

A PERENNIAL charge levelled against economic libertarians is that they are "guilty" of *naivete*, defined by the Oxford Dictionary as a condition of being "unsophisticated, or unconventional, simple or artless". That, incidentally, is the kindest charge the many enemies of economic freedom level against us; the more bellicose antagonist of the free market sees (or wishes others to see) libertarians as a collection of Gradgrinds straight out of the pages of Charles Dickens' *Hard Times*. In this caricature of the hard-faced capitalist of a legendary *laissez-faire* society, economic libertarians are seen as freebooters motivated only by the most narrow self-interest where greed, avarice, cupidity and mean rapacity allow for no intrusion of sentiment, emotion and individuality for those on the make.

An analysis of individuals describing themselves as economic libertarians would, without doubt, reveal an unhealthy number of such persons. Many self-styled capitalists are, by their attitudes and behaviour, among the very worst enemies of freedom. Robbers, thieves, forgers, counterfeiters and various entrepreneurs of commercial and business sharp practices are very individualistic people, whose notion of liberty is characteristically anti-social. However, liberty is no mere abstraction. It can succeed only where a climate of social and political responsibility is universally accepted and respected. Defenders of liberty and freedom must heed the wisdom of Edmund Burke in recognising that:

"Men are qualified for civil liberty in exact proportion to their disposition to put moral chains upon their own appetites; in proportion as their love of justice is above their rapacity; in proportion as their soundness and sobriety of understanding is above their vanity and presumption; in proportion as they are more disposed to listen to the councils of the wise and the good, in preference to the flattery of knaves."

If Burke's wise observations were true in 1791, how less true are they today? In my view, they are timeless wisdom which the most elaborate sophistry cannot render false. The charge that some libertarians are negligent and guileless is not without substance; as Burke correctly asserted, "The only thing necessary for the triumph of evil is for good men to do nothing." A great many pseudo-libertarians are apt to dismiss (or play down) the incidence of mischievous behaviour among false "friends". Do monopolists, protectionists, along with statist, socialists, communists and fascists act only from mistaken belief? For the proliferation of evil there has to be some motive at work, whether deliberate in origin, or arising out of honest ignorance or just cynical perversity. Protective tariffs do not just happen; land monopoly is not just an unfortunate historical accident; industrial and commercial cartels require much forethought, arrangement and political accommodation.

The pages of history are stained with tyrants and

Liberty—without and without

NICHOLA

"But what is liberty without wisdom and without
folly, vice and madness, without t

bad men; neither could have prevailed without the connivance of other men's vanity, greed and lust for power. An armed individual might hold a family to ransom. It is stretching credulity to the boundaries of reason to suggest that, by such slender means, entire nations can be so ruled. The history of land tenure the world over is the history of the misuse of authority by governments to confer privileges on the few at the expense of the many; wise government abolished the iniquitous Corn Laws and brought free trade to the United Kingdom; weak, perverse and expedient government reimposed protection at the prompting of narrow vested interests. Those same interests, now enlarged and of wider political orientation have, with the ready approval of government, trades unions and monopoly capitalism, continued to demand the buttressing of these harmful privileges by ever more protection and monopoly power, thereby accommodating a growing army of applicants for a place among the ranks of the favoured.

These trends gather a momentum of their own, taking on board groups of self-seekers whose narrow interests are nearly always in direct conflict with the general interest. Both in the U.K. and the U.S.A., trades unions and big business espouse the cause of protection as being in their joint interest — what Adam Smith called the conspiracy to defraud the consumer by raising prices against the public in collusion with governments.

It is the same sad story with land. Planners nearly always favour the powerful property developer, the large farming interest and the growing army of bureaucrats. Is it surprising that fraud, corruption and cynicism are everywhere on the increase?

Protection and land have, in large measure, been at the root of the long history of crime, corruption, and unsavoury politics which are a regrettable feature of the 200 years history of the United States. Here is a large democratic nation founded on the principles of liberty and equal opportunity, which, from its very inception as a sovereign state, allowed some of its citizens the right to own slaves, while the founding fathers wasted little time in carving out massive estates from the best lands. Its first President, George Washington, was no laggard in the early carve-up of prime real estate, securing something like 250,000 acres for his exclusive use. Long before the final breach with Great Britain, settlers in the New World were busy fencing off millions of lush acres

Without wisdom Without virtue

by BILITCH

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of action or restraint."—EDMUND BURKE

as private fiefdoms ready to be worked by an army of African slaves from the west coast of Africa and future immigrants from Eastern Europe; an unsavoury trade in human beings was the foundation of many a fortune, and the racial problems it gave rise to are with us today. That the operation of such a trade required the active participation of bad men is beyond doubt; that the history of the slave trade has spawned many a myth (and some dubious history) does not invalidate the charge that evil and dark forces were at work over a long period of time. Is it therefore surprising that while the founding fathers of modern America were drafting the Declaration of Independence and drawing up the Constitution, the less scrupulous of their ambitious colleagues were busy serving their own selfish ends?

A recent history of some of the more notorious of America's numerous scoundrels has been written by a distinguished American journalist, Nathan Miller. Carrying the apt title *The Founding Finaglers*,* it is described by the publishers as "a fascinating history of corruption in America from Jamestown to Teapot Dome." The tales of wrongdoing it tells are not new; what it describes has been written about on many previous occasions. Well-written, informative, it leaves one with the thought that were it not for the innate decency and honesty of most Americans, past and present, the U.S.A. would have been reduced to the level of the many societies where civil government has become impossible without the aid of the tyrant's lash. It does, however, go a long way to explain the phenomenon of how a large and unbelievably wealthy sector of organised crime and villainy manages to survive in a free and prosperous country. Miller observes how early on in the history of his country land speculation and land acquisition was the prime target for personal aggrandisement: "... land was the favourite object of speculation. . . ." There was "... an insatiable lust for land in colonial America. Such prominent members of the Revolution generation as George Washington, Benjamin Franklin, Patrick Henry and Robert Morris were all deeply involved in land speculation."

Miller's next paragraph concerns the book's most pertinent message: "Concentration of the lands . . . in fewer and fewer hands directed the covetous eyes of the land speculators towards the vast unsettled

areas west The prospects for clever operators were dazzling. The initial investment didn't have to be lavish, as the land was *not bought* (my italics) but secured from the Crown or the colonial governments for the asking—as long as one knew who to ask and had greased the way with well-placed bribes (my italics). . . . Thus, for the expenditure of only a few hundred pounds in bribes and a promise of a generous share of the boodle to interested British and colonial officials, grants totalling several hundred thousand acres in size were handed out."

Shades of Wigan slag heaps, and the squalid land deals which have surfaced here in Britain of recent years! The fortunes involved may be small beer, compared to the enormous fortunes ultimately made in America; the name of the game is the same. Civic malfeasance can be profitable where careless (or malign) government operates against the public interest.

Power is a heady brew which attracts the good and the bad. It can lead good men astray, their innate vanity unleashing the dark side of their nature, readily surfacing as the lust for power grows. Conceited men and women, seeking office to perform good deeds often find themselves in the company of others who are frequently imbued with less noble ambitions; lack of courage can often corrupt otherwise good men into serving interests which they did not deliberately seek, but whose influence and power they have need of if high office is not to be denied them. It has been said that the ungodly prosper, because the godly are such damned fools, who allow them to do so. As Burke said, "When bad men combine, the good must associate; else they will fall one by one, an unpitied sacrifice in a contemptible struggle."

The lust for power and riches which led some of the earlier settlers in America to covet large areas of colonial territory as their exclusive domain provided a power base which has inevitably led to what Miller describes as a prime factor whereby "... the Constitution advanced the interests of the moneyed class while practically ignoring the rights and wishes of the common man. It charted the course for the establishment of a business civilisation in which property in all its myriad forms was to reign supreme."

In contrast to the optimism of his contemporaries (those great Victorian Liberals), Lord Acton—a distinguished libertarian in the best classical tradition—took a view more sanguine than the one which regarded as inevitable that good would prevail over evil. He noted, above all else, that tyranny had a much longer history than freedom; that regrettably all too often, dark forces had a habit of extinguishing liberty over long periods of time; that bad men's rule had prevailed more often than rule of just laws and enlightened government. This was no mere pessimistic cynicism; rather was it the realism of a thinker who, because he cherished civilized values and in-

*David McKay Co. Inc., New York, USA. \$12.50.

dividual liberty, was under no illusion that both were fragile values requiring eternal vigilance, necessitating that governments be given a minimum of power



so as to prevent tyrants and evildoers from effecting their worst. Who among genuine libertarians (not also a fool) can look back no further than the seventy-six years of the present century, and then take issue with Acton's assertion that, "the one pervading evil of democracy is the tyranny of the majority, or rather of that party, not always the majority, that succeeds by force or fraud, in carrying elections." Tyrants and evildoers may have been inspired by what they set out to achieve; they cannot, on that account, be exonerated from the means, methods, and ends they willed; neither can they be excused from their association with others, less inspired, whose sole wish was a share of power, glory and riches, which it was hoped such associations would readily provide. It is true, that among the hangers-on and influence pedlars, the sin is usually no more than one of amorality. "If you can't beat 'em, join 'em!" In many ways these contemptible creatures are the greatest menace of all, in that they readily provide tyrants, corrupters and other evildoers with an army of "volunteers" who will carry out any depredation on the public domain if the prizes and rewards offer sufficient temptation.

That free trade, free land and sound money are causes we should be constantly fighting for, is not in doubt; that selfish and rapacious forces are working in the opposite direction is also undeniable—history testifies to the fact. Libertarians who ignore such truths are ill-equipped to advance the cause of liberty and justice. In themselves motives may not be important; however, sound policies, just measures and libertarian goals remain mere abstractions without the active involvement of men and women of good will who not only believe but are, at all times, ready to act honourably to bring about the just and free society.

The fact that the U.S. Constitution was founded on democratic and (ostensibly) libertarian principles, did not deter a number of founding rascals from indulging in the most outrageous finagling. As Miller so graphically describes: "Even while the new Government was taking shape, finagling was making an early bow. Congress convened on March 4, 1789, and had only been in session a few weeks before it was discovered that some members were already using their position to line their pockets. To provide funds to meet the immediate requirements of the Government it had been agreed after a process of

give and take worthy of the Constitutional Convention that a tariff should be imposed upon imports coming into the country. Yet for some unexplained reason, final congressional action had been stalled for some time. No one seemed to know why. William Maclay, a fiercely democratic senator from Western Pennsylvania began to delve into the mystery Maclay found that the Bill was being obstructed by some members of Congress who were deeply involved in seaborne commerce. They hoped to delay final approval of the measure until their ships had returned safely from current voyages and the cargoes unloaded into their warehouses—free of duty, of course. The merchants had already raised the price of goods on hand to cover the duties which hadn't been paid, but that was the public's worry Maclay noted unhappily in his journal that when a man acted in the double capacity of both merchant and congress man, 'You will always find the merchant uppermost'."

In other words, Adam Smith's invisible hand is frequently found, up to the elbow, raiding the public till; wise legislation should be concerned to see that it does not happen. Tariffs and protection are always a temptation for rogues on the make to fleece the public by suborning governments in the interest of a single class.

It is my personal view that because of its immense size, the land question was of less importance in corrupting the commercial life of America than the incidence of graft and political log-rolling which went into (and still does) the build-up of protection and tariff legislation in the U.S.A. As in the U.K., land ownership is very fragmented and fairly widely dispersed. This means that in the market place competition acts on land prices so as to keep the more

AT the turn of this century when the protectionist forces were gathering strength under the banner of Tariff Reform and were being led by a "radical reformer" and political opportunist, Joseph Chamberlain, a group of eminent British economists of impeccable classical learning, sent a letter to the *London Times* (15 August 1903). In retrospect, the two sentences from the letter which were most prophetic when viewed against the contemporary world crisis, were those where the signatories warned their countrymen that a return to protection would mean that:

"The evil would probably be a lasting one since experience shows that protection, when it has once taken root, is likely to extend beyond the limits at first assigned to it, and is very difficult to extirpate. There are also to be apprehended those evils other than material which protection brings in its train, the loss of purity of politics, the unfair advantage given to those who wield the powers of jobbery and corruption, unjust distribution of wealth, and the growth of sinister interests."

speculative excesses in check. Of course, large fortunes are still made from real estate; only land-value taxation would curb it. By way of contrast, tariff lobbies have grown up over the decades into a major industry, giving rise to cartels, price-fixing and a host of other commercial malpractices. With the moral and ethical climate it has produced, it is no wonder that the Mafia, and other well-organised groups of crooks and business miscreants have flourished, using their ill-gotten gains to bribe politicians, government officials and the police in pursuit of riches. This unsavoury trend gathered momentum following the Civil War. The protectionist mania which grips America from time to time has brought in its train powerful countervailing forces in the shape of organised labour who are more concerned in sharing out the loot than in fighting the entrenched privilege the ensuing commercial bonanza produces. Is it surprising that these well-organised labour monopolies are riddled with hard-nosed crooks clamouring for the very protection from which their legions are the principal victims. The result is that America, like Britain, is moving more and more down the road which leads to the socialist corporate state.

In the concluding chapter of *Progress and Poverty*, Henry George prophesies that should land reform and free trade not be introduced in his native land, the ultimate clamour of the "mob" could well lead to a dictatorship. The political follies which have characterised the politics since George's day have seen the growth of the welfare state and social

security financed by large government deficits. In his own country it has reduced cities like New York to bankruptcy, unbelievable corruption and crime of mind-boggling dimensions. Further south in Chile, Uruguay and Argentina, democracy is dead, having been replaced by brutal and repressive dictatorships; in Cuba, the only difference is that the repressive regime is a Marxist dictatorship. So alarming has the situation grown in Britain, that the normally imperturbable Professor Milton Friedman has recently questioned as to how much longer can it be before freedom and parliamentary government are brought to an end here. Was he being unduly alarmist? All the symptoms are there which would give credence to such a prophesy with public expenditure out of control; inflation at historically high levels not seen here since Tudor times; taxation levels not experienced since the time of the Napoleonic era; public sector employment growing at an alarming rate, with an organisation comparable with any industrial trade union; crime, corruption, nepotism and patronage on a scale not seen since the days of the rotten boroughs of Walpole's premiership. I think the Professor was right in expressing anxiety for a country he holds in affection, and for which he has the highest regard and respect.

To echo again the wise words of Burke: "But what is liberty without wisdom, and without virtue? It is the greatest of all possible evils; for it is folly, vice and madness, without tuition or restraint."

Expansion—A Means of Survival

The following is extracted from an article issued by the Freedom of Information Campaign over the signatures of three Labour M.P.s (Arthur Lewis, Tom Litterick and Sydney Bidwell). We follow it with a comment from our contributor T. O. Evans.

THERE seems to be general agreement that the solution to our economic difficulties lies in the direction of increasing production.

If our observation is correct that expansion is the route to survival, then we have a yard-stick by which to evaluate theories and suggestions which are put forward as a means of increasing production. Any move at all which goes in the direction of increased unemployment must entail contraction. Creating unemployment in order to streamline production is a form of contraction. To fully utilise the labour force and then to recruit more workers to back up the rising production is true expansion. To ration work as though it were a scarce commodity is a form of contraction. Production should be streamlined to

economise in capacity for work only when the work resources are fully stretched. When we have full employment and further expansion of production is needed, then we move forward to automation in order to expand beyond the full capacity of the work force. It does not aid survival to use automation if it contracts the work force. . . .

By the same token an over-emphasis on investment in industrial equipment can lead to a scarcity of work. Likewise controls and restraint in any form are liable to impede survival by impeding expansion. Growth comes from nurture rather than from protection. Healthy vigorous growth requires a minimum of protection. Competition, to the vigorous, can act as a stimulus. If the reasoning

advanced up to this point is based upon correct observation then certain specific conclusions can be reached concerning the optimum manner in which production should be increased.

In the first instance, the purpose of increasing production must be understood. The purpose is to increase earnings to obviate the need for cuts. Rising production must therefore lead to increased earnings. Goods and services must be aligned to what can be exchanged on the world market

Given a market for goods and services, a means must be found to increase production so that it expands into that market. The most certain method of creating and increasing production is to provide those who produce with an incentive to produce. Rewarding production is far more effective than punishing a failure to produce. The ideal system would combine rewards and penalties. But penalties are more difficult to devise and to administer justly than the simple action of aligning earnings with production so that