

What Has Happened to Liberalism?

By William E. Clement

THE fear of some form of future regimentation which now weighs heavily on the spirit of many business leaders, can be resolved into nothingness, and we can go forward to the incomparably better things envisioned by administration leaders if we are willing to honestly analyze our difficulties. Thus and thus only can we provide for post-war unemployment and expected trade stagnation. The grim alternatives are well presented by Walter Lippmann in his great book, "The Good Society," wherein he very brilliantly sums up the pre-war situation by saying, "Men are asked to choose between security and liberty; to improve their fortunes they are told that they must renounce their rights." These choices, Lippmann says, are "intolerable."

"The older doctrine," he says, "was that wealth is increased by labor, enterprise, and thrift, and that the way to a just distribution of income is the repeal of privileges." It has been overwhelmed, Lippmann points out, by the practical demonstration that some men and groups of men prosper greatly when the government assists them. So the people have had it fixed in their minds that the state possesses a magical power to provide an "abundant life."

"It is an old illusion," says Lippmann as he tells us that "on the River Rhine, the most important trade route of Central Europe, there were in the twelfth century, nineteen stations at which tolls had to be paid." These were collected by armed forces gathered about great castles, the ruins of which still are in evidence. "In this example, which is typical of all privileges, political force did not produce the treasure. It exacted treasure from those who had produced it. The optical illusion arises because men mistake for the production of wealth the enrichment of those who take the tolls."

The big question which the American people must solve through hardheaded research and common sense, is that as matters have worked out in recent years, "the state raises the people's expectations, and on the other hand, it reduces their productivity." Here indeed is the "illusion" which not to dispel is to court disaster to our American form of government.

Lippmann's reference to the so-called liberal state as opposed to the liberalism of the old-time American variety is, however, not to be associated with partisanship with any existing political party. Lippmann did not offer his ideas as a "complete solution," but in the hope that "someone will find a clue that will lead him further." It is with profound gratitude that I acknowledge Mr. Lippmann's help, and in presenting these conclusions, carry on from that point in this discussion.

To save our country for free enterprise, an understanding must be had of the original motivating factors through which free institutions became dominant in America; why this new spirit in turn helped mightily in removing chains from the people of the Old World, and why the insidious coercive regimentation has now reappeared and not only engulfs most of the pent-up and distressed peoples of Europe, but threatens us with its false economic conceptions and so-called "distributive proposals." The practical outcome of living under a socialistic or "directed" condition of society can be shown from past experiences; history teaches also that inevitably class division, collectivism and coercion bring loss of liberty, lowered standards of living, wars, and a great decline in production of goods the people want. Ultimately, as will again be seen in Europe (no matter what the outcome of the present war), this coercive order will, as in the past, come into violent conflict with the deeply ingrained doctrine of natural rights and individual preferences.

In the Eighteenth Century, as the fertile lands of the New World opened to settlement, there came a coincident great advance in independence and freedom. No one thought of working for another for less than he could make working for himself on land which could be had almost for the asking. As this "new order" of that time appeared with its revolutionary implications, its opportunity for expansion and self government, the American Founding Fathers, fearing and hating the "coercive" dangers of the Old World, taught their people strength through individual reliance on one's own efforts, the truth that wealth is increased by labor, enterprise and thrift, and that with opportunity before them, the way to a just distribution of income is through repeal of privilege, not through its extension to a "bureaucracy" or to any set of men. Their ire at that time was particularly directed against the then existing governmental privileged classes, and they knew the pitfalls and dangers to humanity of a directed social order.

THE FOUNDING FATHERS' ERROR

Unfortunately, however, they failed to enact a very simple land law or regulation, which would have perpetuated economic freedom through forever keeping open to their people, opportunity (through idle unused land) for self employment. Land speculation therefore spread over the United States, and the good idle acreage was grabbed by speculators and "held for a price." This restricted the use of agricultural lands (the primary source of all jobs and all industry), and caused the

problem of idle men, low production and low consumption which we saw so intensified during the depression of the thirties. This "want in the midst of plenty" is the great calamity, which the writings of farseeing men like Franklin, Thomas Paine, Jefferson, and later, Abraham Lincoln indicate they saw as an almost certain eventuality. Thus was the stage set for the remedy proposed by the great Henry George.

As we trace events, we find that when preemption was complete, notwithstanding vast and well-located unused lands, our capitalist democracy began to stagnate; then and there were generated depressed situations which left the unemployed (following speculatively culminating panics such as the long lean years following 1873) at a great disadvantage, and this unrest and lack of buying power reacted on business and trade, just as it does in modern times. Our leaders failed to see that while tariff increases, land grants, "go west young man" slogans and other governmental relief moves of that day promoted the interest of certain groups only, these measures had little, if any, good effect on business men as a whole, or on individual workers in the lower strata. They did not open the door of opportunity through low-cost access to the well situated but idle agricultural land which in settled areas was even then commencing to be held out of use for investment purposes.

THE RISE OF THE DEMAGOGUE

These relief measures, failing to benefit the masses, paved the way for the demagogue of today who is busy selling what is in effect the seductive pre-1776 "directive order" as the cure for the troubles resulting from low income and unemployment distress. The pendulum now swings the other way from the old-time "American way of life," and if an intelligent analysis is not soon made and proper adjustments set up, every one will suffer, including owners of the speculatively held land, and even the children of those most active in this dangerous "directive" reactionism.

To understand what has happened and its relation to the changes now going on about us, it must be remembered that the truly liberal movement of the Eighteenth and early Nineteenth Centuries occurred coincidentally with the opening to use of the rich agricultural lands of the New World. As these new lands were bought up and grabbed for investment purposes—brought into cultivation only here and there—the "Great American Frontier" was withdrawn. Then it was that our liberal doctrine was arrested, our economy became unbalanced, liberalism started to decline, and in the stress of later events has lost its virile potency in human affairs. The question which has remained unanswered, and which Mr. Lippmann so well poses, is why an aroused people failed to fathom these matters; why they did not go forward with this promise of liberation. The great white light of freedom has consequently gone out over much of the world, and with the coming of certain pre-war restrictions there could be seen a perceptible "flicker" even in free America, with its wealth of unused natural resources and traditional hate of "coercion."

If we would restore our splendid cultural and liberal heritage we must in effect restore the American Frontier of opportunity. Our millions of acres of unused agricultural lands must be made available. We must, in order to make our country "stronger than all others combined," overcome future unemployment by opening opportunities. We must "beat the dictators" by doing it in the "American way" as compared to the ever encroaching coercive or "slave economy" method. The teaching that governmental investment is forced to limit or take the place of private expansion should not be tolerated.

We heard during the depression much about "worn-out" or eroded farms; that there were no opportunities for young people to become self-supporting. There seems to be little, or no evaluation of the fact that out of our one billion acres of tilled or tillable land, a large portion is being held out of use at comparatively high prices for so-called "investment purposes." It is for this reason that the relatively cheap submarginal lands of the arid west (suitable only for grazing), were brought into agricultural use, with consequent "Dust Bowl" suffering and damage to our national interest. Farmers operating only about 200 million acres officially joined in the AAA soil conservation movement, and this of itself gives a clue to the "investment obstructionism" which is slowly choking the life out of free enterprise and our nation's progress.

If one has any doubt as to the truth of this observation, all he has to do is to ride through the agricultural sections near any city, particularly in the South, and note the "spotty" development and large acreage of good land held out of use. For example, Baldwin County on Mobile Bay, Alabama, the largest county east of the Mississippi River, has according to the U. S. Census of Agriculture only 16.7% of its lands under cultivation. Baldwin County, as is well known, is greatly favored in its fertility and natural advantages. Yet farm land is needed for producing goods to feed huge sections of a war-ravaged world.

And now as these matters become clearer, it is well to clinch this by going back to "The Good Society" and Walter Lippmann, wherein he says the people have been taught by collectivists to believe that the government can and should make them richer. Not yesterday, but starting about seventy years ago, business men, farmers and wage earners, failing to discern why conditions were going awry, commenced to appeal to the state for bounties, tariffs, privileges, and right there commenced the practice of gradual collectivism which has caused the people to think that if some can be enriched by the action of the state, then all might be enriched by it. Thus was the way paved for false "liberals."

Those entering the Services, and others who move to a new address, are requested to inform us promptly. Magazines are not forwarded by the Post Office.