THE Freeman

IDEAS ON LIBERTY

NOVEMBER 1959

THE FOUNDATION
FOR ECONOMIC EDUCATION, INC.
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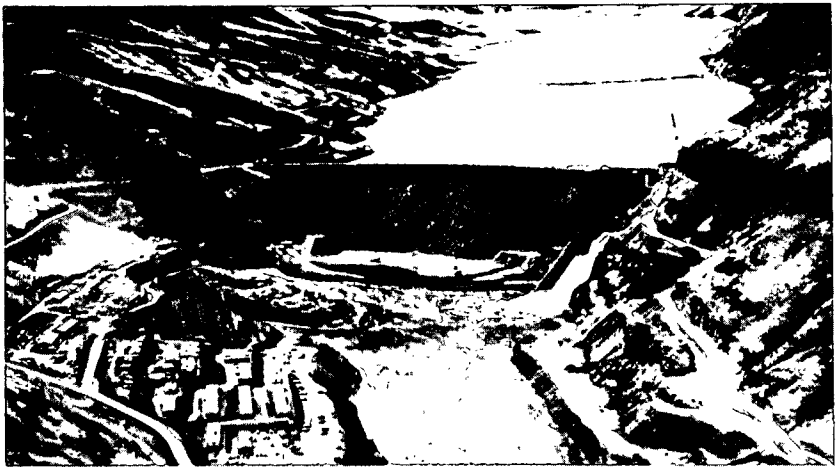

The year-old Brownlee power dam on the Snake River between Idaho and Oregon, built by the local independent electric company, the Idaho Power Company. The project embraces the Oxbow dam and the Hells Canyon dam down river from Brownlee.

How to save taxpayers a half-billion dollars

This big electric power dam offers a clear example of the difference between federal government electricity and electricity developed by independent electric companies.

Brownlee dam is *saving* money for you and other U.S. taxpayers, because it was built by an independent power company instead of by the federal government. Brownlee and its two companion dams, in fact, will pay about $150,000,000 in federal taxes over a 25-year period, *plus* about $100,000,000 in taxes to states and local communities.

But this power project *almost* cost taxpayers a half-billion dollars because of the pressure groups that constantly promote federal government electricity. They tried for eight years to make the government build this project with a half-billion dollars of taxpayers' money.

This time, every taxpayer in the country got a break because the independent company built the dam. But sometimes the pressure groups win, and you and everybody else pay hidden taxes for their victory.

Remember this difference the next time you hear somebody beating the drums for more federally owned and operated electric power systems. When they win—*you* lose.

America's Independent Electric Light and Power Companies

Company names on request through this magazine

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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

NOVEMBER 1959 Vol. 9 No. 11

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OUR FIRST THANKSGIVING

SARTELL PRENTICE, JR.

OUR American Thanksgiving Day is a unique holiday, a day set aside by Presidential Proclamation so that we may thank our Heavenly Father for the bountiful gifts he has bestowed on us during the year.

It is also a day dedicated to the Family, the basic unit of our American society, the core and center around which all else in America revolves. This, too, is in accord with our basic religious faith, for the Commandment has come down to us to "honor thy father and thy mother."

And so, from wherever we may be, North, South, East, or West, we Americans travel, sometimes great distances, back to the family hearth, to be present at the traditional Family Reunion and Feast on Thanksgiving Day.

But Thanksgiving Day has still another meaning; on this day we are asked to remember what Edmund Burke, in one of the most eloquent phrases to be found in all literature, described as "that little speck, scarce visible in the mass of national interest, a small seminal principle, rather than a formed body"– the tiny vessel, more accurately to be described as a "cockleshell," the Mayflower, and its hundred passengers, men, women, and children, who sailed on her.

Twelve years earlier, in 1608, they had fled from religious persecution in England and established a new home in Holland. Despite the warm welcome extended by the Dutch, as contrasted with the persecutions they had endured in England, their love for their homeland impelled them to seek English soil on which to raise their children, English soil on which they would be free to worship God in their own way.

Finally, the Pilgrims landed, as we all know, on Plymouth Rock in

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Mr. Prentice is an economist, lecturer, writer, and Counselor on Profit Sharing, now living in Dobbs Ferry, New York.

the middle of December 1620, and on Christmas Day, in the words of Governor William Bradford,[1] they "begane to erecte ye first house for commone use to receive them and their goods."

So was established the first English colony in New England.

Three years later, when the plentiful harvest of 1623 had been gathered in, the Pilgrims "sett aparte a day of thanksgiving."

Governor Bradford adds, "Any generall wante or famine hath not been amongst them since to this day."[2]

Three Kernels of Corn

But what of the intervening years? After all, there were harvests gathered in in 1621 and 1622.

I know of one family, descended from the Pilgrims, who place beside each plate at their bounteous table on Thanksgiving Day a little paper cup containing just three kernels of corn, as a constant reminder of the all too frequent days during these first years when three kernels of corn represented the daily food ration of their Pilgrim forebears.

Within three months of their landing on Plymouth Rock, "of one hundred and odd persons, scarce fifty remained. And of these in ye time of most distres, ther was but six or seven sound persons, who, to their great comendations be it spoken, spared no pains, night nor day, but with abundance of toyle and hazard of their own health, . . . did all ye homly and necessarie offices which dainty and quesie stomaks cannot endure to hear named; and all this willingly and cherfully . . . , shewing herein their true love unto their freinds and bretheren. A rare example and worthy to be remembered."

One half of the crew of the Mayflower, including "many of their officers and lustyest men, as ye boatson, gunner, three quartermaisters, the cooke, and others," also perished before the little vessel set sail on her return voyage to England in April 1621.

In the following excerpt from his History, Governor Bradford vividly describes the lot of the Pilgrims during these early years. Writing about conditions in the spring of 1623, after their corn had been planted, he says:

"All ther victails were spente, and they were only to rest on Gods providence; at night not many

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[1]This and subsequent quotations are taken from *Bradford's History. "of Plimoth Plantation"* from the original manuscript. Printed under the direction of the Secretary of the Commonwealth by order of the General Court. Boston: Wright & Potter Printing Company, State Printers. 1898.

[2]Presumably 1647, the last year covered in Bradford's History.

times knowing when to have a bitt of any thing ye next day. And so, as one well observed, had need to pray that God would give them their dayly brade, above all people in ye world . . . . ; which makes me remember what Peter Martire writs (in magnifying ye Spaniards) in his 5. Decade, page 208. 'They' (saith he) 'led a miserable life for 5. days togeather, with ye parched graine of maize only, and that not to saturitie'; and then concluds, 'that shuch pains, shuch labours, and shuch hunger, he thought none living which is not a Spaniard could have endured.'

"But alass! these [the Pilgrims], when they had maize (yt is, Indean corne) they thought it as good as a feast, and wanted not only for 5. days togeather, but some time 2. or 3. months togeather, and neither had bread nor any kind of corne.

"Yet let me hear make use of his [Peter Martire's] conclusion, which in some sorte may be applied to this people: 'That with their miseries they opened a way to these new-lands; and after these stormes, with what ease other men came to inhabite in them, in respecte of ye calamities these men suffered; so as they seeme to goe to a bride feaste wher all things are provided for them.' "

Yet, following the harvest gathered in in the fall of that same year, 1623, and for all the years that followed, Governor Bradford tells us, "Any generall wante or famine hath not been amongst them since to this day."

Three years of near starvation — and then decades of abundance. Was this a miracle?

Or is there a rational explanation for this sudden change in the fortunes of our Pilgrim forefathers?

So They Tried Freedom

Describing events that took place in the spring of 1623, Governor Bradford answers our questions, in eloquent words that should be engraved on the hearts and minds of all Americans:

"All this whille no supply was heard of, neither knew they when they might expecte any. So they begane to thinke how they might raise as much corne as they could, and obtaine a beter crope then they had done, that they might not still thus languish in miserie. At length, after much debate of things, the Govr (with ye advise of ye cheefest amongest them) gave way that they should set corne every man for his owne perticuler, and in that regard trust to themselves. . . . And so assigned to every family a parcell of land, according to the propor-

tion of their number for that end, only for present use (but made no devission for inheritance) and ranged all boys and youth under some familie. This had very good success; for it made all hands very industrious, so as much more corne was planted then other waise would have bene by any means ye Govr or any other could use, and saved him a great deall of trouble, and gave farr better contente. The women now wente willingly into ye feild, and tooke their little-ons with them to set corne, which before would aledg weaknes, and inabilitie; whom to have compelled would have bene thought great tiranie and oppression.

"The experience that was had in this comone course and condition, tried sundrie years, and that amongst godly and sober men, may well evince the vanitie of that conceite of Platos and other ancients; – that ye taking away of propertie, and bringing into a comone wealth, would make them happy and florishing; as if they were wiser then God. For this comunitie (so farr as it was) was found to breed much confusion and discontent, and retard much imploymet that would have been to their benefite and comforte. For ye yong-men that were most able and fitte for labour and service did repine that they should spend their time and streingth to worke for other mens wives and children, with out any recompence. The strong, or man of parts, had no more in devission of victails and cloaths, then he that was weake and not able to do a quarter ye other could; this was thought injuestice. The aged and graver men to be ranked and equalised in labours, and victails, cloaths, &c., with ye meaner and yonger sorte, thought it some indignite and disrespect unto them. And for mens wives to be commanded to doe servise for other men, as dresing their meate, washing their cloaths, &c., they deemd it a kind of slaverie, neither could many husbands well brokke it. Upon ye poynte all being to have alike, and all to doe alike, they thought them selves in ye like condition, and one as good as another; and so, if it did not cut of those relations that God hath set amongest men, yet it did at least much diminish and take of ye mutuall respects that should be preserved amongest them. And would have bene worse if they had been men of another condition.

"Let none objecte this is men's corruption, and nothing to ye corse it selfe. I answer, seeing all men have this corruption in them, God in his wisdome saw another course fiter for them."

This new policy of allowing each

to "plant for his owne perticuler" produced such a harvest that fall that Governor Bradford was able to write:

"By this time harvest was come, and in stead of famine, now God gave them plentie, and ye face of things was changed, to ye rejoysing of ye harts of many, for which they blessed God. And ye effect of their particuler planting was well seene, for all had, one way and other, pretty well to bring ye year aboute, and some of ye abler sorte and more industrious had to spare, and sell to others, so as any generall wante or famine hath not been amongst them since to this day."

The Importance of Property Rights

Our first Thanksgiving should, therefore, be interpreted as an expression of gratitude to God, not so much for the great harvest itself, as for granting the grateful Pilgrims the perception to grasp and apply the great universal principle that produced that great harvest: Each individual is entitled to the fruits of his own labor. Property rights are, therefore, inseparable from human rights.

If man abides by this law, he will reap abundance; if he violates this law, suffering, starvation, and death will follow, as night the day.

This is the essential meaning of the two great Commandments, "Thou shalt not covet" and "Thou shalt not steal."

When it came time for the spring planting in the following year, 1624, the Pilgrims went one step further. In Governor Bradford's words:

"I must speak of their planting this year; they having found ye benefite of their last years harvest, and setting corne for their particuler, having therby with a great deale of patience overcome hunger and famine. That they might encrease their tillage to better advantage, they made suite to the Govr to have some portion of land given them for continuance, and not by yearly lotte, for by that means, that which ye more industrious had brought into good culture (by much pains) one year, came to leave it ye nexte, and often another might injoye it; so as the dressing of their lands were the more sleighted over, and to lese profite. Which being well considered, their request was granted. And to every person was given only one acrre of land, to them and theirs, as nere ye towne as might be, and they had no more till ye seven years were expired."

Describing the results of the application of this policy in the year 1626, Governor Bradford tells us:

"It pleased ye Lord to give ye plantation peace and health and

contented minds, and so to blese their labours, as they had corne sufficient (and some to spare to others) with other foode; neither ever had they any supply of foode but what they first brought with them. After harvest this year, they sende out a boats load of corne 40. or 50. leagues to ye eastward, up a river called Kenibeck. . . . . God preserved them, and gave them good success, for they brought home 700 ti. of beaver, besids some other furrs, having little or nothing els but this corne, which them selves had raised out of ye earth."

The discovery and application of this concept of individual property rights, derived from the Creator, was the *real* "seminal principle" so eloquently phrased by the great English statesman and orator, Edmund Burke. As it developed from this tiny seed into a "formed body," it became the cornerstone of our Declaration of Independence and of our Constitution, and produced the extraordinary explosion of individual human energy that took place in nineteenth century America.

Famine Persisted in England

In England, meanwhile, farming "in common" continued to be the general practice for another hundred years. Not until the second decade of the seventeen hundreds did "setting crops for their particuler" begin slowly to be accepted in England – and decades were to pass before the new practice became sufficiently widespread to provide an adequate food supply for the population.

As recently as 1844, an English writer thus describes the conditions which then existed:

"Full one third of our population [in the United Kingdom] subsist entirely, or rather starve, upon potatoes alone, another third have, in addition to this edible, oaten or inferior wheaten bread, with one or two meals of fat pork, or the refuse of the shambles [slaughterhouses], per week; while a considerable majority of the remaining third seldom are able to procure an ample daily supply of good butcher's meat or obtain the luxury of poultry from year to year.

"On the continent of Europe, population is still in a worse condition. . . ."[3]

No country was ever more "un-

[3] "Treatise on Artificial Incubation" by Mr. W. Bucknell, London: p. 36, quoted in *Dictionary of the Farm* by Mr. W. L. Rham (Charles Knight and Co., 1844), pp. 418-419. I am indebted to my uncle, the late Col. E. Parmalee Prentice, for the vast amount of research he carried out in gathering material such as this for his remarkable book, *Hunger and History* (Caldwell, Idaho: Caxton Printers, Ltd., 1951), without which this part of the article could not have been written.

derdeveloped" than the wilderness of New England on which our Pilgrim forebears set foot. The majority of those who landed from the Mayflower in December 1620 perished prior to that first great harvest of 1623. For two years they followed the age-old custom prevalent in England of "farming in common" – and they starved.

Through suffering, starvation, and hardship, they learned and applied the fundamentals of freedom – and, instead of starvation, they grew crops sufficient not only for their own needs, but to spare, enabling them to exchange their surplus with the Indians for beaver and other "furrs."

If Pilgrims Had Had "Foreign Aid"?

But suppose some foreign country, or their mother country, had taken pity on them in their misery and sent them ample food supplies during those first terrible years; this would have been impossible, for England herself was virtually on a starvation diet, as were most of the countries on the continent of Europe. But suppose it had been possible; suppose they had received such "foreign aid"?

Would not the Pilgrims have continued to "farm in common"? Would they not have continued to follow the practice that more than two centuries later was to become a basic tenet of Marxian philosophy, "From each according to his ability, to each according to his need"?

Would the Pilgrims ever have learned and applied the concepts of the dignity of the individual and the sanctity of property – the idea that each individual is entitled to the fruits of his own labor – the Law of Individual Freedom and Individual Responsibility?

Freedom for the individual, with recognition and respect for the right of each individual to his property, is essential to the release of individual human energy, which alone can raise the standard of living of any people.

It is for this reason that aid sent to support socialist governments (which deny the right to private property) and aid sent to help underdeveloped peoples that have not yet learned the lessons taught to the Pilgrims by hard experience – it is for this reason that such "aid" may be likened to attempting to fill a bathtub without first putting the stopper in.[4]

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[4]The distinction between free market services to individuals and intergovernmental foreign aid may be clarified by this statement by Joseph Stalin in *Marxism and the National and Colonial Question* (New York: Four Continent Book Corporation, 1940), pages 115 and 116:– "It is essential that the advanced countries should render aid—real and prolonged aid—to the backward nationalities in their cultural and economic develop-

Would not America be rendering a greater service to these peoples by teaching them, through precept and example, the real meaning of our first Thanksgiving – and by pointing out to them the truth and applicability of the great ideals of individual freedom and individual responsibility under God?

The young American nation grew and prospered because for more than a century and a quarter the sanctity of property rights was recognized as being indispensable to human rights; because her people were free to "plant for their own particuler"; because the resultant "free market economy" invited domestic and foreign capital seeking a profit.

What of Today?

Is America, today, still abiding by these principles?

Not only is the answer "No!" but there is evidence on every hand that we are re-enacting the very mistakes our Pilgrim Fathers made during their first years of "farming in common," mistakes which produced nought but disaster, re-enacting in the New World the age-old miseries of constant hunger and starvation that continued to plague the Old World for some two centuries to come.

We are not as yet suffering the Pilgrims' privation, but we are reverting to arbitrary communalization on an enormous scale, resetting the same old-world stage.

Our present tax structure is a case in point. Its aim is *not* to finance the costs of a strictly limited government, but rather to reform society, to remold our lives, and to redistribute our wealth according to the ideas of economic and social planners dedicated to the socialization, the communization, of our once free America.

As a consequence, we are now supporting vast armies of government bureaucrats who swarm over the land – and over much of the world – devouring our substance like a plague of locusts. Today, one in every six employed Americans is on a government payroll.

As a consequence, we are compelled to contribute from the fruits of our labor billions of dollars for subsidies and handouts granted by politicians in their endless search for votes and personal power.

As a consequence, we have government operating vast businesses – already representing 20 per cent of the industrial capacity of the USA – businesses that ride the backs of the American people as interest free, rent free, cost free,

ment. Otherwise it will be impossible to bring about the peaceful co-existence of the various nations and peoples within a single economic system that is so essential for the final triumph of Socialism."

and tax free princes of privilege, in competition with tax-paying enterprises.

In our program of aid to socialist governments and to underdeveloped nationalities and peoples that have not yet learned to apply the great universal truths tested and proved by our Pilgrim forebears, are we not seeking to fill the bathtub without first seeing to it that the stopper is in place – in a fruitless attempt to buy loyal allies with money? Referring to our sixty billion dollar Foreign Aid since World War II, on January 27, 1957, Hon. Spruille Braden said: "It is a sum equal to the assessed valuation of all real and other property in our seventeen biggest cities!"

Each time I accept a government handout, for any reason whatsoever, I am stealing from the only Treasure House any people has – the surplus wealth created by the productive energies of millions of individual men and women, each seeking a better life for himself and for his children.

Each time I produce less, in my work, than enough to earn a profit for my employer, I am stealing from someone else – and contributing toward creating unemployment for others and a higher cost of living for all.

This Thanksgiving Day, let us, each in his own way, humbly ask forgiveness for the degree to which we have all violated the great "seminal principle," either directly, or through tolerating its violation by others.

Then, this Thanksgiving Day, let us highly resolve to dedicate our lives, as individuals, to "planting for our own particuler," rather than living as parasites on the productive energy of others; let us dedicate our lives to a renewed application of the ideal of individual freedom and individual responsibility, which our Pilgrim forebears learned at such sacrifice, and which they passed down to us as our most precious heritage.

A noted educator explains how the "rewards" for working, waiting, and risking are allocated, through choices made by consumers . . .

IN A FREE ECONOMY

T. N. CARVER

IF YOU are one of those who still believe that labor produces all value, you can try the equivalent of a laboratory test. You can try being a self-employed farmer or machinist to see if you can produce anything of value without doing some waiting or running some risk.

If you don't want to do any waiting, you can, of course, borrow enough money to pay your expenses while waiting for your crops to mature and be harvested and sold. In that case you can shift the burden of waiting onto the lender. But the waiting has to be done by somebody.

Or you can insure your crops against loss by fire, flood, hurricane, hail, or grasshoppers, thus shifting the burden of risk onto the insurance company. But the risk has to be borne by somebody. Shifting it does not eliminate the burden.

Besides, the moneylender and the insurance company would expect to be paid, and it would be a question whether you were really a self-employed farmer.

An easier way to avoid having to wait or to run risks would be to work for an employer. In that case you certainly would not be a self-employed farmer. But your employer would do the waiting by paying your wages every week and thus carry the burden of waiting. But the burden would have to be borne by somebody; shifting it onto the employer would not eliminate it.

The employer would also carry the burden of risk by paying your wages in full even though he incurred losses short of bankruptcy. This loss also has to be borne by somebody. Shifting it onto the employer would not eliminate it.

The formula, "Without labor nothing of value is produced," can be repeated as truly with respect to waiting and risking. Without

Dr. Carver, now 94, was for 32 years Professor of Political Economy at Harvard.

waiting nothing of value is produced, or without the running of risk nothing of value is produced. The only question is: Who does the waiting or risking?

If you want to be critical, you can prolong the argument by contending that waiting and risking are not true costs and should not be paid for. That depends on what you mean by cost.

Overcoming Disinclination

In the last analysis cost is disinclination – disinclination to do something that has to be done or that someone wants to have done. Money cost is the amount that has to be paid to overcome someone's disinclination.

Up to a certain point, even labor may be, and frequently is, performed for the pleasure of the doer. Beyond that point it ceases to be pleasure and, in a free economy, has to be paid for because of disinclination. In a slave economy it is different.

The same may be said of waiting and risking. Men are generally not disinclined to wait for their wages until the end of the day – usually not until the end of the week. They may be slightly disinclined to wait until the end of the month; but to wait until the end of the year, or longer, would be too much to endure.

The same rule applies to the running of risk. Boys like to skate over thin ice, but not too thin; or climb tall trees, but not too tall. Gamblers seem to get a thrill out of gambling. A small loss may be regarded as money well spent for a good time; but there is a limit to the loss that can be accepted without regret.

It is said of Mr. Edison that, on one occasion, his treasurer told him that his money was all gone and he was broke. All he said was, "Well, we had a helluva good time spending it, didn't we?" and went on with his research. But we are not all Edisons, nor are we able to take losses, beyond a certain point, "with a frolic welcome."

Losing a whole year's crop is too much of a calamity for a self-employed farmer to stand. Hence his desire for crop insurance.

Workers Expect To Be Paid

Why should men expect to be paid for doing things to which they are disinclined? That is not a reasonable question. The real question is: Can you get enough things produced to satisfy your needs and desires without it? In a free economy you can't. And we might as well accept that fact and stop the argument unless we are willing to change to a slave economy.

While it is true that men will do a little work for the pleasure of

doing it, also a little waiting and risking, you can't get enough of those things done by free men. In this respect all three things rest on the same economic foundation, that of necessity.

All are equally entitled to the rewards that a free market normally allows them. The reward of working is wages, of waiting is interest, of risking is profit. • • •

From the *Los Angeles Times*, August 29, 1959.

IDEAS ON LIBERTY

Socialism Is a Disease

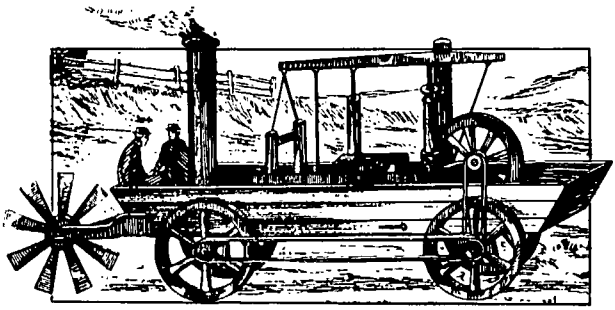
I UNDERSTAND that in the United States there are still those who think that the machinery of government can be used as a substitute for personal responsibility on the part of the governed. This idea, as we know only too well in Britain, is the open road to disaster. It changes persons with responsibilities into robots with rights.

And while you fortunate Americans will last a little longer than the rest of us, your doom is also assured if you, like us, rely upon politics and collective action to relieve you of the normal and natural responsibilities of healthy men. For socialism is not a system; it is a disease. The "something for nothing" mentality is, in fact, an economic cancer.

In England we have suffered nearly five years of effective socialist government. But that is only the end of the story; we are merely completing 50 years of a sloppy sentimentalism in public affairs of which the present socialism is merely the logical outcome. In the process we have murdered old virtues with new deals. Well-meaning, shallow-thinking, kindly people, aware of the scriptural injunction that "the greatest of these is charity," have failed to notice the distinction between the real article and the giving away of other people's money. So, having lost our faith, we come to the end of the story; we have accepted false hopes and practiced a charity which is nothing of the kind.

From *Rights for Robots*, a speech delivered in 1950 by SIR ERNEST BENN

Single copies on request from the Foundation for Economic Education, Irvington-on-Hudson, N. Y.



HOW TO DISEMPLOY A SLAVE

DEAN RUSSELL

THE YEAR 1787 covered two events that were to have a profound effect on the American people and the way we live. First, and by far the most important, the founders of this nation met in Philadelphia to draft a constitution for a new idea in government. Second, the free state of Maryland granted to Oliver Evans a patent on his drawings for a new idea in transportation, "a Steam-Carriage . . . to move . . . without the aid of animal force" on the roads of that state.

In September of 1787, the work of that Constitutional Convention was finished and submitted to the people of the 13 independent states for their approval. Some 18 months later, the new government came into formal existence. And on December 14, 1792, Evans petitioned it to grant him a national patent to replace his several state patents for a "land carriage without cattle."

It took Oliver Evans another 13 years to actually construct his self-propelled road vehicle. Like the Constitution, its birthplace was also Philadelphia. On or near the tenth day of July 1805, his steam vehicle, the *Orukter Amphibolos*, moved ponderously up Market Street under its own power to Center Square. America's first "automobile" was on the road – and no newspaper bothered to record either the date or the event itself! For several days thereafter, Evans entertained the good people of the City of Brotherly Love by driving his vehicle around the square. Then, since his machine was built to operate on both land and water, he astounded them by driving it into the Schuylkill River. (That same idea was used

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Dean Russell, formerly of the Foundation staff, is Professor of Economics at Rockford College. This article is extracted from the introduction to a study he has recently made on the automobile and its impact on the American economy and government.

Illustration: The Bettmann Archive

with great success some 137 years later by our armed forces in World War II.) In 1813, Evans predicted that "the time will come when the people will travel [in road carriages] . . . almost as fast as birds can fly."

Steam Power Development

While Oliver Evans built the first American road vehicle that ran under its own power, he was by no means the "father" of the automobile. A French artillery captain, Nicholas Cugnot, was ahead of him by 36 years. In 1769, he used a steam engine as the source of power for a self-propelled gun carriage. That clumsy, three-wheeled, barely workable vehicle has an excellent claim to first place in the direct ancestry of the magnificent automobile you drive today.

Actually, Hero of Alexandria may have started the whole thing about 130 years before the birth of Christ when he invented a sort of toy that was run by steam. But for the next 1,800 years, that magnificent source of power lay largely dormant. While several men in various countries experimented with steam power in the 1600's, it wasn't until 1705 that Thomas Newcomen developed the first workable steam engine. It was used to pump water from British coal mines. That engine, however, was too primitive for general use. It remained for James Watt, beginning in 1762 and continuing through 1782, to perfect a practical and versatile steam engine that could be used as the source of power for factories, ships, trains, and automobiles.

Those steam engines were soon being used extensively by various English manufacturers – in flour mills, breweries, textile factories, and so on. William Murdock, the inventor of gas lighting, also used that source of power for a crude train that ran on oak rails in British quarries and coal pits in 1784. And in 1815, another Englishman, George Stephenson, converted Murdock's primitive seven-mile-an-hour locomotive into the early nineteenth century model that was soon doing 70 miles an hour on metal rails. The steam (and sail) ship "Savannah" crossed the Atlantic from Georgia to Liverpool in 1819. And one of Sir Goldsworthy Gurney's "steam automobiles" made a sustained journey from London to Bath and return, a distance of 200 miles at a speed of 15 miles per hour, in 1829. During the early 1830's, more than a hundred of those steamers were operating on the roads of England. Six of them were large passenger buses, built by Walter Hancock. In a period of three months, one of his buses traveled 4,200 miles and

carried 12,761 passengers, without an accident or serious delay.

By the mid-1830's, steam engines were the source of cheap power for an extensive industrial complex (manufacturing and transportation) in Western Europe and the United States. For better or for worse, the modern age of mass-produced and low-cost industrial products was in full swing.

An Incomplete Picture

Karl Marx (and others) reached the conclusion that it was unquestionably for the worse. And, admittedly, they produced some telling evidence and persuasive ideas to support their convictions. But perhaps they were so busy slashing at the individual trees that they had no idea at all of the vast forest with which they were dealing. They condemned the age of mechanical power because it brought women and children into the deplorable factories of that era – at meager wages and long hours of killing labor. But the picture they drew was far from complete because, among other things, they utterly ignored the part that the mechanical revolution was playing in the abolition of the most ancient curse of mankind – legalized human slavery.

We know that the institution of slavery is as old as the recorded history of man. For example, it appears in the laws of Hammurabi. We know further that it continued to exist throughout most of the world until well into the nineteenth century. There is, however, no general agreement as to the principal cause of its abolition.

It is certainly safe to say that government itself wasn't responsible for abolishing human bondage. If a government wants to stay in business, its actions must generally reflect the attitudes and desires of the people under its authority. So the actual laws that were written against slavery were primarily acknowledgments of an existing situation that had developed from other causes.

Nor was education, as such, responsible for ending slavery; the educated classes throughout the ages had generally tolerated, justified, and supported the institution. If they hadn't, it couldn't possibly have continued to exist. And to say that the people in general were responsible for abolishing human bondage, still leaves unanswered their reasons for doing so. Was the answer Christianity? To some considerable extent, yes. But if that were the primary answer, one would still be faced with the awkward task of explaining why we Christians required some 1,900 years to complete the job. The *Columbia Encyclopedia* (and other

standard references) acknowledges the great part played by Christianity, and then goes on to the part played by machinery:

"The introduction of Christianity is generally thought to have had little effect [on slavery during the first few hundred years of the Christian Era], though it did mitigate conditions by inculcating principles of humanity, and it did give hope and courage to the long-oppressed classes. . . . In Western Europe, outright slavery had largely disappeared by the later Middle Ages, though it still remained in such manifestations as the use of slaves on galleys. . . . The British, the Dutch, the French, the Spanish, and the Portuguese all engaged in the [African] slave traffic [beginning in the sixteenth century and continuing well into the nineteenth]. . . . The British, in abolishing slavery, were primarily motivated by economic, not humanitarian, interests. While the institution produced great wealth under the mercantilist system, it became unprofitable with the rise of industrial capitalism."

H. G. Wells, in his *The Outline of History,* discusses the same idea:

"A vast proportion of mankind in the early civilizations was employed in purely mechanical drudgery. At its onset, power-driven machinery did not seem to promise any release from such unintelligent toil. . . . [But as the mechanical revolution] went on, the plain logic of the new situation asserted itself more clearly. Human beings were no longer wanted as a source of mere indiscriminated power. What could be done mechanically by a human being could be done faster and better by a machine."

Economic Arguments Against Slavery

Whatever else slaves might be used for, it is dead certain that they could never be trusted with the responsibility of operating the power-driven ships, trains, automobiles, and factory machines that were becoming increasingly common in the western world of the late eighteenth and early nineteenth centuries. Thus the ever-present moral arguments against slavery were soon buttressed by the overriding economic arguments against it.

Beginning in 1833, Parliament rapidly outlawed the practice of slavery throughout the vast British Empire. (In the home islands themselves, a 1772 court decision had already decreed that the 15,000 or so imported slaves in Britain at that time were automatically free men because "as soon as a slave set his foot on the soil of the British islands he became free.") Slavery in the French Em-

pire was abolished in 1848. Russia liberated her slaves in 1861. Slavery in the Dutch Empire was outlawed in 1863. Brazil continued the practice until 1888. Even today, slavery continues to exist in various nations and areas where the primary source of power has long been the muscles of men and animals. (Information on present-day slavery may be secured from the United Nations Committee on Slavery.)

Of course, it could have been merely a remarkable coincidence that slavery diminished as mechanical sources of power increased. For example, what about slavery in the United States? Since this nation had as many or more machines than the others, why wasn't slavery voluntarily abolished here? The history of human bondage in the United States also lends support (with a reverse twist) to the theory that machines, rather than morality or education, may have been of primary importance in determining the issue of slavery. Roger Burlingame, in his *Backgrounds of Power* explains that reverse twist while discussing Eli Whitney's 1793 invention of the gin for cleaning cotton.

"The gin led directly to a social, economic, and political crisis. By increasing a hundredfold the productivity per worker in separating short-staple cotton from its tenacious seeds, it produced an unbalance between cleaning and picking, planting and cultivation. The faster the cotton was cleaned, the more labor was required in the field. Thus slavery, moribund in 1790, became a dominant institution. . . ."

A Machine that Prolonged the Use of Slave Labor

The idea of human slavery was completely foreign to the precepts on which this nation was founded. And when the Constitution of the United States was drafted, the founders wrote into it the first necessary steps toward its abolition. Thus it is probable that this country would have led all others in abolishing human slavery, if Whitney had invented a cotton picker along with his cotton cleaner.

Before the cotton gin, not much cotton was grown in the South because it was too expensive to clean by hand – even when the hands belonged to a slave. But Whitney's first crude machine enabled a man to clean 50 pounds of cotton a day, and rapid improvements to the machine soon doubled that amount. The resulting demand for cotton caused its cultivation to become highly profitable. But picking cotton was such a backbreaking and monotonous task that it was the

last job a free man would take. Since there was no machine to relieve the drudgery of the job – and since no education or skill was required – it automatically fell to slaves.

Before Whitney's invention, slavery was rapidly becoming both unprofitable and immoral – in Alabama as well as in Massachusetts. But with the gin, slave labor became highly profitable in the hot areas of the country where cotton could be grown. In due course, most educators, legislators, and churchmen in the South were soon defending or tolerating the "peculiar institution" – or were remaining discreetly silent about it.

A modern cotton picking machine that now performs the labor of more than 80 hand pickers would have been of vast help in abolishing slavery by again making it uneconomic and thus permitting the long-suppressed moral ideas against it to take effect. But, most unfortunately, such a machine was not invented for more than a hundred years after the gin. Thus the issue of slavery in the United States was settled by a fratricidal war. The side with the best machines won, and the slaves were set free. That was as it should have been. But it is to be hoped that a few of the victors stopped to ponder the probability that it was more a matter of climate and economics, rather than morality and government, that determined which side was which.

LET'S NOT CHOOSE SLAVERY

"SLAVERY was a good life, if you had a good master. Just eat and sleep and play and take care of a small part of the farm."

This was Dan Hughes speaking in Louisville at the age of 112. He knew his subject; he was a slave in Crittenden County, Kentucky, when the Civil War ended. To a generation which has grown up with the bloodhounds-and-blacksnakes concept of the slavery era in America, his words have a strange sound. They shouldn't.

There are thousands of persons in this country today, of all races, who believe that slavery is a good life – if you have a good master.

When Dan Hughes was a slave with a good master, he had security. His parents had no worry for the future when he was born. Such training as he received in his youth – and it was equal to the education received in those days by many free men – was provided without cost to him by his benevolent "owner." He looked forward to guaranteed full employment during his productive life, and to an old age free of economic worries.

Dan Hughes, the slave, had subsidized housing and guaranteed medical care. He had incentive, too; if things had gone on as they were he might have become a straw boss or even a butler up at the big house. And if he planted what he was told to plant on the small part of the farm he took care of, well – try planting wheat today without being told you can plant it.

The security Old Dan had in those days, he couldn't have had without slavery. We cannot have it today without slavery. Guaranteed food and housing and medical care, assured full employment and carefree old age, surety against economic depression and protection against price-cutting competition, these are the fruits of security – and the attributes of slavery. It makes little difference whether a person or a government is the master.

The more Americans call upon government for cradle-to-grave security, the more they ask politicians for guaranteed jobs, guaranteed profits, guaranteed living, the closer they come to placing themselves in slavery. Some say the difference is that we choose our masters; they forget that the more freedom we surrender elsewhere, the nearer we come to losing the right of choice. Others say government is a good master; they forget that when slavery is established, masters can change.

We think that for all the security of slavery, Dan Hughes must have preferred freedom with its risks. So do we. So, we believe, does a great majority of the American people. To "eat and sleep and play and take care of a small part of the farm" isn't enough for the human soul. Our task today is to see that we do not drift through complacence into a bondage we would not knowingly accept. When government promises security, let us look for the chains before we accept. • • •

From *The Indianapolis Star*, August 18, 1959.

GOVERNMENT'S EXPANDED ROLE

THE EXPANDED ROLE of government has brought about significant changes in our economic system. Old-style, individual-enterprise capitalism has given way to what Professor Calvin Hoover of Duke University describes in his recent book, *The Economy, Liberty and the State,*[1] as "Welfare Capitalism, Progressive Capitalism, or simply the Organizational Economy."

Picking up the last descriptive phrase, it would seem that organization headquarters are gravitating more and more toward Washington – as President Eisenhower warned at the 1957 Governors' Conference.[2]

The federal government, in ways large and small, pervades our lives. Measuring its size and scope, to get some indication of its vast and growing influence, can take many approaches. Perhaps the simplest is to cite a few statistics, single out a few programs that point up the wide range of government economic-financial activities and responsibilities today.

For example, some 25 million Americans (veterans, federal workers, armed forces, farmers, social security recipients) – one adult in every five – get regular checks from the government. Countless others receive occasional payments.

At the end of 1958, federal warehouses were giving out food to more than five million "needy persons." The food got in the warehouses in the first place because of federal farm programs which, while regimenting the farmer with acreage controls and marketing quotas, have priced commodities out of markets and

[1]The Twentieth Century Fund, N. Y.
[2]Quotes in "The Progress of Socialism," page 71, of the June 1959 issue of the *First National City Bank Letter.*

piled up mountainous surpluses.

Some two million persons live in government-subsidized public housing.

Taxes at all levels of government take more than one-quarter of our national production and are levied most heavily on work, enterprise, and capital accumulation.

The federal government directly competes with private business by operating thousands of commercial-industrial facilities (a 1956 tally placed the total at nearly 20,000 with capital assets of some $12 billion).

In the financial field there are over 100 federal insuring, lending, and guanteeing agencies covering agriculture, housing, foreign trade and investment, local government organizations, commerce, and industry. It is estimated that by June 1960 existing lending programs will reach a total outstanding of $105 billion ($23 billion direct loans and $82 billion guaranteed or insured loans.) In June 1945 the total was $11 billion.

Federal aid to states, localities, and individuals, at $147 million in 1930, climbed to $7.2 billion by 1958.

Government-owned electric utilities accounted for one kilowatt in 18 generated in this country in 1920; last year public power facilities generated one kilowatt in every four.

One in every six employed Americans is on a government payroll. Since 1900 nongovernment employment has increased about 100 per cent while government employment – federal, state, and local – has increased about 650 per cent.

The Great Reaction

There is a chorus of pleas these days for an even bigger role for government – more central planning, goal setting, decision making. They are invariably put forth in the name of "progress."

Last month, for example, a panel of seven economists, including Professor John K. Galbraith of Harvard, stated: "We reject the notion that government governs best which governs least. The federal government is our only instrument for guiding the economic destiny of the country."

"Liberals" urge greater spheres of government to "beat the Russians" and "advance social welfare." Criticism is heaped on "reactionaries" who are obsessed with the "fetish of a balanced budget and stable prices" and who harbor "exaggerated fears about growth of government."

"Liberalism" is a good word; "reactionary" is a bad word. Yet the real reactionaries are those who urge statism in the name of liberalism. The true liberal opposes encroachment by centralized

power; he respects the individual, his cherished freedoms, his sense of responsibility.

The "neo-liberals," on the other hand, have little faith in the capacity of freemen to take care of themselves, to overcome hardships, to exercise wise judgments. Supporters of the superstate aspire to decide for people what they shall have and to keep power by making voters beholden to them for handouts. This is openly expressed in the cynical observation, widely attributed to Harry Hopkins: "We will spend and spend, and tax and tax, and elect and elect."

It was Alexis de Tocqueville, that discerning French observer, who in the 1830's warned of the ultimate fate of men who are tempted by a "benevolent" Welfare State:

"It provides for their security, foresees and supplies their necessities, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances —what remains, but to spare them all the care of thinking and all the trouble of living . . .?

"The will of men is not shattered, but softened, bent, and guided. Men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence. It does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, until each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd."

John Stuart Mill, the English philosopher and economist, pointed out more than a century ago:

"The worth of the State, in the long run, is the worth of the individuals composing it; and . . . a State which dwarfs its men, in order that they may be more docile instruments in its hands even for beneficial purposes – will find that with small men no great things can be accomplished."

Retreats from Socialism

A democracy, while preserving the outward forms, can destroy itself if the majority of the voters find themselves bound, out of selfish interests in benefit programs, to perpetuate in power a benevolent dictatorship. Sooner or later, however, people revolt when bureaucrats become too greedy for power and money.

As far back as 1949, the Australian people turned out of office a ruling Labor Party in favor of a Liberal-Country Party which reformed taxes to open opportunity for enterprise.

In Canada a Liberal Govern-

ment launched a similar tax policy beginning in 1952. A year earlier, in 1951 in the United Kingdom, the Labor Government went down to defeat before a Conservative Party pledged to halt nationalization, end controls, reform taxes. As R. A. Butler, Chancellor of the Exchequer in the Conservative Government, put it in 1954:

"In the past three years we have burned our identity cards, torn up our ration books, halved the number of snoopers, decimated the number of forms, and said good riddance to nearly two-thirds of the remaining wartime regulations. Now we have red meat – instead of red tape."

These illustrations of retreats from socialism show that, while people like to get Christmas presents, they are not so keen about the restraints, controls, and losses of opportunity that go with the fully developed socialist society.

From the *Monthly Letter* of the First National City Bank of New York, August 1959.

IDEAS ON LIBERTY

What They Said:

THOSE WHO LOOK to the action of this [federal] government for specific aid to the citizen to relieve embarrassments arising from losses by revulsions in commerce and credit lose sight of the ends for which it was created and the powers with which it is clothed. It was established to give security to us all in our lawful and honorable pursuits, under the lasting safeguard of republican institutions. It was not intended to confer special favors on individuals or on any classes of them, to create systems of agriculture, manufactures, or trade, or to engage in them either separately or in connection with individual citizens or organized associations. If its operations were to be directed for the benefit of any one class, equivalent favors must in justice be extended to the rest, and the attempt to bestow such favors with an equal hand, or even to select those who should most deserve them, would never be successful.

MARTIN VAN BUREN, 1837

SHOULD the time ever arrive when the state governments shall look to the Federal Treasury for the means of supporting themselves and maintaining their systems of education and internal policy, the character of both governments will be greatly deteriorated.

JAMES BUCHANAN, 1859

LEONARD E. READ

PIRACY REINCARNATED

ONCE UPON A TIME there lived a pirate by the name of Laffoote. As pirates come and go, there was much to be said in his favor. He adored his wife and children and he felt a deep compassion for the lame, the halt, and the blind – indeed, his heart went out to everyone in distress. What's more, he helped others so much he rarely had anything left over for himself.

Laffoote, however, had one quirk in his moral make-up: He satisfied his deep, charitable instincts for others not with his own produce but with the fruits of the labor of others; that is, he acquired what he gave away not by willing but by unwilling exchange. He and his hoodlums, with guns and swords, would pounce upon hapless and honest traders and take their all.

True, the "beneficiaries" of Laffoote's generosity thought him a great and lovable man. But the victims, the ones from whom he looted, had thoughts about him quite to the contrary. These folks held to the proposition that all individuals had a moral right to the fruits of their own labor and, thus, they resented the pirate's methods. They went so far as to believe that Laffoote should gratify his generous impulses with his own, not with their, produce.

The victims had an additional thought: Predation as a way of life did not make social sense. If all were parasites, who would serve as hosts? They reasoned that if all were producers, there would be more good done, even to the poor, than if all were predators.

No Pope or priest or monk, no prophet or seer, no rabbi or pastor, ever felt cleaner at heart than did Laffoote. He saw nothing wrong with his way of life. Was not piracy his speciality, his chosen profession, his means of getting ahead?

The victims did not share Laffoote's self-assessment. They

did not think him clean at heart in the slightest. They insisted that no sin was greater than to feather one's own nest at the unwilling expense of others. Each human being, they argued, was as much a child of God as any other and for one to advance self at another's expense was to thwart God's will.

From these disparate ways of thinking there developed a moral schism of the first magnitude. Laffoote saw nothing wrong with his code. The victims thought his code not only uneconomic but evil and concluded that their society must be cleansed of piracy. Being more numerous than Laffoote and his gang, they organized, captured, and condemned him to hang by the neck till dead!

Poor Laffoote! There he stood on the trap door, noose around his neck, in bewildered pride and with a deep sense of moral rectitude. How to get even? Not much chance in this earthly life! That was near its end. There ought to be a way, thought he, to do good without getting hanged for it. Wasn't there a way to practice his code – taking from some and giving to others – that would result in acclaim rather than hanging? Then, in his last moments, Laffoote experienced a brilliant, intuitive flash: Why not legalize piracy? That would make it respectable. He could conscript his armed forces from the very people who were now hanging him and even they would think him a benefactor. He would call them his "constabulary" and they would call him their "Leader." The more Peters he would rob to help the poor Pauls the more honor would be heaped upon him. Why hadn't he thought of this before? But, alas, it was too late!

Ah! But was it too late? What about reincarnation? He had once heard someone speak of it. If only he could come back to earth in another form, he could put his new plan into effect. Such was the pirate's last thought before the trap door was sprung.

Laffoote did not return to earth in bodily form. But the spirit of Laffoote did return and fastened itself in the minds of mankind – Americans as well as others – in a most effective manner. From the farms, from the factories and executive offices, from the pulpits – from rich and poor alike – emerges the spirit of Laffoote, the pirate. The more his "brilliant" idea is imitated, the more are honors, esteem, titles, uniforms, and medals conferred on the imitators. The spirit of Laffoote rides unbelievably high. Its proper name is *socialism* but which, when practiced by Russians, we call "communism." • • •

THE MORAL ANTAGONISM OF

Capitalism and Socialism

BARBARA BRANDEN

CAPITALISM and socialism have, traditionally, been considered exclusively as opposing economic-political systems. It is therefore in terms of economic and political tenets that the battle between them has been fought. Certainly each system does embody a mutually exclusive theory of the proper function of government and the legitimate operation of an economy – but if one examines their tenets, one will discover at the root of their specific and practical doctrines, a more basic and divisive clash between them.

It is in their opposing concepts of the nature of man and of his proper relationship to other men – in that which each side holds to be the good, the right, the moral – that the heart of the conflict between capitalism and socialism exists.

This article is reprinted by permission of *Nathaniel Branden Lectures*. It is part of a lecture in a series being offered in New York City on the philosophy of Ayn Rand. Barbara Branden is an Associate Lecturer.

What is capitalism? Economically, it is a system in which the instruments of production are owned by private individuals who operate them for their personal profit. Goods and services are exchanged by free trade on a free market, a market which is regulated, not by bureaucratic edict, not by what those who claim to represent the majority decide is good for the people, but by the law of supply and demand – which means: by each man's voluntary decision as to what products he is willing to produce, to buy, and to sell, and at what price, within the context of the market with which he deals.

The motive power of capitalism, the propelling force which makes it work, is men's desire and effort to use their productive capacity for the purpose of creating wealth. The end which capitalism serves is the achievement of profit – a private, personal, selfish profit

– by every man from a captain of industry to a shopkeeper to a coal-miner, each to the limit of his ability, his effort, his attainment. Capitalism is not aimed at what its opponents call "the service of the public good." It is concerned exclusively with the private good of individual citizens, and holds that the good is to be achieved by those citizens *as* individuals. It expects each man to achieve whatever heights he is able, in whatever work he has chosen, by his own intelligence, his own will, his own virtue and his own work. Capitalism expects, and, by its nature, demands, that every man act in the name of his own rational self-interest. Just as it does not expect a consumer to pay more for any product than the lowest price at which that product can be obtained – just as it does not expect a worker to accept a lower wage for his effort than the market will bear – so it does not expect a factory-owner to sell his products at a price lower than the public is willing to pay. The twin motors of capitalism are profit and achievement, with one a function of the other; profit is proportionate, not to a man's intentions, wishes, needs or desires, but proportionate to that which he *in fact* accomplishes.

The political system logically implied and necessitated by capitalism is one which limits the function of government to the protection of its citizens from the violation of their rights by force or fraud, and from foreign invasion. Just as its economic principles are not aimed at "the public good," neither are its political principles; it does not recognize the validity of the concept; it does not grant that anyone's good can be achieved by having some men decide what to do with other men's lives, energy and profit. It recognizes that all good inheres only in individual men, and that there is no moral reason why one man should be forced to accept, as the goal of his work and his life, the achievement of the good of another man.

What is socialism? Economically, it is a system in which the means of production are owned by the State, not by private individuals, and are operated for the profit of the collective, not for the private gain of the producers. The State, not the free market, decrees how and by whom goods and services are to be produced, how and to whom they are to be distributed. The State purports to be the voice and the expression of the majority of its citizens; it equates state-good with public good, and, insofar as individual good is regarded as of concern, it holds that

the good of the individual is to be achieved by his service to the good of the public – which, in practical terms, means: by service to the State – which, in concrete terms, means: by service to the particular group of men in power at any given moment.

Socialism rests on the premise that man, by his nature, is unfit for freedom, that he cannot be trusted independently to pursue and to achieve that which is necessary for his life, that he cannot be trusted to own and freely to exchange that which he produces, that, if left free, men will live as wild beasts. Therefore, socialists decree, men must produce at the order of a higher authority called the public, or society, or the State, and must permit this higher authority to utilize the products of men's efforts as it sees fit. Under socialism, men are to produce not for profit, but "for use" – the use of the public, without regard for the profit of the men who created that which is being used.

Each Life an End in Itself

What opposing moral premises are implicit in the doctrines of capitalism and socialism? – of individualism and collectivism? It was Ayn Rand, in her novels advocating individualism, *The Fountainhead* and *Atlas Shrugged*, who defined the basic antagonism between individualism and collectivism, and stated that their opposing moral concepts are to be found in their answer to this single question: Does man have the right to exist for his own sake?

The individualist answers: Yes. The collectivist answers: No – and asserts that man exists, not by right, but by virtue of a permission granted him by society, a permission contingent upon the service he renders to society.

Individualism holds that a human life is an end in itself. Collectivism holds that man's life is a means to an end to be designated by society. Individualism holds that man possesses, by his nature, the rights of life, liberty and the pursuit of happiness. Collectivism holds that man possesses, by his nature, the duty to sacrifice his life, his liberty and his happiness whenever and wherever the collective may demand it. Collectivism regards man as property, signed, sealed and delivered up to those who claim to represent his fellow men; he must exist for their sake, in their service, and by their command.

No matter how vehemently collectivists may insist that the individual does in fact profit under their system, no other premise can underlie the coercion of the indi-

vidual by the will of the mass but the premise that man does not possess the right to exist for his own sake – the premise that self-interest and profit are evil. Every insult and every criticism ever hurled at a free economy has been based on the assumption that it is not moral for men to pursue their profit, and that morality consists of sacrificing their self-interest to the welfare of others.

The questions which every man who preaches collectivism must ask himself are these: Do I have the right to force other men to work for *my* benefit? Are their lives mine? If I do not have this right, if they are not my chattel, do I have the right to force them to work for the benefit of *others*? And if I do not have *this* right, do I acquire it by virtue of the fact that other men like myself, who call themselves "the public," wish to join me in the activity of forcing men to work for ends other than those they have voluntarily chosen? Is it not man's right to exist that makes me brand as evil the actions of a hold-up man who coerces and robs? Why is this reason canceled when the coercion and robbery are committed, not by an individual thug, but by the State? • • •

IDEAS ON LIBERTY

"Thou Shalt Not Steal, Except . . . ."

IT SEEMS that wherever the Welfare State is involved, the moral precept, "Thou shalt not steal," becomes altered to say: "Thou shalt not steal, except for what thou deemest to be a worthy cause, where thou thinkest that thou canst use the loot for a better purpose than wouldst the victim of the theft."

And the precept about covetousness, under the administration of the Welfare State, seems to become: "Thou shalt not covet, except what thou wouldst have from thy neighbor who owns it."

Both of these alterations of the Decalogue result in complete abrogation of the two moral admonitions – theft and covetousness – which deal directly with economic matters. Not even the motto, "In God we trust," stamped by the government on money taken by force in violation of the Decalogue to pay for the various programs of the Welfare State, can transform this immoral act into a moral one.

F. A. HARPER, *Morals and the Welfare State*

HOW THE SPIRAL SPINS

HENRY HAZLITT

FOR YEARS we have been talking about the inflationary wage-price spiral. But Washington (by which is meant both the majority in Congress and officials in the Administration) talks about it for the most part as if it were some dreadful visitation from without, some uncontrollable act of nature, rather than something brought about by its own policies.

Let us see just how those policies, over the last 25 years, have produced the wage-price spiral. First of all, under a series of laws beginning most notably with the Norris-La Guardia Act of 1932, followed by the Wagner Act and by its later modification, the Taft-Hartley Act, we decided that labor troubles developed chiefly because there was not enough unionization and because unions were not strong enough.

Therefore, we in effect put the federal government into the union-organizing business. We compelled employers to deal exclusively with the unions thus quasi-officially set up, regardless of how unreasonable the demands of these unions might turn out to be. Though illegalizing all efforts to deny employment to workers who joined unions, we explicitly legalized arrangements to deny employment to workers who did not join unions.

The Right To Coerce

But worst of all, we gave to the unions and union members a privilege not granted to any other associations or individuals – the power of private coercion and intimidation. By the Norris-La Guardia Act we in effect prevented either employers or non-union employees from going to the federal courts for immediate relief from irreparable injury. We refuse, contrary to legal practice in every other field, to hold a union liable for the acts of its agents. We tolerate mass picketing, which is intimidating and coercive, preventing employers from offering to other workers the jobs abandoned

This article is reprinted by permission from *Newsweek*, August 31, 1959. Mr. Hazlitt wrote the column during the recent steel strike, but the ideas will apply equally well to any subsequent acts of union coercion.

by strikers, and preventing other workers from applying for such jobs. And then we are astonished and indignant when these special privileges, against which we provide no effective legal protection, are "abused."

The inevitable result of these laws is that we have built up huge unions with the power to bring basic national industries to a halt overnight. And when they have done this, we can think of no way of getting an industry started again except by giving in to the demands of the union leaders who have called the strike.

This accounts for the upward push on money wage-rates. But it does not account for the inflationary spiral. The effect of pushing wage-rates above the level of marginal labor productivity, taken by itself, would simply be to create unemployment. But as F. A. Hayek has put it: "Since it has become the generally accepted doctrine that it is the duty of the monetary authorities to provide enough credit to secure full employment, whatever the wage level, and this duty has in fact been imposed upon the monetary authorities by statute, the power of the unions to push up money wages cannot but lead to continuous, progressive inflation."

Not Facing the Issue

Soon or late our federal lawmakers and administrators must face up to the labor-union-boss dictatorship and the wage-price spiral that their own laws and actions have created. But they refuse to do this when each new crisis arises. When a nationwide steel strike is prolonged they become panicky. They seek to settle it by the only means that seem possible to them – by giving in once more to union demands, by granting still another wage increase and setting off a new upward wage-price spiral.

Senators demand the President appoint a "fact-finding" board to "recommend," i.e., to impose, in effect, compulsory arbitration that would compel the employers to grant another increase to employees who (at $3.10 an hour, compared with average factory earnings of $2.23 an hour) are already among the highest paid workers in the country.

Thus one government intervention begets a further government intervention. Because government has failed in its primary task – that of preventing private coercion – senators ask, in effect, for price and wage-fixing; and we are driven toward totalitarian controls. • • •

ON THE TRAINING OF SCIENTISTS AND Moral Responsibility

DANIEL K. STEWART

IN RECENT YEARS there has been much soul-searching among science people over the possible moral consequences of their work. The scientist of today is genuinely concerned over the obligations that he – as a scientist – has to his society, and the effect of his discoveries on his fellows.

The term "obligations" necessarily implies a reference to some moral standard. And, up to now, moral standards, and their necessary implications, have not been one of the major concerns of empirical scientists.

The status of moral values in the universe has been a central question in the thought of those who are in the main stream of our philosophical tradition from Plato on down. Moral values are nonphysical and thus cannot be subject to any quantitative tests, but for the typical scientists of the late nineteenth and early twentieth centuries, whatever is not reducible to some physicalistic verification basis is unreal. Researchers who adhere to a basically materialistic philosophy are considered "real" scientists; all others are regarded as making weak-kneed concessions to mysticism.

Within this frame of reference, what happens to the scientist who feels some sort of obligation to his society? Any consideration of an obligation necessarily implies the existence of some moral philosophy. But any view which permits moral propositions is, of necessity, incompatible with materialism.

Plato makes this distinction unmistakably clear in the dialogue, "The Sophist."[1] The Eleatic Stranger describes the materialists as "dragging down all things from heaven and from the unseen to earth, and they literally grasp

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Illustration: A. Devaney, Inc., N. Y.

[1]Plato, *The Dialogues*, tr. by B. Jowett. New York: Random House, 1937. Vol. II, pp. 253-254.

in their hands rocks and oaks; of these they lay hold, and obstinately maintain, that the things only which can be touched or handled have being or essence, because they define being and body as one, and if anyone else says that what is not a body exists they altogether despise him, and will hear of nothing but body."

As opposed to this, the idealists are described as "contending that true essence consists of certain intelligible and incorporeal ideas; the bodies of the materialists" are taken to be "not essence, but generation and motion."

The Scientist's Dilemma

The dilemma is quite apparent. The young scientist either accepts the materialistic philosophy of his group; or, sensing the inadequacy of materialism to fully explain nature, he tries to pick up, in a most unscientific way, what information he can concerning moral philosophy. But, if the philosophical climate-of-opinion in science is such as to embrace materialism to the exclusion of any philosophy which makes reference to spiritual realities, then what is the prognosis for those recalcitrant souls of the scientific brotherhood who dare to deviate from the unwritten code to the point of even being concerned about a scientist's obligations to his society?

Obligations, and the moral propositions which they necessarily entail, are defined as meaningless in terms of most present-day philosophies of science. It is thought that these propositions have nothing at all to do with genuine science. They belong instead to the realm of traditional philosophy, or worse yet, to religion, and are subject to all the alleged mysticisms of these pursuits.

Thus, it might reasonably be thought that those scientists who accept materialism as the basis for their philosophy of nature would not concern themselves with the sociological implications of their activities. In their system man is just a curious sort of an animal. He has little sense of morality or beauty or justice or goodness. Man, in this sense, is simply the product of his environment. He is but a minute part of a vast physical complex, the forces of which interact upon each other and him, and he upon them.

Holding this view of man, it would clearly be absurd to ask questions regarding good and evil, and we would reasonably conclude that those scientists who accept materialism as the basis for their philosophy of nature could not logically be concerned with such things as obligations, morality, and free will.

But some scientists of this per-

suasion have overstepped the logic of their position. Certain issues which started out to be merely simple physical accounts of purely biological phenomena, have been extended to cover social and political situations to which they were never intended to apply. One such example is the concept of population theory as it applies to living organisms, including man.

This theory boldly assumes that organisms live in groups, they do not live alone. Plants and animals live together in colonies, flocks, and herds, all of which are mutually dependent upon each other and their environment, in such a way as to ultimately produce a relatively stable "ecosystem." Man, of course, is one of these animals, even though he might be, as G. G. Simpson concedes, "among the higher animals."

Now, if we consider man as a biological organism, and *only* that, it seems obvious that he *does*, for the most part, live with other people. But this biological concept of population, as applied to humans, is notoriously vague and unscientific in that it fails to answer the questions of *how many* other people a person has to live with before he will *not* be living alone, and *how much* of the time this has to take place?

This group theory concept is one of the basic assumptions of that point of view known as "life adjustment" education. Under magic clichés uttered by the progressive-minded teacher, the students are well indoctrinated with the slogans of "team efforts," "group projects," or "togetherness." Indeed, this may very well be the starting point for collectivist economic and political theory. In any case, the analysis shows the ambiguity in the position of those scientists who regard themselves as "tough-minded" materialists. Traditional values are ostentatiously booted out the front door while the current shibboleths are illicitly imported through a rear window.

The Inadequacy of Materialism

This leads to a brief consideration of the second horn of our dilemma. The concern is now for those young scientists who have arrived at the conclusion that materialism is inadequate to fully explain nature. And it would not be hard to identify these people. With specific reference to the example above, these would be the John Does who unconsciously feel, or even truly understand, that the concept of "living in a group," when taken in a strictly biological sense, is contradictory to the concept of the distinctiveness of the individual, his independence, his individual initiative, his moral

self. For John Doe may recognize this contradiction to be directly tied up with the freedom of any individual to choose one goal rather than another.

Now this ability to make a choice between two distinct alternatives is generally spoken of as "free will." Free will is identified as that which provides man with a feeling of freedom, of giving him a sense of authorship and responsibility, a sense of guilt and ethics, and a sense of knowing that there are norms and standards to be maintained in every human endeavor. This means that the notion of "free will" is opposed to the concept of people existing *only* as a part of some group. In the collective, the individual no longer counts; his mind must fit in with the group mind; his every thought and action is determined for him in terms of what the group thinks and does. If he deviates from this, he is made to feel ashamed, selfish, and a misfit. And, if this be the "choice" he has, it is clear that, in practice, it amounts to having no choice at all.

A purely materialistic philosophy is, by its very nature, metaphysically contradictory to, and hence unable to cope with, questions regarding the morality of man, and therefore the obligations of scientists to their society. One implication from this fact is that man, the human being, must be considered in terms of his *totality.* This "totality" we shall call *the whole man.* The point is that man is more than just a mechanistic, physical-chemical machine. He is more than just a highly complex, integrated glob of protoplasm. Man also has a spiritual self. This consists of a sense of beauty, of goodness, and moral responsibility. And it is this *whole man* that scientists must take into consideration on those occasions when they concern themselves with any obligations they might have to their society.

This makes it clear why the first horn of the dilemma – stated at the beginning of this paper – ought to be our primary concern. The young scientist, more often than not, accepts the prevailing materialistic philosophy of his group, and therefore regards moral questions as irrelevant to "real" science. With this we would have little quarrel provided that this sort of philosophy was explicitly restricted to questions regarding biological phenomena. But, unfortunately, this has not been the case. We have shown, in one instance of several, how this philosophy has been extended to cover social and political phenomena to which it was never intended

to apply, and cannot, significantly, *be* applied.

The implication is before us, then, that the nature of life, in all of its various forms and aspects, cannot be adequately explained solely in terms of chemistry and physics. There is, in fact, a certain vital, directive aspect to all forms of living matter – a certain *organizational wholeness.*

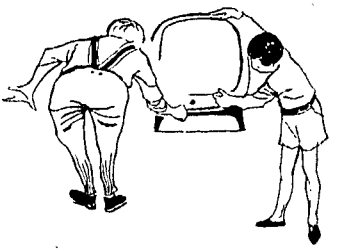
In humans this psychical or spiritual aspect of living substance reaches its highest fruition in what is called mind and personality.

Our suggestion is that, *before* science is able to consider such things as obligations and other moral problems, a theory of reality is needed that will explain *both* this nonmaterialistic aspect of all living matter as well as those features explicable by chemistry and physics. And it seems almost anticlimactic to point out that before such a synthesis of the moral and material could be made, it would be necessary to know something about moral philosophy. For it may very well be that, in the final analysis, moral philosophy and science are mutually implicative endeavors.

What this means, in terms of actual practice, is that the young scientist must conscientiously and critically study that very philosophy which he has been indoctrinated against and to which his group is metaphysically opposed. It goes without saying that these are terrific hurdles. But the fact still remains that knowledge of moral philosophy is a necessary prerequisite to any significant synthesis of purely biological substance with those things that this substance is asserted as having, namely, obligations.

Materialism, alone, has proven to be inadequate – because of its very nature – to handle such questions as morality. But yet, scientists are coming more and more to concern themselves with moral consequences of their behavior. The conclusion of our dilemma would seem to be, therefore, for scientists either to restrict their explanations to purely physicalistic phenomena, *or* to openly and frankly, and even perhaps as a part of their academic training, make room for some preparation in traditional philosophy. For it is among the traditional philosophers, such as Plato, Maimonides, Aquinas, and Spinoza, that knowledge concerning morality will most likely be learned. And the only suggestion that one might make is that the prospective scientist approach the study of these men with the same intensity for the truth that he exhibits in his analysis of the facts of empirical science. • • •

The UNITED NATIONS



or—THE SUBSTANCE OF THINGS HOPED FOR

It was a cold November day
At story-telling time.
Old Kaspar closed the windows tight
And poured a rum-and-lime,
While Peterkin and Wilhelmine
Warmed up the television screen.

They saw a straggling line of men
Who toiled with bleeding hands
To build a lofty, solid wall
Across the shifting sands;
While men in red from foot to crown
Worked just as hard to tear it down.

And sweeping in against the wall,
Like waves upon the shore,
Came lines of howling men in red,
And more and more and more;
Until the wall began to rock
And fall apart beneath the shock.

"Now tell us what it's all about!"
Cried little Peterkin.
"It's the United Nations, dear,"
Said Kaspar with a grin;
"They're building walls against the Reds,
So we'll sleep safely in our beds."

"Then why do they allow the Reds
To work upon the wall?"
"To chase them off," Old Kaspar said,
"Would never do at all;
For then they never would agree
To help us build Security!"

H. P. B. JENKINS
Economist at Fayetteville, Arkansas

Antwerp in the sixteenth century – "the queen city of all Christendom" (From a painting in the Steen Museum, Antwerp)

GROWTH —The Dutch Example

WILLIAM H. PETERSON

GROWTH. Economic development. The planned expansion of the world's poorer economies outside the communist orbit. These are the watchwords of today's seven major international lending agencies with offices in Washington, D. C., in which the United States Government is either the largest or the only shareholder. (Oldest is the Export-Import Bank, founded in 1934, which neither exports nor imports; nor is it, in the usual sense of the word, a bank. Newest, still in the planning stage, is the International Development Association, which will make loans to poor nations that cannot qualify for credit at the World Bank nor the other agencies under existing relatively easy regulations.)

Such fervor to dispense money abroad, to fight communism through upbuilding "under-developed" nations, raises questions: Are government-to-government

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loans – often gifts in disguise – with their usual accompaniments of exchange control, inflationary schemes, tariff protection, full employment practices, tax gimmicks, Castro-like "agrarian reform," and so on, the best road to national economic growth? If so, how then did the United States and Britain flower in the nineteenth century as the two richest nations in all the world? What of Japan which leaped from feudalism to industrialism in the late nineteenth and early twentieth centuries? And what of the Netherlands in the sixteenth and seventeenth centuries?

For is there not a tested second road to national economic growth, namely, *laissez faire*?

Before considering the Dutch example, it might be well to note that *growth*, in underdeveloped and developed economies, has assumed a sloganeering function. As Lawrence Fertig, Scripps-Howard financial and economic columnist, observed recently:

"The inflationists' new device is

to wave the banner of 'growth.' Of course, they say, we are against inflation. Of course, they assert, we are not in favor of zooming prices. But after all, they quickly ask, isn't growth the *really* important thing – shouldn't we achieve growth (with government in the driver's seat as planner and spender) *even at the expense of some inflation*?"[1]

A False Correlation

Fertig's contention that growth-and-inflation is a false correlation is borne out in a recent study by economists of the New York Federal Reserve Bank covering economic development in 16 countries from 1950 to 1957. These economists found that in countries in which prices advanced only moderately or not at all, annual rates of growth were generally close to 6 per cent. In countries where there were heavy inflationary pressures during this period – and where, by and large, U.S. foreign aid was much greater – rates of growth varied widely, ranging from less than one to more than 7 and averaging around 4 per cent.

So, the thesis that growth depends on inflation demands critical examination. It is an old thesis, and though exploded time and again in the past (see, e.g., Andrew Dickson White's classic – *Fiat Money Inflation in France*[2]) it crops up ever anew. The antiquity of the thesis can be seen from the following quotation by John Law, who became Controller General of France and initiated the Mississippi Bubble inflation from 1716 to 1720:

"Domestick Trade depends on the Money. A Greater Quantity employes more People than a lesser Quantity. A limited Sum can only set a number of People to Work proportion'd to it, and 'tis with little success Laws are made, for Employing the Poor or Idle in Countries where money is scarce."[3]

So, when John Law got economic command in France, he implemented his inflationary scheme, inadvertently courting and finally embracing economic ruin for both France and himself.

The Example Was Ignored

The Dutch example was in full display for Law and his employer, Louis XV. But, like so many lessons of history, the example was ignored. No rich uncles showered the Dutch of the six-

[1] See the October 1959 *Freeman*, pages 58-60.

[2] A new edition with an introduction by Henry Hazlitt is available through the Foundation for Economic Education, Irvington-on-Hudson, N. Y.

[3] Law, John. *Money and Trade Considered*. Edinburgh, 1705.

teenth and seventeenth centuries with aid. No Point Four teams of technical experts surveyed their lowlands for likely sites for factories, warehouses, harbors, and other projects. No Economic and Social Council issued reports decrying the Have-nations for failure to share their economic gains with their less fortunate neighbors.

How did the Dutch miracle happen? And to many it was a miracle. The Dutch were not blessed with natural resources. If anything, nature had cheated them with seas which had periodically flooded the lowlands, thus requiring expensive dikes. A contemporary observer, Daniel Defoe, noted that the seventeenth century Dutch had "neither Corn, Hemp, Tar, Timber, Lead, Iron, Arms, Ammunition, woolen Manufacture, or Fish of their own Growth." For these commodities, the Dutch took to the sea—and hence became known, initially, as the Sea-Beggars.

To Max Weber and others, religion was the answer to the Dutch miracle. The Protestant Reformation, supposedly, opened the floodgates of business prosperity. The Calvinists even had their own regime in Amsterdam for eleven years (1611-22). The keynote of Calvinism, particularly as it was developed by the Dutch Puritans, was complete dedication to one's calling. Whatever a man's pursuit, it was his Christian duty to give it his fullest effort. The tradesman in his own shop "could most confidently expect the presence and blessing of God." Thus pursuit of profit, in free and honorable trade, was no longer tainted; quite the contrary, it was Christian virtue. Sloth was the sin.

Trade Was the Key

But perhaps the best answer to the Dutch miracle was trade — trade, and its corollaries of freedom, property, and economic gain (and without the progressive income tax!) In the sixteenth century, Antwerp — then in the Netherlands — was the queen city of all Christendom; in the seventeenth, it was Amsterdam. Each week some two thousand freight wagons and ten thousand peasant carts passed through Antwerp's gates with the manufactures and foodstuffs of the Continent. As many as four hundred ships came in on the same tide, spreading on Antwerp's docks silks and spices from the East, wool from England, pitch from Sweden, tallow from Norway, furs from Russia, and fish from the Seven Seas. Insurance became big business in sixteenth century Antwerp — ship and cargo insurance and even life insurance. The Antwerp Bourse,

founded in 1531, was the world's first stock exchange.

Little wonder, then, Defoe said of the Netherlands population:

"The Dutch must be understood to be as they really are, the *Carryers of the World,* the Middle Persons in Trade, the Factors and Brokers of Europe: That, as is said above, they *buy* to *sell* again, *take* in to *send* out; and the greatest Part of their vast Commerce consists in being Supply'd from all Parts of the World, that they may supply all the World again."

Thrift Also a Factor

But trade is only part of the story, apparently. The Dutch, as may be gathered from the presence of the Antwerp and Amsterdam Exchanges, were investors as well as traders. Frugality and steady trade furnished the savings. Savings, in turn, furnished the capital for their mercantile searchings and trade centers and outposts the world over. Above all, the soundness of the Dutch currency unit, the florin, won world renown and respect as is seen in the volume of Dutch banking and insurance business. The florin of that era knew virtually no depreciation – no "planned" inflation. And this was a big reason it attracted so much business.

Aspects of the Dutch business behavior can be seen in the observations of Sir William Temple, English ambassador to The Hague in 1668:

"The [Dutch] merchants and tradesmen are of mighty industry. Never has any country traded so much and consumed so little. They buy infinitely, but 'tis to sell again. They are the great masters of Indian spices and Persian silks, but wear plain woolen and feed upon their own fish and roots. They sell the finest of their cloth to France and buy coarse out of England for their own wear. They send abroad the best of their own butter and buy the cheapest out of Ireland for their own use. They furnish infinite luxury which they never practice and traffic in pleasures which they never taste."

Sir William shrewdly pinned down the Dutch secret. "Their common riches," he wrote, "lie in every man's spending less than he has coming in." Self-indulgence was out, for "the general intention every man has is upon his business. . . . All appetites and passions seem to run lower and cooler here than in other countries, avarice excepted. Their tempers are not airy enough for joy, nor warm enough for love."

This observation was shared by the philosopher Descartes who lived in Holland from 1629 to 1640: "Every man thinks only of

himself and his business interests and whoever has nothing to do with business and trade . . . is completely disregarded."

Art Appreciation

Such comments, while having some measure of truth, are to a degree obviated by the burst of great Dutch art. Art requires patrons, an economic surplus. And a measure of Dutch prosperity can be seen in the parade of the Dutch masters: Brueghel, Vermeer, Hals, Steen, Rubens, Rembrandt. If such paintings were for the rich, the middle class home had its appointments. A contemporary historian noted that "the plainest and most modest burgher had a house full of pictures, and there was nothing unusual about finding from one to two hundred paintings in a modest home."

To be sure, Dutch business success in the sixteenth and seventeenth centuries was not always onward and upward. The Tulip Craze of the early seventeenth century (in 1609, one prize bulb was sold for 13,000 florins) broke in 1638, bringing financial hardship to thousands. And in the end, beginning with the Anglo-Dutch wars of 1652-1674, business somehow became inextricably entwined with empire. The Netherlands had become, if temporarily, a "world power." And the era of the bourgeois man of the lowlands, who had reached Java in the East and the Hudson River in the West, was largely no more.

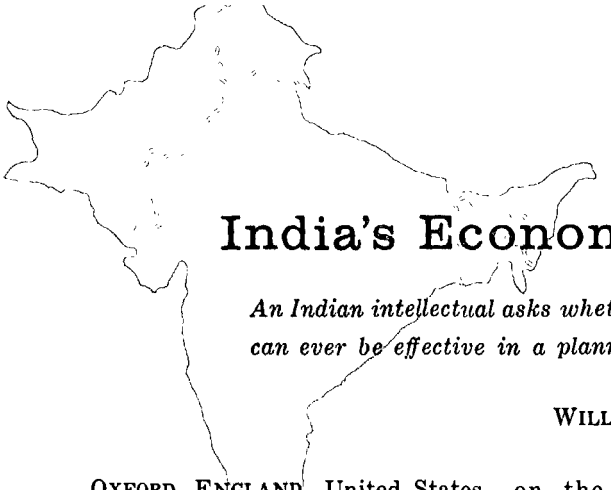
At any rate, the secret of the Dutch example of economic development is plain — it was trade, not inflation; growth was natural, not manipulated. • • •

IDEAS ON LIBERTY

Voluntary Action

VOLUNTARY ACTION is the best possible weapon with which to fight statism and prevent the submergence of the individual. It is our nation's great tool in showing the rest of the world the way to solve problems without throwing ourselves slavishly into the arms of government. Few people elsewhere in the world have any idea how far and how fruitfully voluntary organization has gone in the United States. Our entire system is radiated and irrigated by a vast network of private voluntary organization and communication. Vital ideas and concepts flow back and forth in these channels.

ERWIN D. CANHAM, *Freedom Begins in the Market Place*



India's Economic Road

An Indian intellectual asks whether U.S. aid can ever be effective in a planned economy

WILLIAM HENRY CHAMBERLIN

OXFORD, ENGLAND—United States opinion about India results almost entirely from actions by the planners and collectivists who direct that country's series of economic five year plans.

As a consequence, some influential members of Congress and publicists have committed themselves to the proposition that Uncle Sam should countersign any blank check for foreign aid which Prime Minister Nehru may present.

Insofar as there is opposition to this "back up India at any cost" psychology, it has been mainly rooted in two considerations: distaste for India's strident neutralism, to which a sometime representative in the United Nations, Mr. Krishna Menon, has often given a strong anti-Western twist; and consideration for the heavily burdened American taxpayer. What may be the more important question, whether India is on the right economic road, whether there can be reasonable confidence that American and other foreign aid will be effectively used, has seldom, if ever, been raised.

But it was raised very emphatically, and by an Indian of proved competence as an economist and financial expert, Professor B. R. Shenoy, at the meeting of the Mont Pelerin Society in Oxford.

The Mont Pelerin Society is a group of economists and political scientists, committed to the belief that economic freedom is an integral part of political and personal freedom and that economic freedom means maintenance of the free market, rejection of state intervention in economic matters, and reliance on individual initiative as the principal moving force in economic life. Its membership is overwhelmingly West European and North American, with a small fringe of Latin American members.

A Revelation

But by general agreement Professor Shenoy's speech was the highlight of the Oxford meeting, if only because it was a revelation, even to an audience considerably above average in familiarity with world political and economic conditions. Professor Shenoy has served as an Indian representative with the World Bank and the Monetary Fund, is director of the school of social sciences in Gujerat University at Ahmedabad, and is a member, an increasingly dissenting member, of the panel of economists attached to the Planning Commission of the government of India.

So Professor Shenoy's analysis of the results of India's planned economy was an inside job of a man with thorough knowledge of the subject and it was devastating in its impact. India is now in the fourth year of its second Five Year Plan. The main counts in Shenoy's indictment may be summarized as follows.

Agriculture, basic source of livelihood for the overwhelming majority of the people, has been ruthlessly sacrificed to the building of costly industrial white elephants, including several steel plants, the need for which cannot be proved. Investment in these "white elephants" has been pushed at a rate quite out of proportion to the real savings of the country. The result has been an inflationary rise in the price level, alleviated but not cured by foreign aid and by reducing the gold and foreign exchange backing of the currency to a dangerously low level, with a prospect of complete exhaustion if the present course is followed for another year.

News reports of firing on hungry mobs in Calcutta lent topical significance to Professor Shenoy's criticism of a series of state interventionist measures in agriculture, interference with interest rates, land transfers, prices and marketing of food grains, pressure for collective farming. The effect of these interventions, however well meant, has been to affect adversely the amount of credit available in agriculture, to deter larger landowners from improving their land, and to cause withholding of food grains from the market.

Gold Smuggling

A rigorous system of exchange and import controls has led to equally disastrous consequences, slowing down industrial output, leading to a widening gap between the internal and external prices of import goods and gold, promoting gold smuggling. The state enterprises which are heavily favored against private firms in new in-

vestment generally run at a loss or at rates of profit considerably lower than private firms.

Professor Shenoy sees two alternatives for India's economy: all-out planning along communist lines or the adoption of policies consistent with a free market economy. He received a hearty round of applause when he declared: "What we need from the West is not dollar aid. It is the philosophy of the Mont Pelerin Society."

Even more surprising, perhaps, than Professor Shenoy's exposure of the consequences of high powered planning (which could be paralleled in the experience of Turkey and other underdeveloped countries which have tried to do too much too fast) is the fact that they are so little known in the West. Perhaps we have a better idea of the Soviet than of the Indian economy.

Professor Shenoy is considering the publication of a book in America. Certainly his views should be made widely available in the United States – not least to the members of those congressional committees which deal with foreign aid appropriations.

His speech, with its hard-hitting facts and figures, conveyed the impression that government-to-government foreign aid creates for the givers the awkward dilemma of underwriting the shopping list of foreign bureaucrats who may or may not know what they are doing, or of being denounced as imperialist Shylocks if there is any attempt to criticize or to prune the extravagantly planned economy ventures. • • •

From *The Wall Street Journal*, September 18, 1959.

IDEAS ON LIBERTY

Productive Investment

TO DOUBLE the standard of living in a quarter-century, with all that that means in the final abolition of want and squalor, is not a fantasy. It is a practical possibility – but only with the aid of a massive, unobstructed, and enterprising investment of capital, not in the places where it will "do most social good," but in the places where it will be most productive.

The Economist (London), October 16, 1954

THE AUCTION SALE

Epitome of the Free Market

VOLLIE TRIPP

I HAVE just had a thrilling experience – watching an old-fashioned auction. What is there so exciting about following a loquacious auctioneer about a hot dusty Kansas farmyard, while stolid farmers bid for cultivators, plows, laying hens, and feather mattresses?

Well, for one thing, it's always interesting to watch an expert; and Walter Hand, son of a famous auctioneer, knows his business. But even more important, the auction, as developed and carried on in Midwest farm areas, has become a symbol of the free market, free enterprise system. It expresses the robust dynamic spirit, the good natured give and take of the American business tradition.

And the auction is far from a dying institution. In a day when many of the customs and tokens of the free market are under bitter attack, it is good to know this one neutral meeting place for buyer and seller remains inviolate.

Shall we review briefly the mechanics of the Midwest auction? An older couple, no longer able to farm, are selling out, moving to Wichita. In the course of nearly 40 years, they have accumulated, besides the varied and complicated items required in farming, a large two-story house full of furniture, oddments, and unrelated items – thousands of them. Some are valuable, and will fetch a fair price. Others are of

Mr. Tripp, retired from the building business, now devotes full time to travel, writing, and the promotion of free enterprise.

Illustration: A Devaney, Inc., N. Y.

little account. But, whether they bring much or little they're going under the hammer this sultry Saturday afternoon in late August.

Several factors are necessary for a successful auction. A good crowd is essential. Both the auctioneer and the owners will try to insure a good turnout, by advertising in the two local papers, by radio spot announcements, by handbills distributed in feed stores and other places where farmers may see them. Others are notified by telephone, while the farm "grapevine" further spreads the news.

The weather is important, and Kansas weather is unpredictable. A bad storm not only will discourage people from coming, but may ruin furniture, beds, rugs, and other items piled in the yard. But Kansans are used to risks, and cheerfully take one more.

The auctioneer, the man who kids and cajoles the crowds, keeps them chuckling and in a buying mood, is the heart and soul of the auction sale. For auctioneering is a true art. Not many have the ready wit, the leather lungs, the varied and practical knowledge of merchandise to do it successfully. The work is physically and mentally exhausting, calling for tremendous concentration, an intuitive knowledge of when to conclude a sale. And, the auctioneer must be fair to all. The man who has things to sell, as well as those who come to buy, must have complete confidence in his integrity.

The Preliminaries

The crowd begins to assemble long before the hour set for the sale. Farmers want to inspect the machinery, the livestock, the furniture, before they make their bids.

The men come in their work clothing. At least a few of them are worth from $50,000 to $200,000. But wealthy or not, all have come to the sale to improve their fortunes in some way. They come in late Buicks, Pontiacs, some pulling trailers. This is good, for we know they mean to buy, if possible. They come in battered pickups, in trucks. But you can't tell a thing about a Kansas farmer's finances by the car he drives, or by the clothes he wears.

The ladies of the Riverside Home Demonstration Unit arrive with cases of pop and sacks of crushed ice. They set up their bar in the garage, serving hot coffee, frankfurters and buns, and homemade pies by the slice. The crowd will clean them out, and provide a neat profit for their Unit.

Now, the auctioneer and his two clerks have arrived, and the sale will begin — a demonstration of

the free market, in its most basic, most elemental form.

Auctioneer Hand mounts a farm wagon piled with unclassifiable farm items. He makes a brief and friendly talk, seizes an ancient mattock, as if it were some rare and interesting object.

"Well, whatdya know? Just the thing for those weeds too big and tough for a hoe! What am I bid? Who'll give a dollar? Who'll give a half?" The sale is on.

In a few moments the tool sells, and in rapid succession other items, a big sledge hammer, a felling saw, a wire stretcher, rolls of wire, boxes of assorted nails, screws, bolts, washers.

The Price Is Right

And the price, whatever it is, is exactly right. It is right because this sale represents the perfect functioning of the free market, without interference from meddlesome government agents bent on "protecting" either those who want to sell, or those who hope to buy, to the annoyance of both.

The seller recognizes the risks inherent in all trade, and assumes those risks. It is conceivable that a nearly new tractor might go to someone for a dollar bill. But the seller knows from past experience that such a disastrous sale is quite improbable, so long as the profit motive exists, and men are free to compete for such bargains.

Some items may not bring as much as the seller hopes, but others will bring even more. He pre-accepts the price offered, that is, the *best* price, and has faith that it will be the *right* price, in relation to the conditions. The conditions are those of today, on a hot dusty Kansas farm in late August.

Yesterday, or tomorrow, or next month some item, polished and packaged brightly and offered to the right person in New York or California or Chicago, might bring much more. But such selling costs money, and our seller is in no position to search out that right person as his buyer. The quick, final action of an auction sale compensates in part for the lower prices he may have to take for his things.

As for the buyer, he knows better than any other person – certainly better than any agent of government – how much he can afford to pay for a tractor, or disc, a dozen sheep or chickens. He makes his bid, based on what the merchandise is worth to him, now, and to him alone. There is no pressure to buy other than his own self-interest as it operates in this free and open market place.

There is a lot of merchandise to sell. Neighbors ask permission to bring things to be auctioned

off. One man sends two loads of furniture. Another a small garden tractor, another a horse. And one neighbor has a big old tractor to sell, a truck or two.

"Now, we'll sell this bed, springs, mattress, and all. Boys, if you once sleep in a bed, you'll *never* sleep on the floor again," sings out Hand. Everyone chuckles. Soon he gets a bid, not a very large bid. But, big or small, it is the proper one, all things considered. In unbelievably short time, the furniture and odds and ends are sold and the auctioneer moves out to the barnyard, where rows of farm machinery are neatly displayed.

He gives a tractor a resounding whack with his cane. "Ernie, tell us about your tractor." At such affairs, the owner of machinery, livestock, and the like is expected to tell the truth – and does. To claim falsely that the tractor has had a new clutch, a new transmission, battery, or whatever would subject him to a prompt, vigorous, and wrathful accounting.

Hand soon gets spirited bidding for the tractor and tries hard to sell it for $500. After five minutes he sees this is too much, lets it go for $465 – a fair and proper price. His job is to sell things at the best figure the free and uncoerced market will permit. He works on a commission basis. Naturally, he doesn't knock his wares. But neither does he make extravagant and unsupported claims.

Among the diverse items of property are ten bushels of new corn. "Someone give me a buck a bushel. If we had it in the bottle, it'd be worth twice as much." Hand lets the corn go at 95 cents.

Now a saddle horse is brought out of the barn. "Better take the saddle off, Charlie, so we can see him all over." Charlie does, as he cites statistics about his horse, age, disposition, and so on. And we know Charlie is telling the truth, for the eyes of his friends and neighbors are upon him.

At this sale, there was not an instance of knocking of merchandise. Much of it was junk, and brought a junk price. But auction etiquette seems to forbid and discourage any belittling tactics. If a battered chair has no appeal to a bidder, he expresses his views by simple silence. Chances are the chair was worth something to someone. Every transaction was handled with the same quiet, professional dignity.

Never had we seen a better mannered crowd. They were "capitalists" bent on gain, each man for himself in a sense, but faithful to the rules of the game.

The sale was over. Walter Hand, exhausted, went for a cool pop at the ladies' bar. Happy people were

gathering up their bargain treasures, exchanging bits of farm news, guying and kidding each other for their bizarre purchases. If there was any chagrin, any disappointment, it was not revealed. The owners were satisfied, feeling that their property had received a fair "trial" in the court of public values. Here buyer and seller met freely and of their own accord, matched wits in good-natured banter, compromised, and finally reached a price acceptable to both.

It may be of interest that selling costs, which must be borne by both customer and supplier in all transactions, are amazingly low in these auction sales. Auctioneer Hand received 2 per cent of gross sales. His two clerks received another 2 per cent of the gross. The cost of advertising, including radio spots and handbills, probably did not exceed 1½ per cent of the total – roughly 5½ per cent in all. By no other method can such immensely diverse and "perverse" merchandise be sold so quickly and cheaply.

Yes, I saw an auction sale, and a very good one – a striking and stirring manifestation of the free market, free enterprise system operating vigorously in an economy that wobbles precariously on the brink of socialism. So long as this peculiarly American institution – the auction sale – remains with us, freedom's cause is far from lost.

IDEAS ON LIBERTY

Everybody Wins in Free Enterprise

NOTE that a private concern in a system of free enterprise is an entity of such characteristics that all people who deal with it, material suppliers, equipment dealers, money lenders, workmen, and customers, contribute what they value less and receive what they value more. There is a net gain for each person. Also, where there are several competing enterprises, each person is free to deal with the organization that returns the *most* for what he contributes. Thus there is a natural selection of those firms who are capable of operating so that each person, whether he be a material supplier, equipment dealer, a workman, a banker, professional man, or customer, receives the *most* for his contributions. Any firm that cannot compete under these conditions fails.

H. G. THUESEN

THE ECONOMICS OF KING DAVID

ORIEN JOHNSON

KING DAVID was one of the most popular and powerful kings of ancient Israel. During his reign of forty years, he brought unity to a divided nation and established Jerusalem as the mightiest capital of the ancient world. He was a soldier king who made his coffers rich by conquest as was the custom of oriental potentates of that day. Yet, we have a hint in his 144th Psalm that he disliked the ways of battle and longed for the sound economy of a healthy agricultural prosperity. "Rescue me from the cruel sword, and deliver me from the hand of aliens, whose mouth speaks lies, and whose right hand is a right hand of falsehood. May our sons in their youth be like plants full grown, our daughters like corner pillars cut for the structure of a palace; may our garners be full, providing all manner of store; may our sheep bring forth thousands and ten thousands in our fields; may our cattle be heavy with young, suffering no mischance or failure in bearing; may there be no cry of distress in our streets! Happy the people to whom such blessings fall! Happy the people whose God is the Lord!"

In spite of the riches he accumulated, we see a healthy lack of the materialistic philosophy that delights in things that money can buy. Psalm 62:10 gives this advice: "If riches increase, set not your heart on them."

But it is in Psalm 128:2 that we discover a rare gem. I call it a "gem" because, like so many truths in the Bible, you have to pick them up, polish them, and give them a proper setting before they become valuable to you.

Here is the quotation: "You shall eat the fruit of the labor of your hands; you shall be happy, and it shall be well with you."

Shall we begin the polishing process?

To labor with "your hands" is a figure of speech, for we know that it is possible to work with our feet, our tongues, our brains, or with

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Mr. Johnson is editor of *Young Life*, a magazine for high-school and college-age youth, published in Colorado Springs, Colorado.

other parts of our body. But "hands" are personal things. The words show that it is our own labor that is intended and not another's.

"Labor" is work – accomplishment as a result of energy expended. This must mean constructive, creative, or helpful work. It is unthinkable that the Bible would advocate work that is detrimental to one's fellow man. Therefore, any work that one is able to do that does not injure society is acceptable. We realize that it is possible to accumulate energy in the form of capital or tools that enable one to work more effectively than he could otherwise. But it is still the labor of our "hands" in that it took creative energy on our part to administer it or to put it to use after it was stored up. The gem is beginning to shine.

The next facet we work on is that word "fruit." The fruit of our labor is the net result of the labor of our hands. If I am a farmer, the fruit may be literal fruit that is good to eat. But what difference if I eat it or trade it for another kind of fruit? Or perhaps I might sell it and buy another kind of fruit from my neighbor, a kind that I might not have the ability to grow and yet a kind that I need and want very much.

These other fruits that I might want could be *pieces of art,* the fruit of labor of the artist; or *instruction,* the fruit of labor of the teacher; or *administration,* the fruit of those with organizational and leadership ability. These fruits could be listed ad infinitum, a tremendous storehouse or granary to hold the many fruits of labor of mankind – a lovely facet of our jewel.

The word "eat" is the next facet to tackle.

It is necessary for me to eat in order to live. The plan in the quotation unfolds . . . . work . . . . reap fruit . . . . eat . . . . live. It is a workable circle that perpetuates itself. It is life itself in its barest outline. If I don't work, I will not reap, I will not eat, and soon I will not live. On the other hand, I may work a lot, reap a lot, eat a lot, and have some left over to give away, and some to sell or to store up in order that more work may be done.

It is this possibility of putting more energy to work to produce more fruit that makes an efficient system of economics possible. There are some who cannot work because of sickness, either mental or physical. Their fruit will not sustain them. Therefore, it will be the privilege of those who can and do produce more than they need to put another Bible precept into practice: "Happy is he who is kind to the poor," (Proverbs 14:21) and also, "It is more

blessed to give than to receive." (Acts 20:35) There is no law involved here – no law voted in by men, that is. But shall we call it a higher principle? It is the principle which says, "Do this, if you wish, and you will receive the reward that goes with it." This is much stronger than man-made laws which say, "Do this or else."

Now look at our shining jewel. It is a valuable one because it teaches valuable lessons in economics, and they are principles, by the way, which have stood the test of time.

First of all, it utterly outshines the socialistic imitation which says, "The state shall take the fruit of your labor and administer it equally to all men." It outshines it because of one important element. It is the element of *happiness* which is missing in all socialistic paste imitations. In every one of the verses cited in this study, happiness is the result. And I am not referring to the emotion that comes from having your physical needs met. This is satisfaction for the moment, but happiness is deeper and more valuable. It comes as a result of freedom. Here's how it works. If I am free to work as much as I please, to reap as much as I please, to dispense with my fruit as I please, to enjoy the fruit of my own labors, to give to my neighbor in want, then I will enjoy the result . . . a happy life.

A happy life, then, will be a giving life. This meets the needs of my unfortunate neighbor and makes my own life overflow with the warm kind of joy that is the product of such giving. Will you pardon me if I cannot become enthusiastic over socialistic programs that involve compulsory "giving" in the form of high taxes to pressure groups that never fully meet the wants of those who cry for help? Thank you, but I have found a better plan.

This plan, which I learn from King David, and believe to be God's plan, is vibrant with the heart-warming values of the good life He is trying to teach. Of course, I have to fight greed and selfishness, but that puts iron in the soul and makes life worth the living when we taste a bit of victory now and then. May I look for the injured traveler along life's road. May I stop, bind up his wounds, care for his needs, and pay the bill out of the surplus I have been able to accumulate as the result of the labor of my own hands. Then only will I feel the glow of satisfaction that results from learning God's lessons in economics which form for me a pattern of life that gives me an incentive to labor that much the harder. • • •

A PROJECT IN LEARNING

ESSAYS VI

IN TWO of the pieces collected in this latest FREEMAN anthology, *Essays on Liberty*, Volume VI (Foundation for Economic Education, 448 pp., clothbound $3.00, paperbound $2.00), Leonard E. Read deals with some of the prevalent criticisms of the work being done by FEE in general and THE FREEMAN in particular. To those who contend that the state of the nation cannot wait on leisurely processes of education, and that political action is needed *right now*, Mr. Read makes the pertinent observation that politicians are usually nothing more than the echoes of their supporting publics. If these publics are prevailingly interventionist in their thoughts and emotions, then any political action they encourage is bound to be deleterious.

The job, then, is to change the intellectual climate so that political "leadership" will act on libertarian clues. Does this mean that whole "masses" must be converted at once? To this question Mr. Read gives a firm "no." It is influential people who must be reached – i.e., people who have depth of understanding, strength of conviction, and the power of attractive exposition. Such people, as Mr. Read well knows, are not to be converted by easy blandishments or by the bulldozing tactics of the sloganeer. They respond best to the attraction of minds that work to promote a spirit of inquiry. In other words, the libertarian who is visibly working at his task of perfecting his own understanding of basic principles makes the best "reformer" of others. And he does his "reforming," not by shouting or buttonholing or trying to sneak things over, but by the quiet force of his own example.

This, as Mr. Read notes, is not being "practical" as the modern world tends to interpret "practicality." To be "practical" in the contemporary intellectual climate is to evince a willingness to meet socialists half-way. Such "practicality," approaching collectivism

as a limit, must end by reducing the amount of freedom in society to a mere chemical trace as more and more "compromises" are reached. "Practicality," so accepted, is a Trojan horse. Mr. Read is not out to "sell" anyone on this idea of the futility of political "practicality." He wishes only to make it plain. The only antidote to political authoritarianism, he says, is "a project in learning, not selling."

Surprises

As a project in learning, the essays collected in this volume are full of surprises. Taken as a whole, they utterly confute the charge that THE FREEMAN is edited by true believers who merely serve up to other true believers a doctrine on which they have been presold in advance, which is one criticism of FEE which Mr. Read does not tackle. The FREEMAN-type essay is normally built step by step — and it must take blind men to ignore conclusions that are so firmly grounded in factual evidence and in logical lucidity.

Take William Alvadore Buck's "Emancipation by Machine: The Myth of Mass-Production Slavery," for example. Most defenders of modern capitalism have been willing to concede that a certain amount of "robotization" is inseparable from the factory system. They have usually been willing to settle for the argument that some boredom in work is worth-while because of the productivity which repetitive processes unleash. This sort of "defense" of the machine, however, seemed to Mr. Buck to constitute a pretty feeble answer to those who have alleged that modern life is far less "creative" than life in pre-machine times. So Mr. Buck set himself a question: How many Americans actually work at simple repetitive operations?

The Bureau of Labor Statistics supplied some clues. In a recent year some thirteen million "production" workers were employed in the land. From this thirteen million Mr. Buck subtracted the figures for industries, such as lumbering, where narrowly repetitive operations do not exist. A tool plant inspection turned up the information that only one out of six toolmakers worked at "robot" jobs. Even in automobile assembly plants only five out of nine workers were actually employed on the line. Mr. Buck's mathematical foray ended by reducing the total number of "robot" workers in the U.S. to 2.5 million, or 3 million at most. And this was for a year in which the gainfully employed, including farmers and service people, numbered 66 million.

Repetitive boredom, then, af-

flicts only from one-twentieth to one-thirtieth of the working force of the most advanced mass production nation in the world. In comparison to the 2.5-to-3 million that work on repetitive tasks the Bureau of Labor Statistics lists 8.8 million people who are "craftsmen, foremen, and kindred workers," and 6.4 million who are "professional, technical, and artistic workers." "Managers, officials, and proprietors" number another 6.6 million. Why, then, not call us a nation of individualists if the nonrepetitive type of industrial job outnumbers the robot type job by as much as seven to one?

Moreover, the "robots" do not necessarily cry to be separated from the assembly line. Some people, as Mr. Buck discovered by asking a few questions, actually prefer repetitive tasks. There may be a genuine problem of how to make such people happy once "automation" has released them for more individualistic and enterprising work.

Mr. Buck's step-by-step refutation of clichés is a good illustration of THE FREEMAN approach to its work, which is *not* propagandistic within the modern drill-it-in-by-rote connotation of the term. The genuine surprises in this volume mount up as one reads Rose Grieco's "A Child's Diary" (an imaginative piece by a PTA-employed dance teacher which suggests that children would be better off if the PTA would sponsor fewer rather than more extra-curricular activities for after-school hours). To continue in this vein, it was a complete surprise to me to learn, from George Winder, that it was the sixteenth-century Africa Company, a private trading organization, which effectively put Britain on the gold standard. It did this by making its golden Guinea the most acceptable coin *in* the realm. (The Guinea, as coin *in* the realm, became coin *of* the realm without any conscious effort on the part of government to make it such.) The moral of Mr. Winder's piece: that honest money is *not* created by government but by individuals whose private evaluation of a medium of exchange sets the standards of the marketplace.

More Surprises

Another of the surprises in this volume is Oscar Cooley's "Why Not Pay Cash?" This piece refutes the popularly held idea that it is possible, through borrowing against the future, to shift the full burden of contemporary wars or depressions to one's grandchildren. As Mr. Cooley makes plain, anything wasted or shot away in the present has to be taken from *current* stocks – and if those stocks are paid for by debt rather than

by taxation the *present* generation must take the material consequences of the resulting inflation. (True enough, the social effects of the inflation will live on to plague our grandchildren. It will not seem right that some of them must be taxed to redeem the bonds held by others. But the eventual settlement of the debt on the government's books will merely involve a transfer of existing wealth. The original *loss* of wealth will have been paid for in grandfather's time. And for the sake of non-bondowning grandchildren it had better been paid in cash.

The surprise in Harold Brayman's "Rich Man's Tax – Poor Man's Burden" is the suggestion that the American standard of life might be two or three times higher than it now is if "progressive taxation" had never been legislated. The higher one's income tax bracket, the less the incentive to employ one's funds in risky adventures. Just how many job-creating enterprises have been "birth-controlled" out of the very possibility of existing is, of course, impossible to compute. But Mr. Brayman's logic cannot be assailed. How else explain the fact that industry has had to find ways of negating the progressive income tax in order to assemble capital for expansion? The oil industry has managed to do this by way of the depletion allowance; in other industries, the trick has been accomplished by the device of retaining a good portion of corporate earnings for an investment which may eventually bless the stockholder as capital gains. "Progressive taxation" doesn't keep existing industries from growing. But it must have a depressing effect on the birth statistics of new companies. In other words, the progressive tax is a force for monopoly and, concomitantly, a lower standard of living.

The surprises in this anthology of fifty pieces might be multiplied almost indefinitely. Patrick Boarman's "Value Judgments in the Classroom" suggests that marginal utility cannot be taught as an economic concept without a prior commitment to the philosophic value of free choice. Sylvester Petro suggests that union leadership must always tend toward corruption as long as union membership is socially or legally compelled. Edmund Opitz suggests that the majoritarian principle in the Declaration of Independence is incompatible with the doctrine of inalienable rights once religious sanctions have ceased to check majority appetites.

And so it goes, surprise after surprise – but always within the framework provided by coordinates of fact and logic. • • •

A Study in Ethical Theory
By D. M. Mackinnon. New York: Macmillan, 1958. 280 pp. $3.50.

Ethics and the Moral Life
By Bernard Mayo. New York: St. Martin's Press, 1958. 238 pp. $5.00.

THE INTEGRITY of moral philosophy is under fire from several directions. It has to defend itself against the so-called "emotive" theory of the logical positivists, against the existentialist challenge, and it must maintain the reality of human freedom as against the determinists who deny it. Our authors are professors of philosophy in Britain and attempt to rebut these challenges. Although they write mainly for other philosophers, the layman will find their arguments instructive.

The so-called "emotive" theory of ethics maintains that moral evaluations or moral judgments are just a matter of expressing one's likes or dislikes. People are just emoting when they say, for example, "Stealing is wrong." They might, with equal meaning, say "Stealing, ugh!" Now if anyone says "Ice cream tastes good," he is describing his feelings about ice cream, but he is neither describing ice cream nor purporting to do so. Such an assertion may be translated accurately as "Ice cream, yum yum!" This is truly an emotive utterance and, as such, is not within the range of rational discussion. Someone else might say "Ice cream, ugh!" In using sounds like "ugh" and "yum" we may influence other people's feelings but it can't be said that we are engaged in rational discourse.

The proponents of the "emotive" theory take an unwarranted leap from the obvious fact that some personal judgments are merely "emotive" to the false conclusion that all moral judgments are necessarily "emotive," that is, reducible to a matter of taste which is not rationally discussable.

Both Mackinnon and Mayo reject that subjectivistic interpretation of moral values and judgments. Mayo points out that in discourse generally, when I say "This is a good fishing rod," the word "good" has an objective reference. By "This fishing rod is good" I mean that anyone competent to judge fishing rods would agree with me, and I could engage in rational discussion about the features good fishing rods have that make them better than bad ones. Similarly, in ethical dis-

course – when "good" is used as a moral epithet, that word is objectively evaluative and not just an expression of liking.

Again, when I say "Stealing is wrong," I am not merely giving vent to my private feelings nor just expressing my disapproval of stealing. I mean it is morally wrong to steal. I could conceivably find myself in a situation where I might have a strong inclination to steal, but in holding that stealing is morally wrong, I am committing myself against stealing wherever it occurs, whatever my feelings in a particular situation. I am saying that stealing should always be disapproved and be disapproved by everyone. Evidently then, ethical judgments are more than mere emotings. About ethical judgments there is something rationally universalizable.

Existentialism Invalidated

Our two philosophers also agree in invalidating existentialism. The existentialists make much of the fact that every situation in which a person must come to a moral decision is a unique one involving unique persons. Mayo accepts this fact, but he considers it completely false to think that such uniqueness is relevant to the making of a moral decision. In order to think in moral terms at all one must view the unique aspects of a situation in terms of a general principle, just as a scientist in thinking scientifically has to think in terms of the characteristics that certain events have in common. I would not be thinking morally at all if I took my predicament as so "unutterably particular" that I could not view it in the light of general moral principles.

Mackinnon's complaint against the existentialists is that they fall in love with the tragic for its own sake, accepting the hardness of our human lot, and the intractability of the world around us to our aspirations, with an almost masochistic delight. Giving oneself up to a sort of self-indulgent wallowing in the beastliness of things is a poor substitute for tackling the next job at hand.

A third question, and one of perennial interest in ethics, is that of human freedom. Both Mackinnon and Mayo make use of Kant's statement, "Ought implies can." It would be senseless for me to say I *ought* to have done something I didn't do unless I was able (or free) to have done it. Mackinnon bases his argument for human freedom largely upon our immediate consciousness, our direct awareness of the fact that we could have done something we didn't do, while Mayo discusses human freedom largely in relation to scientific predictability and de-

terminism. He does not claim to find human free-will in the indeterminism of electron jumps. He maintains that even if determinism were universal, since prediction is a function of language, and language cannot describe everything without limit, there would still be ample room for scientific unpredictability and for moral freedom in human action.

Finally, both these philosophers would resist the effort to reduce what is right to the question of what is customary or legal or conventional. "Moral maturity," writes Mayo, "is the achievement of moral autonomy." (p. 176) No man is really moral unless he is guided by principles he has made his own. If conscience were a conditioned reflex, an unreflective imitation of the ways of others, there would be no such thing as conscience – the word could never have been invented. The whole idea of moral education is to internalize authority, to pass from doing what we do because others say it is right to a condition in which we bring moral principles to the test of rational reflection and make our own decisions.

—ROWLAND GRAY-SMITH

IN DEFENSE OF POCKET BOOKS

GRACE BOSWORTH

IT WAS REPORTED recently that the Yugoslavs almost wept with joy when exposed to their first sample of supermarket shopping. The luxury of picking and choosing from many items touched them deeply. In the local market the other night, I wondered if the day would ever come when they could buy a loaf of bread on the one hand and a book on the other. We take for granted our markets, even more so, our books. With the advent of pocket books, we can have everything from new developments in space travel to murder or adventure novels; the world at our fingertips for less than $1.00.

There is an element that says, "I wouldn't buy a pocket book." Many hold that all paperbacks are as lurid as the front covers on most of them. In other cases, people feel a book belongs in a permanent library and reprints don't meet that need. No, they are made for reading while eating lunch, riding a bus or train, or waiting for a dental appointment. I buy them for another reason, too—they are wonderful for marking!

Something in my childhood training prevents me from marking up the clothbound books in our home library. When I want to refer to a particular passage in one, I have to hunt for it. Not so with my pocket books, they are underlined in red and blue and marked with brackets. Listen:

"Private fortunes are destroyed by public as well as by private extravagance. And this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second; that second for a third, and so on. . . ."

That is Thomas Jefferson, writing a letter in 1816. A book* of his collected letters cost me 35¢. It has 186 pages in all, but even if it had only the one letter, that was worth my investment.

When the news from Washington stands my hair on end, or another Senator gets an idea of what we should and shouldn't make the functions of our government, I can sit down with Jefferson, and Madison, and Hamilton, and think about it—and it didn't cost as much as a single night out to dinner at a half-way decent restaurant. • • •

Mrs. Bosworth is a California housewife who also does secretarial and editorial work.

*_Thomas Jefferson on Democracy_, edited by Saul K. Padover.

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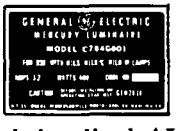

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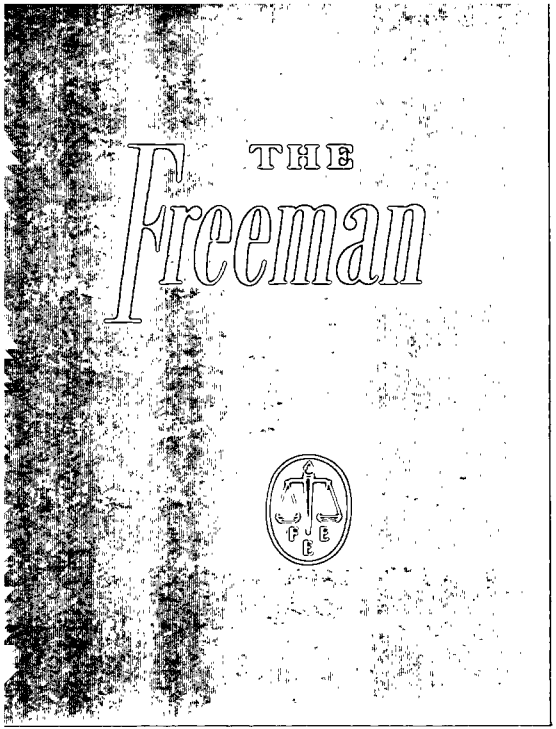

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EQUALITY OF RIGHTS

RIGHTS are not gifts from one man to another, nor from one class of men to another. . . . It is impossible to discover any origin of rights otherwise than in the origin of man; it consequently follows that rights appertain to man in right of his existence, and must therefore be equal to every man.

The principle of an equality of rights is clear simple. Every man can understand it, and it is by understanding his rights that he learns his duties; for where the rights of men are equal, every man must finally see the necessity of protecting the rights of others as the most effectual security for his own.

THOMAS PAINE, *On First Principles of Government*

To:

street

city zone state

PLACE
4½-CENT
POSTAGE
HERE