



Poorly Armed Defender of Free Enterprise

By FRANK DUPUIS

IN HIS BOOK, *The Free Market and its Enemy*,* Mr. Leonard E. Read expounds some aspects of free exchange and puts forward some interesting speculations on the resistance to its acceptance. To an English reader, however, the style appears unnecessarily obscure, and the argument is not developed with adequate clarity. The prime defect is the failure in the beginning to give a clear definition of what the author means by the free market. In later pages he refers to it as "an economy founded on free consent," and "the extension or manifestation of free men." The nearest he comes to recognising that all human life and activity depends upon natural materials and forces is "all the artifacts by which we live are but the application of human creativity to the creativities in Nature." To an ordinary reader, knowing economics only through journalism and broadcasting, these phrases will be meaningless.

In these days, when the exponents of economic control have almost a monopoly of publicity, their advantage lies in the use of vague terms by which they can impute sinister motives to their opponents and wisdom to themselves. Freedom of trade can be pictured as cut-throat competition leading to economic chaos and unemployment; orderly marketing, streamlined in accordance with modern conditions, can be shown as the road to security and affluence. If the advocate of free exchange fails to make his subject crystal clear by definition, he is helpless against this misrepresentation by vagueness.

Passages suggest that the author believes that all the ends of justice might be attained merely by abolishing the characteristic forms of modern socialist legislation. He gives no indication of how the free market principle applies to taxation. A critic could point out that if land is legally monopolised, processes monopolised by patents, copyrights, etc., and taxation imposed in such a way as to confiscate the earnings of producers, then freedom of exchange can be of only minor importance to free men.

Mr. Read quotes such economists as Carl Menger and Böhm-Bawerk, whose works are not likely to be well known or easily obtainable, but he makes no reference to his own countryman, Henry George, whose works are easily obtainable and who in his *Protection or Free Trade?* covered the whole subject in a style every intelligent reader

can easily understand. This omission suggests that Mr. Read understands the free market only in a narrow sense: equality of natural opportunity, with some notable mental reservations. But the ordinary man, more concerned with such things as a mortgaged home, and the possibility of trade slumps and mass unemployment, is not likely to be attracted to a doctrine that apparently regards such things as natural and inevitable.

Moreover, Mr. Read does not suggest that the free market world would be a comfortable world. He emphasises that if asked what would happen if it were established the free marketeer should answer "I don't know," because the course of invention cannot be foreseen. He censures "the passion for wealth as a means of relief from employment; the yearning for security; the ambition to retire." If the free market must wait until people like working without the prospect of leisure or security it will wait a long time. In the natural order men are born with the means to support themselves and, by thrift, to provide for their leisure. Mr. Read does not point to any present obstructions to this process, although it is on the effects of these obstructions that socialism has grown. What technological changes might follow economic freedom are irrelevant to a person asked to support a great social change. He wants to know how it will affect his chances of employment and prosperity, and he requires some factual example to support a theoretical argument. Great Britain from the 1840s to 1931 enjoyed the advantages of the free market on a scale and to a degree sufficient to show what it can and what it cannot accomplish in social affairs, but Mr. Read does not mention it. If an American advocate of communism omitted all reference to the Russian experiment his audience would suspect he had something to conceal.

Mr. Read does not suggest that resistance to the free market arises from its relation, real or supposed, to such things as poverty or unemployment but from a "psychosis" induced by recent scientific development. Modern man, forgetting that these marvels are only adaptations of natural law, derived from an infinite series of thoughts and exchanges going back to earliest times, attributes them to his own cleverness. He therefore considers himself capable of improving on economic law; that some "know-it-alls" can regulate exchanges better than leaving them

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to the free market. Although Mr. Read does not quote examples, the current tendency to regard the machines of a society as evidence of the cleverness, if not the wisdom or virtue, of its members, lends substance to this view. But deeper enquiry does not indicate that this psychosis of conceit is the main element in resistance to economic freedom. The planned economy, in various guises, was a feature of earlier societies. Records show that men were just as impressed by the first balloon, in 1783, as by the first sputnik; the former happened to coin-

cide with increasing acceptance of the teaching of the Physiocrats and Adam Smith. The success of the Wright brothers did not shake British faith in free trade; the unemployment of the economic blizzard destroyed it. Fear is stronger than conceit, and socialists and protectionists, whatever their motives, exploit it in their propaganda; the real strength of their appeal has always been its offer of security. To refute some aspects of their claims without facing the question of security is not much more than an intellectual exercise.
