
Warfare Versus Welfare

The welfare state is headed for the mothballs. What with the concentration on the business of war, the tradition (built up during the past twenty years) that the function of the state is to provide for us will be set aside. Whether or when it will be taken out again and put to use depends on the turn of events. At this writing, the welfare state can be written off.

Welfarism presupposes a condition of relative peace. Estimates of what can be taken out of the general economy for handouts, or for the administration of handouts, are based on what can be produced for consumption. Since, however, war has first call on the productive capacity of the country, and can demand all above mere subsistence, these estimates are thrown out of kilter by it.

This is not to say that the welfare state will be deliberately scuttled; it will simply fall into disuse. The laws, offices, desks, clerks, and officials set up for the dispensing of old-age pensions, educational subsidies, unemployment insurance, and the rest will remain in being; and even though new machinery for the control and regulation of the economy will be set up during

This article appeared in Human Events (January 10, 1951).

the emergency, the existing plant will not be dismantled. Operations will slow down for lack of appropriations.

Certainly, no new enterprise in welfarism will be undertaken. You will hear no more about socialized medicine, what with the doctors being drafted into the army, and the crusade against racial discrimination in employment will be forgotten in the manpower shortage.

It has already been suggested (by the New York State authorities) that the high school period be cut from four to three years, so as to facilitate earlier conscription; the corollary effect of diverting taxes from education to war purposes is obvious, even if not intended. This must be taken as a hint of things to come. The administration will surely drop its program for the subvention of elementary schools. From now on what is spent on education will be with an eye to its contribution to war; physics will be a desirable subject of study, philosophy will not.

The entrenched bureaucracy will certainly try to maintain unemployment insurance at its present level, but the need for labor will offset the bureaucrats' demands. Some use will be found for the productive power of those drawing old-age pensions. The national emergency will make a shambles of the handout business.

The recent withdrawal of price support for eggs will be followed by the dropping of subsidies for other farm products. The war-created shortages will boost prices to the point where "parity" becomes ridiculous. Moreover, the need for agricultural products will make necessary the dropping of that part of the program that calls for paying farmers for not producing. Every acre in the country will be put to work.

In short, the claims of welfarism on the tax dollar will lose all importance. Warfare comes first.

Speculation on the future of the welfare state is weighted by the conditions brought on by the international situation. It is possible that the all-out war with the Soviets can be put off for some time; the communists may not want it just yet. But, nothing is more certain than that we shall be for a long time on a war footing, that our economy shall be geared to military preparations for years to come. During that time, or during the war, a new way of thinking and a new social order will replace the tradition of the welfare state.

The idea of the welfare state is rooted in the all too common desire for manna from heaven. It is because of this strong demand for something for nothing that the do-gooders and the planners are able to do business. But, however strong is this demand, it is overshadowed by the will to live. If the conditions of war threaten existence, the urgency for safety will drown out the urgency for "security."

In a small way, we have had an indication of this instinctive emphasis on existence. In the past year the newspapers have recorded a rise of land values in sparsely settled and even in desert and mountainous areas, indicating a strong decentralist tendency. This development is explained on several grounds: as a hedge against inflation by investors, as making provision for subsistence when jobs become scarce, as an escape from the dangers of the atom bomb. The last reason will gain in importance as war becomes more imminent; we can expect this trek to the hinterland to gain in volume.

A basic economic principle is at work. When industrial and commercial wages fetch less in satisfactions than what can be extracted from the soil, the latter becomes more attractive than the office and the factory. One must live. The back-to-the-land movement today is basically economic. Well, then, as taxes combine with shortages to reduce purchasing power, factory

workers turn to their garden patches to supplement income, while others go in for farming as an occupation.

If the war is long drawn out, if the bombing of our cities becomes more than a threat, the search for a haven of safety and a certainty of subsistence may well become the national habit. The transplanting of women, children, and the aged will be undertaken as a war measure, but the economics of it will accelerate the dispersal of the population. Keeping in mind the lowering of our economy by a war of attrition, the disruption of our productive machinery, and a ruinous inflation, we may be on our way to a new tradition: self-sustenance and self-reliance. Out of the war can come a habit of living that will have no place for the welfare state.

It is true that England, despite the bombing of her industrial centers, took up where she left off with welfarism. But, could England have done it if she had not had help from the outside? Without this help she could not have attempted a return to antebellum fancies; she would have had to go to work. Who would help us?

During war, of course, the omnipotent state takes over. The welfare state rests its case on the *paterfamilias* concept of society; the political establishment undertakes to alleviate disabilities by confiscating and distributing wealth, but in theory it does not deny the right of private property or violate personal prerogatives. The omnipotent state, on the other hand, puts its own purposes above those of the individual, and therefore must deny not only private property but all freedom of action; society becomes a tool, not a concern, of the state. When national existence is at stake, the latter idea gains in ascendancy; society abdicates in favor of the state as a matter of necessity.

History indicates that the powers acquired by the state during

a national emergency are not usually relinquished when it is over. Absolutism is the product of war. Thus, if we go by the evidence of history, it may be that our welfare state will be transformed by the war into a continuing omnipotent state.

On the other hand—again assuming that the war, or mobilization lasts long enough to establish new ways of life and new traditions—it is entirely possible that economic decentralism will be followed by political decentralism. The dispersal of the population on a large scale will automatically make for a weakening of the central authority, partly because a self-sustaining citizenry resents interference, partly because the large centers will lose their dominant position. The city has always been the backbone of the strong state, the country has always been the opposition. Consequently, if the war draws large chunks of our population to the land, an American state after the pattern of Orwell's *1984* may be averted.

The sinews of the state are taxes, and taxes are limited by the productive capacity of the people. The productive capacity of the people is, in turn, in proportion to the capital structure at hand; the more and better tools at the disposal of the worker, the greater his output. So, if the war absorbs and destroys a considerable part of our capital structure, our productive capacity will be diminished and the revenues of the state will dwindle accordingly. A war of attrition, therefore, is a threat to the state itself. And if, during such a war, we acquire the habit of self-sustenance, it is a certainty that the state will have hard going to reestablish its position. An agricultural economy yields little in the way of taxes.

If this is so, it may be argued, then Russia is in no position to carry on a war of attrition. Her economy has been on a war footing since the communists took over in 1918, and her capital structure must be only what slave labor can yield under the

lash. That is true. She probably has squeezed out of her slaves a striking force of considerable strength; having spent it, she would be hard pressed. There is reason to believe that a continuing threat of war, with sporadic demonstrations by her satellites, would suit her purposes better than an all-out struggle. Meanwhile, a continuing threat of war will have the same effect on our economy as a war of attrition.

For the time being—and that is the point of this argument—the welfare state is out. In the immediate future the direction of the American state will be toward the acquisition of power for war purposes, not eleemosynary purposes. The tendency will be more and more toward totalitarianism. That is unavoidable.

The ultimate is difficult to foretell. Will totalitarianism settle down on us as a continuing way of life? The pessimists are of that opinion. On the other hand, we cannot underestimate the power of tradition. Maybe the American tradition of individualism will rise up and smite totalitarianism hip and thigh. All the totalitarianism of the past finally succumbed to the will for freedom.