *The Prophet Outcast* never once questions the validity of Marxist categories, Marxist assumptions about human nature, and Marxist preoccupation with the idea that the class struggle is what has made the world go round for at least the past thirty centuries.

A Questionable Premise

Well, how is one to review a book that is based on faith when one questions the very validity of the faith itself? If one cannot accept the relevance of Marxian categories, Trotsky's career, along with the careers of Marx, Engels, and Lenin, seems hardly more commendable than the career of Stalin. They are all variants of a basic error that is killing its thousands everywhere from Viet-Nam to Cuba and Venezuela. You might argue that Trotsky would not have stooped to the brutality of Stalin's attack on the Russian peasantry during the collectivization crises of the late nineteen twenties and the early nineteen thirties. Yet Trotsky believed in the class theory of politics, and in pursuit of his revolutionary aim of overthrowing the "bourgeoisie" he would have waded through blood on a global scale. If it is human

bloodshed that one objects to, what is the difference between killing a kulak for slaughtering his cows in Russia and killing a shopkeeper for defending his right to ownership in Cuba, or Malaysia, or wherever? This is the sort of moral question that Deutscher does not try to answer in *The Prophet Outcast*.

Eradicating the Property Instinct

To my mind, the history of the past forty years proves that the great social crime of the age was the October 1917 Revolution itself. I say this because I think the property instinct is an ineradicable part of human nature, and that any successful attempt to abolish it can only result in endless suffering. The October Revolution was an attempt to overthrow not only the "bourgeoisie," or the "White Guards," but to extirpate the very idea of a natural law that shapes any human being's natural rights. Since, in my estimation, one cannot try to kill something that is based on an ineradicable urge without imposing a perpetual slavery on people, Stalinism was a fated part of the Russian future under Marxism. If Trotsky had won out in his duel with Stalin, he might have been more considerate of individuals in the process of robbing them of their natural rights to

property. But, in the end, he would have had to become a Stalin of sorts in order to remain doctrinally pure in his pursuit of a false god.

Mr. Deutscher's entire Trotsky trilogy is brilliant biographical writing. Some of the bits in *The Prophet Outcast* are extremely touching in their humanity toward Trotsky himself. The accounts of the "prophet" suffering because of what his own career in revolutionary politics had done to his daughters and sons and his patient second wife are excruciating. But, to one who disbelieves in the Marxian categories, the accounts strike home in a most peculiar way as constituting the grimmest sort of warning against accepting the "politicalization" of life. When politics becomes Marxist (i.e., total) politics, wives and children are doomed as such. Trotsky brought his own family tragedy down on his own head.

And for what? Every bit of news out of Hungary, Poland, China, Cuba, and Mother Russia herself makes it plain that political ownership of the land cannot feed people. Cities and industries that rest on a collectivized agriculture cannot raise the general standard of life. The reason why Yugoslavia is in better shape than most Marxist countries is that Tito is a heretic when it

comes to agriculture: he lets his peasants own their means of production. If Khrushchev ever manages to improve the quality of life in Russia, it will be because he has the good sense to backtrack on the farm collectivization of the nineteen thirties. In other words, the nature of man must be respected if man is to eat.

A False Concept of Man

Simply because Mr. Deutscher bases his Trotsky trilogy on a false view of the human animal's nature, his brilliance could turn out to be pernicious if it is accepted uncritically. Trotsky derided the Western, or Christian, view of life that was based on the inviolable nature of the human soul. He saw only a capitalist plot in the theorizing of economists who say there can be no good way of allocating resources outside of a market system based on voluntary exchange of goods that are individually owned. He saw only "atomization" and "chaos" and "class contradictions" in the vast fabric of uncoerced cooperation that is the Western free market system. But the world was considerably less bloody when the derided economists' categories were accepted as basic. It will become less bloody in the future to the extent that the economists come back.

Far from becoming a savior, Trotsky is doomed to go down in history as a prime example of the brilliant theoretician gone wrong. His arguments were keen—but his premises were little short of idiotic.

Trotsky based his ultimate hopes for socialism on the nations of the West. But in Germany, the Social Democrats have given up on the basic Marxist faith in state ownership of the means of production. In Britain, Labor still dallies with the notion that steel should be “nationalized.” But its “Marxism” is far from being complete. My own guess is that even in Russia socialism is in line for a retreat to modified bases—in which case Trotsky will seem less prophetic than ever. ◆

▶ **THE GERMAN PHOENIX** by William Henry Chamberlin (New York: Duell, Sloan & Pearce, 1963. 317 pp. \$5.95); **THE ECONOMICS OF SUCCESS** by Ludwig Erhard (Princeton: D. Van Nostrand, 1963. 412 pp. \$6.50).

Reviewed by William H. Peterson.

I FIRST MET William Henry Chamberlin in September, 1957 at a meeting of the Mont Pelerin Society in St. Moritz, high in the Swiss Alps.

Looking back at the meeting,

the location seems an apt place to first tie in with a man and mind on the order of this formidable adversary of Soviet Communism and of economic and philosophical collectivism generally. The Alps have grandeur and strength, permanence and ruggedness—qualities to be found in the writing of Chamberlin.

His philosophy and reports on contemporary history are rooted in history and a solid understanding of human nature. Perhaps more to the point, he has not confined the evidence in his discourse on human affairs to that gleaned from books, papers, monographs, and the other secondhand paraphernalia of some intellectuals: In 1922, for example, he went to the Soviet Union as a correspondent for the *Christian Science Monitor*, remaining there for twelve years. From 1935 to 1939 he was assigned to the Far East, headquartered in Tokyo, traveling extensively throughout China, the Philippines, Manchuria, Siam, and other parts of Asia.

And now Western Germany. The Chamberlin report, as usual, is based on firsthand observations. His background for the job is thorough. He traveled through and wrote of the old Weimar Republic, witnessed the rise of Hitler, saw the ruins of Germany at the end of World War II. Now, after

his tenth postwar trip to Western Germany, he assesses the means and ends of that remarkable achievement, the German Federal Republic.

William Henry Chamberlin brings out the contrast between Hitler and Adenauer. Both leaders arose during the aftermath of abject defeat. Germany had been twice bled and utterly humiliated in World Wars, in each of which the Berlin government had been the principal architect. After Versailles, and especially after his accession to total power in 1933, Hitler cleverly played the part of a modern-day savior, a deliverer. He did it in part by oratory: rapt, passionate, dizzily bombastic, practically hypnotic. He exuded supreme self-confidence at a time when the German people felt hopelessly awash from traditional moorings. He was a showman, a pitchman, a crafty psychologist, skilled in the use of the glib phrase and the big lie and ready to pin the blame for the frustrations of the Germans upon the "November criminals" who established the Weimar Republic, upon the alleged traitors at home who supposedly stabbed the Wehrmacht in the back, upon the Jews for supposedly manipulating the German economy to their own ends.

Compared with Hitler, Ade-

nauer is of altogether another breed of men. Adenauer's manners are grave, dignified, almost courtly. After a long orgy of emotional propaganda, the German people found in Adenauer a new kind of leader — well nicknamed "Der Alte" — a conservative, a man of fact, of integrity, rather than of fictionalized "image," a fatherly man, but one rather cool and un sentimental yet always industrious, ever conscientious. In pushing through bills for restitution to Jews and other victims of Nazi Germany, Adenauer led rather than followed German public opinion.

Schacht vs. Erhard

Another contrast can be seen between Hitler's minister of economics, Hjalmar Schacht, and Adenauer's minister of economics, Ludwig Erhard. Schacht was an interventionist, an exponent of the controlled economy, a believer in barter arrangements with other countries, in foreign exchange controls, and other economic controls. In 1934 he was appointed by Hitler as minister of the German economy and president of the Reichsbank. Erhard, on the other hand, the author of the German "economic miracle," is, of course, a believer in a free market economy, an enemy of state planning — of what the European calls

"dirigism." Erhard, notes Chamberlin, was much influenced in his economic thinking by neoclassical economists on the order of the late Rudolf Eucken and the brilliant Wilhelm Roepke, an old-fashioned German liberal who went into exile during the Hitler regime and has since become a naturalized Swiss citizen.

While not a simple pure libertarian (in his position, can he be?), Erhard has shown what even a relatively free economy can do. He freed markets of controls, kept a tight rein on the money and credit supply, balanced the budget, encouraged free enterprise. The West German economy did the rest, as is seen in the case of the world-famed beetle-shaped car, the Volkswagen. Volkswagen is now the third-ranking automobile producer in the world, after General Motors and Ford. It turned out 1.1 million vehicles in 1962, including 200,000 for the American market, at a price in Europe of little more than \$1,000. Thus, Heinz Nordhoff, the 63-year-old entrepreneur of Volkswagen, has done for Europe what Henry Ford did for America: he has transformed the automobile from a luxury for the rich into a convenience of the many.

William Henry Chamberlin tells many other stories of the personalities who rebuilt and recast

Western Germany into its strategic role in the Western Alliance. In the *German Phoenix* you may read of Alfred Krupp, the steel tycoon whose sentence of 12 years of imprisonment and confiscation of property was later reviewed and quashed by General Clay; of West Berlin's Mayor Willy Brandt, who to Chamberlin seems to have discarded his old socialist shibboleth of inevitable class warfare and the like and has now pointed the Social Democratic Party toward aims not very dissimilar to those of America's New Deal and New Frontier; of many others in the colossus on the Rhine.

In *The Economics of Success*, West Germany's new chancellor, Ludwig Erhard, selects from his articles, speeches, and broadcasts a compendium of his thoughts on economics, West Germany, the Atlantic Alliance, the communist menace, world trade, and the like. The selections are in chronological sequence from 1945 to 1962, each one annotated by its distinguished author.

In a broadcast to the German people on June 21, 1948, for example, a few days after his famous currency reform and after he had declared that the nation's economy had virtually collapsed under the tyranny of inflation and controls, then Minister of Economics Erhard said:

After several days of mental and spiritual anxiety we have moved into the routine of everyday life. Today the German people went to work calmly and quietly, and I believe that most of them must have felt a sense of relief when it dawned on them that the dreadful threat of mass hysteria had gone and with it the shocking financial swindle of a price-frozen inflation. Only now that this fever has passed do we fully realize how close we came to the edge of the abyss and how urgent it had become to introduce our new currency and so return to the path of honesty and sincerity.

In the United States in 1962 when he received an honorary doctorate he said:

I feel most profoundly that we are called upon either to endure the future or to concentrate all our energies on moulding it. We must set against the spiritual sterility of totalitarianism the dynamic power of our way of life with its traditional values, its religion, its ethics, and its justice. It is imperative that we stand together. We are on trial and may God help us to emerge from it at peace with ourselves and with history. ♦

IDEAS ON LIBERTY

Jungle vs. Market

IN THE JUNGLE, tigers compete "tooth and claw" for goats. This always decreases the supply of the desired good, food.

In a market economy, producers of shoes compete for your business. The supply of shoes (the desired good) *must* increase, for no one can compete successfully by decreasing production. As shoes become more plentiful, real prices go down, quality goes up, or both.

"Jungle" competition always means *less* of the wanted product, and thus higher prices.

Market competition always means *more* of the wanted product, and thus lower prices.

Sometimes competition is legally destroyed by government-created monopolies. Sometimes competition disappears because our government tolerates private monopolies based on violence. In either case, the free market economy of peaceful competition doesn't exist, and "jungle type" results can be expected.

Planning for Freedom

By LUDWIG VON MISES



13 essays by one of the world's greatest economists. 192p. 2nd ed. 1962 \$2

Recently two immigrant Turks washed rugs for a householder. They said they were happy in the U.S. because the standard of living was much higher. They gave as the reason for that the "existence of unions in this country"; "that," they said, "was the sole explanation for prosperity in this country." These men, however, are deluded!

If unions had anything appreciably to do with the rise of the standard of living, then the prosperity of the Chinese and the Indians can be solved simply by organizing unions over there. Put that way, of course, nobody believes that unions cause prosperity. Unions do not *create* prosperity; *they live off prosperity!*

All the essays in this book are classics. Open it at random, and on practically any page basic ideas are succinctly stated. For example, in the tenth essay Mises wrote (pp. 152-3):

Public opinion believes that the improvement in the conditions of the wage-earners is an achievement of the unions and of various legislative measures. It gives to unionism and to legislation credit for the rise in wage rates, the shortening of hours of work, the disappearance of child labor and many other changes. The prevalence of this belief made unionism popular and is responsible for the trend in labor legislation of the last two decades. As people think that they owe to unionism their high standard of living, they condone violence, coercion, and intimidation on the part of unionized labor and are indifferent to the curtailment of personal freedom inherent in the union-shop and closed-shop clauses.

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THE *Freeman*



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From:

WATER

"WATER," said a Taoist sage, "is the most perfect symbol of heavenly benevolence.
In clouds, mists, and rain, it descends from above,
touching first the high mountains —
(the lofty souls of seers and saints) —
Then, in its downward course,
it cleanses all things,
and nourishes all things,
and gives life to all things,
After which, in simple humility,
It hastens to take the lowest place.
It spreads abroad over the flat places of the earth,
And, leaving all the soil it has gathered,
opens its bosom to the sun —
and lightened, and purified,
ascends again on high —
to repeat the heavenly cycle."

From the Chinese
... as recollected by Arthur Moor

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