AMERICAN IDEALS

Their Economic and Social Basis

By

Heman Chase

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ERRATA

Foreword - line 26. For best read least.

Chapter I, page 2 - line 31. For life read lift.

Page 52 - line 11. Read "was worked (by all the people as a common project. The elders & others), with an urgent sense of responsibility,"

Page 61 - line 5. For farmful read harmful.

Page 68 - line 36. Delete word diction.

Page 72 - line 5. Should read "shop rent or office rent"

In this book, the word "expedient" is used with its favorable connotation, meaning simple, practical, and workable.

DEDICATED

TO THE MEMORY OF MY PARENTS,

MY FATHER, DR. H. LINCOLN CHASE

MY STEPFATHER, HARTLEY DENNETT

MY MOTHER, MARGARET EVERETT CHASE DENNETT

Who first started me on the study
social problems,

AND TO MY TWO DAUGHTERS,

MARGARET AND ELLEN,

Whose love and concern have given me
an added devotion to the
Lives and Rights and Hopes
of the Generations to Follow

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H. C.

FOREWORD

Late one summer afternoon I met an artist painting in a beautiful New England valley. After a time he stepped back to compare his work with the actual scene. In a reflective tone, he said, "I have been here all day. Since morning the depths of colors and the outlines of objects have steadily changed with the passage of the sun. It is hard to make my work now consistent with what I did earlier." I suddenly realized how true that would be.

Writing this work has run on through six or seven years. In many ways that fact has been an advantage; my own perspective on the changes in our society over the past century or more could be based on a longer, broader view of the general present -- even affording some comparison of the direction and character of present, short-range changes with those of the long range.

But the view of the modern world is disconcerting. The best of the current work of others, on specific points and immediate conditions, has often made my efforts seem incomplete, or not quite up to date. Obviously, others, engaged in any similar effort, must often feel as I do when trying to write anything of more than passing value.

So if what I have done is to have any lasting value, that will have to be because of whatever has been attained of adherence to basic principles which never change -- those of economics, justice, love, and human nature, the elements of Natural Law.

Though we may often not do more than scratch the surface of many issues, and though we may not realize the full <u>extent</u> of truth, yet we may often usefully and correctly describe at best its <u>direction</u> and its <u>importance</u>.

The sun touched the ridge of the mountain to the west, and the artist said, "Well, I shall have to be content with what I have done now," and he gathered up his things. And although I too could use more time, I shall have to be content, and rest my case on what has now been said.

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INTRODUCTION

As Americans we have always been proud of our country. But we have too long taken our traditional opportunities and ideals for granted, and so have failed to note and act upon the great decline in our country's adherence to the qualities that once made it uniquely great and good.

It was easy, once, to hold a rosy view of ourselves. My father's grade school geography book opened with the words, "The world was made for man." On that same first page, picturing different grades of people found throughout the world, the final flowering was a gentleman and lady in our high styles of 1860, designated, "Civilized and Enlightened." In my turn, as a "scholar" in a one-room rural school, I early gained the prevailing, complacent view that the United States was the greatest country in the world. Had we thought much about that, we would have accepted it as a happy coincidence that we happened to be born here. We were about to learn of our ideals and many elements of national greatness. The very purpose of our ancestors in coming here was to get freedom, and here they found a vast land with every resource. Two wars had been fought and won for freedom and equality. Every farmer, explorer, or hero of any kind that we were taught to admire had had the personal strengths of honesty, energy, self-reliance, versatility and independence. Every American could choose his work, live where he pleased, make any changes in his life that he saw fit, all on his own responsibility. As a society we had recognized no peerage or castes, and had established the written laws of democratic government. We boys and girls all took these things at their face value. How good it was to begin life with such pride and confidence, that first decade of the century!

Needless to say how time and events have modified our conceptions! It may be argued by some that the personal, social, or national virtues I have here indicated are not actually our ideals, or that it is an exaggeration to say that we follow them. I grant that we are not today adhering to these qualities as we should. That is part of my reason for writing. But I do say that if we, as Americans, consult our consciences and look back over our history, we must admit that those are the qualities in people and the attributes of society that we respect. If recently we have not been conscious of thinking of them as our ideals, at least we know we should. And we should admit that we regret the corruption in government, the business exploitation, the seeking of special privilege, the institution of slavery, the racial intolerances, the waste of resources, that are undeniable parts of our history but which are perhaps unavoidable in any great effort toward freedom and democracy in a new and bumptious nation turned loose in a land of natural plenty. We have been

failing to heed our consciences or to contemplate our true ideals, and have correspondingly neglected the training of youth and the maintenance of desirable conditions, laws, and customs.

But I am not unduly discouraged, for I know that the possession of great and true ideals of a good society, however imperfectly practiced, can, if we earnestly study and seek to improve ourselves, serve a vital purpose. They are goals without which no successful striving toward a better life can be directed; they are focal points of our philosophy around which we rally our minds and efforts in times of great confusion.

The present time is a case in point. We are being asked what we believe, and challenged to prove its validity by some of the most jealous and consummate cynics the world has ever seen. We think of ourselves as being called upon, by the great masses of downtrodden people everywhere, for world leadership. This forces us to a new, realistic and grim appraisal of our virtues, and to ask ourselves just exactly how good an example of a free and just people we actually are.

Central to my philosophy is the conviction that economic freedom and opportunity for each individual is the indispensable basis of any decent, peaceful, happy, and worthwhile society.

In this country we have failed to a considerable extent to maintain the conditions necessary for these needs of the individual. We started our life as a nation with an incomplete understanding of these, and now the sovereign body of the people and their leaders have today much less basic understanding of life and less sense of reality than was possessed by the earliest generations. Yet the problems and complications of real life are much greater than ever.

So there is an urgent need of clear, true statements of conditions and measures consistent with our ideals, and of economic principles we are violating but need to apply correctly, if we are to save our way of life and stand as an exemplary order of society in the eyes of others.

There is a need, too, for combining the consideration of economic principles with "value judgments," if our efforts are to serve society. Many are doing that now, of course. Excellent books and articles, I am happy to say, are constantly published, written by wise, informed, and articulate people who understand and appreciate the great values our society has had.

But in the recommendations of practically all of them, I see the lack of one vital element of fundamental economics.

There seems no knowledge of any factor by which people can

be other than helpless before economic conditions which, it is thought, can be met only by the authority and resources of government. Liberty and independence are paid much lip service, but are reluctantly thought of as necessarily to be curtailed in a growing civilization. Though poverty and depression are rightly regarded as among the most urgent problems, yet it is evident that we cannot live by prosperity alone and that an ever higher standard of living is not all that people need. The need for "moral regeneration" is well recognized, but none seems to say on what tangible basis this might stand. Economics is practically always taught or studied with the thought that matters of ethics and justice are outside its province, while humanitarians are usually impractical for lack of knowledge of political economy. And yet the best of our intellectual and idealistic young people are crying out for some explanation of today's evils -- evils which, in the eyes of the young, because of the God-given freshness of their minds, seem unnatural.

The truths of human nature and of human needs must be combined with the truths of basic economics in order that we may see what reforms are needed in public policies and private lives. To formulate that combination is the objective of this essay on American Ideals.

It has seemed to me that the history of America has usually been taught in a way that implies a general upward trend toward an ever better society, and that people have taken "at face value" the outward trappings and attainments of civilization and have thought it impossible that our civilization might ever decline.

And yet any such sense of security in progress shows a neglect of the lessons of ancient history -- revealed by the diggings of archeologists among the ruins of many past civilizations that rose, flowered for a time as ours has done, but then decayed and died. Our civilization has produced so far no permanently buried ruins such as we see of really ancient societies; but in the past decade we have certainly seen more than we want to of the power of widespread, instant destruction of vast areas that would dwarf all the ancient wars, floods or volcanoes there have ever been!

Although some of my sequences in American history may seem too well known to need stating here, they are inserted in order to show in perspective the ways and places in which I think a true conception of history must diverge from the general line of optimism of many writers.

Although the contrasts, inconsistencies, and paradoxes in the life of society are repeated several times, this, too, has seemed necessary in order to show the elements of progress and poverty, of good and evil, in full perspective.

I am loyal to the best that this country has stood for and am grateful for the life it has made possible for me. Life owes me nothing. Therefore any criticisms I may express regarding American life and customs are not to be regarded as personal complaints of my own.

For the understanding of the chapters to follow, no previous study of economics is needed. However, before reading Chapter VI, a study should be made of the BASIC LAWS OF ECONOMICS and of the DEFINITIONS OF TERMS, found in the APPENDIX.

CHAPTER I

HISTORY OF THE UNITED STATES AND THE CHARACTER OF ITS PROBLEMS

From the old countries the earliest settlers here came with a variety of desires -- adventure, change, new opportunity, and escape from oppression of many kinds. They braved the ocean in small sailboats, landed on unknown shores infested with potentially hostile red men, to start new lives. By hand they cut down trees, built cabins, cleared fields of trees and rocks, built houses, walls, roads, schools and churches, and sawmills and gristmills powered by the streams. All these tasks took inspiration, courage, patience and physical strength. We are proud and fortunate that our ancestors had all these qualities.

During a century and a half of colonial status, the rule of the English kings came to be regarded as an intolerable aggravation. Independent life in the new world had developed strength of character, self-reliance, and contempt for distant, royal, arbitrary authority. In a long war of rebellion, the English armies sent here were defeated and that country's rule cast off forever.

The founders of our country as a sovereign nation undertook the task of establishing a government representative of the common interests of all the separate states, strong enough to hold them together in effective unity, yet flexible enough to allow all possible autonomy for each state. Above all, the religious and political freedom and equality of human rights of all individuals were to be preserved. Especially fearful of all concentrations of power and authority, they divided government into three branches -- legislative, executive, and judicial -- provided that each should rest on a separate political base, forming a system of "checks and balances" such that no laws, edicts, directives or judgments of any branch could escape some measure of restraint from the others or, through public debate and a free press, the full knowledge and scrutiny of the people. After years of debate, earnest effort and judicious compromise, a constitution, not unacceptable to any but reasonably acceptable to all, was finally ratified by all states in 1788. Violence and bloodshed were avoided, as a sovereign people, through their representatives, put themselves under a rule, not of men but of laws, for their individual and common welfare. In this age we should look back on that as an accomplishment almost unparalleled in the history of nations, an object of our pride and sustained devotion.

In the late 1700's, the area and resources of the territory within the states, and others that might be acquired, must have seemed so vast compared to the population that any possible future lack of boundless opportunity for all would have been incon-

ceivable. So, if the forefathers failed to guard against possible future dangers to men's economic freedom and opportunity, it is understandable. They did exercise real statesmanship in meeting needs obvious at the time, as they established the legal and political backbone of a new nation, in a new world, of a people that had declared themselves independent on July 4th, 1776.

"Four score and seven years" after that declaration, during the height of a period of strained relations and the war between the states, Lincoln, with a rare comprehension of history, said at Gettysburg, "Now we are engaged in a great civil war, testing whether that nation, or any other nation so conceived and so dedicated, can long endure." Negro slavery and the threatened secession of that part of the country adhering to it were the issues then. With some deep scars from the conflict, the nation, finally, did endure.

The country grew, prospered, spread south and west, and became in every way a giant of wealth, industry, and commerce. Many of its laws, customs, and opportunities were an inspiration and hope for millions in many lands of the old world oppressed by tyranny and want. Over the years, millions came here seeking freedom and a better life in the new world. Although self-interest of those desiring to bring in cheap labor may have motivated the welcome offered by some, nevertheless, sincere sympathy for those immigrants desiring the same things we cherished characterized our general welcome. We display on the statue of Liberty words ascribed by the poet* to the goddess of New York harbor:

> ".....Give me your tired, your poor,
> Your huddled masses yearning to breathe free;
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest tossed, to me.
> I life my lamp beside the Golden Door."

They came; they found fresh hope, adding their cultural strengths to ours, becoming an integral part of a nation of varied personal powers.

The country matured in every economic and scientific way. Specialization and exchange, both between areas of various natural resources and advantages, and between men of various skills, all grew to a high degree of productivity and interdependence, greatly aided by the growth of highways, railroads, the telephone and telegraph. These factors, combined with the absence of tariff barriers between the states, gave us the greatest "free trade" area anywhere in the world, so that any one anywhere across the whole continent could share the products and advances made everywhere else.

* Emma Lazarus 1849-1887

Compared with our condition as it was around 1790, we had, within the first decade of this century, systematized economic life to a fairly stable pattern, the fight against Nature, so to speak, being virtually won. In the pursuit of our "Manifest Destiny," we had subdued the red man, augmented our territory so as to extend our establishment of states, our division of the land into private holdings, our systems of communications, and our form of law and order, all the way to the Pacific coast.

Mass production was developed by that time, but since then, just within my memory, the assembly line, the automobile, the truck, the tractor, the airplane, the highway, the pipeline, gasoline and electric power, modern printing, refrigeration, television and radio, automatic heating, and many synthetic products all have been brought to perfection to a degree sufficient to change radically the whole way of life and habit of thought of most people. These means, coupled with our systems of transportation and commerce, have made possible a flood of goods and services that would be unbelievable to our forefathers, accustomed as they were to self-sufficiency and hand methods.

However, in spite of all this sort of accomplishment and progress, it is evident that as a nation, or a people, in our adherence to our original ideals and strengths, we have been, since the beginning of this century or earlier, declining. Life no longer offered the challenge it did in earlier times, nor did it require or develop the same all-round personal powers of forethought, self-reliance, or physical strength as formerly. Engagement in two world wars disrupted our economy and the normal living arrangements of millions, undermined ethical and moral standards, and greatly accelerated our becoming saddled with a vast national debt and with huge, costly and all-pervading governmental and military establishments. From these causes and others of longer standing, and in spite of our earlier ideals and opportunities, we are now afflicted with poverty, business depressions, industrial conflict, racial strife, wars and rumors of wars.

The problems we face today are no longer those of Man vs. Nature; instead, they are those of Man vs. Man, or perhaps Man vs. A General Situation -- a situation which he cannot conquer, or will not try to conquer, by good old-fashioned personal powers.

Never before in our history has popular and effective belief in economic freedom and independence reached such a low ebb, nor have the expanding and socialistic agencies and measures of government been so habitually appealed to by citizens of all classes to alleviate problems of finance and employment. The common man feels little if any dominion over his own destiny or the general conditions of his working and living; as to the national or world situations he knows he has none at all. Nor does he see any es-

cape. He simply throws up his hands and says, "What can you do?" More aggressive opportunists and pressure groups of all shades fight for special advantage with little consideration for the public good.

The possibility of the actual solution of problems, such as those of unemployment, business depression, and of slum conditions and crime, or the possibility of men's standing on their own feet, are seldom seriously considered in a basic way; what is usually demanded is that the effects of evil conditions be relieved by stop-gap measures that create other, new problems, leading only to growth of government functions and departments, and of a government personnel with vested interests in the thousands of positions thus created. The very words, "health, education, and welfare," all now carry a pathological connotation, and designate matters considered to be functions of government. We now live in a country cursed by the accumulation of unsolved problems and by the growing burden of the costs, complications and aggravations of governmental palliatives, institutions and agencies of relief and Robin Hoodism and of official tampering with economic affairs.

These are some of the important facts and feelings within what is called THE LAND OF THE FREE AND THE HOME OF THE BRAVE. It is but cold comfort to know that in many other countries morale and conditions are no better.

With all its basic goodness, its traditional ideals, its natural opportunities and great facilities for supplying to all people every reasonable, material need, why should this country be afflicted with the character of conditions and problems that so widely prevail within it?

Chapter II will describe general conditions in the life of the people of the last century; Chapter III will take up conditions in this one, the two indicating the general effects of progress during the past hundred years.

CHAPTER II

MID-NINETEENTH-CENTURY CONDITIONS IN THE UNITED STATES

With Emphasis on The Rural and Agricultural Life of the People

The stage of industrialization and urban development that we are in today, with its specific problems, can, for our purposes here, best be understood as it contrasts with conditions of a past age. The general period from 1800 to 1900, centering around 1850, is a convenient one to consider, being, as it is, well documented by county histories, maps, gazeteers, and the actual physical ruins and other relics easily available to any student of local history of the life of the people.

A small proportion of people then lived in large towns and small cities - small, as we view cities today - these concentrations of population naturally arising as centers of culture, trade, transportation, manufacturing, and so forth that serve the needs of all civilized, interdependent, trading societies. Confluences of natural transportation routes, the formations of terrain along rivers at various points affording easy crossings by bridges and sites for dams for water power for manufacturing, and deep, sheltered harbors all tended to determine the location and promote the growth of cities. To an extent the people in them led lives of specialized work in trades or industries that were a part of the emerging economic interdependence of the whole country, and hence were geared to the ups and downs of all other regions, prospering or suffering with them. Many had memories of rural life from which they had brought the strengths of self-reliance typically developed there. But many others probably lived much like the typical city "cliff dwellers" of today.

However, considering the country as a whole, as it was thus far settled, the majority lived in small rural communities of little villages and isolated homes scattered along dirt roads running up through the hills or along the winding valley streams. The old abandoned cellar holes, which in many regions outnumber existing homes, and the now-discarded, crumbling dams, overgrown little canals and other relics of past family-sized activities all bear mute testimony to the former, rural industry and life of the relatively self-reliant people of several generations ago. When I say they were "relatively" self-reliant, I mean they were as compared to those in cities. Obviously they obtained many things by purchase or trade, such as salt, iron, glass, boots, shoes, farm tools, oil for lubrication and lamps, and many others. They were, to that extent, dependent on others' buying their products or paying for their services.

FARMING in its most comprehensive sense was outstandingly the most characteristic feature of the economic life of these people. Though this is well known to historians, the ordinary reader will find it interesting to look over old atlases or maps of towns or counties published around the former time we are considering, to see that in the small towns or villages even the men with special professions often considered themselves farmers, presumably with equal importance with their specialty. The old maps show the names of every house, mill, church, school and cemetery along every road; and often for each town, there is a "Business Directory," with listings, with names such as these: Farmer and Miller; Farmer and Carriage Manufacturer; Farmer and Mechanic; Attorney and Farmer; Farmer and Agent for N. Y. Life Insurance Co.; Farmer and Rough Stone Mason; and many more. It is to be presumed that those advertised as farmers, along with some specialty, not only raised their own farm products but regularly had some to sell. We can well imagine this item from the Clarendon Business Directory: "Nicholas Powers, Farmer and Bridge Builder." This noted man from Vermont went to Havre-de-Grace, Maryland, in 1866 to build the great double wooden span across the Susquehanna; in the fall when the job was almost done, his wife wrote frantic letters to him to come home where he was needed to get in the crops; he wrote that he would, and on the final day, even without waiting to line up with his crew for the photograph and celebration, started the long journey north, making it by Thanksgiving.

Yes, it was typical of most everyone in rural regions to have some roots in the soil. They could raise their own grain, hay, potatoes, vegetables, meat, milk, cream, eggs, butter, sugar, wool, and many herbs. They cut their own wood for fuel, and their ice for refrigeration. The women and girls, as well as doing all cooking and preserving, could, with home-grown wool, spin yarn and knit stockings, sweaters, shawls, and mittens. (One young lady, on seeing a demonstration of all the old textile machines and hand tools, used in the average farmhouse of 1800, now kept at Old Sturbridge Village, joyously exclaimed, "How ingenious people were then!") And the men and boys, with perhaps some expert guidance, could build house, barn, and outbuildings. In fact, most every farmer was a jack of many trades -- herdsman, horticulturist, blacksmith, butcher, woodsman, hunter, fisherman, horseman, veterinarian, bricklayer, plumber, fireman, sickroom sitter, carpenter, and, in a pinch, midwife. It can surely be seen that families had a degree of economic and other forms of independence of considerable importance.

And the various towns or regions had some measure of self-sufficiency with specialized producers of many things, such as carriages and sleighs, coffins and other cabinetwork; there were tanneries, lumbermills, brick yards, grist mills, blacksmith shops, carding mills, dressmakers and cobblers, harness-makers and others, producing first for local customers and later for the more general market. Producers and consumers had the advantages of personal contacts, hence some measure of mutual interest.

All establishments allowed visitors. You might drop in every few days to see how your new carriage was coming along. And there your boys would absorb the romance and principles of true craftsmanship. (I myself - not in 1850 of course! - after walking two miles home from school in winter, used to run down to the local blacksmith shop and pump the old leather bellows or help in other ways, and be given iron scraps for practicing shaping and welding under the guidance of the smith who took a great shine to me.) When you did your business at the grist mill or the saw mill, your boys would disappear down the rickety stairways to see the works below. The overshot wheels, and later the mid-Victorian scroll-case turbines, the revolving shafts and whirring pullies and belts all revealed their working principles at a glance, as the minds of the young subconsciously absorbed mechanical ideas. Customers of all these country businesses were thought of as neighbors whose patronage and personal thanks, together with pride in workmanship, were all part of the compensation for a life's work.

Food for man and beast was produced and stored on local farms, first for family needs, then for some neighbors, perhaps then for the general market.

Though productivity per man-hour was low, compared to that of the present, taxation and paper work were less of a drain on the economy than now. And though such an event as the famine of 1816 in the northeast -- frost every month of the year -- was not mitigated as such an event today could be, still there was a greater flexibility in the economy then than now. Individuals were more versatile, and the productivity of a given region was more diversified, so that disruptions in business far off had less local severity. Strikes or transportation failures could not deprive a family or neighborhood of, say, food or fuel, where these were produced locally.

Much theatrical entertainment in those days was a community affair. "Local talent" directed and acted. Compared to actors of the professional stage, such performers would seem crude. But they were your friends and neighbors; or their sons and daughters and wives, or your own. Maybe the lovers sat on the sofa you loaned, or the villain carried your old sword or axe. But they were all loved, rooted for and happily recalled long afterward. Personal talent and initiative grew in this way. And the proceeds went to some good local cause.

The work and business of life must have been reasonably comprehensible to young people then, compared to its aspect now. The subject matter of business and industry were more visible in their elements, work more often being the manipulation of real material objects rather than of only the symbols of them -- the unloading of bags of oats at the local grist mill, rather than a million bushels sold over the telephone, or the selling of insur-

ance or magazine subscriptions! The ethical relationships between the getting and spending of money, or the producing and consuming of necessities, must have been more evident. The practical activities around them in home and community offered them effective, appropriate and gradually remunerative outlets for their growing physical and mental abilities, allowing them to ease gently into the work of the world with some sense of direction, finally to set up homes, farms, or other establishments of their own, often in a familiar part of their home community. Young couples planning their future together might have dreamed for years of some special "rise of ground" worthy of their best efforts in building something together and putting down roots. Youth had some of the natural, ethical and moral restraints one feels when moving in a social environment containing old relatives and friends, not often so far from home as to be irresponsible objects of unconcern. Near Nature -- the woods, the fields, the streams and hills, familiar parts of a whole region thought of as home -- they could, at least, have had a grasp and love of reality and beauty in something toward which they would feel in time a sense of responsibility and devotion. They would have had a chance to help in some of the projects that bind all ages together -- bees of many kinds, for husking corn, haying, painting churches, rebuilding burned-out neighbors -- in all of which there was often much forgetting of self in a common, visible effort. Youth and old age would have had something in common; Grandpa and Grandma were around, still in the running, preserving the lessons and wisdom, the uncanned humor and the history of the past, kept available for coming generations -- never dreaming of retirement in the formal sense.

Life in such areas and times as I describe had many physical hardships -- or so we might regard them now -- that took strength and at times must have induced aching bodies: lifting logs, chopping wood, holding plow handles, milking cows, shoveling snow, spreading manure, hoeing crops, walking long distances, bucking the cold for miles in an open sleigh. But the strength was developed and maintained by the task, and where the rewards were realized there would not have been much complaint. Nature was a hard taskmaster, as now, but most learned to live with her laws. And it was by these people that the once-neat homes and villages of New England were built.

I am not forgetting that there were pitiful exceptions to the substance and spirit of all I have said. In many a shiftlessly run home, squalor, spiritual and cultural emptiness accentuated by poverty and isolation, led to despair, depravity and crime. There were, as Whittier wrote,

> "Shrill, querulous women, sour and sullen men,
> Untidy, loveless, old before their time,
> With scarce a human interest save their own

Monotonous round of small economies,
Or the poor scandal of the neighborhood."

But these were the exception, mostly suffering a self-imposed exile in their own stale bayous, off the main stream of the life of those who learned to get along with others and to accept life's disciplines. Just what proportion actually found general satisfaction and success in those days, through adaptation to Nature and by hard, well-directed efforts, no one can now say. But the evidence is that it could be done and that a significant number did.

The important heads of local government -- in New England at least -- were a man's peers, friends, and fellow taxpayers, servants of the town: selectmen, school board and road agent. These were elected, then later praised or lambasted in that great stronghold of free speech and pure democracy, the Town Meeting. The works of these public servants were plain for all to see, executed with a degree of effectiveness, high or low, whose results and attendant costs they themselves would share. Their financial accountings could be brief, simple, and possible to audit and understand. If there were burdens or interferences of higher levels of government -- county, state or national -- they were felt but little.

The cities, with their growing industries, seeming to offer the hope of new and brighter futures, were, by this time, drawing many away from rural life. This great attraction, together with some peoples' discouragement with their old lives, ambition for new opportunity, curiosity or just plain wanderlust, all started a migration whose end is not even yet in sight. A few of these became rich and famous as business leaders and tycoons in the big new industries; among these were the men who gave schools, libraries, and other monuments bearing their names, to their old home towns. Many others, less able, became mere menials and sank into all but nameless oblivion. But for the purpose of this study it is to be noted that a few always came back, having been unsuccessful, in their own lights, in finding congenial work, or failing to adapt to strange living conditions. It is important to contemplate the degree of possibility of coming back. Robert Frost said, "Home is the place where, when you have to go there, they have to take you in." In contrast with the average city home of today, the old "home" would have had room for "you" and many chances to fit in and to be useful. Among family and friends and old acquaintances, with their homes, farms and other businesses still intact as going concerns, whose business relations were mitigated by that sense of "community" that makes friends of associates on all levels, the returning native could have found a way or a place to "pull his own weight," for a week, a year, or a lifetime. Even the bare possibility of getting back, or nearly back, to the land, the source of all wealth, while it lasted was a fact of that age of great significance. (The relative impossi-

bility of such a return today, whether one wants to do it or not, as will appear later on, is an important consideration for us in this study.)

These matters of early rural community life are not just idle imaginings of mine. As well as having explored the actual relics of the earlier age, and having read many books, records and documents on them, I lived as a boy where there were sufficient remnants of the ways and means of "Candle Days," and knew personally enough people steeped in the things of that age, to have enabled me to understand, see and participate in all the activities I have described.

I do not mean to over-eulogize the former age of our country. But I do mean to give it its due, for the value that that will have when, in the next chapter, I shall point out, by contrast, the weaknesses of the present age.

CHAPTER III
MID-TWENTIETH CENTURY CONDITIONS IN THE UNITED STATES
With Emphasis on Problems of its INDUSTRIALIZED, URBAN SOCIETY

A century has now passed since the general period I have described and credited for its many virtues -- virtues that might well grace any age -- with full realization of its many hardships. Over that century, we here have certainly done our part to exemplify that great change, known as the INDUSTRIAL REVOLUTION, defined by Webster as "The change following and resulting from the introduction of power-driven machinery to replace hand labor, occurring in England after 1760." By 1850 our manufacturing and transportation methods had gone far, stimulated by imported English ideas and our own Yankee ingenuity and vast natural resources, coupled with the relative freedom of Americans to enjoy the fruits of their labors. I have listed in Chapter I an impressive number of great advances that I have myself seen developed to perfection, indicative of our recent progress. The following statements must also be made:

WE HAVE BECOME LARGELY URBANIZED IN OUR LIVING.
WE HAVE BECOME ALMOST COMPLETELY SPECIALIZED IN OUR WORK.
WE ACQUIRE BY EXCHANGE PRACTICALLY EVERYTHING WE CONSUME.

The generally supposed effect of progress and change is the improvement in the conditions of human living.

However, I submit that conditions today are not a full realization of the hopes we might have held for progress during the early stages of our advances. Life in our age is a complex of progress and poverty; of great accomplishments and acute problems; the attainment of leisure, boredom, and psychological tensions; abundance of educational material and public ignorance and apathy; the conquest of many diseases and the fatal resurgence of others; the luxurious apartments of the rich a few blocks from the slums of the poor; the possibility of peace and plenty and the technical perfection and morbid fear of war and desolation. These paradoxes are unbefitting a nation and people of our resources and ideals. They should constitute a great challenge to all forward-looking people.

We must first seek a balanced and analytical picture of what gains and losses the past century has actually brought us.

It is easy to appreciate the credit side, for we have but to look about us to see our wealth of material accomplishments -- in the glittering salesrooms, supermarkets, department stores, mail-

order catalogues, magazine advertisements and many of our homes. These are the wares of a progressive, productive society, probably not found elsewhere in the world nor dreamed of by Kings in their greatest days. Look at our means of transportation and commerce by rail, highway, sea, and air; our social and cultural institutions -- hospitals, schools, universities, churches, libraries and printed publications, for every conceivable purpose and subject; and our learned professions and organizations. These are the elements of an advanced society, essentially cooperative in nature, however competitive in form.

Indeed it is true: we have the knowledge and the capacity to produce all things for everyone that anyone could possibly need. The battle with Nature is won.

But that is only one side.

We must look at the other. The losses and failures and injustices that have accompanied material progress are intangible and hard to describe, afflicting most directly the less articulate members and levels of society. Yet they infest all levels. We cannot securely remain permanently half rich, without challenge or social purpose, and half poor, without hope of opportunity for honest success.

The lives of many of us may have gone smoothly until now, yet even for us a sinister presence lurks in the shadows of life:

MURPHY'S LAW -- "What can go wrong will go wrong."

Self-preservation -- even if human brotherhood and common decency were not enough -- should prompt those of us who can to face, study, and help solve our country's most pressing problems of economics and justice. And how well we do this, here at home, will affect ouri nfluence abroad, where we like to think we have something of leadership to offer to the heretofore downtrodden millions of emerging peoples who believe their day is at hand, but who are all too well represented by Markham's

MAN WITH THE HOE

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world...
O masters, lords, and rulers of all lands,
How will the future reckon with this Man?
How answer his brute question in that hour
When whirlwinds of rebellion shake the world?

As rebellions come -- and they are here! -- will those of the type of "this man" become merely the tools of revolutionary demagogs, or will there be any real and constructive statesmanship to which they might respond? And will America have set its own house in order, to stand as a constructive, compelling example of what freedom and sound economics can do?

The most outstanding of our own problems, as I see them, I will outline in this chapter. (What I urge as the basis for the solution of such problems, which I think of as the establishment of public and private rights, will be taken up in Chapter VIII.)

UNEMPLOYMENT

In spite of our ever-expanding economy and broad and varied natural opportunities, there is a chronic failure of many people to find remunerative employment with tolerable living conditions. This is a fact of such long standing, one by which we have become so completely conditioned in our minds, that I state it as a fixed rule of my own that

> Peoples' thoughts on all economic questions are influenced, more than in any other way, by the belief that there is not enough employment for all.

Officials in government, members of unions, housewives, those in the academic world, and the "man in the street" seem all alike in accepting unemployment as a fixed factor in life.

The number of people officially listed as unemployed will vary from 1,000,000 to 10,000,000. That the figures are "official" is all you can say of them. For as long as public relief in its many forms tends to alleviate the consequences of not finding employment or of not trying to do something for one's self, we shall never know how many listed cases are unavoidable; we can only know with certainty that official figures must be greater than actual necessity.

However, as long as peoples' wants are not fully satisfied in a country as blessed by Nature as this one is, there can only be some artificial factor in the world of man-made customs to account for anyone's not finding some opportunity to do something useful for others or himself in his own self-support.

It is true that rapid technological change -- of which automation is the epitome -- is increasing the proportion of jobs requiring greater education and training than ever before, and decreasing the proportion of jobs without such requirements -- those jobs easiest to prepare for. This is tending to render obsolete the skills and knowledge of many men of such an age as find it difficult to acquire new abilities. And it is helping to accelerate the powerful tendency, on the part of the whole popu-

lation, toward migration -- after a century and a half of sojourn in the rural, low-rent areas of partially self-sufficient living -- to the growing, populous suburbs and cities, the areas of high rent and inflated building costs, and of crowded, often strange-feeling environments. These are hard facts for those being forced to uproot themselves, and for those left stranded in areas and age groups outside the path of modern progress.

POVERTY

This is the outcome of ignorance, lack of intelligence and ambition, the systematic exactions of monopoly, privilege, and taxation, as well as of unemployment, disease, and other misfortunes.

The poverty-stricken condition of a large share of the population in most countries has of course existed in all ages, but it seems especially paradoxical here, in view of our wide natural opportunities.

It is hard to estimate poverty. None will die in this country from such degrees of malnutrition as are known in southeast Asia and South America so well known today. In those regions, illustrative of the principles of poverty everywhere, concentration of land ownership in the hands of a privileged few; archaic and unjust laws and traditions governing a predominantly agricultural, share-cropping, soil-depleting population cursed by ignorance, superstition, excessive procreation, immobility, and lack of alternative, competing opportunity; lack of capital and of a varied industrial development oriented to local, consumer needs -- all these and similar elements of general primeval backwardness, partly due to colonialism, characterize life there.

In our country, some of the same principles can be seen at work, but with many differences of course. Our industrial development is of such a nature, extent and rapidity as to crowd too many into cities and slums and the confines of business conformity, leaving many personal talents and geographical areas stranded. We have much "social legislation" so-called, as a partial, alleged relief from the effects of poverty, but the state of health of economic society attained by such compensatory measures is not so much like that of a man bursting with joy and energy as it is like that of one being just kept alive by special, restricted diets, kept comfortable by pain killers, and kept on the track by psychiatrists.

Whose condition is most to be pitied -- that of the civilized, industrialized, urbanized, dependent employee, or that of the primative, free savage, foraging in the wilderness -- has long been argued. Civilization has not yet won a clean-cut victory, complete on every count. One fact is certain in either

case: both men -- the former for many generations, the latter in recent years -- live within sight of reasonable ease and plenty which they may never attain, adding to discontent and possible revolutionary explosiveness. But in a country of our area, resources, and ideals, poverty in any form is most unnatural and unjustified.

BUSINESS DEPRESSION

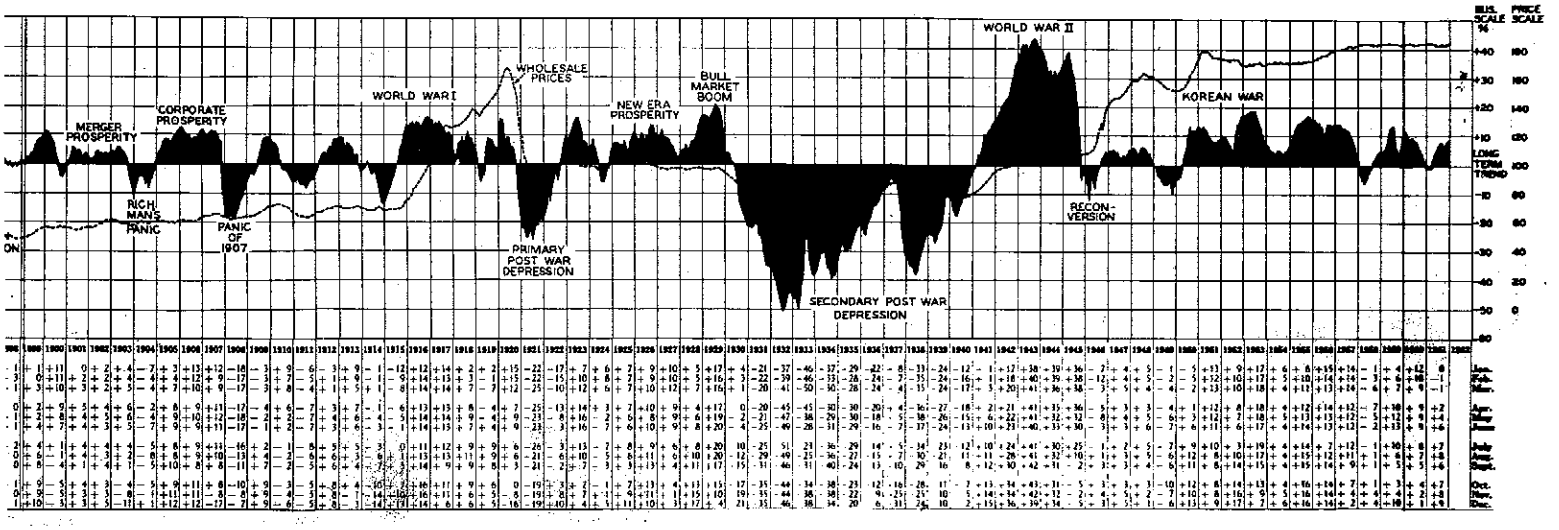
This is the extension of the phenomenon of unemployment and poverty occurring when their effects reach up into the wheels of production and commerce, and slow their activity.

If some good chart of American business activity, such as that published by The Cleveland Trust Co., shown in part here, is consulted, it will be seen that over the past 170 years of our history the variations, above and below the general trend, have been extreme, reaching 51% below normal in 1932 and 1933, and 43% above normal in 1943. Though some variations, such as that during the second world war, can be accounted for by economists, yet many cannot be, in spite of long study and continued theorizing on the causes of the "business cycle."

Whatever the progress of that study has recently been, and regardless of current conclusions, it is obviously strange -- and a definite problem for us in this study -- that employment, production, and commerce should tend at some times to slow way down and at others to speed way up in spite of the fact that peoples' needs and desires, the satisfaction of which is the whole purpose of all economic endeavor, do not fluctuate in any such extreme manner so as to correspond to the charts of business activity. The individual is geared, more and more rigidly through his working and living conditions, to the interdependent economy, with little power within himself to adjust to the extremes of the business cycle.

THE FAILURE OF FARMING

This heading may seem strange at first, in view of the ability of our agriculture to produce all we can consume or export economically and a large surplus besides. I refer to the passing of a former way of life <u>that supported people as well as raising crops</u> and that afforded some measure of security -- a small scale, family-type enterprise in which an indefinite number might engage in conjunction with other part-time activities appropriate to rural regions. Some are so continuing, but with a strength of character becoming rarer in each generation. Nor is farming a <u>base</u> to which a man might return, to create his own job by independent access to land, after his employment in the enterprises of others had failed to remunerate or satisy him.


MERGER PROSPERITY
RICH MAN'S PANIC
CORPORATE PROSPERITY
PANIC OF 1907
WORLD WAR I
WHOLESALE PRICES
PRIMARY POST WAR DEPRESSION
NEW ERA PROSPERITY
BULL MARKET BOOM
SECONDARY POST WAR DEPRESSION
WORLD WAR II
RECON-VERSION
KOREAN WAR
LONG TERM TREND
BUS. SCALE
PRICE SCALE

The investments required for agriculture are out of all proportion to those required for other endeavors yielding equal returns. Using dairying as an example, it now takes an investment of $40,000 to $60,000 in land, buildings, stock, and equipment to support one average family, and around $20,000 additional for an added hired hand's support -- all this in addition to many varied personal powers and usually some special training in college. (That additional hired hand is often considered in an economically less hazardous position than the employer!) Now, to get an equally remunerative job in, say, a machine tool works, little more than an investment of $100 to $300 in small tools and a year's training or less are required.

In competitive agriculture of all kinds, increasingly the dominant form today, large amounts of the best lands and of modern machinery are necessary to survive in the struggle. We have moved toward a condition of fewer and fewer people on fewer but larger farms which produced first, all we could consume, and now, much more. This will tend to enrich those with the best and largest lands, the only lands on which the most efficient machines and methods can be used. This is the type of production most responsible for creating the great surpluses which have a tendency to drive prices down, to put out of business all those with poorer lands, and to divest of population the rural towns and countryside. Where this last outcome appears not to have occurred, it will often be found that farmers are being subsidized in some manner by the taxpayers and hence are not on a firm economic basis.

Every member of a farm family, when working together, under fair circumstances, tended to develop many skills, much patience, resourcefulness, physical strength, resistance to weather, and other powers simply because in the country they had to do things for themselves in the constant battle with Nature, meeting an ever-changing challenge and a training in discipline not to be found in steam-heated, city apartments, sidewalks, underground runways, canned and commercialized food, entertainment and thought, and a simplified, routine, indoor job.

This reduction of farming to the status of a <u>completely competitive agriculture</u> is, under present laws and conditions, one of the <u>greatest tragedies of the age</u> -- for young people and old, for farmers in the country, and for workers in cities whose overall economic circumstances tend to be, by natural economic law, a function of circumstances attainable by those in independent pursuits at or near the marginal lands.

GOVERNMENT INTERVENTION

The true functions of government, in any good scheme of free enterprise to which we pay lip service, are relatively few, such

as managing the services that a society can render to itself by collective action better than could be done by private competitors; the keeping of order; and the protection of public and private rights, persons, and property. As an example of legitimate government service, let us consider the case of two policemen who can appropriately serve the public at a busy street intersection in a great city. One of them might stay out in the center, directing traffic; the other might stay on the sidewalk, standing guard for the sake of general order and protection of the rights of merchants and pedestrians, and the periodic emptying of the parking meters. On some rare occasion it might be all right for him to carry an old lady across a puddle of water; to tie a child's shoe strings; to give a beggar a dime for a cup of coffee; or to help a truck driver carry a crate into a store. But it would be a distinct misconception of public and private duties for the old lady, the children, the indigent beggar, or the trucking company to count on such assistance regularly, and interrupting the policeman's rightful duties.

However, pursuing a misconception exactly similar to that just mentioned, but on a vast scale encompassing practically all business and society, we have turned to government on all levels for the solution of all the problems of private citizens -- unemployment, poverty, and business depression -- and others to follow.

GOVERNMENT RELIEF might have been, originally, the natural reaction of a humane society toward those of its members suffering from causes beyond their control. But it has become a problem in itself.

Relief is a tax burden to those still able to stand on their own feet.

Relief tends to reduce the determination of its recipients to stand on their own feet and search diligently for work; facing the choice of either taking a job at a modest wage or of going on relief, one is sure to realize that by following the former alternative he would be working only for the difference between that wage and possible relief payments. Perhaps the most astonishing opinion on this comes from the academic world: we are such an AFFLUENT SOCIETY that we can safely offer federally-administered, sales-tax-supported unemployment compensation of practically unlimited duration on a scale of payments closely approaching average wages! The proponent's faith in the incorruptibility of poor humans under any such plan is simply unfounded. We could be far better guided by the late Dorothy Dix, who said

"WHEN A MAN MARRIES A WOMAN WITH MONEY
HIS WORKING DAYS ARE OVER."

Giving relief alleviates the effects of unfortunate conditions, thus reducing society's determination to find and cure the causes.

Relief is a great boon to politicians. They compete in the game of ROBINHOODISM to see who can seem most generous (with taxpayers' money) in grandiose schemes of "made work" and subsidies appealing to depressed groups or areas with political influence.

DEFENSE AND SPACE EXPLORATION are examples of projects cut to the very pattern of a politician's dream. All the research, construction, testing, manufacturing and manning of equipment for these two activities, with all their vast ramifications, could sop up every idle man and hungry, aggressive business organization in our country, and appeal to the circus-going propensities of the common people.

As for defense, with the world divided as it is into two opposed camps, I do not say that we do not need adequate provision for that; but I do say that as long as defense has such extraneous relief and political purposes, we shall never know just what form or amount of defense we actually need, nor how much it should cost, nor can we hope for a maximum, dedicated effort toward possible disarmament.

As for space exploration, its proponents claim that in thus searching outside the world an inestimable amount of valuable new scientific knowledge may be discovered. Considering world and domestic conditions, I say that view is frivolous, a "fiddling while Rome burns," and an unauthorized use of my money. The pressing problems which, if unsolved, threaten to destroy our ideals and way of life, if not indeed life itself, are not in the field of material science. They are in the field of human relations and the matters regarding Man's basic connection with Mother Earth, the source of all his substance, the area to which he is confined for life. It is here that the knowledge Man desparately needs for his immediate salvation is to be found, not in the remote reaches of outer space. I am not overlooking the efforts of some to liken space exploration to the successful voyage of Columbus in 1492. If you will consider the intellectual and physical needs of society of that day, the simplicity and economy of Columbus's proposition and its execution, and the logic and timeliness of his hypothesis, I think you should see that his success and its meaning for the world does not constitute a valid criterion by which to judge the expenditure of the peoples' resources of all kinds, so badly needed for life and its already well-known problems here on earth now being lavished for purposes and results of unknown potentialities. It would not be the act of a mature person to beautify with frescoes the walls of the castle while the roof and foundations were giving way.

We know that an all-out attack is now being made on every frontier of the physical sciences, probing heaven and earth, whose timeliness and necessity it would be blasphemy to question. Considering the ideological warfare that has largely sparked this sort of progress, I see about it an essential hollowness and futility, best expressed by the Apostle Paul's epistle to the Corinthians:

> "Though I speak with the tongues of men and of angels, and have not love, I am become as a tinkling cymbal or a sounding brass. And though I have the gift of prophecy, and understand all mysteries and all knowledge; and though I have all faith, so that I could remove mountains, and have not love, I am nothing."

Political administrations, fearing nothing so much as public unrest and depression, try to minimize any current depression that may have arisen during their incumbency, taking the position, but lacking the forthright honesty, of the country preacher who, speaking at the funeral of a very bad man, said:

"WE HOPES OUR BROTHER HAS GONE WHERE WE KNOWS HE AIN'T."

To many leaders of thought and action, Nature's laws are not something to be understood and adjusted to, but rather something to be overcome by improvised means. One of my clients, generating his own electric power on a mountain stream, was not satisfied with what water Nature provided nor with its perverse tendency to run immediately downhill; he had to install expensive means for pumping it back uphill. Of course there was no special harm in this case; he did it as a stunt using only his own money. But when the same sort of thing is done in public affairs, it is not the practice of economics, ethics, or statesmanship.

The overall effect of the multifarious measures of government relief, compensation, subsidization, made work, business stimulation and adjustment, has not been to put any persons, business organizations or industries back on a firm, economic basis of self-reliance, but has merely been to hold in uneasy abeyance some of the worst effects of underlying faults in the economy. It has prevented the economy from adjusting itself by the free action of the laws of supply and demand. This is somewhat like Man's disturbing the delicate balance of biological nature. You might exterminate some particular insect pest; this would allow the uncontrolled multiplication of other insects on which the first formerly preyed. Killing these would then allow the increase of a third type on which the second had preyed. And so on . . . . The measures needed for trying to control Nature -- rather than for adjusting to her laws -- would be endless, and are proving so.

All the production forces of society are constantly impinged upon by the incessant confusion resulting from the clashes of Natural Law with the enactments of government administrators who refuse to see that, with people allowed all their natural rights, the economy would be self-regulating and need no stimulation from them.

The way our government has attempted to combat some of our great economic maladjustments is well illustrated by one of our greatest national dilemmas, described next.

THE FARM PROBLEM

The progress of agriculture, described earlier, worked such hardship on so many people that government agencies undertook to administer programs of acreage reduction and price supports. Farmers would agree to take out of production a certain percent of acreage usually cultivated, while the government would agree to buy up, at a fixed support price, whatever surpluses resulted from crops produced on the acres remaining in use.

But this has not worked.

On any given farm, the agreed-upon percentage of area to be taken out of production could be selected from the least productive acres, while technological progress could step up production on the remaining acres kept in use. The support prices, at which various surplus commodities are bought up by the government and stored, have caused those farmers, who have sufficiently high quality land and capital to make a profit at such prices, to produce all they can and dispose of it in that way, some being greatly enriched by so doing; but those with poorer lands, worked with unavoidably less efficient equipment at higher costs, who cannot at least break even at such prices, tend to be put out of business.

Here is an illustration of how such programs have stimulated over-production: At a time when I knew the market was over-supplied, I asked a friend of mine, who, with excellent land and equipment regularly raised from 50,000 to 70,000 bushels of potatoes, how long he intended to continue. He said, "Just as long as the government pays me to do so."

The Second World War enabled our government to reduce agricultural surpluses accumulated up to that time by selling them to our allies. A repetition of such a happy solution is probably not to be hoped for. The surpluses and costs of storage have continued to grow into one of our greatest national scandals and burdens.

I think it evident that the federal government's monkeying with agriculture has not been a success. It has not saved those

farmers working at a point below the break-even point of quality of natural opportunity with usual support prices. It has not spared the consumers. It has not spared the taxpayers. It has not solved the problems of the landless, transient, agricultural workers of the west nor probably of the sharecroppers of the south. However, it has undoubtedly enriched those owners of the best lands -- lands on which, for the sake of pure economic efficiency, the government would favor all farming being done.

How can it possibly be doubted that those who have profited by such programs now in operation have used political influence to perpetuate them, regardless of the disastrous consequences to the economy as a whole?

The government has, I am told, advised those with lands unprofitable to use under present conditions, to give up, and go into other work.

That is sound advice, of course -- that is, if nothing is to be done to create equality of opportunity in the use of farm land, or any other lands. But just to let it go at that is an injustice, tending to make farming a special privilege favoring those with the best lands, excluding all others from an equal chance.

Some inequality in the wealth and status of various farmers is due to differences in personal efficiency, and to be expected, and is not a cause for any justifiable complaint.

But, that part of the difference in such status of farmers which is due to inequality of opportunity, in the use of all grades of land necessarily brought into use to produce total crops equal to the demand, is unjust.

The correction of such inequalities, in the use of all lands of every description for all purposes, is the duty of government in the maintenance of human rights. When that duty is discharged, and in the manner to be described in Chapter VIII, and when the market is otherwise freed of government action, then justice to all can be expected to result.

THAT IS THE BASIS OF THE ANSWER TO THE FARM PROBLEM.

The constant setting up of additional government agencies to care for all the ills of society, without doing anything to eliminate the causes of these ills, and the assumption of economic functions that rightly belong in the field of private enterprise, have been endless. These are in large measure the cause of another of our great burdens and problems, to be described next.

This is a heavy drain on the taxpayers. It is an increasing disturbance of the free and natural action of the market in governing the economy, always creating the need for further agencies to deal with the disjointed results.

The size of some of these departments of government, and the requirements of paper work and intercommunications within and among them, have grown so great as to greatly reduce their efficiency and effectiveness in performing their functions, whether those functions are sensible or not. For a striking view of such a department, I refer all readers to Mr. Stewart Alsop's revealing article, entitled The Trouble with the State Department, in the Saturday Evening Post of March 3, 1962. After reading that, one cannot help wondering what revelations Mr. Alsop might give us, were he to take a similar look into the Pentagon, the Department of Agriculture, and others, or into the governments of states and big cities.

We must realize that, to large governments, the dealing with any problem is a perpetual function, a reason for being, not an objective to be accomplished. It is the nature of such governments to so increase in size, complexity, scope of activities, impersonality, and autonomy as finally to tend to bear to the population as a whole a parasitic relationship; to be an increasing burden to productive society; to yield to great pressures of those with political power; to be more and more powerless to deal appropriately and helpfully with individuals and their special needs and conditions. This is no criticism of the many honest servants of government. I merely mean to indicate how size and power tend to separate a government from its constituents. Those in high office do not have time even to see the individual; those in low office have no authority to deal with him. At best, the individual -- or the small group or community -- can be treated only according to massive rules formulated for mass situations; at worst, their utter helplessness becomes evident.

The costs of government projects and administration stagger the imagination. To attain high positions, men must usually be already accustomed to real money. Then, working with similar associates and with none of the restraints one feels while spending his own money, and seeing the wealth of the people concentrated in great streams pouring into the capitals and reckoned in astronomic figures handled by machines -- what wonder that men's sense of economy, reality, or conscience (if they originally had any) tends to vanish as they glimpse the golden opportunity to render an infinite number of ingratiating services to the people!

But government cannot render any service to people or local communities until they have first served it. It cannot give them

anything such as financial aid, without first taking money away from them and subtracting administrative costs and other losses. Such services as financing our old age, ill health, education, housing, and urban upkeep are rightly personal or local responsibilities which could far more efficiently and democratically be met directly by the parties actually and intimately concerned, if personal and local financial resources were not steadily drained from them year after year after year by the high levels of government to which personal and local matters are largely of political interest only.

As a "comic-relief break" in this long description of our problems, I submit the following, mildly relevant tale of a stopgap measure:

EDWARD R. HEWITT, in his Memoirs of the Spoke and Sprocket Days,* wrote:

> "When the pneumatic-tired, steam-driven Locomobile was first placed on the market in 1899, I was among the first to buy one. The flue gasses came up through the boiler and passed out through louvres in the sides of the car near the back. Flames used to come out the side outlets of the fire box, especially on windy days, and to overcome this difficulty I had two small smokestacks made and fitted them over the outlets. The car was better with these, but it was not perfect."

Describing a night's ride of five miles home from Old Westbury to Garden City, Long Island, crossing the Hempstead Plains, Mr. Hewitt wrote:

> "The wind seemed to increase the boiler draft and I tried to turn down the gasoline flame before anything happened, but the mechanism failed to function and flames began to come out the openings in the sides of the car, making a great show in the dark. I called to Mrs. Hewitt to jump, which she did nimbly enough. I managed to shut off the gasoline flame, scorching my hair only slightly in the process. Presently I got the flame regulated, and we set off again. We reached home without further trouble. It was after this adventure that I constructed the two smokestacks, which, while they did not entirely keep the flames from shooting out, made it considerably safer to drive the car in a wind."

Safer, perhaps, yet not fully satisfactory, as events proved, when,

* The New Yorker, May 16, 1942.

on the way to a big dinner party given for the Duke and Duchess of Marlborough visiting at Ringwood, New Jersey, as Mr. Hewitt wrote:

> "....flames came out the vents once more, this time with extraordinary spirit, and set fire to the spare tire."

This, in turn, scorched the hamper containing his best trousers. These, though seeming to have suffered unnoticeably when he was dressing later, nevertheless, failed him utterly when the knees split nearly full length when he sat down, marring the composure of his conversation all during the dinner, allowing him to avoid shame before the illustrious company afterward only by his delaying his rise from the table until all others had started for the drawing rooms and by his then turning in the opposite direction and escaping through the butler's pantry.

When you contemplate the multiplicity of government beaurocracies, agencies, and programs for subsidization, adjustment, compensation, promotion, and protection, and other schemes for patching up or otherwise tinkering with the national economy in a vain effort to make it somehow work in spite of basic faults, with the costs, complications, questionable effectiveness, and loopholes for corruption inherent in these schemes, you may well recall those makeshift "smokestacks." The need of all sorts of such gadgets was later eliminated by the radical change made in the whole manner of using the power of gasoline, through internal combustion, which has proven simple, foolproof, and efficient.

Only when changes, comparable to that sort of automotive progress, through adherence to simple correct principles, are made, for bringing about a better economy and a better society, shall we make similar human progress.

THE SOCIAL EFFECTS OF INDUSTRIALISM

Though the "industrial revolution" may have been sparked by "power-driven machinery," bringing great material productivity, its long-time effects on the lives and personal development of people of all ages must be considered.

From being "subsistence" farmers and "jacks of all trades," producing, in a relatively independent manner and mostly for their own consumption, responsible for their own destinies, most men have been converted to urban specialists. Each tends now to have but one skill or narrow body of knowledge; the work and world of others is increasingly abstruse and difficult to enter. While formerly one's associates were neighbors whose work and success were related to his own, now they are his competitors, his bosses or his underlings. He works for an employer whose basic interest

is actually compatible with his own, though this true relationship is constantly made to appear as one of a basic opposition of interests where he -- but for the alleged beneficence of a union with his fellows -- would be exploited in an unequal struggle over the proceeds of industry.

It is true, the progress of industrial development has largely reduced the individual to a "chip on the stream," a tiny, dependent cog in a big machine which dominates him utterly but over which he has but the slightest influence, if any. Whether this condition is better or worse where unions dominate the labor force -- ostensibly protecting his interests -- is a question. Union leadership is a business, no less self-seeking than any other. It works for gains for labor measurable in money -- a factor on which all are presumed to agree -- gains which can seem clearly attributable only to leadership's efforts. Leadership tries to draw to itself the primary loyalty or subservience of workmen, although actually men's loyalty is rightly owed to their employers who have the responsibility for the success of the business on which the men's wages and jobs depend. This is a violation of a fundamental principle of business: authority and responsibility must go together -- as "love and marriage -- they go together like a horse and carriage." To my knowledge, neither unions nor their leaders have ever worked for the general improvement of the conditions of <u>all</u> men, such that, for instance, men might be free of the domination of unions and employers alike. Where force intrudes in "labor relations," the true relationships between the factors of production -- land, labor, and capital -- will remain hidden, and no effort will be made toward independence, freedom, or equality of opportunity.

Were it claimed that this view is too visionary for use in immediate problems, I would reply that this is not written as a handbook of industrial relations, but as a clarification of the long-range, basic reforms we need, and for those wishing to look ahead, in the hope that we shall not forever continue "barking up the wrong tree." Any possible usefulness of unions tends to be offset by their continual failure to correctly identify the real enemy of both labor and management -- monopoly of natural opportunity -- land and all this term implies, to be taken up in Chapter VI.

Modern conditions tend to prevent a man from combining mental and physical work; we are only just beginning to realize the seriousness of this. He is being increasingly removed from the atmosphere and the beauties of unspoiled Nature, the great teacher and ameliorator, and from "the hills, from whence commeth my strength," and is increasingly confined to the tight, close, competitive atmosphere, the noise, the pressures, the tensions, and the glittering or burdensome distractions of the world of purely man-made things. These considerations may seem far afield from

economics, but they are actually having as great a tangible effect on society and on individuals as do many material forces.

YOUNG PEOPLE, the citizens and directors of society tomorrow, are special victims of these conditions.

Compared to a century ago, there is now, in the home and community, in industry and in agriculture, only a small and decreasing need for the simple, immature powers of the young, by which they might easily and naturally edge into the remunerative work of the world. The very limited field of their possible employment is often further reduced by stupid and indiscriminate union restrictions and child labor laws.

In all levels of society, the typical stance of youth is, to a great extent, that of idleness. Mature people know what idleness leads to!

The decline of the home and family -- normally the basic unit of society -- leaves many children with no center to life, in which, if they had it, they should feel accepted, understood, wisely guided, cherished as members of a naturally close-knit, warm-hearted group, and, above all else, loved.

School and college should rightly take up much of the time of the young; it should stock and train their minds, guide their hearts and elevate their tastes, arouse their consciences, and give them high senses of value. But often subject matter is ill-adapted to the ages, interest level or particular bents of the students, being aimed, instead, at preparing them for adult concerns of the far-distant, uncertain future. Preoccupation with loads of academic requirements imposed by high authority often prevents teachers from doing the many little things that might win the hearts and confidence of the young. One young man, then happily past the shoals of school and college, said to me, "I always felt the teachers were 'on the other team'." He was probably as completely unjustified in this feeling as are many others who would, thoughtlessly, say the same thing. Yet such false ideas often determine youth's attitudes just as much as if they were true. In school, children are subject to the constant, invidious comparison with others as to ability in book and paper work, yet home and society give them little background for these indirect means of learning, "spectator" diversions having crowded out good reading and any conversation worthy of the name, if indeed these were ever there. Many fail and drop out of school, and never reach or stay in college.

Kept out of work, or with no interest in it, in urban-type atmospheres of purely man-made things and "status symbols" all costing money while they can earn none of their own, the position of many young people is an uncomprehended, frustrating emptiness. Into this cultural vacuum is sure to flow similarly uninspired

companionship and necessarily cheap, commercialized diversions. Poverty and neglect, or, strangely, wealth and misguided indulgence, added to the cynical morality of much of society today, and plain boredom all combine to set the stage for some very strange reactions indeed. Boys in a dark street in Philadelphia, the "City of Brotherly Love," murdered an innocent visitor to our country, a Korean college student, just to get 35 cents apiece, while a devoted young neighbor of ours set our house on fire in blind reaction to his father's having rejected him. To these we may well add the case of Louis Marsh, a devoted street worker with the New York City Youth Board, killed in January, 1963 by a gang called The Untouchables. He had successfully "cooled" a threatened gang war; they interpreted peace as a blow to their pride. These are extreme cases, yet in the aggregate, and among all classes or "brackets," indicate a confusion as to life's values unbefitting a country of such opportunity and enlightenment as we claim to have. All too many must pass, unguided, through the dangerous, idle period between school and work when they are "neither hay nor grass," or, like the rivers of the south in flood, "too thick to drink, too thin to plow." Perhaps sensing the conditioned anxiety of parents, and as if youth could never be precious and golden in its own right but were merely a time to pass through as painlessly and quickly as possible, one famous military academy, in school directories, covered the whole matter thus:

"You send us the boy, we will return you the man."

The industrial revolution, continuing in ever-unfolding stages, with the resulting, minute division of labor and the urbanization of the life and work of society, does indeed produce wealth, but at the expense of the narrowing of the powers of individuals, reducing their versatility in meeting new and varied situations. We badly need people of broad intellectual and physical powers, broad knowledge and experience, and good old-fashioned common sense. The spirit of this is inherent in a remark by Arthur E. Morgan, of Yellow Springs, Ohio, as he wrote, with regret, "The professional psychologist is taking the place of the intimate friend." Whenever a man in government has made such an exclusive career of politics -- euphemistically called "public service" -- as never to have held a practical job of constructive work or a responsible position in a productive, competitive, necessarily self-supporting enterprise, his entire attitude and judgment are liable to be naive, visionary, and utterly impractical, even though he might possibly be perfectly honest.

Society's lack of wide ranges of experience, ability, and personal powers within individuals might well remind us of the story of a great disaster at sea:*

* "Collision Course" by Alvin Moscow.

"There were times of deathly lull in the wheelhouse when everyone was away from the nerve center of the ship, carrying out the captain's orders. Captain Calamai never was at a loss giving orders, but there were only relatively few men qualified to perform the many tasks that demanded attention during the emergency. There was only one ship's carpenter who could take soundings. Only a few men were trained to use the signal lamps. It became abundantly clear during the night that the ANDREA DORIA was designed and manned as a luxury liner. It had an abundance of waiters and stewards, chefs and dishwashers, but it did not have a crew trained for multiple emergency actions."

Modern society is much like that ship and its crew.

Sufficient unto the day is this chapter on our domestic problems. As if our own troubles were not enough, we are also afflicted by the ever-changing, insipiently-violent international situation. As the life of an individual is insecure in a neighborhood of the poor, the discontented, and the desparate, so also is a nation insecure among other nations with those characteristics. It certainly is incumbent upon us to understand and help solve that great problem in which we have an undeniable share, WAR, to be taken up in the following chapter.

CHAPTER IV

OUR PART IN THE PROBLEM OF WAR

If the problems of our own country, described in the previous chapter, were never solved but allowed to run their courses, possibly we should be reduced to a Dark Age of slavery and regimentation, or to chaos. But if the same happens in regard to war, the face of the earth might again be reduced to its condition on the Sunday immediately preceding Genesis, a setback for civilization worse than The Flood and lacking its mitigating provision for a fresh start.

War is a problem we share with all other great nations.

It clarifies matters to recognize why war was natural ages ago. The life of primitive Man was narrow and precarious in the extreme, beset as he was by wild beasts, flood, frost, famine, disease, and his own ignorance. At first men consumed only what Nature provided, in whatever location, form, or degree of scarcity found -- catching fish, hunting game, picking berries, gathering roots and bark. Living as tribes for social culture and mutual advantages of production and security, they wandered about, gathering what they could, depleting an area and moving on. Perhaps they would return to favored spots each year, as did the Indians for salmon in the "pool" below the "Great Falls" on the Connecticut three centuries ago, or much as the Bushmen of South Africa do today! Nature always had to recover by herself. With growth of population tending to press upon the relatively static offerings of Nature, the more one tribe possessed the less there was for others. Conquest of the weaker by the stronger, taking territory and stores, was as natural then as today our shooting a bear and taking honey from a hollow tree. War made sense, then; intelligently pursued, it was the way to survive.

But a happier, more potentially fruitful age for humanity began about 6000 B.C., with the Dawn of Agriculture. Man then began to settle down, directing his labor to the soil in which the growth of selected plants could be stimulated, and to the breeding of animals. Thus he freed himself from the limitations of haphazard Nature unattended. In this way the supply of all necessities could be augmented in proportion to the growth of population. Of course this could succeed only to the degree in which pillage was reduced, since man will not sow without some certainty of later reaping, nor save without security. Agriculture made the abolition of war logical and, with all its derivative opportunities for cooperation, brought in for the first time the action of a natural law: that all people working in peace together can produce and enjoy infinitely more wealth, security and love than can be realized under conditions of conflict. Since that time war has served no net useful purpose. Deep down, most all people know this.

Nevertheless, war has continually been prepared for and revived, at various times and places and for various alleged reasons. Most people have never fully comprehended the essential harmony between the best interests of all nations. False leaders are frequently apt, with the outmoded outlook of cave men, to see their countries' nationalistic interests as separate from those of other countries. War, with its costs, cruelties and stupidity, is with us still. Evil leaders have constantly seen, in war, some opportunity for personal gain -- wealth, prestige and power -- that they never found in peaceful pursuits. For their nefarious schemes the indispensable support and subservience of underlings can usually be inspired, bought, or enforced. Fear and hate toward another nation can be stirred up, causing the people to submit to the alleged necessity of added taxes, sacrifices, regimentation, and to the dictates of leaders.

Every age has had some outstanding example of this.

Today the leaders of a great foreign country are threatening the autonomy of the rest of the world. They are fanatically devoted to a totalitarian ideology; they say all nations must ultimately adopt this, and pay allegiance to them as its rightful custodians. They are arming in every way possible, and claiming that any resistance to the approach of their domination is war mongering and a threat to world peace.

It would appear that the official sophistries of tyranny and aggression remain much the same through the ages! Assuming that the Metro-Goldwyn-Meyer version of the attitude of degenerating Rome toward the people of the province of Judea in the time of Christ, as depicted in their story of BEN HUR, is as valid as any, it is relevant to recall the voice of oppression of that day and see how its ring resembles that of this age. In the story, Judah Ben Hur, though a Judean prince, is devoted to the people of his home city of Jerusalem, is very much liked by them, is of great influence among them, and envisions their ultimate freedom from the Roman yoke. Messala, an old boyhood companion, now a proud and ruthless Roman soldier, has just been put in command of the garrison at Jerusalem to bring fresh vigor to the suppression of incipient revolt. Ben Hur calls on Messala. Their reunion is joyous at first, as they drink to old friendship and prove once again their undiminished and equal prowess at javelin throwing. But then, their conversation turns to the occasion of Messala's presence and purpose in the city; he asks Ben Hur to help him in his task, and all is at once changed. Naturally the latter is thunder-struck at first; then, gradually realizing the bleak and hideous nature of the requested cooperation -- the use of personal influence and persuasion of people to submit, and the reporting of dissenters -- says, "I could not possibly do that; I cannot believe you would ask such a thing! I am a Jew; I am de-

voted to my people and to that of the single loving God I see in each one of them." Then Messala, in his turn aghast with incredulity, says, "Why Judah! How can you be so stupid! You are trying to live in a world that no longer exists! Rome is the world of the future. Look Judah! Listen to me! The slightest sign of resistance in this province will be crushed. I urge you to use your great influence with your people to avoid all that through complete obedience. You have the power to do that. Can you not see that if there is violence and bloodshed, it will have been your responsibility?" The urgency of his request and the force of his question intensify Messala's whole face and figure. Ben Hur fully comprehends it all now; he gazes a long, silent moment into the glittering eyes of the Roman; tears well up in his own; his arms collapse at his sides as he turns slowly and sadly away. For all the world to see, forever, these two represent the utter stalemate of irreconcilability of pride and the lust for power with humanity and love.

Satellites may replace circuses, chariot races and bull fights, as public diversions; but the sophistries of Godless, degenerate but determined aggressors, wherever they are in that country or this, in essence remain unchanged.

Our country, the leader of the free world, is a barrier to the spread of the domination of those worshipping totalitarianism or lusting for power; we intend if possible to minimize the infiltration of their influence to this hemisphere. The comparison between the potential well-being of people, under freedom and under state domination, is a stinging mockery of their claims to their own people, who are kept in isolation and prevented from migrating.

It is the hope of us as a nation to help hold all forces of violence in abeyance, to learn to practice and spread the truths of economics and human relations until Time shall do its work and all men in high places and low may see that their best interests are bound up with those of all people everywhere. In the meantime, we see no alternative to being prepared to defend ourselves against the threat of military aggression of the enemies of our autonomy and way of life. This all poses a test of our patience, wisdom, internal economy, IDEALS and statesmanship. The great moral problem we have is how to be prepared to engage in war without becoming corrupted (and bankrupt) in the process ourselves.

To some extent we are already corrupted. We have a lack of balance in our whole productive and constructive facilities and efforts. In spite of having vast, unsatisfied needs among half our people and in many of our public services, we have not put forth the effort to convert our economy and our attentions and habits of thought to these; but, instead, have attempted to keep

all mass-production facilities humming and even expanding.

Sitting in the lobby of a great machine company, I heard a purchasing agent say to a salesman of electric motors, "Things don't look so good, Fred; I can't promise you anything right now," adding in lower tones, "This Korean thing may blow over any time."

A friend with a tiny, one-man shop was recently in the doldrums; the last I knew, a navy contract, patronizing his remarkable skill, had put him to work.

I asked the owner of a shiny, new, modern, metropolitan salesroom and instrument repair business, how he could possibly keep busy such a large modern machine shop as he had at the rear. "Oh, well," he said, "most people don't know it, but the largest share of our business is secret work for the government."

On our honeymoon trip in 1934, while tanking up -- with gasoline, that is -- in Bath, Maine, just for something to say I asked how everything was there. "Pretty flat," the station attendant said, "but one of our Senators is down in Washington right now, trying to get a destroyer for the Ironworks to build. If he does, everything will pick up."

If you, the reader, get around very much, if you recall past revelations of "war profiteers" and of the "internationalmindedness" of munitions makers, you must realize how these things I have personally observed are but tiny samples of the grim evidence, constantly coming to light, showing how much our wonderful full employment and high industrial production depend on wars and rumors of wars.

Is this liable to corrupt us?

The truth endureth forever, well expressed by St. Matthew:

"WHERE YOUR TREASURE IS, THERE WILL YOUR HEART BE ALSO."

The American people do not want war, of course, but they love the good wages made possible by government spending for anything remotely connected with defense or security. It is a little like my wife's attitude when I was called to Boston on a charge of speeding: She did not exactly say she was glad of it, but did appear to enjoy the special trip we made together because of it.

Our government does not want war either. But the political interest of any central government in keeping the productive plant working full time and all workers happy is served by the requirements of an arms race perhaps better than by most anything else, since patriotism and fear prevent any effective public protest against the costs or any questioning of the necessity; fur-

thermore, the wide, strategic dispersal of plants and bases serves the political needs of seeming fair in the distribution of the presumed benefits of this sort of industrial development to all areas.

Considering all the extraneous angles to the provisions for national defense, I would say that the appropriateness, the amounts, the costs, and the military reliability of such equipment and plans cannot be matters of much public confidence. For instance, on March 4th, 1960, a radio broadcast predicted a congressional investigation of a recent navy purchase of $600,000,000 worth of planes of questionable reliability. Now, what loyal manufacturer would cheat his country so? Where were our inspectors, and what were they thinking of? However, if all was well, then why was someone trying to discredit someone else unjustifiably?

The possibility of war is indeed an unquestionable stimulus to business activity of a sort. Employment will be total; every factory will hum; increased taxes and costs will be offset by increased wages and long hours; money will pour into the capitals where business and political leaders will feel fresh security, new importance and augmented authority. There is nothing like a wartime business boom to bring economic society out of its chronic lethargy, uniting it behind leaders who then must be trusted. For anyone then to question the manner or costs of defense, or the soundness of the seeming prosperity, would be as mean and disloyal as to suggest that Grandma be buried in a reasonably-priced coffin.

To our economy, always wavering on the edge of depression, war production is a form of "dope" to which the patient has long become accustomed and complacent but from which he must sometime be weaned if he is not eventually to go to pieces. For over a generation ours has had the "habit." If we are to do our full share in the world's efforts toward peace, we must cure our economy of its need for the stimulus that war brings, by getting it geared to peaceful functions, thus purifying our motives, strengthening our determination for peace, and making us appear to the world as being as exemplary a nation in fact as we actually are at heart.

Were we successful in finding full outlet for our productive factors in the satisfaction of humanly-needed pursuits exclusively, with opportunity and justice for all, we could then be invulnerable to taunts of an incomplete sincerity in world affairs -- regardless of how hypocritical such taunts, from the enemies of our faith, have been -- and we could at the same time be better able to display to the world a more completely successful domestic way of life.

This would be a real example of world leadership.

And our moral obligation in leadership is very great. We have enjoyed considerable internal success, which, however imperfect,

is real. We are the fortunate stewards of a rich heritage of basic laws and liberties; we owe it to the world and future generations to pass this on to them, preserved and, if possible, improved. We have a large share of responsibility for the magnitude of the problem of war; we have done most to advance the destructive power of modern arms; the present race was begun by the atomic bomb, an American development.

In the next chapter, we shall see how, in the face of unemployment, industrialism, war, and other problems, people have failed to resort to characteristic strengths of a past age or to our own earlier ideals of self-reliance, and how they have gravitated into indolence and paternal welfarism to an extent amounting to a gradual change of philosophy of social and economic life entirely out of keeping with our physical resources and heritage of ideals.

CHAPTER V
THE CHANGE FROM A TRADITIONAL TO AN ALIEN PHILOSOPHY

For reasons of security and the continuity of progress, since even prehistoric times people have realized the need of some degree of control of society -- self control within the individual, and control of all by designated representatives of society organized as governments, all for the sake of a reliable orderliness in the life of people.

The degree to which the management of affairs is either left to the choice or discretion of individuals, or is turned over to or assumed by governments, is seen to differ greatly among different countries.

Growth of population, economic change, and the spread of ideas, and other elements of progress, coupled with adherence to age-old customs of doing business, of holding property, and of confining peoples within old boundaries, have all created, especially in this century, great strains, problems and conflicts.

In many countries there is a growing questioning of traditions, forms of social and economic organization, and of the validity of human rights. In all countries the general trend seems to be away from individual management of affairs and toward the greater scope of government management. There seems always to be the question -- and bitter debate upon it -- as to whether that general trend is truly what the people want or need. The issue is greatly beclouded by selfishness and human frailty in a conflict of interests between people within government and those outside it. Government is constantly being discredited by self-seeking, conniving, public officers of bad judgment and bad faith, and by its growth into burdensome ineffectuality; on the other hand, individuals constantly abuse freedom.

In competition "for the minds of men" there are today, as I see it, essentially two different ideas -- differing in kind, not just in degree -- which are best designated as freedom and socialism. The extent to which they are not understood by Americans today makes them very important in this study of our ideals.

FREEDOM, as an order of society, is based on the supreme and inalienable right of the individual to himself, allowing to him the choice of his work, his place and manner of living, the use of his time, the disposition of the products of his labor, the holding and expression of opinions. It assumes his right to come and go or to work or not, as he sees fit, or otherwise to do as he pleases, limited by the right of all others to do the same, and consistent with the degree of concentration of society

in which he chooses to live, be that in country or city, far out or close in, in field or factory, working for an employer or himself, married or single. Freedom, in order to encompass all members of society with equal rights to their labor and substance, must include as a corollary the individual's responsibility in meeting the consequences of his own acts, choices, or judgments, with no right to impose such consequences on others.

Such individual responsibility for one's own affairs and self-support must necessarily imply and include the right to the use of the area, forces, and substances of the earth on which his life and that of all society depend, again, limited by the equal rights of all others. (This right, and how it should be assured is fully treated in Chapter VIII.)

In the free society, the production and exchange of wealth and services are, in the main, carried on by private enterprisers freely competing, with all such producers having access to natural opportunity on equal terms. All economic relationships -- distribution of wealth, establishment of prices and wages -- are determined by the unhampered action of the natural laws affecting supply, demand, and price, without the intervention of government in the freedom of the market.

The functions of government are essentially limited to the maintenance of law and order and the preserving of equal rights. This need not in any way preclude a limited number of functions or services that may appropriately be under public management, such as highways, some utilities, much public education, and others.

However, in no large or important area or country that I know of has perfect freedom, as here conceived, ever been attained. Although the degree of greatness our country has had, making it the haven it has been for so many seeking freedom and a good life, is due in part to its area and resources, yet most significantly it is due to the measure -- however imperfect -- in which people here have enjoyed social and economic liberty and other natural rights -- rights to use the resources of nature, to choose their work and possess its results, to move about, to improve themselves, think for themselves, to rise as high and go as far as their own efforts and endowments can take them, again, allowing for the rights of others to do the same.

There are those who, in all sincerity, do not believe in the validity of this concept, thinking instead that individuality is synonymous with selfishness and that freedom means chaos. I think they simply do not understand human nature in a normal, truly civilized and rational state of man and society. Seeing the conflicts and confusions in present conditions, not knowing

what is natural and unavoidable, or what is unnatural and that would pass away under right conditions, many people cannot visualize a society both essentially free and good -- they being unlike the discerning architect who, looking over a dilapidated but fine old house and its cluttered, overgrown grounds, sees the possibilities of restoration.

Actually the spirit of hoggishness and rebellion against society properly constituted springs from a person's feeling -- often without justification -- that society has not protected his rights or recognized him as an individual. One has to feel secure in these matters before he can be a poised, generous, responsible, member of an orderly society, adhering to its rules and willingly sharing its common burdens, all in a cooperative, growingly mature manner; and society must have offered him an abundance of usefully productive opportunities and a very minimum of loopholes for selfish acquisition of ill-gotten gains entailing loss to others.

It is assumed under freedom, as an order of society, that a full, free, responsible, satisfying life for every individual is the primary objective, and that this will result in a just, simple, efficient, good organization of society as a whole.

SOCIALISM, as an order of society, is based on the supreme right of society, in the interest of all, to determine and establish, as far as necessary to that interest, the place of residence and the work and its conditions and compensations of all individuals; the use of all resources and the production and distribution of wealth, all in accordance with overall, economic plans formulated by public officials.

The rights of individuals would be -- I can only presume now -- whatever those in authority thought could be allowed, consistent with loyalty to official plans and regulations and with the fulfillment of one's officially designated obligations in carrying on the overall plans. Rights probably would not be inalienable, since conditions in society (and hence official plans and requirements) would necessarily vary as different situations emerged from time to time.

Basic to socialism is the "social," public, or government ownership of all productive land and capital -- government being the sole employer in the nation, excluding any such concept as private ownership of "the means of production" or of there being numerous, competing employers between which prospective employees would freely choose.

The functions of a socialist government are the maintenance of law and order; the formulation of all plans for productive enterprise; the fixing of wages and prices; the formulation of

requirements made of people, based on officially presumed abilities of people; the distribution of wealth and services among people according to officially presumed needs; the management of all commerce, domestic and foreign.

It is important to understand the manners envisioned by socialists for the establishment of their philosophy. To them, war and exploitation are inherent in an age-old struggle between two classes in society, those who own the means of production, called capitalists, and those who do the work, called proletarians. Some socialists have hoped their way could come about by peaceful evolution in which, step by step, succeeding functions of society would be "socialized," following the gradual processes of education and conditioning. But most -- or at least those who make the largest display -- envision the coming of socialism through revolution in a relatively short time. This change could be orderly and peaceful, it is felt, if those committed to private enterprise and property would yield willingly to reasonable persuasion; but since they will not, force and violence will obviously be unavoidable, as the proletarian class overthrows by whatever means necessary the owning class. Since conflict is seen as a struggle between classes, it is envisioned as being ended by the revolution in which the working class will overthrow and expropriate the owning class, creating a classless hence peaceful society. The violence and cruelties accompanying revolution, and the suppression of individual liberties are regarded as regrettable but unavoidable, hence justified as means for bringing about a supreme and inevitable end. These means, and the magnification of the scope, size, and power of the government -- or "the state" -- needed to carry out the revolution and establish the new order, are regarded by socialists as interim measures only; they are expected to "wither away" as no longer needed when all people shall see the reasonableness, justice, and effectiveness of the classless, peaceful, socialist society. (See Appendix C for a brief, authoritative statement by Marx and Engels.)

The destiny, the good, of the individual will be bound up and will appear in the good of the whole society of which he will be an integral part.

As well as freedom and socialism, there are two other elements of economic regime that should be differentiated.

A "mixed economy" is one in which some productive enterprise is carried on by private competitors and paid for by the immediate consumers directly, and in which some is carried on by public agencies and paid for by taxation. The economy of this and most other countries could rightly be so designated. With such an economy, though the field of private enterprise is reduced, still there is no power within public authority for coercing individuals in any way, beyond the requirement of paying taxes for the support of public services.

A "welfare state" is one in which public agencies undertake to relieve individuals of personal responsibility for personal needs.

As Americans, we must judge freedom, socialism, or any other proposed regime by its direct effect on people. People see, feel, think about, and love life as individuals, not through any such a thing as a "mass consciousness" in which any person sinks all his separate thoughts, feelings and desires. To improve life for people as such is the object of any honest, intelligent effort toward a better society; institutions are for people, not people for institutions.

Freedom puts the good of each individual, and hence of all people, in the place of first importance. Socialism puts in the place of first importance a certain organization of society, setting aside at first the immediate interests of separate people, postulating their ultimate destiny later. The good socialist citizen is supposed to voluntarily subordinate his special wishes and beliefs, trusting his governors with his ultimate good. Of course it is true, as Jesus of Nazareth wisely said, "He who would find himself must first lose himself." But he certainly never stated this as a policy to be administered by government officials!

Socialism assumes that the heads of government, clothed with sufficient power and authority to manage all economic affairs of the people, supplanting the natural action of a free market, will use that power wisely, benevolently, unselfishly and with complete fairness and knowledge of the public good, setting aside the plans and free enterprise and initiatives of people themselves.

This would be very foreign to us.

How could we, as Americans, trust a regime of greatly expanded government functions, personnels and budgets? Among our own and foreign officials and governments, we should have seen by this time enough corruption, bungling, cruelty, waste, and self-seeking to cause us to shudder at the very thought of a four-fold multiplication of government costs, power, domination, inquisitiveness, and pervasiveness.

Laying aside, for a moment, all question of honesty and sincere devotion to the good of all society on the part of government men, and considering only the possibility of their planning deliberately all the economic functions of the production and distribution of wealth without guidance from the laws of supply and demand, I would recall how well it has been said that the belief in socialist planning is like that of a man who might think he could, by his own conscious mind, direct all the hundreds of physiological processes in the infinite number of parts and places in his own body, doing this more wisely, efficiently and scientifically than Nature

already does it for him automatically with every local part expressing its own needs directly to the intimately close, life-bearing streams.

But, since we must be realistic, we cannot, even for a moment, lay aside all thought of the frailties and potential perversities of people given great authority over the affairs of others. We must remember that "Power corrupts, and absolute power corrupts absolutely."

Great functions of government, and hence great authority in it and in its officers, entail much force in the management of the affairs of the people. Those who would strive for these positions are just the ones who, having unusual aggressiveness, would have risen out of the mass of mediocrity and suppressed idealism, probably having failed in private economic endeavors, thirsting for an opportunity to assert themselves and to enjoy power, prestige, and wealth. And again, they would be corrupted. It has ever been so:

"Horses, women, dogs and men,
What once they've been they'll be again."

And if this were not enough to cause Americans to reject socialism, as a way of life, there remains one other great philosophical fact of life that should impress all thinking people concerned with the growth of human potentialities and with individual worth: People do not grow to mature strength, inner or outward fortitude, resourcefulness and breadth of character, under conditions where all their plans and personal responsibility are set aside by a life under some smooth-working regime fully planned by a parental authority, however honest and wise its plans and officials may be. Parentalism or paternalism -- as well as always becoming tyrannical, though that fact is not the main point of this paragraph -- tends to shrivel the growth and powers of its subjects. This is true on the level of public affairs, just as on that of life in school or in the family. Those who have every decision made for them simply become more passive, less concerned for their own destiny or that of society. Socialism is paternalism, with all its weaknesses and hazards, carried to an indefinite extent into the outer and then into the inner life of the people.

For human beings, the capacity for growing and thinking which differentiates them from the dumb animals, and their joy from the mere contentment of cattle and sheep, depends on their being free in body, mind and spirit, and responsible for their own welfare and destiny. Normal, thinking individuals, as each of us should wish to be, would and should submit to overall authority only under conditions of dire emergency such as war or shipwreck. I believe socialism is an order to which few men having once known freedom would ever submit, except where, in one manner or another, freedom had been denied or where conditions allowing for individual

life had been deliberately destroyed. I believe, too, that those in this country who propose measures that are steps in the direction of socialism, when contemplating the changed philosophy that this entails, picture themselves as destined to hold positions of authority, not as being destined merely to submit.

I have discussed the ideas of freedom and socialism at this length for very good reasons. Although most Americans would say they were against socialism, their own indolence and the self-aggrandizement of their political leaders, together with the failure of all to understand the basis of individual freedom and self-reliance, are tending to move us toward it.

Those of us here who still adhere firmly to liberty are apt to feel that we are somehow placed in an awkward, defensive position. Our critics, and the opportunistic enemies of our faith, are quick to point out our every failure to assure, to all, freedom, equality and prosperity, and our paradoxical poverty and riches and idle resources. And indeed we know in our own minds that our country is far from being as perfect a demonstration of the validity of its alleged principles as it should be. This is especially unfortunate now, at a time when so many of the peoples of the whole world stand in such tragic need of a perfect and practical example of an order of human life which we possess in theory but can display only in part.

We have come to the end of Part One, this five-chapter narration of the history and nature of our perplexing problems, conditions, and conflicting ideas.

As Americans, we should resolve no longer to remain in a bewildered, defensive position regarding the way of life we cherish and how to preserve it in a world of shrinking liberties.

In the following chapters, I will outline as clearly as possible the economic basis for the free, self-supporting society and for the establishment of public and private rights.