

# The Libertarian Elite

**CENTRAL PLANNING AND NEOMERCANTILISM**, edited by Helmut Schoek and James W. Wiggins. D. Van Nostrand Co., Inc., Princeton, N. J. 1965, 217 pages. \$5.95.

*Reviewed by*  
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It is popularly assumed that Adam Smith in *The Wealth of Nations* dealt a deathblow in the 18th century to most of the concepts of mercantilism — the doctrine of state control of enterprise, and enthroned most of the concepts of laissez faire — the doctrine of the individual's control of enterprise via the marketplace. Unfortunately Smith's deathblow lasted only about a hundred years and was followed by a gradual rebirth of mercantilism culminating in its victory in the 20th century. Today, it blankets the world, whether in its most extreme form — communism, or in its milder form — Keynesianism.

But Newton's First Law — that to every action there is an equal and opposite reaction — holds true in the social as well as in the physical world. So it is not surprising that just as an elite group, Adam Smith and the Physiocrats, arose when mercantilism was at its height to do battle with it — so an elite group has arisen today to attack the more sophisticated versions of mercantilism presently extant. In 1961 and 1962, a select group of authors held a series of conferences, and produced eleven excellent papers exposing the fallacies of planning and state control.

Although there is nothing essentially new in this collection, they have attacked mercantilism from the point of view of their specialties, and these range over most of the social sciences: biology, psychology, criminology and others. The variety lends

distinction which makes their conclusions well worth reading.

In one paper entitled "The Cybernetics of Competition: A Biologist's View of Society," Garrett Hardin discusses state control. Cybernetics is the new science which deals with communication and control of a system in its interaction with its environment. Hardin considers society as homeostatic or self-regulatory, a viewpoint which he considers necessary in approaching any biological, mechanical or sociological system. He points out that the human body has a cybernetic (self-regulatory) system controlling its temperature in its interaction with its environment. Within limits, which he calls a "homeostatic plateau," we can "safely adapt a laissez-faire attitude toward any body temperature." He states this should be one's "object in life" and believes normal human beings recognize that "one should institute only such explicit controls as are required to keep each system on its homeostatic plateau." This apparently would mean that in cold weather a person would wear warm clothing so as to prevent the loss of body heat, while in hot weather little clothing would be worn so as to encourage the dissipation of heat, and thereby maintain a relatively steady body temperature.

Similarly as regards society, he states, "We must devise and use such controls as are needed to keep the social system on the homeostatic plateau. On this plateau, but not beyond it, freedom produces stability." While he does not say it, to students of Henry George this probably would mean that the principal control which should be devised is the control of economic rent. The marketplace concept is basically one of self regulation, and Hardin's terms may appear sophisticated and fresh to new readers.

Only in "State Interventionism and Democracy in Latin America" by William S. Stokes, a professor of political science, is there any indication of the effect of the system of land tenure on an economy. By the time of the discovery of the Americas the land in both Spain and Portugal had been divided into *latifundios* (large estates) and they instituted this same setup in the New World. He points out that "Portugal immediately established a land tenure system in Brazil based on great estates," and Spain did what amounted to the same thing. Although he appreciates the importance of the effect of huge landed estates on an economy, the impression created is that this is just one of a series of mercantilistic policies. He does not seem to appreciate that without it, the other absurd economic restrictions and controls could not have had such a deleterious effect on Latin America as they did and do to this very day.

These essays are under the handicap typical of most libertarian literature. There is no environment in existence today which has enough knowledge or belief in freedom to appreciate

them. Adam Smith's masterpiece probably owes its influence and popularity to the American Revolution, and it may be symbolic that it was published in 1776, the date of the inception of the American Revolution. The resulting weak government, which was in no position to practice mercantilism on any large scale, together with the millions of acres of free or cheap land, brought about the development of a nation of people who were relatively free and independent. So Smith's ideas found a receptive climate in the United States. By a form of feedback, no doubt, European nations were in turn influenced.

Today, however, the stifling hand of government exists everywhere throughout the world. Libertarian literature, therefore, meets hard resistance, and in the main is read with understanding only by members of the elite. The mass of the people, while they might agree with much that is written, would dismiss these ideas as too visionary in a pragmatic world. This volume makes it clear that the only alternative to freedom is state control but that such control will always be a failure.



### A Visit to Great Falls

Robert Clancy, director of the Henry George School, New York, was interviewed by a panel of civic officials on July 11th, when he stopped in Montana enroute to the annual conference of the Henry George School in California. Problems of present-day cities were discussed at the gathering in the City Council chamber at the Civic Center. He was the guest of Russel Conklin, who presided. Mr. Conklin, a former mayor of Great Falls, is now the auditor of Cascade County.

Visitors from Canada on their way to the conference, were also present and explained how the single tax principle is applied in the Province of Alberta.

Reprints of a report on this meeting as published in the Great Falls Tribune, are available on request from the Henry George School, 50 East 69th Street, New York, N.Y. 10021. This has already been mailed to members.

Mr. Conklin's photograph appeared in the August HGN on page six—the caption was incorrect and reversed the first two names. Mr. Conklin is the second from the left in this photo with Mr. and Mrs. Benjamin F. Smith.