

# THE *Freeman*

## IDEAS ON LIBERTY

JUNE 1957

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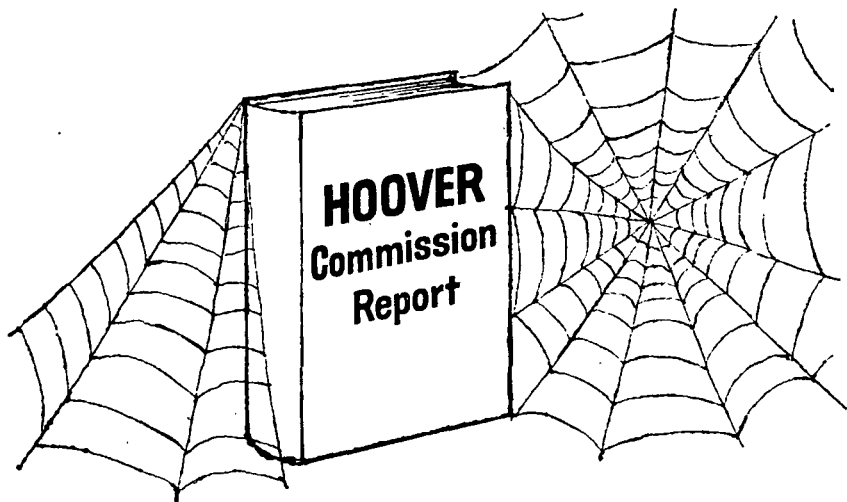
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**UNION**

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**POLICY**

**LEO WOLMAN**

*To apprehend and punish the "leaders" who abuse monopoly power does not cope with the real evil—monopoly power itself.*

**I**NSTITUTIONS, public or private, which are allowed to accumulate power may be expected sooner or later to abuse their power. This is the moral to be drawn from what a United States Senate investigating committee is learning about the management of the International Brotherhood of Teamsters and the behavior of that union's officers. If there is a known cause of the corruption and abuses that feature the operations of this union, it consists of wrong public policy and the incapacity or unwillingness of public officials to enforce simple laws—state, local, and federal—when they apply to organized labor.

What is surprising about the Teamsters' case is that Congress, the public, and the newspapers are so surprised at the Senate Committee's disclosures. For the fact is that the history of the Teamsters' union is a history of law-breaking. The record of the unionization of the laundries of Seattle is one of force, violence, and intimidation. In a law-abiding community such conduct would be unthinkable. But, in Seattle where the union got its start, and in many other parts of the United States, these and similar actions are regarded as legitimate instruments

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*Dr. Wolman, Professor of Economics at Columbia University, is an eminent authority in the field of labor relations.*

of trade union growth, as accepted means for "stabilizing" business, and as the appropriate methods for increasing and applying union power.

The law and public policy which account for the great growth of union power during the past twenty years have rested on highly dangerous assumptions, as recent events have shown. It was assumed that the goals of organized labor were so beneficial and pressing that nothing should be allowed to stand in the way of their realization. Beginning with the passage of the Wagner Act in 1935, the machinery of government devoted itself to promoting unions, to removing obstacles from their path, to assisting them in achieving their objectives, by fair means or foul. In the process, law enforcement was suspended or held to be inapplicable to union activities. It was only natural that unions came to consider themselves above the law and behaved accordingly. It was equally natural that union leaders and officials should feel free to use their newly acquired power and resources without fear or restraint.

In this setting, the Teamsters' affair is simply a detail on a large, national canvas. For, where organizations possess great power, the abuses and corruption associated with it are bound to take

on a variety of forms, from the misuse of union funds for personal gain to the cutting of cables in a telephone strike. What these have in common is the disregard of people's rights and of the law. Violence, or threats, or intimidation come to be widely practiced; adherence to unions is made increasingly compulsory; dues, assessments, initiation fees and, often, other union charges flow automatically into the union treasuries; and union political influence has become so considerable and widespread as to challenge the public authorities at nearly all levels of government.

Few of us realize how universal and persistent this flouting of the law and denial of men's rights have become in this country and how little is being done to attend to these evils. Yet, the daily press and periodicals of all sorts constantly carry stories of what goes on in this respect in one or another part of the United States. A few examples, culled at random from current publications, show the way law and civilized standards of conduct are defied with impunity in the operations of union labor.

#### **Organizational Picketing**

A bill to prohibit organizational picketing in New York State was introduced in the state legislature

by the Senator from Rye and was withdrawn by him the end of March. He withdrew his bill because he believed it lacked sufficient votes for passage. A special dispatch to the *New York Times* from Albany says the bill was "solidly opposed by Democrats, influenced by the leaders of organized labor." It was doubtlessly opposed by some Republicans, also.

Organizational picketing is a pure and simple holdup and racket. The picket line is set up to force an employer to require his employees to join a union to which they neither belong nor wish to belong. The practice is a common one in New York and elsewhere. Often the picket line will be withdrawn for a consideration, i.e., for money. The courts, the civil authorities, the police are all familiar with this device by which unions undertake to impose their will on employers and employees alike. What is here practiced would seem to entail abuse of power of the first order. But neither organized labor nor the authorities behave as if the matter is any of their concern.

### **Union Rackets**

A close, but puzzling, variant of this type of intimidation is described by the chief labor reporter of the *New York Times* in an article in that paper, March 31. With names omitted, the true story runs as follows:

A family-run furniture factory in a suburban community was visited by a union representative, with a pocket full of [union] charters. . . . These gave him the technical right to organize almost any kind of worker in any kind of plant.

He threatened to call a strike unless the company agreed to a cash down payment of "several thousand dollars." In addition, the employer was to put a relative of the organizer on its payroll at \$100 a week. His sole duty would be to collect his pay.

Rather than submit to what they felt would be a ruinous pattern of extortion, the owners decided to seek advice from legitimate labor sources. They were told that it was time to end their seventy-year-old policy of resisting unionization.



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The conclusion of this story ought to be evident. At a midnight meeting the company and the "legitimate" union got together, with the result that the racketeering union was defeated by the bona fide union, and the employer was saved from extortion. Of course, a skeptical reader of this tale might well wonder where the public authorities, the police, and the courts were during the unfolding of this episode and why the employer found it necessary to turn to a union rather than to the authorities to protect him from gangsters or their equivalent.

#### **Unions and the Public Authorities**

Many years ago, Dave Beck began his career as a union official by organizing the teamsters and the companies they worked for in Seattle, Washington. If the accounts of these organizing campaigns can be trusted, they were strong-arm enterprises with no holds barred. Beck came out of them a successful labor leader and a prominent and accepted figure in the community. He could not at that time have accomplished what he set out to do without either intimidating public officials or operating with their support. In any case, the seeds of corruption and the abuse of power must have been sown early in his career.

It stands to reason, of course,

that powerful labor organizations will apply their power to public agencies and officials whenever they stand to gain by doing so. Mass picketing and its attendant violence affords the simplest and most usual example of such pressure and the fruits it yields. In the now famous Kohler strike, the United Auto Workers, the striking union, prevailed upon the officials and unions of municipal employees of Sheboygan to prevent a ship from unloading a cargo of clay, raw material for the Kohler shops.

In the nationwide boycott of Kohler products by the UAW, the union has undertaken by exerting political pressure to keep public agencies from purchasing Kohler products, however satisfactorily these products may meet competitive specifications. The Reverend Edward A. Keller of the University of Notre Dame, in a highly informative article in *Human Events* (Vol. XIV, No. 8, February 23, 1957), points out that nine government bodies have adopted boycott resolutions against Kohler and that a resolution introduced in the Minneapolis City Council would excuse the city from the performance of any unexecuted contract where there were "labor troubles or disputes . . . from whatever cause arising, and whether or not the demands of the



employees involved are reasonable and within the power of any party to bid or contract to concede....”

No one knows how many arrangements that bear the earmarks of collusion between public and private agencies exist throughout the country. But, whether numerous or not, examples of them are not difficult to find. In the March issue of *The Contractor*, the official organ of the builders and contractors of Maryland, attention is called to efforts to prevent open-shop contractors, who were low bidders, from being awarded the contract for a fraternity house on the campus of the University of Maryland. The specifications warned prospective bidders that over \$4,000,000 worth of construction was under way on the campus with 100 per cent union labor, and stated that “the university reserves the right to protect itself against any situation which may place the progress of these jobs in jeopardy.”

This obvious attempt to scare away nonunion contractors was brought to the attention of the *Baltimore Evening Sun*. When that paper focused the light of publicity on the University's practice, its president announced that the statement in the specifications was unnecessary.

The extent to which union influence or pressure is exerted

against the public interest, denying people their right to work, to bid for jobs, or to stay in business is, of course, unknown. But, as more and more examples are disclosed, it becomes clear that the ramifications of this form of union conduct are much broader than was commonly supposed. It was, for example, only during the last year that the Interstate Commerce Commission was asked to require trucking companies to carry cargo boycotted by the Teamsters' union. In April of this year an examiner of the ICC recommended that the Commission cancel operating permits of truck lines refusing to handle freight labeled “hot cargo”—goods coming from establishments involved in labor controversy—by the Teamsters.

These random examples of the exercise and misuse of power suggest that the investigating committee of the United States Senate, now deep in the personal scandals of officers of the Teamsters' union, might profitably turn its attention to the deeper issues of that situation and of others like it. For what this country should be concerned with are mistaken public policies which build up aggregations of power that inevitably and in manifold ways violate the public interest and destroy individual rights and liberty. • • •



# The BOX FACTORY FAILURE

HARRY W. GREEN

A FEW YEARS AGO in Prince Albert, Saskatchewan, a not-too-well-to-do man, kindled by the fire of ambition, concerned himself with finding a profitable use for a fairly large supply of scraps and ends of lumber which were being sold as firewood by the owners of two or three small, local sawmills.

Mulling the proposition over in his mind, the man finally struck upon the idea of using these scraps in the manufacture of rough packing boxes and crates for sale on the open market. The man didn't have much money; but he did have initiative and determination enough to act on his idea; and, investing every dime he had, he rented an old shed, bought a few pieces of secondhand machinery, and started his box factory. Lots of problems cropped up to discourage him; but the man, through improvisation and invention coupled with sheer tenacity, stuck to his original idea and, after a time,

began to enjoy a moderate return on his original investment.

With limited success came the need for expansion — or, at least, increased production. This, of course, necessitated the hiring of additional employees.

The man was levelheaded enough in business matters to go over his books carefully before deciding what wage he could afford to pay new employees. The wage was low. But it was not below the minimum set by the Provincial government. At the time of this contemplated expansion there was considerable unemployment in the community, and the number of able-bodied workers on the "relief dole" (euphemistically known as Unemployment Insurance Benefit) was high.

Anyway, the lack of employment in the community at the time favored the expansion enough to warrant the man's advertising for additional employees.

Dozens answered his ad, and he soon had hired all the additional help he needed. A large proportion of these employees, it is interesting to note, were housewives who had never before contributed to the family income since their marriage. Before he hired an applicant, the man explained fully just what the work was and what he was prepared to pay to have it done. Each new employee agreed to the employer's terms — eagerly agreed, moreover. None of them had been forced with a shotgun at his back into marrying a job he did not want. None of them had been promised riches in return for his labor, nor had any of them been hoodwinked, misled, or enticed into accepting the employer's offer of employment. There was, of course, no "oath of allegiance" or contract binding the employee to his job; and he was free to disengage himself at will.

The man's business soon increased in proportion to his expenditure, and he reinvested a percentage of his profits in further expansion and improvement of his factory. Continued success — not spectacular, but success, nonetheless — reinforced the original convictions of this embryonic Henry Ford; and he foresaw the day when his labor, intelligence, and investment would pay off in bigger coin.

### **Enter Socialism**

Now comes government — socialist government, that is.

About the time the small businessman in Prince Albert began expanding his business, the government in Regina began inserting the *joist* into the platform they had ridden to victory on in the recent provincial election: "Property belongs to the people" — "No exploitation of labor" — "Support the unions" — "Down with private enterprise" — "Share the wealth." The government's propaganda was expensive, extensive, and effective in a bucolic society. It even insinuated itself

### **HARRY GREEN SAYS —**

*• As the son of an early pioneer to Western Canada, I have struggled against the encroaching socialism which seeped into and, in 1944, engulfed my home province of Saskatchewan. Without compromising my beliefs in any way, but with a fervent desire to discover at firsthand the manner in which a government-owned and government-controlled industry operated against privately-owned competition, I took a position in the accounting office of one of several government-owned and provincially-socialized industries. When I left that job — and Saskatchewan — one year later, I knew beyond any shadow of a doubt that my libertarian beliefs were valid and tangibly demonstrable.*

into regions in which it was the direct antithesis of the very foundation upon which the region itself had been built, denying and contradicting the basic principles to which the region owed its existence. Sadly enough, the small businessman at Prince Albert had hired men and women whose minds were easily swayed to the purposes of the government machine.

The first reaction these employees had to the propaganda was the organization of a union followed by a whole series of demands on their employer for additional benefits not contained in their original agreement of employment. Some of the terms were accepted by the man. Others were financially out of the question. Not satisfied, the employees went out on strike for fulfillment of their demands.

The first strike was settled in what the owner considered was an amicable and satisfactory arrangement for all concerned. The factory again began turning out boxes, and the small businessman returned to work with renewed vigor and ambition. Only now there was a much smaller profit margin in the business for him, and he noticed a decided increase in dissension among the employees.

Consequence? Why, another

strike, of course — another strike which actually beggared the first in unreasonableness.

### **Deadlock**

When a deadlock appeared inevitable, the owner threatened to lock his doors, forget the whole proposition, and go home and look for another "idea" to which he could apply the principles of free enterprise without inviting interference from the socialist monster. (He failed to realize, I suppose, that free enterprise had been executed a few months before in the election booths throughout the province.) As a result of his threat to close the doors of his factory, he was made into a social pariah in the community. His employees literally shrieked "foul-play" at his attitude, and publicly asked of him, "What right do you have to throw so many people out of work and back on the 'dole'?" Then, with what I contend was malice aforethought, they set about either to ruin his reputation in the community and bankrupt him also or to attract the attention of the Regina socialists with a view to gaining government support in attaining their ends.

The latter eventuality was quickly realized when a group of union members, using lack of safety precautions as an ostensible excuse, had a couple of govern-

ment inspectors call at the strike-bound factory. To these socialists, it was immediately evident that here was an example of the very situation the Regina crew, at the moment, were so vitally concerned in eradicating.

### **Settlement**

Result? The government investigated the employees' claims and appointed a government mediator to arbitrate the strike.

Nominally, an arbitration did take place. The result, of course, was a foregone conclusion.

First, the arbitrator ordered that the bulk of the employee demands be met at once. Secondly, extensive and expensive renovations in equipment and safety precautions (far exceeding the financial reserves of the owner) were arbitrarily ordered before one more box could be nailed together. The owner was given a limited time in which to comply with these orders. Failure to so comply would, he was told, result in confiscation of his business which would then be taken over by the government, at a price fixed by government experts, and operated as a Crown Corporation.

The government, of course, got the factory, after paying the man what the government decided it was worth. The employees, having had a taste of power and glory

through unionism, became more demanding and domineering after the factory moved under government ownership than they had ever been before. Beefs, bickering, waste of materials, loss of time, loss of markets, unpunctuality, flippant and frivolous disregard of authority and superiors, and just about every other conceivable practice that private enterprise could not, and *would not*, tolerate for an instant, ran rampant in the box factory. Almost to a man, the employees engaged in one great, thumping big free-for-all to climb aboard the "grave train."

After the loss of thousands of taxpayers' dollars, the box factory closed its doors; threw — without a qualm — each employee back on the "dole"; and ended forever one more expression of free enterprise, root hog or die, laissez-faire, or just plain LIBERTY.

### **Execution of Liberty**

Now the box factory failure is only one of the socialist enterprises which have gone belly-up in the last few years in the socialist province of Saskatchewan. And of all these enterprises, known as Crown Corporations, the Prince Albert box factory was the smallest and most inexpensive experiment. There are no less than eight similar faux pas to be attributed to the great socialist experiment

in our neighboring province. The financial loss of the box factory would do no more than pay the interest on the losses incurred by the other monstrous experiments.

Not only did I witness each step in this outright execution of liberty, but also I worked for one year in the accounting office of a Crown Corporation — seized by the government from a private businessman — in order that I might take a long, cold look at the heart of socialistic theory in prac-

tice. The method employed in the seizure of the industry in which I was employed literally beggars the imagination to the extent that it is almost beyond the power of the honest man to believe. Heaven knows! I have yet to find a man — even in the opposition parties — who confesses belief in all the ramifications and results of these economic aberrations which I, as an eyewitness, have consistently attempted to make plain in all their infamy. • • •

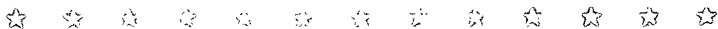
#### IDEAS ON LIBERTY

#### *Of Ants and Men*

AN ANCIENT RUSSIAN MYTH asserts that ants were once men — the first experimental design of men. They developed as systems, not as individuals. In the development of this “perfectly planned society,” every minute detail was plotted. In this classless society, each ant-man had at birth an appointed place. He was not allowed to either rise or fall, to move forward or backward, right or left. According to this myth, God took great alarm at this turn of events because the ant-men were incapable of adapting themselves to change. They no longer needed brains, so became brainless monsters of dependence. So He reduced their size to that of insects and began a new race of men.

The manner of operation of the social insects — the ants, the bees, and the termites — has been the envy of dictators and would-be dictators; of many well intentioned reformers of varied hues. In the pattern of these insects is found their ideal of an “orderly and industrious” society of humans. Every aspiring dictator, both large and small, would like to ascend to the throne of “queen bee” of a world-wide human colony, in which every human would become subservient to the dictator’s own wishes and would serve his plan with unwavering loyalty.

# THE FEDERAL RAID ON



# LIBERTY

E. W. DYKES

The arguments against federal control are simply arguments against federal aid.

**I**N AMERICA, we still ride the crest of a wave of material progress unique in the history of mankind.

If that terminology implies danger ahead, the implication is deliberate. We seem to be abandoning the principles and practices of personal freedom that released the human energy behind our tremendous productivity. Instead of fearing and limiting the power of government, we behave as though central planning, compulsion, and control were the source of our well-being. We keep on granting authority to and seeking favor from a government, the tax burden of which approaches the limit that any economy can bear.

My contention is that we are deceiving ourselves in many ways, one of the most subtle and disastrous of which is the system of federal grants-in-aid. This clever scheme, involving an apparent separation of those who are taxed from those who receive the funds, allows the latter to believe they are getting something for nothing. This illusion is heightened by the fact that some sections do indeed enjoy a temporary advantage because of a grant. But the strong tendency is toward equalization of such "advantages," until few if any will have escaped the taxes that are the other side of this subsidy coin.

Suppose the question were asked this way: Do you think that the federal government ought to grow? In other words, do you think the government should spend more of your money, taking added powers unto itself? Put it that way, and hardly anyone would give an affirmative nod. But let's get down to cases.

*Mr. Dykes is an architect in Canton, Ohio.*

**A Project Begins**

Here's what happened in my town — and it could just as easily happen in yours, if it hasn't already. Ask my fellow citizens about a bigger government, and I believe most of them would answer no. But when the issue concerned an expressway in the community, let's see how they acted. One of our public spirited councilmen wondered why we send so much money to Columbus for roads but seem to get so little of it back. So he was appointed chairman of a committee to find the answer. Our chairman and his committee went to Columbus and came back, after several months of discussion and deliberation, with a promise of major assistance for an expressway right through the center of town. This would be a part of the state highway system.

A catch in this proposal requires that we put up some of our own money "to show good faith." The entire project will cost some \$13 million (latest estimate of a figure that tends to rise). Of this, we are to pay approximately \$1.7 million, while the state and federal governments will make up the balance.

A project of this size and nature can touch off quite a controversy in any community, and it did. Opponents of the expressway argued that it would ruin the park system which it is to parallel, or cross in

places; also that anyone in his right mind builds highways around cities rather than through them. I mention these points only to emphasize that, as far as I could tell, no one expressed any real concern over the method of financing. The only references I recall were by proponents of the measure who insisted that we must get "our fair share" of the taxes we already pay. A four-mill income tax for raising the city's share of this expressway passed rather easily, not overwhelmingly — but with a comfortable margin. And we are pretty hard on tax measures in our town, too. Taxes for local improvements usually have a hard time.

**Bribed with Our Own Money**

One of the questions I've pondered with friends on several occasions is this: "What if the issue on the ballot had been: One Expressway — \$13 million? How would Canton voters have reacted?" So far, I have found no one who believes it would have carried — not one person. The expressway is entirely within the city limits. Its total cost is \$13 million. Nearly everyone thinks it is a desirable improvement. Yet no one believes that the voters would have been willing to pay for it. This frightens me. If we can assume that state money is reason-



ably distributed around the state, and if federal money is similarly apportioned to the various states, then the expressway will cost us not \$1.7 million — not \$13 million — but probably between fifteen and twenty million dollars. You can imagine what the voters would have said to that!

Why this higher figure of \$15 million or more? First, there is the brokerage we have to pay when our money travels round-about through several bureaus and thence back to us. People have to be paid to shuffle all those papers and tie red tape around them. Secondly, Canton citizens pay more than a proportionate per capita share of taxes both to the state and to the federal government. Besides paying more than an equal share of the costs for such projects, our community probably gets back fewer project dollars per capita; and that makes the ratio still worse for us. Rather than argue that point further, I'll rest my case on the known figure, which is \$13 million. We probably would not have bought the expressway with that price tag on it. Nevertheless, we have bought it — and it looks to me as though we were bribed with our own money.

It reminds me of the proposition the doctor offered a patient who needed a blood transfusion: "We have no blood available right now,

so we'll just take a pint out of your right arm and put it in the left one."

### ***The Freedom We Lose***

I'm not opposed to expressways. I'm happy to use them, just like anyone else. I just don't like to have them financed the way ours was handled. I believe it will ever be to the people's advantage to know exactly what things cost so that each of us may judge what other things he'll have to forego in order to make that particular purchase. Otherwise, what we will forego in the end will be our freedom, our form of government, our legacy to our children. We will destroy the "mainspring" of the human progress we have known. And that price is too high!

Suppose you and your wife have a joint checking account. Your wife comes running up to you one day and says: "Dear, I just bought a new refrigerator; and when I looked in the checkbook, there was only enough for the down payment. Why don't you write a check for the balance?" And so you do. But you somehow get enough money in the bank first. So it is with federal aid. You write the down payment and "they" pay the balance but, one way or another, you put up all the money — plus the carrying charges.

By what delusion do men hope

to get a \$13 million product by paying \$1.7 million? How are people drawn into spending money for something they wouldn't buy if it had the full price tag on it? And is there anything really dangerous in such a process? Well, not unless there is danger in a mammoth, centralized government.

A generation ago, the annual bill for all federal grants-in-aid was less than a quarter of a billion dollars. This year's bill is \$3 billion, and fifteen new programs have been suggested. Only small amounts are required in most cases to get a new program started; but then, look out! Careful economists and historians warn us that freedom cannot stand excessive taxation. Just how much further we can go, no one really knows. But there is no point in testing it. As in Russian Roulette, there are no winners.

### **Spending Ourselves Rich**

How did this federal aid business get started — and when and why? Right here in America, there are people who believe in the foreign idea of an all-powerful, centralized government. For the most part, I think they are people who truly believe it is the best way for society to be organized — best for all Americans when considered as a group. During the

financial crisis of the early thirties it is not surprising that many such people gravitated to Washington. And some didn't just gravitate — they were sent. The country was in dire straits and was in the mood to try almost anything.

"Something new has been discovered," we were told. "With a little planning we can spend ourselves rich." And many believed it. The theory, of course, is not new. It has been tried and discredited as long as there have been governments. But people in distress forget their history easily and pretend that their own case is different anyway. Many of the measures were introduced as "temporary" programs — something to get us over the hump. But there is nothing temporary about the tendency of a bureaucracy to expand. Each new measure of intervention increases the difficulty of turning back. Just see how hard it is for Congress to cut a measly billion out of the budget. Measly billion? That represents more than six dollars for you and every member of your family.

There are other drawbacks to letting other people spend your money for you. The Supreme Court has said, "It is hardly lack of due process for the government to regulate that which it subsidizes." I hear people saying that if it were possible to set up an aid

program without federal control, they would have little objection; but they don't see how it is possible to have such a program. I agree that it can't really be done, but I wouldn't even want it to be done. It seems to me that federal aid *should* mean federal control.

### **Controls Go with Handouts**

I do not favor passing out tax-collected money, which always includes some of mine, on the basis that the recipients may do as they please with it. So-called free money is almost always spent carelessly. There is something about human nature which allows this to happen. We have the feeling that money from the federal treasury is like manna from heaven and not our own hard-earned cash, which it once was. You can find numerous examples of such mismanagement of money acquired without the responsibility of earning it. I recall the year that a political decision knocked out a \$5 million appropriation request for a South Pole expedition by Admiral Byrd. The same year, Marshall Plan money went to one of the Scandinavian countries, and *it* sent an expedition to the South Pole. This is somewhat like the case of the poor family in the community which has a hard time with the grocery bill but somehow manages to keep an old car run-

ning. We give them money for groceries and admonish them not to use any of it for the car. So they don't. They take our money and spend it for the groceries, and then they take the money they might have spent for groceries and spend it on the car.

So I repeat: Controls must be exercised over the spending of tax-collected money. And any argument against such controls is simply an argument against federal aid.

Federal aid is part and parcel of the transformation from the free to the planned economy. A completely free economy is one in which you may spend all your money as you see fit. But the grant-in-aid part of the planned economy is growing with no end in sight. How long until all our money is to be spent this way? And if not all, where is the stopping point? Unless we draw that line, the free economy — and with it free people — are gone.

### **Federal Direction of Our Lives**

One of the strongest reasons against federal aid is that it results in federal direction of our economy. Let me explain what I mean by "direction." If, by subsidies or such devices, we should reduce the price of electric power to nothing, just as many industrial plants as possible would do all

their heating and other work by electricity. On the other hand, if we were to use subsidies to provide "costless" coal, most plants would use coal. Or, if we drastically reduce the price of electric power in one state or area, this "directs" plants to settle there. In other words, it is possible to cause things to happen by the use of the subsidy which might not happen in a free economy. But the cost is still there. Such "direction" occurs all the time under federal aid programs. You do things you would not do if you were exercising true freedom of choice.

Let us suppose you earn \$500 a month in take-home pay — that much, after the tax deductions. Each month you decide how you are going to spend your money — so much for the house, so much for food, so much for clothing, the car, and so forth. It doesn't always come out even, of course, but by and large you know where you are going to get your money and how it is to be spent. From time to time you have to make decisions, such as whether or not to take a vacation, where to go, and all the rest of it. Sometimes if you see something that you want in a store window, a decision to buy it often involves deciding what other things you'll do without. But all the time you know about where you stand. In your decision-mak-

ing you constantly weigh the advantages of this or that item and how much you are willing to pay for it.

This is the free market in action. Producers are directed to produce by consumer actions in the market place. Generally speaking, the most important things are the ones you buy first while inconsequential things are bypassed. In contrast, when the government is spending your money, you no longer have the chance to make such decisions — no chance to take into account the relative advantages of this or that item. In other words, you are virtually without choice in the situation.

If we were able to buy roads and schools in the same way that we buy food and clothing, then all these things would find their proper relative positions in our economy. We would then be able to say that the amounts spent for these things were precisely the amounts we wanted to spend.

### ***The Case for Local Control***

Yes, I firmly believe that we ought to explore the potentialities of the free market for such of our wants as schools and roads, which have so long been considered a responsibility of local and state governments. But I will not here be so stubborn as to refuse to recognize the advantage of local

rather than federal control. When a local project is put up for consideration, you at least get a chance to vote for it as a question by itself. And usually, you've a better chance of knowing what the project is going to cost. In our area, when it comes to a school bond issue, the committee in favor is forever showing how its cost will equal one pack of cigarettes per day if you're in a certain tax bracket, two packs in a higher bracket, and so forth. The grant-in-aid project, however, requires that you put up only 5 per cent, or 10 per cent, or perhaps you only have to ask for the money. But the other costs are there, just like the hidden part of an iceberg — and just as treacherous.

Local projects at least can be weighed with knowledge of approximate costs. And your decision can be made on the basis of that one project — not on a hit and miss arrangement of sending money to Washington and hoping that some of it eventually gets back to you in a project someone else will have chosen for you.

What could we do in Canton with the \$13 million which will be spent for the expressway? We could replace our decrepit city hall. We could put storm sewers in many areas now subject to frequent flooding. We could fill thousands of chuck-holes in the streets with

something more durable than cinders. We could bring our schools up to date — all of them. We could have a modern traffic signal system. We could have all those things and perhaps others too, or we could have part of them and lower taxes — more left for our free choice in spending. And remember that freedom to choose is the distinguishing characteristic of a free man.

### ***The Provident Pay Twice***

Let's look at another aspect of the federal aid idea. Most of the things for which federal aid is proposed are already being provided in many communities at their own expense. But federal aid involves taxing these areas more heavily than before to help finance projects in other communities which have chosen not to do such things for themselves. So we are burdening people who pay their own way by imposing taxes in addition to the ones they have already voted on themselves. And all because someone thinks progress can be forced.

Much of the clamor, particularly with reference to aid for schools, has been on grounds that local communities cannot stand further debt. But the federal debt of approximately \$275 billion already is several times larger than the combined debts of all state and

local governments. Such an argument for federal aid lacks validity for reasons too numerous and too obvious to be repeated here.

### **Let's Set an Example**

The mainspring of human progress is individual liberty, and individual liberty decreases as federal power increases. Federal grants-in-aid represent a significant and growing part of federal power already too enlarged for safety. The first step is to recognize it for what it is — a sham and a hoax. Logic, then, calls for an immediate halt to this federal raid on liberty. Instead of clamoring for "our fair share because we're paying for it anyway," why not resist and set an example for others to follow? Why not practice what we profess to believe?

Mr. Ed Lipscomb has this to say of *The Personal Practice of Freedom*: "There never was a salesman who really went to town if he didn't believe in his product enough to use it himself. You can't sell Fords effectively if you ride up to see your prospect in a Chevrolet. You can't sell Camels convincingly with a package of Chesterfields sticking out of your pocket. Your friends and acquaint-

ances may not always believe what you say, but none will question for one moment the fact that your personal conduct and consistent personal practices speak the truth as you see it. You cannot convince your neighbor by word of mouth that you are a believer in temperance if he sees you staggering around your house every Saturday night. You cannot convince him that you are in favor of government economy and then sign resolutions calling for federal funds with which to build your town a bathing beach or even a hospital. . . . Freedom rests, and always will, on individual responsibility, individual integrity, individual effort, individual courage, and individual faith. It does not rest in Washington. It rests with you and me."

One must decide what is right, and order his own life accordingly. This is a good maxim to follow regardless of the situation. So this is my response to anyone who says, "Let's get our share." If my share is to be a contribution to the destruction of the American way of life, I will have no part of it. I cannot participate and remain faithful to myself, my children, my fellow men. ● ● ●



# India's Road Ahead

ELIZABETH W. WILSON

It is one thing to give capital and tools — products of individual enterprise and saving — to the people of an underdeveloped area, but it's something else to help them grasp and use the philosophy of freedom. The following article relates how some villagers of India learned to help themselves — without government direction, subsidy, or foreign aid.

**I**N LANGALBERIA, a tiny village near Calcutta, the barefoot and illiterate inhabitants have found a way to improve their standard of living by pulling themselves up by their own nonexistent bootstraps. They have accomplished this near-miracle during the last few years without benefit of government capital or bureaucratic blessings.

The original idea was that of Mr. B. L. Jalan, a Calcutta businessman. He reasoned, "India's greatest source of wealth is the labor of her people. Therefore, her dense population is not a liability, but a real asset."

He went to Langalberia, met the villagers, and suggested to them that each donate an hour of work a day during the busy farming season and twice that when chores were slack, to improve the community. There was much to be

done. The people and their cattle lived in one- or two-roomed mud huts. Usually these were filled with acrid smoke from the cow-dung cakes used as fuel in the stoves.

The only road out of town was a mud path, in many places not more than nine inches in width. It was difficult to get to Calcutta for aid in case of emergency, or even to the next village. When the monsoon rains were heavy, the road was so slippery that it was impassable. If the rains were light, however, the two wells which supplied the village with water might dry up. Then the inhabitants would have to sell their cattle and move elsewhere.

Even in the face of all these hardships and difficulties, the men of Langalberia hesitated to participate in the Jalan scheme. "We cannot do extra work on empty

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bellies," they said. Mr. Jalan told them, "Your ancestors followed that policy; therefore, you and your children are living in poverty. The population is increasing, so there is less for each one. If you have any love for your children, you will give this little bit of hard work now so that they will live better later."

### **Out of the Mud**

Apparently, the arguments appealed to some of the villagers. On the day the project was started, fifty workers and a number of boys turned up. Before they quit, they had converted the nine-inch path into a road ten feet wide for a distance of fifty yards. During the next fortnight, they constructed "a very nice stretch of road," after banking the intervening ponds with bamboo.

The new road was the best possible advertisement that could have been devised for the project. People from nine neighboring villages, on seeing it, asked to be included in the plan. Not only were roads cleared, but they were also leveled so as to be five feet above the adjacent terrain. This was important in the time of the monsoon floods. Later, some were even paved with brick.

Mr. Jalan estimates that a thousand man-days of work will build a mile of road twelve to fifteen

feet wide. If all the workers in India would participate in such a venture, thousands of miles of road could be constructed in short order.

To pave the roads at Langalberia, the people had to learn to make bricks. After a little instruction from trained workers, they became very adept at it, even building the kilns themselves. It is an ideal type of work for untrained laborers because (1) it requires almost no capital since cow-dung can be burned in the kilns and (2) even a tyro can make between forty and fifty bricks an hour.

Soon there were too many bricks for the roads. The surplus was sold and the money used to finance other types of work. For instance, trained well-diggers were hired to direct the sinking of new wells. This was not successful at first because the rains came and filled the pits before water was struck. The work was abandoned for a time, but was resumed successfully later. This was important because irrigation is necessary for Indian agriculture and one-fourth of all the canals in India depend on wells for water.

### **New Homes**

Perhaps the most outstanding accomplishment of the scheme was the gradual - *very* gradual - conversion of mud-hut villages into



communities of model bungalows with two bedrooms, two verandas, a kitchen, a bath, and a privy! When the central committee, made up of leaders from the ten villages, found that bricks could be made so cheaply, they offered any family a bungalow, provided that two of its members would work one and a half hours a day for two years. The idea was that during the first eighteen months they would make between sixty and seventy-five thousand bricks. Twenty thousand would be needed for the house. The rest would be sold to buy things the workers could not make, like cement. Almost immediately, a hundred families signed up for new homes.

#### — and Schools

In Poleghat, near Langalberia, instead of selling all the surplus bricks, the villagers decided to use some to build a school. As 82 per cent of the people of India are illiterate, an important part of the Jalan plan was to open night schools. Nine were started during the first two years. They had an average attendance of 350 pupils who ranged in age from ten to fifty! Jalan writes, "This shows an urge in the masses for education. The school at Poleghat has been a means of great impetus and inspiration to the people."

Some progress has been made in

other less spectacular fields. Ponds have been stocked with fish, which have afforded a variation in the diet as well as increased income. Home owners have been encouraged to plant papaya trees, which bear fruit for three years. Jalan estimates that during that period a hundred trees would net the owner an annual income of at least 1000 rupees (about \$200). "This is tantamount to spending about one rupee to get 1000 within a year," he writes.

All has not been smooth sailing. Communists and other "interested" parties have done their best to sabotage the work and to wean the laborers away. Owing to seething poverty and the subnormal standard of living of the masses, the people become an easy prey to communist siren songs about government subsidies and the redistribution of wealth (they should say "poverty").

Nevertheless, the plan has succeeded. It has justified the dictum of Thoreau, who, by the way, is much admired in India. He wrote, "I know of no more encouraging fact than the unquestionable ability of man to elevate his life by conscious endeavor." That is particularly true in these days when, as Jalan says, "the problem of economic uplift is the crux of the problem of democracy and world peace today."

THREE

GREAT

# Deceptions

WILLIAM HENRY CHAMBERLIN

IT IS HIGH TIME to recognize for what they are — great deceptions — three ideas in economics which have enjoyed much support and wide practice in our time. These are:

1. That nationalization of basic industries and natural resources, with a planned economy thrown in, makes for a higher state of well-being.

2. That the Welfare State is a kind of manna from the skies, given free to its beneficiaries.

3. That people become richer by multiplying paper money symbols of wealth.

## **DECEPTION 1: Nationalization makes for a high state of well-being**

The biggest experiment in the nationalization of everything from steel mills to barber shops was carried out in the Soviet Union. It is also the one of longest standing, with the fortieth anniversary of the Bolshevik Revolution coming up in November 1957. This experiment has been imitated, with some modifications, in Red

China and in the satellite states of Europe and Yugoslavia.

So nationalization and planned economy are no longer theoretical ideas; they can be weighed in the scales of actual results. The most significant and unvarying result of communist regimes is that large numbers of people, unable to oppose them at the polls, have been voting against them with their feet, by running away.

This flight from communism, often at the risk of life and liberty, is a most impressive plebiscite. No one knows exactly how many Russians are living outside their country as refugees from communism. But if one adds up the first wave of fugitives in the first years after the Revolution, the smaller number who left between the two wars, and the second big wave of Soviet citizens who at the end of World War II found themselves in Germany and Austria as war prisoners or factory workers and resisted all attempts to force them to return, the figure is certainly well over

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one million. The recent attempt of the Soviet authorities to start a "Home to the Fatherland" movement among Russian émigrés has been a pitiful fiasco.

More than two million Germans have quit the communist-ruled Soviet Zone, with its nationalized factories and mines, for the capitalist West Germany. This movement is a continuing one, with hundreds of thousands of Germans in the Soviet Zone slipping across the border every year.

One year after the end of the war UNRRA was sheltering 800,000 registered DPs, every one a refugee from a communist dominated country, from Poland, the Baltic States, the Western Ukraine, Hungary, Yugoslavia. And at that time there were many more such refugees, hiding out on false identity papers.

More recently, one Hungarian out of fifty fled after the savage Soviet repression of the freedom movement. And there has been the same picture in the Far East: flight always *away* from communism, with its nationalization and state operation, never *toward* communism.

There has been a tidal wave of migration from North to South Korea, a very thin trickle of hard-core communists in the other direction. The majority of the North Korean and Chinese prisoners in

the Korean War refused repatriation, the Koreans settling in the South, the Chinese seeking asylum in Formosa. When the northern part of Vietnam was abandoned to the communists, hundreds of thousands of villagers took what they could of their belongings and fled to the anticommunist South.

Yugoslavia offers a somewhat different and milder brand of communism; but people, especially young people, sneak out of it and seek greener pastures in the West at the rate of about fifty a day. The overwhelming majority of thousands of Chinese students who were in this country at the time of the communist take-over in their native country have preferred to remain here. No communist-ruled country attracts voluntary immigration.

### ***Even Workers Flee***

This flight from communism goes far beyond the proportions of a movement of aristocrats, people of wealth, and conservative politicians. Among the refugees one finds many who belong to the groups which communists like to claim as their own — workers and peasants. The repudiation of communism by those very groups which the communist leaders considered most reliable — the industrial workers, the students, the

younger generation brought up in communist schools — occurred most dramatically in Hungary. It was just these groups that were most active in the cruelly uneven fight against the obliteration of liberty by the Soviet tanks. This was also true in the more peaceful but equally widespread revolt in the Soviet Zone of Germany in 1953.

Such disaffection would not have developed if the transfer of factories, mines, and natural resources from private to public ownership had been the panacea promised by communist agitation. The wholesale flight from communist rule is only one of many proofs that there is no benefit to the general standard of living in such a transfer. Rather the reverse.

#### **No Gain in Level of Living**

The closest studies of Soviet production and real wages indicate that during the last three decades production increased about sixfold, while real wages are still below rather than above the 1928 level. Here is an amazing indication of how much an all-powerful state, in control of all means of production, can siphon off from the earnings of the workers for the benefit of a cumbersome bureaucracy, ambitious schemes of militarization, and ex-

pensive industrial and building projects which do not improve the daily level of living.

Poland, under Soviet control since the war, has gone in for sweeping nationalization and a rigidly planned economy. But recently one of the leading Polish economic planners, the Marxist economist Oskar Lange, after frankly admitting a multitude of defects, poor quality of output, low wages, and indifference of the workers for lack of incentive, listed a number of "disproportions" in the Polish economic set-up which, in Lange's own words, "have increased to such an extent that the national economy is on the verge of collapse." Poland now hopes that the United States will bail it out by supplying food and raw materials free or at cut-rate prices. This is how Tito's Yugoslavia, since the break with Moscow, has been righting a balance of international payments that has been chronically in the red.

It is not only in communist-ruled countries that nationalization leads to deterioration instead of improvement. Mexican oil output dwindled strikingly after the foreign oil companies, with their capital and know-how, were expropriated in the thirties. Iran almost went bankrupt after its Prime Minister, the fanatical nationalist Mohammed Mossadegh, seized the

properties of the Anglo-Iranian Oil Company. It was pulled back from the brink of financial disaster when a face-saving arrangement partially restored the oil wells to private operation.

### **Trouble in Bolivia**

Recently a revolutionary regime in Bolivia conceived what it thought was the bright idea of nationalizing the tin mines which, developed under private initiative, were a main source of wealth in that poor country. The aftermath has been extremely disappointing. Productivity and profits have declined. The government has found itself obliged to subsidize some of the mines, and this has contributed to inflation. There were similar unhappy results when so-called land reform in Bolivia transferred considerable tracts to the ownership of Indian peasants. Lacking capital and experience, these peasants have been growing only enough to feed themselves. And Bolivia, with much unused fertile land, must import large quantities of food.

Nationalization of mines and railways in Great Britain has neither improved efficiency nor eliminated labor disputes. An impersonal state board of management is no more attractive to the worker, and may even be more difficult to reach with a local griev-

ance than is a personal owner.

Doctrinaire advocates of nationalization overlook two important points. First, the change from private to public ownership does not and cannot eliminate the need for management. And there is no reason to assume that a state salaried managerial group will be more efficient in cutting costs, more daring in adopting new inventions and production and promotion methods, more diligent in making an enterprise run efficiently than management under private auspices. Indeed, the probabilities are strongly in the opposite direction.

Second, the idea that public ownership will be more economical because it will save what otherwise might have been taken in profits is a complete fallacy, as the following indisputable fact will show.

If it were true that profits of owners and stockholders were making American factory products unduly expensive, there would be a simple and easy remedy. The trade-unions, with their ample funds, could purchase factories and turn them over to the workers to operate on their own. If rent, interest, and profits were such villains as the Marxist viewpoint assumes, factories directly owned and operated by workers could be expected to undersell those under

private ownership. And the stage would be set for legal peaceful transition from capitalism to socialism.

But this experiment of having workers own and manage the factories in which they work has seldom been tried, and has never met any conspicuous success. Here is the clearest proof that the rewards of management and investment, sharply curtailed as they are by a soak-the-rich discriminatory tax system, are not unduly high.

#### **DECEPTION 2: Welfare State benefits are free**

It is not only from communist states that people sometimes migrate. Since the end of the war, there has been a trickle of outward movement from Great Britain. Among Britons who have made their homes elsewhere is a disproportionate number of persons with above-average earning power, in literature, in the arts, in business.

Since the failure of the intervention in Egypt, the trickle has become a flood and a subject of anxious comment in Parliament, in publications, in cartoons. Day after day long waiting lines of applicants have been forming before the Canadian, Australian, and New Zealand immigration offices. To take care of this rush for the exits in Great Britain the Aus-

tralian government recently chartered eleven liners. Estimates of emigration from Great Britain in a year run as high as 500,000 or even a million. These figures may be exaggerated, if only because transportation on such a scale is not available.

But a movement of some 200,000 Britons to overseas countries seems quite possible. This is causing concern because the emigrants are not a normal cross section of the population. They are, in the great majority, the younger, the more active and ambitious, the more productive.

People migrate for a variety of reasons. No doubt hurt national pride and fear for the future of a country dependent for vital oil on the caprices of Arab politicians helped to touch off the recent rush. But there is also unmistakably an element of flight from the Welfare State. How else is one to understand the surprisingly high percentage of prospective emigrants (38%) among the students of the University of Cambridge, just the group of the population where one might look for the future leaders in politics and business? These students see how narrow, limited, and cramped will be their opportunities in the Welfare State which goes on regardless of whether there is a Labor or a Conservative government. (Is

there a parallel there with conditions, not yet quite so extreme, in the United States?) And a considerable number of them want "out."

### **"What Does Socialism Offer?"**

Here is the case against the Welfare State, put forcefully and briefly by a Mr. Peter Whitby of Manchester, in a letter to the British left-wing weekly, *The New Statesman*. Mr. Whitby's viewpoint is more impressive because, according to his letter, he has a working-class background and went to Oxford on a scholarship.

"What," he asks, "does socialism offer to people like me?" And he answers his own question:

"The continuation, with a possibility of some increases, of the present system of penal taxation, which will prevent most of us from making any adequate return to our parents for six or seven years' sacrifice, or providing properly for our own old age, discourage us from marriage and deprive us of any incentive to do more than the minimum of work or accept more than the minimum of risk and responsibility."

Not a very helpful psychology for a country that must earn its livelihood in a competitive world. If many Britons feel as Mr. Whitby does — and his voice is far from being a lone one — it is

not surprising that many in his age group are emigrating, or planning to do so at the first opportunity, and that Britain loses market after market to the competition of Germany and other countries where the Welfare State has not made such inroads on initiative and incentive.

Britons are learning the hard way that the State, which creates no wealth itself, cannot "give" social benefits. It can only take from some to give to others, as some of the more rugged individualists among British thinkers of the eighteenth and nineteenth centuries, such as Adam Smith and Herbert Spencer, would have foreseen.

As a result, society becomes divided into "producers" and "consumers" of social security. The former are the abler, thriftier, more ambitious. And when conditions become intolerably onerous and oppressive for the "producers," when they see most or a large part of their earnings taxed away, they show an understandable disposition to contract out of the arrangement by moving to some country where the cards are not stacked so heavily against them. The end may be an unhealthy, top-heavy social structure with ever fewer producers carrying on their backs more and more consumers of social benefits.

**DECEPTION 3: People become richer by expanding the supply of paper money**

Americans are just beginning to understand what Europeans, with more poignant memories of inflation, have known for a long time. A mere multiplication of paper symbols of wealth does not make an individual or a country richer. As wages and prices chase each other up in an ascending spiral, as the cost of everything, from admission to the movies to a college education, moves in only one direction — upward, it becomes clear that something has been added to our economic system. That something is continuous — if so far gradual — inflation.

There was a time when the system was provided with brakes as well as accelerators. Then John Maynard Keynes became the supposedly infallible prophet, and government action — much expanded in the economic field — was geared to the assumption that the only evils to watch out for were those of stagnation and depression.

So one brake after another was removed. The gold standard of currency exchange, the surest automatic check on inflation, was abandoned. Artificially cheap money, with its inflationary pos-

sibilities, became a fetish. Big trade-unionism acquired monopolistic powers and used these powers as any other monopoly would, to force up the price of labor without regard for improvement in productivity. One scheme after another was tried to keep up prices of food and other farm products.

It is not surprising, in view of these circumstances, that the United States, since the late thirties, has experienced such a continual over-all increase in the cost of living that all former rules of prudent investment have been upset. Anyone who, fifteen or twenty years ago, put his money into government bonds, savings banks, life insurance policies, or annuities has been robbed of interest and of a considerable part of his principal by the steady depreciation in the value of the dollar.

Here, then, are the three great deceptions against which constant intellectual inoculation is needed. They are not really new; one can find experiments in socialism and forerunners of the Welfare State in very ancient times. And economic history is full of instances of inflationary soap bubbles. But these deceptions die hard and have been especially prevalent in modern times. ● ● ●



He

Who

Would

Bear

Witness

LEONARD E. READ

THE WATCHWORD for one who would bear witness is "Wait"; and the word of caution, "Don't be an eager beaver."

The dub at golf, contrary to advices of the Pro, just can't *wait* for the club-head to perform its natural function. He's so eager for good results that he gets his body ahead of the swing. "Flub" is one of the words used to describe the humiliating outcome.

The eager beaver halfback won't *wait* for his interference to form. More often than not he is "thrown for a loss."

Those who research into the mysteries of insight, cognition, extrasensory perception, contend that this type of communication cannot be hurried. Prepare yourself to receive, they counsel, and *wait*.

All of us have observed the religious eager beaver. He may have been the town miscreant or perhaps a normal good soul with no religious background or knowledge. Curiosity invites him to a Revival Meeting or something of the sort. Suddenly a vision is experienced; he "sees the light." All well and good. But instead of waiting to bear witness, he hustles into an extended buttonholing program in order that others, too, may know what he "knows." The religious eager beaver rarely helps the cause for which he so stanchly stands; indeed, he may do it harm.

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### Homework Comes First

Moving into the libertarian area, we observe many newly won devotees of freedom aggressively trying to sell others before doing their homework. They may have realized for the first time — in one excitingly intellectual moment — that no person, nor any collection of persons, has the moral right to control or forcibly to direct what any individual shall discover, invent, create, where he shall work, the hours he shall labor, the wage he shall receive, or what and with whom he shall exchange. This moral point, to some, comes as pure revelation. They then see that a vast preponderance of things governments do are wrong; and wrongs, they correctly reason, must be righted. And, if of the eager beaver type, they will, like many newborn religious zealots, immediately embark on setting all of mankind straight, once and for all. Effectively? That's the delicate and important question.

Saul was on the road to Damascus for the purpose of persecuting a new and rising sect which he and the religionists then in power thought should be liquidated. During the journey he was blinded by a great light, and a Voice from an unseen source queried him as to the possibility of his mission's being in error. Saul, so the Bible reveals, became a convert of the

sect he was about to destroy and he, Saul, became Paul.

Paul was not of the eager beaver type. He did not begin "setting the world straight" the next morning. Instead, he went to the Arabian desert — some say for three years — to meditate, to contemplate, to prepare himself. Paul, authorities generally agree, ranks first, even to this day, as an effective Christian protagonist. Paul waited before bearing witness.

### Is Anybody Listening?

No person can bear witness for any philosophy — be it religious, moral, social, political, or economic — until others will admit his testimony willingly, desirously, to their own persons. And no such admission is likely until a witness bearer has gained the respect of the listener or reader *on the subject of his testimony*. Respect must first exist in the other person. The would-be witness bearer must wait until respect develops.

Waiting is a difficult discipline, particularly if one entertains deep convictions about a philosophy or a way of life. Yet, to plunge ahead of one's reputation — to operate outside of one's own radiation — is to waste energy. It can lead only to ineffectiveness, disappointment, frustration.

The esteem in which one is held by others, whether in matters of

the spirit or in the libertarian philosophy or whatever, can never be expressed as a generality. It may be high with one person only; nonexistent with all others. Indeed, it is in constant flux with any one person.

Esteem, respect, reputation, in the final analysis, rest on one's own acquirements in understanding, explanation, and manner of presentation. This is the homework department of effectively communicating to others what one believes to be truth.

#### **A Loose Connection**

Recently, I called on the treasurer of a retail establishment at the suggestion of the president, personally friendly to me, who had to be out of town. It was immediately apparent that I had no favorable status at all with this keeper of the cash, that in a moment the well-known get-rid-of-him-quickly technique would be administered. Obviously, I had preceded my reputation for competence of any kind. I engineered my own exit. Such is my low estimate of trying to communicate ideas in so unfavorable an atmosphere. It wasn't that this treasurer was incapable of being interested in the libertarian philosophy and FEE's efforts appertaining thereto. It was that I was wholly impotent to do anything about it, and it is further

evident that I shall remain that way until he may desirously admit me and what I have to say. Conceivably, my competence could some day reach a point that news of it might drift to him or in some other manner be impressed upon him. Until that day, wait!

Afterward, I lunched with six executives of a corporation. They *wanted* a discussion with me about the problems presented by our nation's growing collectivism. Communication was natural, easy, useful to me, and perhaps to them. My waiting period — as far as these people were concerned — had already matured into a situation of effective communication.

#### **When the Door Opens**

An hour later I was on a plane for Chicago. A clean-cut, intelligent-looking young man inquired, "May I share this seat with you?" On being welcomed to do so, he introduced himself, explained that he was a senior at the University of Minnesota, that he planned to obtain his Master's Degree and, in a most affable manner, chattered about his interests and other plans. How easy the error of getting ahead of myself, of discoursing too early in this new acquaintanceship about the free market, private property, limited government philosophy, and about the Foundation! However, I was still

smarting from the lesson emphasized during the forenoon with the treasurer. I deliberately waited. As it turned out, there wasn't a thing about which the young man talked but what suggested a relevant libertarian comment on my part. Finally, my seat-mate could hold out no longer: "Please tell

me, Mr. Read, *what do you do?*" This particular waiting period required no more than an hour. His parting remark at Midway Airport was, "Wait till I tell my Dad about the Foundation's work. It will make him very happy." I thought it quite a coincidence that he used the word "wait." • • •

#### IDEAS ON LIBERTY

#### *Help Him Find It*

YOU CANNOT TEACH a man anything; you can only help him to find it within himself.

GALILEO

#### *The Attainment of Human Dignity*

THE ONLY GOAL of a man should be the attainment of human dignity with all its implications. In other words, all his intellectual acquisitions, all the facilities which society puts at his disposal — schools, universities, libraries, laboratories; all those offered by religion; all the occasions given him to develop his own aptitudes, his work, his leisure, must be considered by him as tools destined to improve his personality, his moral self and to make it progress.

LECOMTE DU NOUY, *Human Destiny*, Longmans, Green & Co., Inc.

#### *To Diminish Disagreeableness*

IN NONE of these fields — politics, religion, peace, medicine, as well as others — can we ever expect to find total agreement. As long as people think, they will differ from each other, not only on minor matters but on those of major concern. We should not hope to abolish disagreement but we can hope to diminish disagreeableness.

ROGER J. WILLIAMS, *Free and Unequal*, University of Texas Press

**W**HOO ARE WE KIDDING? In that ungrammatical query lies hidden one of the real economic and moral issues of our day.

In the vernacular of thirty years or so ago, to "kid" was to josh, to jolly, to tease, to pull the leg. It was at times even to mislead, momentarily and in the spirit of a prank. But in the semantic-ridden double talk of our decade, to kid may be to go much farther. It may be to distort, to misrepresent, to deceive. "Who are you kidding?" is now the indirect (and therefore semantically preferable) way to say, "Don't try to deceive me. I

see through you and your motives. I wasn't born yesterday."

Let us note, however, confuse symbols. To live in a world of make-believe, to close the eyes to ugliness and dwell inwardly upon beauty — these are harmless and it may be even useful pursuits. The practitioners of this attitude may at best be poets, at worst merely inoffensive escapists. Now and

then they may attain the stature of prophets. Theirs may become a kind of sublime self-deception that at times sweeps them into realms more real than "reality" itself.

But to practice deception as an art; to study and perfect it as a science; to develop cleverly disguised techniques that render deception more and more effective for commercial, political, or personal purposes — this is the ethic of the moral pauper. It signals a disregard for verity that is worse than mere cynicism. The cynic sneers at truth and may knowingly pervert it. But the devoted practitioner of modern

double talk sees only virtue in his tergiversations. At first he simply believes in being careful to use words "inoffensively." From such an attitude he moves on to the skillful use of words and phrases that tell only "half the truth," or that merely hint at truth while seeming to convey the opposite meaning. And after a time, from deceiving others, he ends up by

# WHO ARE WE KIDDING

RALPH BRADFORD

*Mr. Bradford is a well-known writer and business organization consultant.*

deceiving himself. His ethical sense is blunted. He becomes clever rather than honest. His sin, at last, lies in the fact that he is unconscious of sinning.

The practitioners of this unworthy art had a field day in the program of the early New Deal. They must not refer to "spending," which was a "bad" word. They should rather call it "investing." And "debt" was another "bad" word to be avoided. "Deferred obligation" was, if I recall correctly, the proper term; or perhaps it was "deferred purchasing power." And so on, with many such prohibitions on the use of words which in themselves simply and bluntly told the truth.

### **Social Security**

Take the term "social security." Actually, there is no such thing. Without at the moment debating its soundness, which has been ably done by Paul Poirot in his pamphlet on the subject,<sup>1</sup> the so-called Social Security program was intended simply to provide old age pensions and certain other hedges against the hazards of impecunious old age, or against unemployment. But there was nothing particularly glamorous about the term "old age pension." In fact, it was a rather "bad" term, in that it reminded people that they would

grow old! It sounded much better to tag the program with two words of "good" connotation; hence "social," which sounds benevolent, and "security," which is reassuring.

And so the deductions have been computed and applied; employers and employees alike have been assessed, whether they liked it or not. The rates have been increased, and it is anticipated that they will be hiked again. In addition, employers have been obliged to incur greatly increased accounting expenses—all of which, added to the cost of doing business and passed on in higher prices, comes finally out of the pockets of those who are to "benefit" under the program. At the same time, the currency has been steadily depreciated, until the fixed income of a social security pensioner will now purchase less than half of what it would have bought when the scheme was adopted—and the end, it seems, is not yet.

### **Cost of Living**

A kindred bit of self-kidding has to do with the cost of living. This is done by juggling the base, or year of comparison. There is nothing diabolic or even Machiavellian about all this. The process is pretty well understood and seems to be accepted without protest by economists, statisticians,

<sup>1</sup>Copy available on request to *The Freeman*.

farmers, laborers, and businessmen. Anyone who is statistically minded can easily carry back the computations to earlier dates if he is so inclined—and meantime, it makes things look so much better to go back only ten years for comparisons, instead of twenty! This, too, is simply part of the general and popular pattern of self-deception.

For instance, the formula as this is written is to say, in effect, "Using 1947-49 as a base and counting the price levels of those years as 100, the index has now gone up to only 112" (or 118 or 120, depending on the commodity). But why start no farther back than that? Did the American dollar just begin to have significance in 1947-49? Why not go back at least as far as the beginning of the social security program, which was twenty years ago?

#### **Ten-Cent Hamburgers**

There is no point in going into a painful set of statistics. Instead, let's refresh our memories about a few simple, everyday things. Take, for instance, the *Saturday Evening Post*. It sold then for five cents; now it sells for fifteen cents (sixteen where there is a sales tax), or three times its former cost. Or take that great American institution, the hamburger. You could get a good thick one then,

with plenty of ketchup, onions, mustard, relish, and what have you, for ten cents. You can get a hamburger of sorts now for twenty-five cents, but it is a pretty anemic affair and not the kind I'm remembering. Such ones are now "de luxe" and cost from forty to sixty cents, depending on the degree of swank maintained by the place where you eat. That is from four to six times what the same hamburger cost twenty years ago.

Another example: In the middle thirties, our family was addicted to two makes of popular, lower priced automobiles. They had less chromium than at present, no power steering or braking, and you shifted gears by hand. Such, my children, were the hardships of your pioneering forebears! But they were big, roomy, and fast. Fast? You will not credit this, my hot-rod nephew, but those cars would and did go sixty, seventy, eighty, sometimes ninety miles an hour, thus performing a useful function in reducing the excess population that is beginning to worry some of our Malthusian economists. But to make the comparison: A four-door model of the cheaper car cost then about \$950. The nearest equivalent of it today costs right at \$3,000. The four-door job in the higher priced car cost then about \$1,290. Today it costs about \$3,400. Better cars

today? Of course — but are they  $2\frac{1}{2}$  or 3 times as good?

What this all comes down to is that in one generation the value of our money has shrunk until it is worth something less than half of what it was worth twenty to thirty years ago. When you add to this the enormous increase in taxes, direct and indirect, seen and unseen, it is clear that the dollar is worth not much more than a third of what it was worth when the "social security" program was started.

Now it is being freely predicted that in a few years we shall have a more than doubled gross annual product — even to as much as a trillion dollar economy. Some have scoffed at that prediction as being irresponsibly optimistic. Yet it is entirely possible. The danger is that if inflation continues, we might have it sooner than we like! Germany had just such an economy after the first world war. You could buy a loaf of bread for a million marks — provided you got to the market by noon; in the afternoon the same loaf might have cost you two million, and the next day four — or maybe eight. The important thing for Americans is what kind of dollars will be used in measuring that thousand billion production?

Not so many years ago such worried musings as these would

have brought forth a more or less standard retort by the advocates of big and irresponsible spending: "Oh—so you are more interested in money than you are in human welfare!" There is less of that kind of nonsense abroad now than formerly; but there are still plenty of people who do not seem to understand that human welfare is directly connected to the value of money.

Money, to be sure, is but the symbol of wealth. True physical wealth is in tangible things: in wheat, corn, cotton, meat, wool, rubber, steel — in short, in the things men need and use to sustain life, increase comfort, and multiply convenience. But such things cannot be exchanged in bulk. Nobody today even dreams of going back to a barter economy. Money, the medium of exchange, is in itself one of our greatest conveniences. It is also the measuring stick of wealth. Destroy its value through inflation, and you rob people of just so much of their "human welfare" as is represented by the shrinkage in the value of their money.

### **Human Values**

What are these much-talked-about human values? Political liberty, obviously, and religious freedom; the right of free speech and assembly and of petition for the



redress of grievance; freedom from cruel and unusual punishment; the right of habeas corpus and trial by jury; the right to life, liberty, and the pursuit of happiness — these and a few basic abstractions of like character represent the ideal in human rights under wise government. And such rights are so fundamental in our concept of things that most of the words I have used in describing them are taken verbatim from the Declaration of Independence, the Constitution, and the Bill of Rights. Seeking other human values, we pass at once from the abstract to the material — to salaries and wages; to food, clothing, and shelter; to central heat and air conditioning; to motor cars, radio, and television. And moving to a thing that is not material, but that is certainly the result of material effort, we pass to leisure — not as a time for mere idleness (although a case might be made for that, too) but as the segment of life in which we assimilate, so to speak, all other advantages through our enjoyment of them — art, books, music, drama; and especially as the period in which, quite apart from our work, we have time to think, to question, to speculate, to doubt, to believe — in short, to become and to remain civilized.

All these are material things or

the result of material activity. They are the products of industry; they are the commodities of commerce; their sale and manufacture sustain our communities, giving profit and employment which in turn make more markets. But more than commercial values, they represent human values as well. They *are* human values! Aside from the great abstractions of life, liberty, and the pursuit of happiness, they are perhaps *the* human values — and they are values that can be curtailed or denied to people in proportion as their money is devalued or destroyed through inflation.

#### **High Finance**

Of course, such loss in value is to some extent superficially compensated for by increased wages and salaries, so much so that many who in the long run have most to lose are now saying that they “never had it so good.” But if one of them has purchased a bond, or owns a real estate note, or has put cash into a savings account, or in any other way has tried to provide for the future by investing in securities of fixed maturity value — then he will someday experience a rude awakening. Many people bought E Bonds ten and twelve years ago, only to find now that the accumulated interest has not even kept pace with the increased cost

of living, and that the matured bond will not now purchase as much as the money that was invested in it would have purchased a decade ago.

Who is to blame for all this? The government? Not entirely. The government is the instrument but it is just people, elected by other people. Some designing political devil? No. Some wicked monster in Wall Street? No. Who, then? Why — you and I and all of us who for many years have been kidding ourselves about one of the fundamentals of our politico-economic machine: namely, the value of money and the relationship of its value, not only to economic welfare, but to the so-called human values, and indeed, to freedom itself.

We would never indulge in such self-deception if it applied to the family budget. If, for instance, Mr. and Mrs. X, whether through illness, hard luck, poor management, or sheer extravagance, were regularly spending more than Mr. X could earn, then a time would come sooner or later when their savings would be exhausted and they would have to borrow. But if they kept on with their deficit operation, they would presently be unable to pay the interest on their borrowings. Then they would not only be denied further credit, but also payment of the principle

would be demanded. With no cash, they couldn't pay, and they would be bankrupt.

Now every Mr. and Mrs. X in the country know these facts perfectly well regarding their own affairs. Most of them would not have it otherwise, because even though they may be irresponsible about their own finances, they want to be able to collect from others who may happen to owe them. Yet millions of such people seem to have no understanding that the same set of rules applies to a government. That, by some vague logic, is different!

### ***Shrinking Dollars***

And it is, indeed, different — in two or three ways. The government, for instance, can print money, and the individual cannot — legally, that is. If he could, or if he could juggle interest rates or adjust credit to suit his family needs, he might momentarily solve his own problem — but only momentarily. Soon there would be financial chaos, for if one could do it, everybody could. The government can devalue, it can inflate deliberately, or it can allow inflation to occur. All these things have taken place at one time or another in various countries of the world.

When this writer was in Argentina in 1947 the peso was fairly stable at 4 to the dollar. In 1953

when another visit was made, the peso had shrunk to 16 to the dollar officially, and I was told it was 20 on the black market. As this is written, I am informed the peso is nearly 36 to the dollar! What does this mean in terms of Argentine investments? If a man had purchased in 1947 a bond that was to mature in 1957 at 1000 pesos, he would no doubt get his thousand pesos, all right; but in terms of what it will buy today, his thousand pesos is worth only about 110! If that be true of Argentina, with a relatively mild 9 to 1 shrinkage, what shall we say of the investors of France, where the franc went in a few years from a value of 5 to the dollar to an official exchange of 346 and a black market of over 400? Or of Italy, where the lira shrank to over 600 to the dollar officially, and what have you under the counter?

#### ***Neither Party Worried about \$275 Billion Debt***

It is clear that there is an inescapable relationship between political freedom and the integrity of a nation's currency. In every country where freedom has been abridged or destroyed, the process has been presaged or accompanied by a depreciated or a completely debauched currency. When a currency shrinks severely, it is time for worry.

How badly worried are the people of this country at present? Last fall we had a national political campaign. Of all the things that were emphasized in that campaign, the thing that received the least attention from anybody was our 275 billion dollar debt! Representatives of the party in power did mention it now and then, and pointed out the need for achieving a balanced budget. But it was not a real issue; and now that the party's principal candidates are back in office, they are proposing further increases in spending. The opposition party scarcely mentioned the debt at all, and devoted most of its campaign oratory to demands for the spending of more money. So far as I am aware, no heckler arose to ask any candidate what he proposed to do about the debt. Yet at the same time, nearly everybody wants taxes lowered!

What kind of thinking is this? The people who take this attitude toward governmental debt, spending, and taxing, are often quite realistic about their own personal and family finances. "Who are they kidding?" The answer, of course and alas, is — themselves!

#### ***Restore Economic Solvency***

A generation ago a witty Vice-president of the United States earned a kind of gagster's immortality for himself by saying one

day that what this country needed was a good five-cent cigar. Of course, Tom Marshall, who was no fool, was not just being epigrammatically clever. He meant that he wanted to see less inflation.

There is no present-day outcry for a good five-cent cigar. The pecuniary thought-patterns of our generation have been jacked high above such chicken-feed concepts. But there is relatively the same need — a need for more realistic understanding of the relationship that should exist between the medium of exchange and the things

for which it is to be exchanged.

And beyond that, there is a really desperate need for an understanding of the dependence of political freedom upon economic solvency; for less thinking about privileges and more about responsibilities; less about rights and more about duties; less about so-called benefits and more about costs — all to the end that the United States, which is still, as Lincoln called it, the last, best hope of earth, may preserve its own economic strength as survival insurance in a wobbling world. • • •

#### IDEAS ON LIBERTY

#### *Reduce the Government*

WE ARE ENDEAVORING to reduce the Government to the practice of a rigorous economy, to avoid burthening the people and arming the magistrate with a patronage of money, which might be used to corrupt and undermine the principles of our government.

If we can prevent the government from wasting the labors of the people, under the pretense of taking care of them, they must become happy.

THOMAS JEFFERSON

#### *The People Will Do the Rest*

OUR RULERS will best promote the improvement of the people by strictly confining themselves to their own legitimate duties — by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment — by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the state. Let the government do this — the people will assuredly do the rest.

LORD MACAULAY

The level of wages is more  
the consequence than the cause  
of changes in the supply of money.



## DO WAGE HIKES CAUSE INFLATION?

W. C. MULLENDORE

**F**IRST OF ALL, I want to give my definition, or understanding, of this monetary phenomenon called inflation. I believe the use of these hyphenated words—wage-inflation, price-inflation, cost-inflation, credit-inflation, and the like—is confusing. Inflation's source is not at the "bargaining table." (A more precise and accurate designation would be the "pressure table.") Such use of coercion to raise wages is merely one of the manifestations of the mighty force set loose by inflation. •

Inflation, in my book, is an increase in the supply of the media of exchange (money and bank de-

posits), an increase brought about through the perversion of the power of issue and through the misuse and abuse of credit. Inflation always results in reducing the objective exchange-value of the monetary unit, the most important of which in the world today is the dollar. Once the barriers against inflation are removed, the pressure forces which are thus set free mount and grow in strength, usually until they are out of control. It is the old story of Pandora's Box. Those who for one reason or another—to finance a war of defense, to save the world, to rescue a country from a depression, to maintain full employment—those who for any reason release the forces of inflation, lose control of them and become their victims along with all others within the

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human situations affected thereby.

The pressure behind an inflation is human appetite and human desire to gain access to the market where the good things of life may be had in abundance, if only you have enough money. The undeniable fact that goods and services can be acquired in exchange for the medium of exchange leads to the popular and widespread delusion that the medium of exchange itself is wealth. This idea can be rationalized even by brilliant financial minds, as it was by one of the clever and brilliant minds of the eighteenth century — old John Law, who in 1705 first coined the phrase, "To create money is to create wealth."

Our economic system is an exchange system. Its basic and most fundamental law is that those who would receive and remove goods and services from the market must first bring goods and services of equal value to the market. Only thus can the dynamic balance of the market be safeguarded and maintained. And upon the maintenance of that dynamic balance depends the continued existence of the freedom of exchange — i.e., the free market or free enterprise system. And the most effective and quickest way to destroy the freedom of a people is to destroy their free market system. Lenin knew that and predicted that commu-

nism would destroy capitalism by forcing or inducing inflation.

Inflation is a process whereby access to the free market and the goods and services therein is gained, not by bringing goods and services of value to the market but by bringing only a government purchase order — that is, money or a government check (or someone else's check) on a bank deposit which originated in an inflationary creation of credit. Production and sale of goods or services does not precede this demand upon the market; and when demand originates not out of production but in a credit transaction or with a government order or fiat, *that is inflation.*

Production creates its own demand. That is why we cannot out-produce an inflation. To try to do so is as foolish as trying to outrun one's shadow.

### **Wage Inflation**

Now about "wage-inflation." We must all agree with those who point out that, with the aid of powers and with the aid of exemptions from laws which apply to all other citizens, the organizations called labor unions exert an all but irresistible pressure for increase of wages. It is also indisputable that wages are the principal cost of production, and hence, that the constant increase of the wage level

must result in the constant, if not uniform, increase of the price level.

Furthermore, the Fair Labor Standards Act, the Walsh-Healy Act, the Wagner and Taft-Hartley Acts, and other federal and state laws fix the floor under wages and give monopoly power to labor unions. The Norris-LaGuardia Act and other laws and court decisions exempt labor unions from the laws against conspiracy and restraint of trade and the use of violence and fraud. Such legislation has built these institutions and organizations into positions where they exert mighty and irresistible power which threatens the dynamic balance of our society. I am one of those who agree most heartily that this is an evil and monstrous power which should never have been created and must be curbed if we are to avoid irreparable damage to our country and its free institutions.

However, I still maintain that the rise of wages is not inflation.

Labor unions are one of the pressure groups which soon discover that when the gold standard is abandoned, the power to increase the money supply is in the hands of governmental agents and agencies. That immediately suggests using political pressure in lieu of production of additional wealth as a means of increasing the

money supply. This leads to such laws as the Employment Act of 1946, which has been interpreted as ordering and requiring that the government must use all of its powers, including its power to add to the money supply, whenever these powers are deemed necessary to the maintenance of full employment and prosperity.

#### **Other Pressure Groups**

Other pressure groups form. The farmers demand parity. Mining groups demand stock-piling of their product in order to maintain prices. Business groups demand help for their particular branch, such as construction, housing, and the like. Groups representing the infirm, the aged, and those suffering all of the physical ills of mankind tend to form into pressure groups and demand the use of the powers of government to help them.

So the pressure groups are always active in a period of inflation in bringing pressure to bear upon those who have the power to inflate. But my point is that we are watching the wrong "rathole" in trying to stop inflation — watching the effects rather than the source and the cause. The source and the cause are to be found at the seat of the power to add to the money supply, and it is that power which must be removed — not

curbed just a little, but absolutely curbed if we are to stop inflation.

### **Curbing Labor's Power**

Now if the issue before us today were the question, "Should the labor unions have their power curbed?" certainly I would agree; yes, they should. But the issue before us is, "Are wage raises the cause of the inflation, and can we stop inflation by attacking and trying to prevent further wage raises?" To that my answer is no. Wage raises are one of the inevitable symptoms of inflation; and inflation as a cause of wage raises is an irresistible force. The way, therefore, to cure the disease of rising costs and rising prices which

result from inflation is to remove the cause of inflation and to take away the power to inflate.

Of course, if you define inflation as rising prices, you are inevitably led to the conclusion that rising costs are the principal cause of rising prices; and the principal cost of production and distribution of goods and services is wages. It is also demonstrably true that when labor unions have as much power as they have at the present time, they can force the increase in wages not only to keep up with, but also to keep ahead of the increase in prices. But that is a far different thing than the conclusion that the principal cause of inflation is the increase in wages. • • •

### IDEAS ON LIBERTY

### **"Full Employment Policy"**

EVERY INCREASE in the quantity of money in circulation brings about a tendency of prices and wages to rise. If, in spite of the rise of commodity prices, wage rates do not rise at all or if their rise lags sufficiently behind the rise in commodity prices, the number of people unemployed on account of the height of wage rates will drop. But it will drop merely because such a configuration of commodity prices and wage rates means a drop in real wage rates. In order to attain this result it would not have been necessary to embark upon increasing the amount of money in circulation. A reduction in the height of the minimum wage rates enforced by the government or union pressure would have achieved the same effect without at the same time starting all the other consequences of an inflation.

LUDWIG VON MISES, *The Theory of Money and Credit*, Yale University Press



# A GRAVE MATTER

ROBERT J. NEEDLES, M.D. • Euthanasia (mercy killing) is an unpleasant concept, but it ought to be explored before it is endorsed. If persons who wouldn't steal from their neighbors will join the political apparatus to take their neighbors' property; if those who wouldn't slap a child will join in a lynching so long as the blame can be placed on the mob; if citizens who abhor the thought of killing a chicken will shout their approval of mass murder by armies; what leads us to believe that euthanasia won't run riot if the government legalizes its practice by "someone else"?

NOT A DAY PASSES over the earth, said Charles Reade, but men and women of no note do great deeds, speak great words, and suffer noble sorrows. Of these obscure heroes the greater part will never be known till that hour when final answers are available. But some men under the guise of concern for other men, suggest that only they understand and love mankind. When these select few volunteer to chart and supervise better routes to happiness, and cite the occasional as evidence to encourage upheaval, then it is time for us to run for our very lives.

Advocates of euthanasia illustrate once more the unpleasant truth that those who seek laws to reform other people often begin by despising them and conclude by degrading them.

Many good people would be shocked by a suggestion that they hate those whom they would help. They want to alleviate suffering, abolish misery, offer an exit from life which would suit the most sensitive and esthetic standards. To do so they must engineer consent — which means a law, which means enforcement, which brings, inevitably, a policeman to implement their brand of pity. Inverted compassion is turned into an evangel of reform, and conformity takes another turn of the screw. Nonetheless, the subject of euthanasia is attracting increased attention. In such a situation we can expect many well-meaning people to be wrong at the top of their voices.

Like most ideas of salvation by law, or happiness through legislation, the plans for euthanasia be-

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gin as a gentle worry over human suffering. It is an undeniable fact that people suffer, although the impact of suffering is sometimes exaggerated. We may be sure that it is not minimized by those who promote euthanasia, any more than the financial needs of education are minimized when appropriation bills are being discussed.

### **The Gentle Worriers**

This seemingly gentle worry is what worries us, because when someone else begins to worry about us, it means that we are about to find worry turned into new restrictions or used to justify new gashes on the face of human behavior. It seems to me that the final perversion of compassion, of pity, or of humane privilege is to seek reasons for destruction of lives which happen not to meet our transient fancy. Call it euthanasia, or mercy killing, or genocide; semanticize it into good instead of evil; promote it by universalizing the occasional; deny privacy; sanctify the momentary passion of faction; however you twist it, the unavoidable consequence is the expropriation by others of one more of the vanishing areas of man's choice.

This is neither the place, nor am I the person, to survey the entire subject of killing others. I refer you to the New York University *Law Review*, Volume 31,

No. 7, of November 1956. Here the ideas of lawyers, philosophers, and physicians are presented; at least, the ideas of some members of these disciplines are given. Catholic, Protestant, and Hebrew views are ably stated. A random selection of the ideas there presented will serve to show how far afield men may range when they engage in debate over the final great imponderable. A philosopher says: "Safeguarding a person's right to die when and as he chooses... seems to me a proper function for the laws of a free society of free and educated men... The fantasy that existence as such... is better than nonexistence is a quirk of metaphysical verbalization and not an inference from the actual existence of actual people."

The deduction here is inescapable: this philosopher has taken off without adjusting his flaps. He has surveyed the world and finds it in some disorder. People suffer, but unless it has been his personal suffering, his conclusions are opinion only. He has inspected one facet of life. This he finds not to his liking. He would approve a law to allow the destruction of a whole life because some phase of it is unpleasant. But life is more than we can see in others. There is love, and compassion, and memory. Our lives are a totality of experiences which are within neither the reach

nor the control of others. We see ourselves from many sides and over countless hours and days. Others we see only from one direction and for a moment. This cursory survey is poor excuse for voting the victim out of existence.

### **Philosophy, Religion, Law**

Philosophers must have more important things to contemplate than eradication of those they pity. And if they succeed here, what may next attract their dislike? It is a broad field. Socrates was a philosopher — a gadfly — and philosophers should remember that Aristotle fled so as not to encourage Athenians to “sin twice against philosophy.” It seems a sorry conclusion, this philosophy that people should be encouraged to suicide or to ask others to commit homicide.

A Catholic theologian notes: “The direct and deliberate taking of the life of a person, even if he is incurable, is not to eliminate or alleviate *suffering*; it is to eliminate his *life*.” The Jewish view includes this statement: “For the law to relieve men of all crucial moral decisions is to deny them that spiritual autonomy which is of the essence of their moral and religious experience. . . . One acts only under God and with one’s own conscience as one’s guide. And one will have to live with that de-

cision forever after.” While pagans did not shun suicide, persons of Judeo-Christian culture have never accepted the idea. If man did not direct his appearance on earth, and if we deny we are mere creatures of chance or accident, the conclusion seems inescapable: decision to depart is not ours to make. In the eyes of those who believe in God, the idea of euthanasia is wicked nonsense.

A lawyer doubts that the problem, no matter how dramatically presented, is enough to warrant tampering with the law. He fears that such a law will encourage the idea of general approval of suicide and a general ratification of crime done for a benevolent motive. Another lawyer points out that such a law, permitting euthanasia, could be extended to include other classes of individuals. A physician takes moral and practical exception to the idea of euthanasia and says: “Do not ask life’s guardian to be also its executioner.”

### **Other Considerations**

Only a few of the innumerable aspects of euthanasia can be mentioned here. There is the problem posed by the possibility of recovery, as well as the problem of who really suffers most, subject or witness. We should also inquire into the braking equipment which comes with this juggernaut. Fi-

nally, we must point out that the physician, delegated a task which few of us want, would, by his acquiescence, destroy his most precious weapon: the faith which the sick extend to the doctor.

Certainty of death at a given time is hardly ever possible. For over a quarter of a century I have been hearing repeated the story of someone "given a year to live." The story shifts, but the theme is the same: the patient outwits his doctor. One hears of lively oldsters, given up to die decades ago. From the depths of an oxygen tent the patient who seems deep in coma hears and remembers the weeping of his family and the pessimism of his pensive observers. Admittedly, certain diseases lead to death, some more quickly than others, but none by the clock and none by the calendar. The truth is that only rarely will a doctor "give up," quit trying, or abandon hope. We have seen too many, who seemed about to die, survive to shame our lack of confidence. A person stricken with a heart attack may survive the physician who attended him; cancer does kill people, but not according to any precise statistical formula.

Only twenty years ago lobar pneumonia killed almost half of those who contracted the disease. We grew rather sure that we could

predict the results for a season but never for the individual case. Overnight we received a new tool, and within a few months we were forced to rewrite the entire chapter on pneumonia, including its prognosis. There is no reason to doubt that in some wonderful future the answer to cancer will appear. How, then, would we handle the memories of cancer-ridden human beings who had been, under euthanasia, put to death?

### ***Who Suffers Most?***

Those who suffer from paralysis are among the more pitied survivors of disease. But many who have been so crippled actually strengthen our admiration for man, as they assume their burden after the fashion of men. One wonders whether we are to eliminate the need and the desire to make the most of what remains of life by offering, instead, a painless route to obscure and uncertain silence. What we must not do is encourage human beings to abandon their privileges. This thinking reed which is man, said Pascal, is the most feeble thing in nature. The entire universe need not arm itself to kill him, but even if it did, man as a self-conscious being would still be more noble than that which killed him.

Breeding better strains of cattle, elimination of substandard

poodles, pruning of alternate branches of a kumquat bush (to produce bigger kumquats), none of these accord us a similar authority over men. To mask the demand for euthanasia by attributing to the medical profession power and wisdom it does not have, and does not claim, is shabby ignorance. Man, said Burckhardt, may not be reduced to a member of a statistical category. If the mortality rate in a disease is 10 per cent, this is meaningless to you if you fail to survive. In your case, the incidence is 100 per cent. Use of statistical data to justify meddling with life is the sorry, perhaps sorriest, example of man allowing human talents to persuade him that he has become superhuman. This is the use of reason to destroy intelligence.

### ***Nonfatal Pains***

The sick person is frequently not the one who suffers most. Extended inquiry into this relationship is beyond us here, but it may do no harm to observe that many features of modern hospital care, and certainly its most costly features, are put into operation more for the comfort of the family than for the one who is ill.

Even the person who is quite certain to die hardly ever suffers unending, agonizing, and unendurable pain. Nonetheless, such fic-

tional agony is the chief material of those who promote euthanasia. One wonders if they knew that morphine was once called God's own medicine? Have they actually been in hospitals where the nights were hideous with the screams of tortured, dying patients? I have spent much time in several hospitals. One will occasionally hear the voice of pain, but not for long. There are things which take care of pain, reinforced by newer things which increase the effect and lessen side effects.

I think it might be proven that the greatest suffering is endured by those who are not scheduled to die from their ailment: for example, one who has migraine, or an acute back strain, or even pleurisy. If the announced aim of advocates of euthanasia is to end suffering, I have a suggestion: suppose they consider the suffering relatives of the sick one, and then give serious consideration to chronic constipation and recurrent facial neuralgia. Nor should they neglect the never-ending dilemma of the wobbly lower denture. They should not ignore their own meddlesome fellows.

### ***Death by Committee***

We need to inquire where an extension of the principle of euthanasia could lead us. There are ancient expressions which describe

the law of minor concessions: the camel's nose under the tent, the foot in the door, the opening wedge, to name a few. We are discussing here only the first and most easily justified, even though falsely justified, of the many implications of sanctioned killing where no law has been broken. If we concede an occasional reasonable case (for earthly reasons), how do we limit future cases only to those which seem to be allowable by earthly standards? We may know of, perhaps have witnessed, a lingering, hopeless, expensive illness which finally and mercifully ended in death. How do we write this into law? We must leave a great deal of it to human judgment. And this is a vagrant, restless, unpredictable thing. As for myself, remembering many deaths, I shudder at the thought of a commission, or panel, or jury discussing whether or not to rid the world of me. And I would want no part of such a duty toward any of my fellow men. We who live on live forever within the memory of our deeds.

I am totally unable to picture myself, as a physician, assuming the role of one who studies records to decide when, and by what method, a life shall be projected into awful eternity. Such a materialistic theory of man's privileges denies any except animal nature.

"It is like saying that because a man can only walk about on two legs," remarked Chesterton, "he only walks to buy shoes." Food and drink are necessary, like legs, but neither food nor drink nor legs are the only reasons for the presence of man on earth.

### **How Government Grows**

It is a fact that when we have allowed the State to assume a tiny corner of authority, the pattern grows like a bad weed, accepted and enlarged as it smothers another and yet another breath of humane existence. We may be sure that if it becomes legal for a sick person to choose suicide, or to decide to ask for others to murder him, there will be no lack of other fields in which to plant this strangling concept. It can be used in days to come, and in other hands, to implement elimination of races, or classes, or any person or persons personally irritating to us, or failing to meet whatever standards the passions of the moment may declare to be necessary.

And, finally, what of the effect on relations between patient and physician if euthanasia be given legal approval? This part of the problem is more important than any other, but most difficult to describe. The moral values of my profession are not sufficiently con-

sidered in this era of synthetic conscience and publicized pity. We are forced to defend ourselves and our patients from witless reformers.

Sidney Smith remarked that while ministers should not be politicians, when politics has made religion its business, ministers have the right and duty to speak. The requirement today, for doctors, is identical. Politics has made medicine its business. We do not intend to remain quietly receptive to ideas which are the product of superficial observation and appalling neglect of the nature of man. We do not assume, in the fashion of some of the nuclear scientists, that knowledge in our field makes us sagacious in all other fields. But in the area of illness, where patient meets doctor, we must admit a certain acquired wisdom. The priceless ingredient, the utterly irreplaceable element in our work, is the confidence of our patients. We do nasty things to them, prescribe bitter medicines, recommend aseptic assault on their viscera. We also suggest that they should, when able, pay us for our services.

This faith which most patients have in most doctors was not created full-blown, like the new model car. It developed, has been developing for over five thousand years. After all, is it not remarkable that

our medical ancestors were held in affection by their patients? Almost everything which physicians did a few years ago is now believed to have been less than perfect. We are quite certain that future doctors will have a similar estimate of the work we do today. We bled when we should have fed, starved when we should have nourished. We purged even more often than our patients now urge us to purge them. Surgery was a nightmare of agony in the midst of what must have resembled a riot in a pajama factory. But in spite of these things, one asset has been nourished and preserved, and this most precious asset is the confidence which sick people place in us.

#### **Can the Doctor Be Trusted?**

The reasonable, critical, and demanding, even tyrannical, doctor as portrayed in a recent novel is no fictional creation. He exists, in part, in all of us. We want our patients to know, beyond any possible doubt, that we are on *their* side. Therefore, we cannot accept a principle which may turn a doctor into the agent of convenient death. Picture the difference here: A semiconscious patient is given a hypodermic injection. He wants it, needs it, accepts it because the doctor ordered it. And the doctor, remember, is a man who will try to help restore his health. Another

semiconscious patient is given a hypodermic injection. But between the two episodes a law was approved which allowed euthanasia, with the consent of the patient, or after "sound medical judgment" had declared recovery impossible. Remember, neither patient was wholly conscious. But the first one had no fear of the medicine. What of the second one — the post-euthanasia case? How does he know, how would *any* desperately ill patient know that the medicine might not be hemlock by order, to speed his exitus?

Those who employ metaphysics to support euthanasia are out of their field. They have not, we must assume, been themselves about to die — not all of them, surely. Neither are doctors, all of them, about to die. But we have had, perhaps by a kind of osmosis, a secondary experience of death many, many times.

### **To Poll the Dying**

Most people do not want to die. They may glibly answer a pollster, when not ill, and say: "Sure, I wouldn't want to live if I couldn't get well." But a lot of healthy persons say they would want to be told if they had inoperable cancer. This is statistical nonsense. Do not ask the healthy ones — ask the sick ones, or work with them twenty-five or fifty years, and then

study your tables of "yes," "no," and "don't know." And do not neglect the mental state of the very ill patient. It is presumed that one who promotes euthanasia places great emphasis on the consent of a weakened person, long ill. I wonder, if he had any other question, how much weight he would give the decision of such a person? Perhaps he would haunt the hospital, seek out a dying person and ask him, in all seriousness, "Would you recommend that I buy ten shares of stock in Hubris, Inc.?" And if he would not depend on the answer, why does he so depend on the answer to a far more serious question: "Do you want to live or die?"

The single, irreplaceable thing which makes us respect our own medical traditions more than philosophical, political, or sociological invasions of our domain, is the faith which our patients have in us. This precious thing would be diminished, if not lost, by our acceptance of the role of executioner. We want no part of this horrid business of euthanasia. Our patients do not suffer so greatly that we need to consider killing them. This ghastly apparition should be sent back to the evil minds who could so pervert humane, compassionate men as to force them to be cast as angels of death.

• • •



# SIMPLY

$$R^2 = 0.7153$$

1.234

# SPEAKING

F. A. HARPER

THE EDUCATIONAL rage of the age is for simplification by condensation – a worship of brevity, so to speak – and for injecting levity into the lessons. In economic education especially, we are under constant pressure to condense our educational materials. As this view is often expressed, “Everybody in the shop – even the slowest and least able minds – must be able to grasp it quickly.” And we are under pressure to employ humor, satire, cartoons, and the like.

Now it is an admirable urge to want to spread as far as possible the comprehension of economic problems and the means for their wise solution. But the way to do it, in my opinion, is precisely the opposite of that so often advised.

As someone has wisely cautioned

in all educational endeavors: Do not overestimate the information of your readers, nor underestimate their intelligence.

Let me illustrate the sacrifice that is paid for too much brevity. In one area of economic phenomenon, for 1891-1892 to 1913-1914, the concept can be expressed this way:

$$x_1 = 0.9091x_2 - 0.8755x_3 + 0.1276x_4 - 0.2706$$

$$R^2_{1.234} = 0.7153$$

$x_1$  = Price of No. 1 northern spring wheat at Minneapolis

$x_2$  = Price of spot red wheat at Liverpool

$x_3$  = Production of wheat, United States

$x_4$  = Production of wheat, world

So far as I know, it is not possible otherwise to express these particular ideas and information in so condensed a form. And yet I would venture the guess that in this most condensed form it is almost wholly incomprehensible to most persons, precisely because of the fact that it is so highly condensed. Yet the idea involved here is a simple one, common to everyday experience. The obscurity lies in the condensed form of its expression, not in the idea itself. And the mathematical process that was used for the analysis (multiple linear correlation analysis) could all have been carried out by the use of simple addition and subtraction, if one had wished to employ such a laborious way of doing it.

*Dr. Harper is a member of the staff of the Foundation for Economic Education.*

How might the above concept be told so that it could easily be understood by most persons? It could be done by *expansion* of the explanation. Then the slowest and least able minds for that type of thing would be able to overcome the handicaps inherent in its condensation.

### **Who Are the Masses?**

The question at issue here is how to educate "the masses." But first, who are "the masses"? At any given time "the masses" do not include a certain list of persons on one and all subjects; included are different persons on different subjects. Each person is a member of the masses on every subject he doesn't understand. The man in the shop, as elsewhere, is among the masses on some subjects but not on all subjects. This means that on almost every subject most of us must rely on others in whom we trust, until such a time as we have mastered a given subject sufficiently for a higher degree of independent judgment.

"The masses," for the very reason that they are unqualified to grasp the idea quickly from its condensed form, will either not grasp it at all or will have to get it from an explanation that is much longer and more detailed — more carefully spelled out than the illustration given above.

### **Elimination Is Not Simplification**

Some will argue: "Yes, but those we want to reach won't read what you call an adequate explanation. Some persons cannot grasp the full idea, and so it must be condensed and simplified for them by omitting part of the idea involved." But to the extent that this is true, it serves as a way to avoid becoming educated on that matter, not as a way for them to gain a thorough education on the matter.

In the instance of a person who has trouble with the complexities of calculus, for instance, the difficulty is not resolved by teaching him first grade arithmetic instead. Such an approach is a way to avoid teaching him calculus at all, not a different and better way to teach calculus — although admittedly arithmetic is a necessary prerequisite to understanding calculus, and one which he must first master. This is another way of saying that no person can be reached beyond what he can at that time understand. Any idea, when presented in writing as clearly and as briefly as possible for an adequate explanation, is written for those who *can and will* understand it. No others can at that time be reached with this idea, and there is nothing anyone else can do about it, directly and for the time being.

To use another analogy in the physical realm, suppose the task is

that of designing a road for ascending a mountain. If the vehicle for ascending the mountain has a powerful enough motor, it could ascend a steep incline directly, and reach the top by the short route. But if a less powerful motor is to be used, the "condensed" direct route will not suffice and a road must be designed that will wind up the mountain by a reduced incline of correspondingly greater length; a less condensed route must be used. The road may then seem too long to this traveler, but he must recognize that he can reach the top in no other way.

#### ***Brevity May Defeat Purpose***

Now take an illustration from the economic field. One eminent economist has defined economics as "the theory of all human action, the general science of the immutable categories of action and of their operation under all thinkable special conditions under which man acts . . . the indispensable mental tool for dealing with historical and ethnographic problems." There it is in a nutshell, probably as condensed and simplified as those concepts will allow. Have your friend try this on those among the masses who, as he asserts, most need "condensed and simplified" economic education. Of what use is this lesson in economics to such persons? It must

be longer if the meaning is to be clear to them.

Or, if he prefers, he might use another definition of economics that is a bit more salty: "All economics can be reduced to one simple fact: There is no such thing as a free lunch." Have him try that one, too, on those among the masses. How many of their economic problems will it solve? What will they have learned from it that will be useful for solving the daily economic problems with which they are confronted? What new comprehension does it give of the fundamentals of the society around them? No, this educational tool is also too condensed to be useful, and a person who can grasp its full meaning must have known its essential meaning beforehand. He could not have learned it from this abbreviated lesson in economics.

Or let us take any one of many involved concepts which, in their most condensed — and in a sense, simplified — forms, are often described by terms such as "labor theory of value," "positivism," "agnosticism." Each of them is so efficient in the sense of condensation as to be wholly meaningless to most of us. Such condensations are therefore futile for purposes of education on the full meanings wrapped up within them. They label a meaning, but they do not explain anything. They can be

used only to label a meaning already comprehended by the person, nothing more.

The same can be said, incidentally, about humor, satire, and cartoons as educational devices. They may decorate an idea, but they are not adapted to carrying a new idea to a person in an educational sense. Take, for instance, a joke; its humor is, of necessity, a reflection from what is already known, and without this knowledge the joke will fall completely flat or perhaps backfire.

Or let someone try satire on you where the object of the satire is some sacred and firm belief of yours. You can then see why it fails for educational purposes. The effect is to repulse and antagonize you rather than to change your belief. Its enjoyment as satire will be restricted to those whose beliefs are already those of the satirist. And so satire, like humor and cartoons, adds levity to the lesson only for those already "educated" on the point. To all who believe otherwise, it blocks the educational process with disgust.

#### **Care Required by the Urgency**

It should be clear that the more ignorant I am in any field of contemplation, including economics, the more difficult will be its mental processes for me. And the more

ignorant I am, the more the necessity of an explanation that is spelled out by expansion and careful detail — if, that is, I am going to learn anything new about it at all.

This is not to argue for greater length of any discourse per se, on any subject. Merely greater length and more detail does not, of course, necessarily make a lesson better for purposes of education. Whatever the scope and content of the idea to be propounded, it should, of course, be as clearly and briefly written as its scope will allow. The first rule for transmitting an idea is to express it as nearly as possible in terms that will be meaningful to the recipient, so as to focus it within the perspective of *his* experience. This is an important point in every educational process.

So in the work of this Foundation, we have tried to deal with each idea as clearly and as briefly and as directly as the subject would permit. We have recognized the limitations and dangers of the devices of levity. We have tried to resist the educational rage of the age for such a degree of simplification and condensation that it would preclude true education. As has been said, "Make haste slowly, my son, befitting the care required by the urgency." ● ● ●

A REVIEWER'S NOTEBOOK

## *In the Hayloft of a Barn*

JOHN CHAMBERLAIN

WHEN the history of American energy is written, two homely Dayton, Ohio, place names will bulk large in it. One is Huffman's pasture — the cow field which a Dayton bank president let the Wright brothers use to make some of their first experiments in flying. The other is the Deeds barn, where Charles Franklin Kettering, the biographical subject of T. A. Boyd's *Professional Amateur* (E. P. Dutton, 242 pp. \$4.50), did his first work on the development of the automobile self-starter.

### **The Mystery of Dayton**

The Wright brothers and Kettering — "Boss Ket," as he was known even in the Deeds barn days — were contemporaries. Why their ideas should have burgeoned in the particular town of Dayton is one of those mysteries of social climate which sociologists and historians, who are plodding and conventional souls for the most part, seldom get around to investigating. Mr. Boyd dispels a little bit



"Boss Ket" today.

of the mystery in his book, which comes to us with an appreciative foreword by Alfred P. Sloan, Jr. But the larger story of Dayton at the turn of the century remains to be told.

### **The Young Inventor**

Kettering came to Dayton after graduation from Ohio State University. He was already a full-fledged electrician who had worked for a telephone company during a period when weak eyes kept him out of school. He was hired by the National Cash Register Company for the specific purpose of working on inventions, joining a remarkable staff of experimenters who had been assembled by John H. Patterson and the young E. A. Deeds who owned the barn. Kettering stayed with the National Cash Register Company for five years. He electrified the cash register, doing away with the hand crank; he developed a simple low-

cost printing register and he originated a complicated accounting machine for use in banks. But his really important work in those years was contributed "after hours," in the Deeds barn hayloft.

### **A Shop in a Barn**

There, for the pure joy of it, Kettering and W. A. Chryst, another National Cash Register man, tinkered with automobile ignition systems. Deeds was their business manager in a little concern which they called the Dayton Engineering Laboratories Company, which was to grow through the years until it became the Delco division of General Motors. Neither Kettering nor Chryst had any idea of becoming manufacturers when they first set up shop in the barn. They merely hoped to turn up inventions in their spare time which might be licensed to the automobile companies or to anyone else.

However, as Isabel Paterson has so cogently pointed out in *The God of the Machine*, when you have freedom, you have a potential "long circuit" of energy that may lead almost anywhere. The opportunity for a really big energy-circuit hook-up was knocking at the Deeds barn door on those hot summer nights of 1909 when "Ket" and his friends were sweltering in the hayloft. The perfection of a new battery ignition system led

Kettering and Deeds to Henry M. Leland, president of the Cadillac Motor Company. They couldn't have gone to a better man for what they — or he — had in mind.

Leland was an industrialist who touched hands across the years with Eli Whitney, the New Haven, Connecticut, Yankee who had demonstrated to gadget-minded President Thomas Jefferson that the efficient way to make guns was to manufacture interchangeable parts from standard dies. Originally a worker at the Colt Arms plant, where the Whitney methods were in use, Leland had brought gun-making techniques with him from New England to Detroit.

### **The Self-Starter**

In 1909 nobody aside from a few fanatics believed that an automobile self-starter was possible; the high panjandrums of motor-making were absolutely certain that a starting motor would take up entirely too much room under the hood of a car. Kettering thought differently, and he mentioned his belief to Leland. The spark struck dry tinder, for Leland had lost a very good friend who had died from complications resulting from a broken jaw incurred when an automobile hand crank kicked back. With an order from Leland to proceed with his still uninvented invention, Kettering went back to

the hayloft. The self-starter came in time to be installed in a Cadillac in early 1911.

From this point on Kettering was a willing thrall of the automobile industry. Next on his agenda was an electrical system to dispense with the old acetylene lights which had necessitated a huge storage cylinder on a car running board. In 1916 United Motors — the forerunner of General Motors — paid nine million dollars, part cash and part stock, for Delco, with both Kettering and Deeds continuing in its management. No man to be pinned down, however, Kettering set up another company on his own to develop a cheap and compact farm lighting unit called Delco-Light. This farm lighting unit was sold to thousands of farmers in the days before huge electric grid systems began reaching out everywhere into the back country to make home electrical units unnecessary.

#### **Chief of Research at GM**

When General Motors was formed, Kettering became its chief of research on condition that he could stay home in Dayton and run a laboratory there without being held accountable for the money he spent. "You can't keep books on research," he said, "because you don't know when you are going to get anything out of it or what it

is going to be worth when you get it." "Without books" Kettering went on to do invaluable work in quieting valve mechanisms and silencing exhaust noise; in improving brakes; in developing two-way shock absorbers; in eliminating car vibration; in improving lubricants; in working with du Pont Company men on fast-drying paints; and, finally, in taking the "knock" out of gasoline.

A young mechanical engineer out of Cornell, Thomas Midgley, Jr., made himself over into a research chemist to work on "knock" for Kettering. Together they pursued a strange course, beginning with the theory that a red dye might cause fuel to absorb heat faster and thus vaporize more quickly. They got the idea about the warming properties of red from the trailing arbutus, whose red-backed leaves expand even under early spring snows. The theory that addition of a red color might eliminate "knock" proved false — but iodine, which just happened to be red, did get rid of the knock. When iodine proved commercially infeasible, Midgley and Kettering went on to other substances, finally fixing upon tetraethyl lead as their antiknock agent. The pioneer work of Kettering and Midgley on getting the knock out of car gasoline enabled the oil companies to improve octane ratings

to the point where Allied aviators could win a war which threatened the "long circuit" of freedom everywhere. Thus Huffman's pasture and the Deeds barn came together in the airplane and its fuel to save western civilization itself from extinction at the hands of "planners."

### **The "Unplanned" Man**

The story of Kettering's life is a thrilling one as Mr. Boyd tells it. But the implicit meaning is more thrilling than any of the overt happenings. Kettering happened to be one of those geniuses who could work without much dependence on abstractions; like Major Armstrong, the inventor of the feed-back electronic circuit upon which modern radio is built, he didn't need differential equations to tell him that electrical or electronic impulses would behave thus and so when passing through a certain medium. Nevertheless, Kettering's life serves to illuminate an abstraction of a high order.

That abstraction is social and political in its nature. From start to finish, Kettering's life is vivid

proof that economic development is absolutely dependent on a politico-economic system that leaves people alone. Not one item in the inventive sequence that brought Huffman's pasture and the Deeds barn together in symbolic union in the victorious World War II airplane could have been "planned" by any central planning group. Nor could the patronage of Henry Leland of the Cadillac Motor Company have been "planned." Leland himself was the product of a "long circuit" of freedom going back to Yankee gun mechanics who worked out their own manufacturing methods without being told by anyone what to do.

Abhorring high-order abstractions, Kettering himself would never stop to build big social or political theories on what he has done. Nevertheless, he is a philosopher with a succinct grasp of the principles underlying Isabel Paterson's theory of the long energy hook-up. "All human development, no matter what form it takes," says Kettering, "must be outside the rules; otherwise we would never have anything new." "Never mind about the experts," is his more common way of putting it. The man who works "outside the rules" and who disregards the "experts" must be an "unplanned" man, free to do his own planning in the hayloft of a barn. • • •

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## WELL WORTH READING

**Along the Paperback Front:** It is a notorious fact that Americans do not know their own political traditions. How many college students have graduated with a political science major, possessing no more than a nodding acquaintance with *The Federalist Papers*! And of these few, how many know Calhoun's *Disquisition on Government* or James Fenimore Cooper's *The American Democrat*?

Cooper, shortly after becoming a popular novelist by writing *The Spy* in 1821, went to France as a consul and wrote a book defending his countrymen against European misconceptions. Back in the States, he undermined his own popularity by writing an illusionless book about the folks at home. Cooper accepted democracy, but he praised it with faint damns. The author, he wrote of himself in the Introduction, "knows it has evils; great and increasing evils, and evils peculiar to itself; but he believes that monarchy and aristocracy have more." The book might well be entitled "Anti-Cant," he writes, for its aim is to provide some other antidote than "unmanly complaints" to "fulsome, false, and meretricious eulogiums."

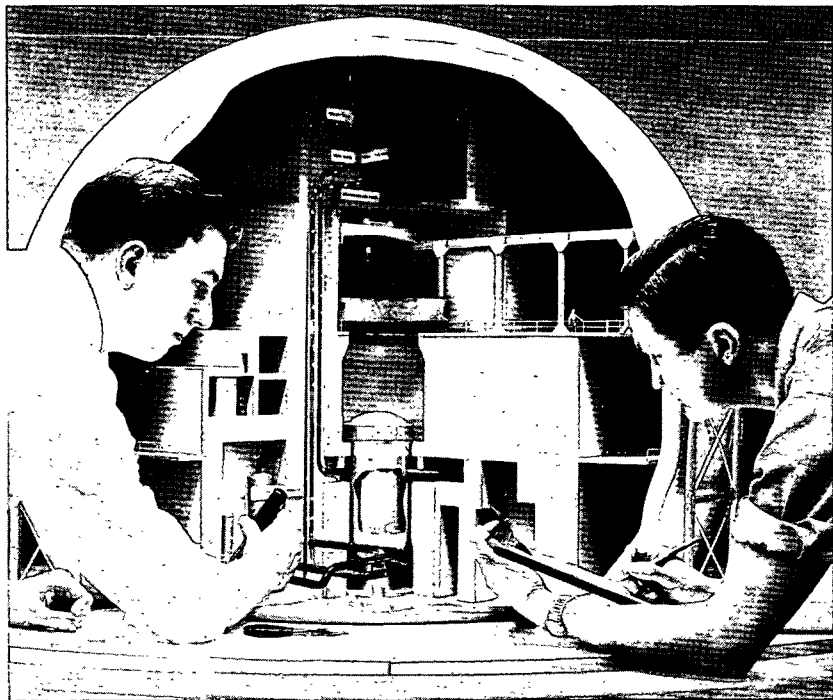
H. L. Mencken was instrumental in bringing out the second edition of this book in 1931, and for it he wrote a sparkling preface. This is included in the present edition, a Vintage Book published by Knopf for 95¢, to-

gether with a second preface to bring the matter up to date. But the thing of real interest is Cooper's own text. It is not a great book, but it is an honest book; and every honest book contributes its bit to firming up the ground whereon we stand.

It is not only our American tradition that needs renewal; the values which come to us embedded in our heritage of Western culture are either in a state of decay and need rehabilitation or they are under attack and need to be defended. As a compact survey of the shaping of Western civilization, few books have impressed me so favorably as Christopher Dawson's *The Making of Europe*. This book was originally published in 1932, but Meridian has now made it available in paper for \$1.25.

This is not history as the school-books have it: a thing of wars, intrigues at court, and spectacular frauds. Instead, it is an account of the slow seepage of ideas and their gradual embodiment in institution, law, and custom; of the creative workings of religion below the surface of events during the Ages called Dark. The centuries between the fall of Rome and the Norman Conquest were not so dark, Dawson proves. They were, on the contrary, creative years during which "the foundations of Europe were laid in fear and weakness and suffering."

This is a comparatively short book, but its material is so well organized that it includes a balanced account of Byzantine culture and another on the rise of Islam. ● ● ●



## Meet the men of atomic-electric power

These are two of the new "atomic men" in the business of producing electricity. In the photograph, they are studying a small-scale model of an atomic reactor designed for an atomic-electric power plant.

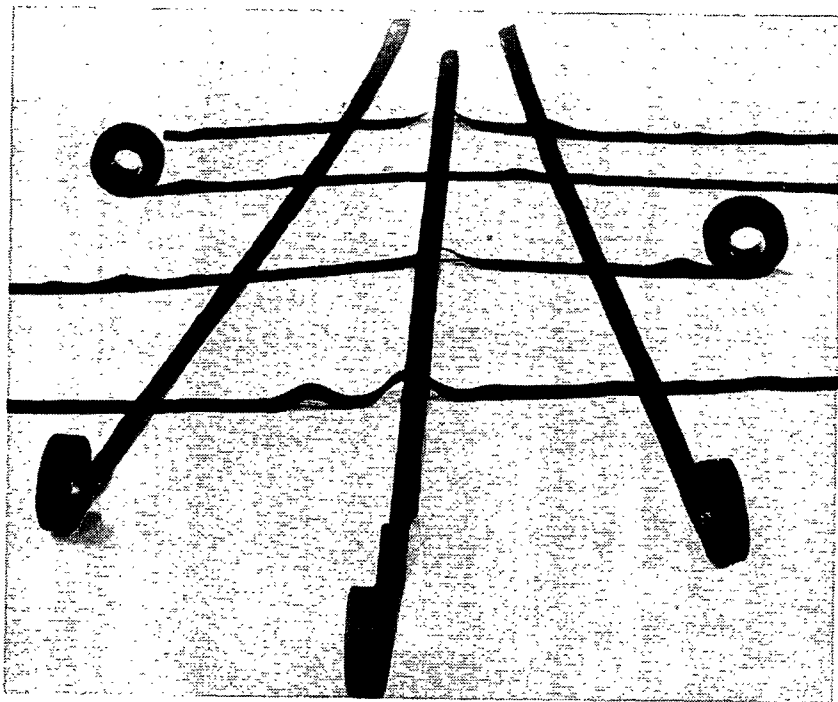
They, and hundreds of other electric company men, are learning how to harness the power of atomic energy to the job of producing electricity. With scientists and engineers of the Atomic Energy Commission, equipment makers and builders, they

are helping develop the new tools, new machinery and new kinds of buildings needed for atomic-powered electric plants.

The nation's appetite for electric power is growing rapidly, and atomic energy promises a vast new source of fuel to make more electricity. That's why independent electric companies are studying, testing and comparing methods and equipment to find the best ways to put the atom to work for America.

**America's Independent Electric Light and Power Companies\***

\*Company names on request through this magazine



## **Ribbons of Roads for America that you pay for, but can't ride on**

**D**ID you ever ride on a typewriter ribbon? Of course not. Yet many of the tax dollars you pay for roads go to pay for thousands of typewriter ribbons in Washington.

And that's only a small part of the federal tax money earmarked for *local* improvements that Washington siphons off to pay for the high cost of administering the huge local aid program. More of it goes to pay for offices, typewriters, desks, swivel chairs, salaries and the like. What's worse, costly red tape tangles things up. The endless red tape

that is always a by-product of big government bureaus.

Some federal tax money is needed to pay for national defense, postal services and other legitimate federal functions. That's okay. But wouldn't it make more sense to let the communities handle their own local improvements.

It's the only way to get full value for the money we pay. It's the only way we can keep track of the money.

**The Timken Roller Bearing Company**  
Canton 6, Ohio

FROM A LIBERTARIAN'S LIBRARY

**N**OTE HOW POLITICAL LEADERS fall out, quarrel, conspire, injure one another in their unselfish efforts to save the country. In the absence of sophistication and modesty, reform notions grow into delusions; their advocates become more and more autocratic; leadership becomes pathological; the desire to help one's fellow men is transformed into fanaticism and tyranny – and societies become authoritarian.

The safe leader is one who understands his place in the world and can thus envisage the place of his fellow men; who can morally respect himself and can thus be respected by others; who has learned to live in peace and contentment with himself and can thus with propriety urge others to do likewise.

To restore the individual to his former dignity as a human being is the urgent need of the day. This, in my opinion, should be the special objective of contemporary education.

*A selection from Education for Privacy by Marten ten Hoor. The Foundation for Economic Education, Irvington-on-Hudson, N. Y. 33 pp. Single copy on request.*