

Excellent

Whither Plan?

By H. B. JONES

Two articles, published in THE READER'S DIGEST, although expressing divergent views, are significantly related. Freda Utley's "Whither Bound?" in the December 1941 issue articulates the forebodings in the hearts of men and women who dreamed of a new bright world and see their idea coming drearily true. "Economic socialism is, I think, coming," writes Miss Utley. "I used to want it, because I thought it meant, greater liberty, but now I am extremely doubtful of it. It is coming, and it is turning out to be not what we thought it meant . . ." The article by Charles E. Wilson, president of the General Electric Company, in the January 1942 issue, urging Americans to "Plan for Postwar Tomorrow," reveals a socially-conscious business man swerving in the direction from which Miss Utley now draws back in dismay.

Good
A cynic might point out that Miss Utley is a generation ahead of Mr. Wilson. She has completed the cycle of rebellion against economic and social evils, acceptance of collectivism as a cure, disillusionment. He is only beginning the cycle; the trend of his thought is toward the "state capitalism or state socialism" against which he warns; his analysis of the "peculiar politico-bureaucratic character" of government machinery foretells his ultimate disillusionment—perhaps when his proposed Congress of the American Free Enterprise System acquires pseudo-legal power, and Americans discover, as corporate-state Italians discovered, the bitter folly of expecting "representatives of industry, agriculture, labor, finance and commerce, engineering and management" to solve economic problems.

The irony concerning men and women who write, work, philosophize and vote for "social gains" is that they are led astray by a word. They recognize, of course, that social evils—the persistence of poverty amidst plenty, widespread unemploy-

ment of labor and capital while widespread demand for goods remains unsatisfied, the crime and disease which poverty breeds—are economic evils. And, because the dominant economic system of the world is commonly, although not accurately, called capitalism, they conclude that economic evils are inherent in actual capitalism—or, at least, that capitalism engenders economic evils. As capitalism operates through the agency of free enterprise, distrust of capitalism naturally leads to distrust of free enterprise and to the notion that large blocs of the social entity should have a hand in enterprise. At first, only fragments of the social entity attempt to manage fragments of enterprise—and so called cooperative organizations flourish. But, as the pressure of economic ills increase, the demand increases that the total social entity, the state, assume direction of enterprise.

From the original word-error, other word-errors arise and are accepted as ideas. We hear, for example, of "production for use instead of for profit"—as if all production in all ages has not been for use! We hear of "industrial democracy"—an expression which epitomizes the prevalent failure to distinguish between economic and political functions of society. At first, only men and women with economic grievances and their intellectual interpreters are beguiled by the brave nouns and verbs foliating out of the word-error which imputes economic ills to capitalism. But, at length, the ultimate absurdity in word-error appears—"planned economy"—a phrase so enticing that industrialists and financiers suddenly profess faith in socialism—although, of course, they reject the badge of socialism and are, in turn, condemned as fascists or opportunistic appeasers of labor by Socialists and Communists.

Thus the word-error which Marx emblazoned on the title-page of *Das Kapital* succeeds beyond Marx's ex-

pectation. The popular habit of blaming capitalism for economic ills is now enforced by the habit of capitalists and their executive associates of accepting the blame by inference. The tragedy, as far as the future of mankind is concerned, is that, if capitalism is unanimously elected scapegoat, humanity may never take the trouble to discover the basic economic principles which alone are adequate to insure economic equity. Preoccupied with the regulation of capitalism, we shall continue to drift—through the channels which frighten Miss Utley, through the channels charted by Mr. Wilson, through channels unforeseen—toward an ant-hill economy.

Miss Utley suggests that "we must begin fighting all over again for liberty and equality under a new name, under new conditions." Mr. Wilson proposes a Congress of the American Free Enterprise System. I suggest that, instead of starting to fight, the American people simply start to think. I propose that, instead of calling a Congress "to draw up new, self-imposed rules," the American people seek to understand the old basic laws of economics imposed by the immutable nature of the material world and of man.

Popular bewilderment in the face of unsolved economic problems is, as Mr. Wilson points out, the force pushing America toward collectivism—a force which cannot be checked by the bread-and-circus appeasement sketched in Mr. Wilson's "blueprint of the future." An economically informed public opinion is the only effective counter-force. "The progress of civilization," wrote Henry George as early as 1883, "requires that more and more intelligence be devoted to social affairs, and this not the intelligence of the few, but that of the many. We cannot safely leave politics to politicians or political economy to college professors. The people themselves must think, because the people alone can act."