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Insight and outlook: a student opinion journal on current affairs. Volume 1, Number 1 February 17, 1959

Madison, Wisconsin: [publisher not identified], February 17, 1959

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A STUDENT OPINION JOURNAL ON CURRENT AFFAIRS

Volume 1 Number 1

February 17, 1959

ARTICLES

AMERICAN DEMOCRACY AND AMERICAN INDUSTRY	
..... Professor Philip G. Fox	5
EBB TIDE OF FREEDOM	
..... Robert C. Adams	7
CONSERVATIVES, RADICALS, AND REACTIONARIES	
..... Alan McCone, Jr.	9
PYRRHIC VICTORY	
..... Richard S. Wheeler	11

UW ARCHIVES
DUPLICATE

DEPARTMENTS

CAMPUS OUTLOOK	3
WORLD OUTLOOK	4
BOOK INSIGHT	21

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— Alexis De Tocqueville

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— Gordon Fox, former President
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Engineer's Day Address, 1955

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INSIGHT AND OUTLOOK

Magazine

A STUDENT OPINION JOURNAL ON CURRENT AFFAIRS

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VOLUME 1 NUMBER 1 FEBRUARY 17, 1959

OFFICE OF THE EDITOR APT. 8, 131 LANGDON ST., AL 6-5979.

UNIVERSITY OF WISCONSIN, MADISON, WISCONSIN

A GREETING to OUR READERS

An ideological battle is being waged across our land, although news of its most significant campaigns does not always reach the popular press. And the stakes of the conflict are America itself, and the freedom of each citizen in it.

With such a weighty prize for the victor it would well behoove each voter to become aware of the facts and issues and decide which camp he would like to see triumph. To help students on the Wisconsin campus form their views in the struggle, the editors offer INSIGHT AND OUTLOOK Magazine. This journal will indeed take a stand, staunchly defending individual freedom against the forces of collectivism, and offering a conservative rather than a radical approach to the problems of our modern society.

However, although the editors admit bias, they feel that even those who violently disagree will find the magazine of value, if nothing else, in recording the highlights of the conflict and pointing to the areas in which the opposing legions are in most bitter disagreement.

And the editors are also of the opinion that it is no longer quite so unpopular to be conservative. The disillusionment of two wars and their ugly aftermath have discredited innumerable radical and optimistic schemes that promised to solve problems neatly. Americans are ready to listen to the timeless advice of history, after shutting it out of their thinking for so long.

But even so, it is true that the soldiers of "progressivism" have had the better success in the battle. They are now the entrenched element. Young adventurers in the arena of ideology will not find true novelty and romance in the doctrinaire utterances of modern "liberalism". The challenge, the real fight to be waged, lies in defending freedom and historical insight rather than statism and utopian theory. This attraction for vigorous youth is just what the conservative cause needs to give it impetus in its fight to prevent America from being transformed from the land of the free to the home of the slave. For this, the editors feel, is the real nature of the conflict, and they agree with Orwell that the welfare state to which America seems to be heading leads to totalitarian despair. (See review of *The Road to Serfdom* on page 21).

CAMPUS OUTLOOK

Dr. Frederick Schwarz, who lectured on the Communist mentality before the House Un-American Activities committee, told a Conservative Club audience in September 28 why intellectuals are attracted by the Red promise to regenerate mankind. In the question period Schwarz had to weather a denunciation by a tall thin co-ed and an Afghanistani student she was coaching. After the program a professor present identified the girl as a known Communist. The event pointed up the communist evil genius, Schwarz confided afterward. "The United States brings students from other countries to learn the American way of life, and the Communists recruit them when they get over here."

Pete Seeger has sung at all kinds of Communist Party meetings and doesn't care who knows it (except that he won't tell the Un-American Activities Committee: he refused to answer 44 questions of the subject when he testified August 18, 1955). With Folk Arts backing this October 20, Seeger was in his own medium, and with a sly smile dripped anti-capitalist innuendos. Seeger is a delightful and captivating performer. The editors would not deprive audiences of his talents, but would give this warning: the communists constantly seek artists through whose assistance their effort can be made to look more respectable. Beware of Mr. Seeger's silver tongue.

Jean Giraudoux's play "**Tiger at the Gates**" performed by the Players in October showed how war between Troy and Greece was unavoidable, despite the will of leaders Ulysses and Hector. Those who would urge that in the same way socialism is inevitable must remember the play had a second moral. War came because of the stupidity and shortsightedness of the people of Troy.

Corliss Lamont railed against McCarthyites, the FBI, and all other foes of intellectual freedom in a Socialist Club sponsored speech December 7, but was brought to tip his hand in answer to one question. In effect, he admitted that under socialism it might be necessary to suppress certain "reactionary" elements, but for the sake of the socialists, let's push civil liberties for the time being. (More indication of Lamont's Bolshevik-America-first-civil-liberties-second attitude: Louis Budenz, former editor of the Worker, told Senators that he knew Lamont had been a Communist, and that he was "referred to by Earl Browder as one of the four prides of the party, . . . always ready to cooperate with any Communist front or Communist cause . . ." Budenz came clean before the committee. Lamont, however, refused to answer questions. Whatever you feel about investigations, we feel we must rate Budenz as the better citizen.)

IN THIS ISSUE

America can be brought to tyranny two ways. We can succumb to the Soviet power apparatus, or we can set up a dictatorship of our own. The outlook commentary in this issue deals mainly with the first, while the articles define the threat of the second. Professor Philip G. Fox begins by discussing democracy and industry. Managing editor Bob Adams then treats loss of individual liberty. Then editor McCone presents a conservative approach to recovering it. Finally, controversial columnist Richard S. Wheeler applies the method to the problem of the South.

The next three issues will deal with economics, education, and communism, respectively.

WORLD OUTLOOK

MORE GORE IN THE CARIBBEES

Fidel Castro "liberated" Cuba, muttered something about elections a year and a half hence, then proceeded to employ the same crass tactics that made Bastista such a blackguard.

Our senators, after voting to protest the killing of two students by the Bastista regime are now bound, if they would be morally consistent, to protest the hasty killing of 400 prisoners of war by the Castro regime. (A technical joker provides an easy out, however; says WSA president Gary Weissman, "We only consider students.")

The deposed corrupt government deserves no defense except in one respect; Bastista was a militant anti communist. The Castro government, unfortunately, by no means gives a clear indication it has the same attitude.

A December 31 broadcast from a new radio station that claimed to be the voice of the communist party in Cuba hailed Fidel's brother Raul as "comrade communist" and referred to the Argentine leader in Castro's army, "Che" Guenara, as an "outstanding Communist and leader of the people."

Moreover, Manuel Urritia, Castro's provisional president, told reporters his government would make

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a "study" of communism, and "I cannot say whether it will be favorable (to communism) or not."

Meanwhile, the *Worker* in America has nothing but praise for the "Cuban Heroes". On January 11 it printed a statement by Eugene Dennis, national secretary of the U. S. Communist Party: "... The revolutionary struggle . . . in which the Popular Socialist Party (the name taken by the Cuban Communist Party) played a vital part . . . has sounded the death knell for Bastista's tyranny The progressive forces of the United States . . . express their ardent solidarity with the freedom fighters of Cuba . . ."

SHAKING A BLOODY HAND

Hungarian refugees who picketed along his path know Mikoyan as one of the men who sent tanks into their country to crush the freedom fighters in 1956. Security officials know Mikoyan as the overlord of the Soviet Purchasing Commission in Washington which served as headquarters for the World War II Russian spy ring that stole A-bomb secrets.

Yet the businessmen who wine and dine the Soviet Minister of Finance showed that American ideals don't run very deep. They have handed the communists a tremendous propaganda victory. For while Mikoyan has had to report that the State Department would not make concessions, he can say that the government does not have the support of the business community.

Observe the foreign impression of Mikoyan's tour: *Die Presse*, a Vienna newspaper, wrote, "It is a shameful display of subservience the way American business circles are swarming around Mikoyan." Germans remember that it was narrow, profit-seeking industrialists who sold their country over to Hitler. Perhaps this is a pattern.

CONSERVATIVE CLUB

The Wisconsin Conservative Club is initiating a series of lively Thursday night discussion meetings for students who would become politically aware. All start promptly at 7:30 p.m.

The Economics Sequence, to last three weeks consists of the following programs:

February 19 — "Free vs. Planned Economy" with Prof. Erwin Gaumnitz, Dean of School of Commerce

February 26 — "Keynes and the Trade Cycle" with Mr. A. J. Heins, Instructor, Economics Department

March 5 — "Equality vs. Prosperity" with Mr. Chet Anderson, Director, Milwaukee Employers Association

The Cultural Sequence will begin April 19.

The debate between the Conservative Club and the Socialist Club on "Resolved: Socialism would lead to a better world" takes place March 11.

AMERICAN DEMOCRACY AND AMERICAN INDUSTRY

By Professor Philip G. Fox,
U. W. School of Commerce

This article is a revision of the speech Professor Fox made to the Freshmen forum in 1951. Six thousand copies of it were distributed at the time.

I am not going to talk to you about how rich we are—about the fact that we own three fourths of the world's automobiles and that all of our population could easily be given a ride in them at one time, if they could find a place on the highways—about the fact that with one sixteenth of the world's population, or some such fraction, we do about two thirds of the world's industrial production—about the fact that all of the other countries in the world, though they criticize our method of organization and our Way of Life almost continuously, are nevertheless constrained to come begging to us for financial and economic assistance and even social assistance.

I pay you the compliment of supposing that you have heard all of these things many times over and that you will either believe them or not believe them, without any further assistance from me.

The question I want to discuss is what we actually mean by democracy. I want to define two types, political democracy and economic democracy.

Most people think that political democracy means control of the minority by the majority. As long as this concerns only matters where individuals must give up individual freedom, this would seem to be all right. We must have some working rule, and majority-minority appears to be reasonable.

But in practice, political democracy means something quite differ-

ent. It means control by a majority of those who happen to vote—and in modern life and modern civilizations this is almost without exception control by a minority—often by an almost negligible minority.

In many elections and in many referenda as few as 15 per cent or even 10 per cent or less of the eligible voters vote—and a majority of this 15 per cent—sometimes as few as 5 per cent or less of the total—becomes the working majority of which we are so proud.

You will hear corporations attacked because stockholders do not vote. I wish merely to point out that the same charge should be levied against political control.

In a political democracy vociferous minorities—frequently minorities who have pockets to line—may be the majority which controls the society. This is the type of working democracy to which it is proposed by many that more and more economic controls be given.

Economic Democracy

It is quite otherwise in the economic and business democracy where one votes by choosing or rejecting goods and services which are offered to us—ideally, though not always actually, on a fair basis. For here one cannot escape voting—and one votes repeatedly every day of one's life. Here one actually expresses preferences, and the expressions of preference are counted!

I refer to the fair offering, of course, because competition must be fair if we are to achieve the advantages of competition—and I am in favor of all moral controls to keep the competition of American business really fair competition. But

the moral control of this sort is quite a different thing from the economic control which is sought by groups which hope to find advantages in such control.

Now what is democracy?

To me the essence of the democratic way of life is freedom of choice for the individual.

In 1776 Adam Smith published *The Wealth of Nations*. This book ushered in the period of classical economics and established our theories of the economic rights of the individual citizen. It was a declaration of economic independence from the old mercantilistic, governmentally-operated economic world. Admittedly the reasoning of Adam Smith is regarded as rather old-hat by many modern economists who are under the sway of temporary new fashions in economic theory—and it is much hated by all of those who are strict proponents of control—control—control!

This year 1776 was the same year in which we declared our political independence from kings and from government by divine right, and established our principle of government by the people. The coincidence of the founding of these two kinds of independence and democracy in the same period was not an accident. And it should be remembered that these two declarations of independence were not a unified declaration. They were separate and distinct—each operating in its own sphere.

One of the principal characteristics of the American Way of Life has been the presence of its free industry—free from the point of view of the producer because those with capacity or presumed capacity

have always been permitted to have a go at a business of their choice, hopeless though the chance might be—and free from the point of view of the consumer because each accepts or rejects the goods or services offered on the basis of his own choice.

Democracy of any real kind is impossible without a free industry.

Of course I am not speaking in absolutes. What I mean is that this free industry must be as free as possible, if we are to realize its advantages. When as few as two people live together in a society and are compelled to adjust their individual interests to each other's requirements, they begin the process of trading some freedoms for the purpose of preserving what are left. As populations get larger and societies become more complex, this process must go further and further.

Our problem in dealing with industry consists in seeing that its freedom is curtailed no further than is necessary. The important thing is to see that the process of limiting freedom of industry does not go too far. And I am of the opinion that "too far" may not be very far away—perhaps we have passed it already. We must remember that we have not been free of abnormal controls since 1930 or 1931. This is twenty or twenty one years, and the present generation has never known a free economy. Nor, with the present state of relations between governments, are we likely to be free of abnormal controls for many more years. The free economy may already be a thing of the past, and the ideals I am talking about, a mere incident in history.

Of all the types of freedom of choice which are dear to the individual who has some sense of his dignity as an individual—political freedom, freedom of speech, freedom of religious preference, freedom for aesthetic preference, and so on—the freedom of choice for goods and services, the real economic freedom, is by far the most essential and the most important. Without it, the other freedoms soon disappear or lose their vigor. Our way of life is essentially fixed by our economic choices and, in the

long run, the other freedoms adapt themselves to this.

In every raid upon the democratic countries by the competing totalitarian philosophies, whether they be fascistic or communistic, it is the destruction of the freedom of economic choice, as exercised by producers, consumers, and labor, which is the key operation. It is usually the last which is totally destroyed, save perhaps the feeling for religious freedom, because the other freedoms, important though they may be, are more easily overpowered and more easily surrendered.

I wish to repeat, that the American market—under a free industry and business system—is a really democratic system in which individuals, by and large, express their choices directly. It is closer to true democracy than the representative system of political democracy can hope to be.

The real problem confronting us in connection with the control of industry is whether we cling to the plan of individualistic democracy or shift to a more hazardous and (I think) less efficient form of representative democracy. The proposal to substitute government for individual control of business and industry—the proposal that the free efforts of 4,000,000 businessmen be supplanted in large part by the efforts of some dozens or hundreds or thousands of so called "experts," whether it be done through actual ownership as in Britain, or through overpowering controls which mean the same thing, however different they may appear—is simply a proposal to substitute one form of democracy or another.

It seems clear to me that this is a proposal to substitute a lower form of democracy for a higher form. I am of the opinion that to turn our economic freedoms over to the administrators of our political freedoms would be a tragic choice. I have yet to be convinced that those who operate in political circles are capable of doing any more than properly controlling things in their own field of activity. And I am generally more unhappy over their failures in their own field than I am over the failures of American busi-

ness to achieve the ultimate in social welfare in all situations.

Freedom of choice is not gained by surrendering our rights or our responsibilities to substitute authorities. If we are to have individualistic freedom, individuals must bear responsibilities—and this includes individual industries. A theory of security under which individuals or industries do not carry responsibilities but depend only upon government means the death of individual choice and the death of democracy.

One of the greatest dangers in the modern society is the proclivity of individuals to join things—and to sink their individuality and their freedom of choice in the organization. And this applies, too, to both individual citizens and individual businesses and industries.

At the present moment in our development, it seems obvious that the individual can get more in this way—or at least he thinks that he can get more temporarily. But a democracy made up essentially of groups of competing organizations, which are frequently undemocratic in their own operations, is not the kind of democracy which was held in mind by those who wrote our Constitution.

Where democracy must operate through pressure rather than through individual reason, pressure groups are likely to be on the upgrade and democracy on the downgrade. Democracy must be derived from the right of the individual to decide—and if he gives up that right, except temporarily and upon understood and agreed upon terms—he sacrifices democracy.

You will decide that I myself neither like nor join many organizations which have for their aim the achieving of my own benefits at the expense of others. It seems to me that all such organizations should be advisory or educational only. They should never be permitted to make decisions for individuals!

Permit me to read a brief paragraph from an editorial written yesterday by one of the more famous Madison editors:

"For months, I have been deploring the fact that big segments of the

(Continued on page 13)

EBB TIDE OF FREEDOM

By ROBERT C. ADAMS

"We must ask," wrote Toynbee in contemplating the regressions of past civilizations, "whether, as we look back over the ground we have traversed, we can discern any master tendency at work, and we do descry a tendency toward standardization and uniformity, a tendency which is the correlative and opposite of the tendency towards differentiation and diversity which we have found to be the mark of the growth of civilizations." If Mr. Toynbee's observation is correct, and I believe it is, then our current civilization seems to be traveling the path to decay.

This may not be readily apparent to many Americans. It is one of the frailties of the average intellect to become deluded by the use of words; people are not prone to examine very carefully the concepts for which certain words stand. Two such words which have suffered a confusion in the American mind due to their overuse and misuse are *freedom* and *democracy*. The American people have become increasingly inclined to equate the two; the degree to which democracy is practiced by a people is now considered to be a measure of that people's freedom.

Such a measurement used to gage the amount of liberty enjoyed by a people can be very deceptive. For the word *democracy* means nothing more than rule by the people, implying necessarily a rule by a majority of the people. Democracy does not demand that that rule be either wise or virtuous. Democracy, as government by the masses or the majority, can develop its own forms of totalitarianism, more subtle perhaps than those of a king or dictator but all the more powerful as they enjoy the force of numbers.

The American people are no longer concerned with the rights of the minority, either group or individual, as were those men who founded our republic. Indeed, the word *minority* has come to acquire somewhat unpleasant connotations. Non-conformists are seen as just so many particles of sand interfering with the smooth operation of the democratic machine; the individual is becoming subservient to the group.

The cultural domination of the masses and the pressure they exert for conformity is all too apparent, but it is the political, the legal forms that this pressure has taken with which we shall concern ourselves here, for it is from these realms that freedom suffers its greatest threat.

Professor Theodore Brameld, a great defender of democracy or at least the "modern liberal" interpretation of it, tells us that "the truth of those experiences most vital in the social life of any culture" is dependent upon "the extent to which they are agreed upon by the largest possible number of the group concerned." Certainly such a criterion for judging the "experiences most vital . . . in a culture" is not conducive to the ethical or cultural elevation of a society. Professor William Kilpatrick of Columbia University, leader of progressive education in the United States, wrote, "A fundamental remaking of our economic system seems necessary so that men shall no longer be compelled to work against each other but may rather be permitted and encouraged—and if a recalcitrant minority requires it, be compelled—to cooperate for the common good." Notice, if you will, that the word *compelled* appears twice in this statement. From its use, we immediately see that it is our present economic system that disturbs Mr.

Kilpatrick and not any aspects of constraint which he seems to believe is inherent in that system. Whatever the ingredients Mr. Kilpatrick would include in his recipe for the "common good," one readily perceives that personal liberty is not among them.

That any concept of the "common good" should not include personal liberty would have greatly disturbed the men who founded our republic. It was this very lack of individual freedom that drove people to give up the relative security they enjoyed in Europe, and endure all manner of hardships and even death to build a new life and ultimately a new nation wherein they could enjoy life with a minimum of restrictions imposed upon them. Yet the passion with which they cherished the most precious of human possessions is no longer with us. The best explanation of this was probably provided by Shakespeare when he wrote,

"For it so falls out

That what we have we prize
not to be the worth

Whiles we enjoy it, but being
lacked and lost,

Why, then we rack the value;
then we find

The virtue that possession would
not show us

Whiles it was ours."

This theory that social welfare is a thing apart from and more important than liberty, that it is the duty of the state to plan for the social welfare and the right of the state to enforce regulations born of those plans seems to have been accepted consciously or unconsciously by most Americans. The mass-man is no longer afraid of the centralized power of the state, the thing that caused the greatest anxiety among people at the time our constitution was adopted. He has come

to regard the state as his personal guardian. His dislike of being ordered is not strong enough to overcome his desire to be led. In order to make the state more powerful that it should be able to assume more and more of the responsibilities of the individual, he has abrogated to it many of his most valuable rights along with the responsibilities he seemed so eager to hand to the government.

The addiction to power has been a vice of kings and bureaucrats throughout all of history, and our government seems to welcome and at times demand the power to direct the life of the individual, always in the name of efficiency and the social welfare. King George III would not have dared to impose upon the colonies the number and variety of restrictions that the Federal Government now uses to regulate the lives of the American people. One finds it difficult to name many phases of human behavior into which the Federal Government fails to extend its influence and authority. To argue that such an extension of governmental authority has been accomplished through democratic procedure, that it has been made necessary by the constant demands of the citizenry upon their government does not make the curtailment of personal liberty any less frightening unless, of course, one believes, as does Professor Brameld, that the approval of a thing by a numerical majority makes that thing, ipso facto, justifiable. Herein lies the danger in the current interpretation of democracy.

The demand made of the government for special privileges has allowed it to grow to its present proportions. Every group wants a bigger share of the nation's wealth than it has been getting. Manufacturers want protective tariffs, labor unions demand higher and higher wages for less and less work and want their bargaining power protected from those who do not belong to unions. Big business expects corporate charters from the government and concomitant protection of their vast enterprises. Little businesses demand that the government protect them from competition

through price stabilization. Farmers want subsidies, veterans want special favors, the unemployed and unemployable feel that the government owes them a living. Coastal regions want appropriations for rivers and harbor projects, plain areas want irrigation projects. With everybody requesting and receiving special favors from the government, no group actually gets ahead of any other group for any length of time. If one group in particular is benefitted by this contest for governmental favors it must be the bureaucrats in the government, for they seem to encourage its continuance. This is not surprising, for it affords them the opportunity to exercise more control over the nation and to increase their numbers and strength for the purpose of administering the vast program of social welfare. All this has aided the tremendous growth of "pork barrel" politics. Congressmen have found that they can increase their support at home by getting governmental favors for their constituents, simultaneously insuring energetic support of their campaigns by people hopeful of getting any jobs in the bureaucracy which their candidate might be dispensing if he is elected.

Often, the demands placed upon the government are made solely out of selfish group interest under the guise of bettering the standards of service and ethics within a profession or trade. Professions and trades have sought to protect themselves from competition by demanding that the government require licenses of all people wishing to enter a particular field of endeavor, that it impose all manner of other restrictions on them. Some of these restrictions do, undoubtedly, help insure the public against unethical or untrained men whose services they might otherwise call upon. But many seem to have no better purpose than insuring a certain trade its livelihood by making it illegal for people to do a thing for themselves or for somebody else what those who make the service their trade will do, perhaps no more efficiently but at a higher price. Among those who must obtain licenses or certificates before they may prac-

tice their trade are architects, plumbers, builders, real estate agents, insurance agents, librarians, tailors, barbers, restaurateurs, automobile mechanics, and school teachers. All this has been done under the guise of protecting the public, but in many cases it not only fails to improve the quality of the service in question but also protects those in the trade from legitimate competition to the point where they have become extremely independent; they seem not to care if they fail to provide the best of service, for they know the customers have been deprived of their most effective means of recourse.

The regulation and enforcement of all these restrictions require a legion of governmental employees. In 1800, there was approximately one federal employee for every 40,000 people in the country. Today the figure stands at something like one for every fifty persons. All the bureaucrats produce nothing and therefore add nothing to the nation's wealth. They in fact detract from it, for they require a huge amount of taxation for their support. As the burden of taxation bears heavier on the economy, our people, feeling the strain, ask for more governmental favors which in turn require the further growth of the bureaucracy. Thus, through a number of reciprocal cause and effect relationships, the process becomes self-propelling.

As our government usurps more and more of the rights of the individual in order to regulate their behavior, it moves ever faster toward socialism, demanding complete control of the economy and other forms of control which the former necessitates. Governments will often ask for special powers, pointing out that an impending disaster such as a war or depression makes these powers necessary. They seem to have the habit of retaining a great deal of these powers after the danger has passed. With the passing of time, we begin to accept these "temporary" restrictions as the natural order of things and the government finds it no longer needs to justify their use by citing an immediate crises.

Continued on Page 13

CONSERVATIVES, RADICALS AND REACTIONARIES

By ALAN McCONE, JR.

Bertell Ollman was striding in the activities limelight with his SLID (Student League for Industrial Democracy) about this time three years ago, and Kim Willenson's Daily Cardinal was soon to alternate blasts at the American Legion with vocal editorials on "academic freedom" written in defense of the Labor Youth League.

One evening a campus light said to the author, "What this university needs is a Reactionary Club." By the twinkle in his eye I knew I didn't have to quarrel with his terminology, and I informed him that a group with the interests he implied was indeed intent on incorporating with the Student Organization Advisors' Office. They had chosen, however, the forbidding title of "Wisconsin Intercollegiate Society of Individualists," which seemed then to be about the best they could do to indicate their position in this age of semantic warfare. Since then they changed the name to the Conservative Club, but still they get criticism of the label even from people that agree with them. The problem of finding a respectable appellation for those who favor governmental decentralization and who stress the moral and economic responsibility of the individual is formidable.

For instance, the title "liberal" used to designate the exponent of economic freedom as well as of civil liberties, but in the last quarter century the first aspect has all but disappeared, and in its place has appeared the meaning "forward looking and not adverse to change." Almost invariably, one observes, the proposed change is in the direction of collectivism, which places most contemporary "liberals" at a pole exactly opposite from that of the "classical liberals."

Moreover, popular usage of the term "conservative" which right-

wingers would espouse carries heavy overtones of lack of imagination and blind resistance to change of any kind. The very sensible conservative precept that only certain types of change are desirable seems almost overwhelmed by the derogatory connotation. Thus, the conservative is considered only a duller and less energetic brother of the thoroughly unpopular character, the "reactionary," who would not only hold the line, but would turn the clocks back. And with diabolical genius, the communists and their friends have succeeded in linking the reactionary with fascism, making the label completely untenable. (How totalitarian National Socialism and Corporation could be construed to be closer to constitutional individualism than to totalitarian Communism is a great mystery; this twist is a tribute to the potential of Bolshevik New Speak).

Finally, the term "right-winger" is not in good repute, nor is it really specific; "individualism" carries the stigma of implying an anti-social outlook and anarchy; and the rather accurate term "libertarian" will not work because the public has never heard it.

So the conservatives are stuck. Their only course appears to be to fight the habit of the populace and to endeavor to make the word "conservative" respectable. This is a task certainly beyond the capacity of dullards, yet already the project has made considerable headway. This seems to belie the common idea that "conservative" is synonymous with "lacking in daring, lacking in thought." In fact, the movement is showing much vigor and intellectual vision. And the charge could have no more respectable and eloquent leader than Mr. Russell Kirk, author of *The Conservative Mind, from Burke to Santayana, Program for Conservatives, Beyond the Dreams of Avarice*, and most recently *The American Cause* (re-

viewed in this issue, page 22).

In the system constructed by Kirk, reliance on the past for counsel on social and political problems rather than reliance on theories is the first major tenet of conservatism. "Conservatives respect the wisdom of their ancestors; they are dubious of wholesale alteration," Kirk says, acknowledging his debt to the British statesman and philosopher, Edmund Burke. In their arsenal of historical evidence the conservatives find artillery to make shreds of radical schemes. The French legislator Frederick Bastiat, for instance, argued a century ago that the socialists emerging in his time, that the statisticians, (and in our age the New Dealers) were not heralds of advance. They were, in fact, the ones who were attempting to turn the clock back two thousands years. Control of commerce by the state was the practice of the Egyptians and attended the decline of the Roman Empire. Bastiat asserts that freedom and not planning was the new element in modern civilization. Thus, as an unexpected consequence, the conservative apparently would be justified in hurling back the label "reactionary" at accusers, and upsetting the table of definition.

But if reforming schemes are held suspect and the agency for carrying them out, the state, is not infallible, the conservative that Kirk describes comes to see that individual purpose and dignity are the only solid threads that can hold society together. Thus, creating conditions in which a man acquires the greatest sense of responsibility will be the course leading to the most harmonious community. This may be regarded the second great tenet of the conservative program. It is this consideration that leads conservatives into the same camp with the advocates of personal liberty and natural rights. Only when he is free to make decisions for himself regarding his personal life can a

man get the best clue as to the cause and effect relationships that govern social exchange. Paternalistic measures that save him the bother of choosing for himself can thus deprive him of a fuller appreciation of life. And socialism and communism, which would proscribe individual option on a vast scale, are seen as systems leading to social decay.

Capitalism quite naturally emerges as the preferred economic system, since for the great majority of men decisions concerning their work and disposition of their income are far more important to them than utilitarian philosophical deliberation. Capitalism leaves a man free to find his own way in his economic life and rewards constructive effort and diligence, which are the attributes of a responsible citizen.

Here there should be noted an essential difference between the conservative and the utilitarian justification of capitalism of Bentham and his modern followers. It is not because free enterprise produces more material wealth or because it is more efficient that conservatives endorse it, although they are not at all surprised to see it work out that way. To the conservative, the relationship between effort and reward that capitalism provides, and the strengthening of the character and sense of dignity of the individual that results, these aspects are a far more powerful argument in favor of the system than the material abundance it produces.

Nor do the conservatives agree completely with the individualists who believe: just give the individual complete freedom and his self-interest will always lead him to serve the common good. The conservatives hold forth a very important reservation. The system will work as the individualists say only if the acting man is guided in his decisions by his conscience and by ethical and moral values. With rights come responsibilities, and responsibilities can be carried out only within some moral and ethical framework. This insistence on values constitutes the third premise of the conservative outlook.

The manner in which the society can best insure that its members be

guided by a sense of duty and a sense of right then become the major concern of the enlightened conservatives. Legislation, which essentially consists of imposing a standard from above, does not seem to be the answer, as Americans should have learned in the Prohibition era. Education will help, but it is by no means the cure-all. "Deweyism," the adjustment-centered dialectic of "progressive" education, has never claimed to inculcate self-discipline and moral restraint, and the growth of juvenile delinquency in population centers throughout the country is testimony that public education in the United States is no shining success in this regard.

As a matter of fact, conservatives do not have hopes of any single answer. (In his *"Program for Conservatives,"* for instance, Kirk offers not one specific measure that is supposed to set things right with finality). Unlike their radical critics, Burkian conservatives meet all crises with easy remedies. A great complex of influences in a community combine to provide the ethical training of a future citizen and moral restraint on the prodigal adult. Many institutions and traditions and customs act in concert to refine and mold an individual and keep him from giving uninhibited sway to his animal impulses. In contrast to his radical counterpart, the conservative sees great need for the protective effects of social traditions and sound institutions. And though the conservatives recognize imperfections in them and agree that constant modification and revitalization is necessary to keep these institutions alive, they have no use for abrupt and violent uprootings. No matter how much better the replacements might be, the conservatives believe that the interregnum of anarchy before the new form became firmly established could be disastrous.

Here is where the conservatives reach back to their heritage for the answers. Institutions and traditions can be brought to most effective influence when guided and nurtured with patience and wisdom. Past example, and veneration for the judgment of one's forebears in

these matters, "adherence to the old and tried, against the new and untried" as Lincoln said, give the conservative the necessary clues to rejuvenating and preserving the beneficial influence of his community's institutions.

The family, the churches, property ownership, the social amenities, and community activities are the foundations upon which the American conservative would build a healthy society and offer meaning to the lives of individual citizens. Notice that these institutions are local in their application. A man must first concern himself with his own little platoon in life, as Burke said, and promises of benefits or of an ability to solve local problems given by distant federal legislators informed conservatives regard with extreme suspicion. Conservatives know how difficult it is to solve problems when men are working patiently close to them; simple answers from Washington rarely help. Thus the insistence on states' rights and local sovereignty on the part of the conservatives.

One final aspect of the conservative approach serves to exasperate reformers. Unlike his radical adversaries, the conservative refuses to accept the belief that man can be perfected by his institutions and by legislation. Man has always been weak and limited, and our modern times have in no way diminished the frequency of the conduct church-goers would call sin. In fact, if any change from the past is apparent in our civilization, in terms of the constructive values of individual dignity and refinement of character the change is for the bad. Conservatives then accept the nature of man, and propose that all just live their lives as best they can. Radical proposals based on the assumption that man is perfectable by rigging the institutions around him are alien to a conservative's view of life.

This in a hasty summary then explains the most important concepts of the conservative philosophy. Opposed to them we see the radical systems which favor change and even violence as remedy for social

(Continued on page 12)

PYRRHIC VICTORY

By RICHARD S. WHEELER

Mr. Wheeler calls himself a political maverick, and claims that he draws his viewpoints from the whole spectrum of modern ideas, left to right, as well as of other ages. On the South, his opinions parallel the Conservative view.

The supreme court was correct. Whether or not it was wise in being correct is another question, but as long as it chose to decide the Brown case, involving segregation of schools it drew the only possible conclusion in the light of constitutional guarantees of equality before the law to all men.

It said that segregation in public schools was unconstitutional because it implied inferiority of one race. Even "separate but equal" facilities were unequal, the court said, by the very act of segregation without permission of the race being segregated. The fact that a Negro child was forced to attend a Negro school, whereas a white child could attend any school he chose, was considered very much a violation of constitutional guaranties.

However, the supporters of the Supreme Court decision err when they claim that integration is the will of the majority. Perhaps technically they are correct if they include the whole populace of the United States which supports integration as opposed to a lesser number of white Southerners. But in actuality the situation is quite different because only the South is affected; the integration laws are without meaning or purpose in those states which integrate their schools as a matter of course. The law is aimed in reality at a small group of states, affects only these states, and is clearly opposed by a majority within these states. The question thus arises as to whether the majority in the states affected by the law is the true and ethical majority,

or whether the majority which, by the way we can't prove exists, of the whole federal community, should be the decisive force.

It is not a matter of state's rights; it was settled decades ago that the federal government was supreme in all the areas the constitution granted it powers and then some, but rather a matter of history. It must be remembered that the Southern coalition—the Confederacy—remains within the Union against its will. It attempted to free itself and establish its own mode of life in the Civil War and was defeated. However it has never entirely surrendered the desire to create its own type of social order and bows to federal demands only upon the application of force. Thus the South is in a unique position of belonging to a Union, harboring no thoughts whatsoever of seceding from the Union, but desiring wholeheartedly the freedom to pursue its own way of life. The Roman provinces were part of the Roman Empire and had no desire to escape the stability and prosperity of Rome, but in many instances suffered severely as their conqueror's folkways were imposed upon their culture. The South today might loosely be compared to the Roman situation: she remains in some regards a captive province.

The federal government has made two major errors in attempting to impose integration as it has upon its captive province. The first is in the nature of a misuse of logic. It is assumed that the court ban on segregation implies integration. In actuality the court decision bans the separating of the races in public schools. It does not say in itself that because separation is illegal, troops of Negro children should be marched forthwith into white schools. It only says that it is illegal to stop them from doing so. Were no Negroes to apply for admission to a white school, segregation would remain entirely legal.

Thus there is a vacuum here filled only by court orders and confusion. Before any integration was affected the federal government should have demanded legislation providing a peaceful unchaotic method to promote it. As it stands now, the federal government has no right to force any action except where a Negro child has sued for entry into a white school.

However Washington has concluded that the law actually means that Negro youngsters should be placed in white schools regardless of the catastrophe wrought upon the minds of the youngsters of both colors as hatred flares.

The second federal mistake is the usage of force—of military force and legal force, to replace persuasion in social progress. Never in all history has the application of raw force upon an unwilling people wrought anything but violence and reaction. Never have we seen anything but tragedy result from the forceful alteration of folkways, whether it be the Jewish nation bitterly chafing under the yoke of Roman rule, or post-Civil War carpet-bagging breeding bitterness in an exhausted South, creating the beginnings of Jim Crow-ism, or in more recent times the attempt to impose prohibition upon a drinking public which resulted in crime, vice and corruption scarring its wake. If force is such a breeder of reaction, then clearly it is gross stupidity to use it upon the South, or are we so infantile and nearsighted that to win the battle of integration we would lose the war of prejudice? Surely what we seek is to eliminate the prejudice directed at the Negro, so he can rise to his fullest stature, but how are we to achieve this when the Pyrrhic victory of successful integration breeds tenfold the racial hatred that existed in the days of Jim Crow-ism?

And yet integration is forwarded daily by the nearsighted pseudo-liberals, bent upon winning the battle even at the tragic cost of keeping

the Negro in a state of oppression for another weary century. Clearly integration of a forced nature is the worst medicine for Negro problems ever invented by quack politicians and bleeding-hearted social cultists. Whereas before Jim Crow-ism (itself an evil result of post Civil War power abuses) existed, now we are confronted with flaring hatred and contempt. The more we integrate, the more violent will be the hatred. Have the great humanitarian "liberals" no regard for the emotions of a Negro child in a white school; the warpage and hurt, the insults and crudities imposed upon him? Hasn't the South after the relative calm of the thirties become a battleground of hatreds, of bombings and bigotry ever since pressure was applied to it to integrate? Clearly pressure from the imperial courts of the republic is not a solution nor is moderation, which merely means sticking the bayonet in slowly rather than rapidly on the grounds that it hurts less to do so, an answer.

Were the Negro leaders to realize that pressure upon whites breeds only reaction and that integration by force may well mean another century of oppression and deprivation for their peoples, then surely they would turn toward more peaceful means of progress: toward "Operation Bootstraps" as did the Puerto Ricans with great success, or to federal aid, or to expanding educational facilities on their own, even if by dint of sheer, exhausting labor, then the status of the South might reach a level of calmness conducive to friendly and honorable intermingling of students.

It is interesting to note that the pseudo-liberals haven't done anything really constructive at all in the way of legislation on or aid for the Negro. It is strange that these people, whose whole ego gratification stems from the feeling that they form the vanguard, upon their white chargers, of social progress, can think only in terms of oppressive and redundant civil rights legislation and the flailing of "reactionaries" as scapegoats and enemies of their grand humanitarian schemes. And if human children are warped, if hatred tumors forth, if more op-

pression results and human freedom is destroyed in pursuit of their humanitarianism, then why worry, for these are only little casualties in the grand battle. With single minded militancy they demand more and more court orders, and bayonet after bayonet. The notion of persuasion as a civilized approach recedes into the dusk.

There are, in fact, some constructive solutions to the misery the pseudo-liberals have wrought upon the southern Negroes and whites. As late as Tennessee Valley Authority days, it was recognized that folkways and ideas are changed most easily, by persuasion. Model farms were established in each Tennessee county, utilizing electricity, hybrid seed, thoroughbred livestock and "newfangled" methods. It took little effort to convince the backward hills farmers that they could improve their lot.

Likewise, were some people who are genuinely interested in freeing the Negro from the mess the totalitarian pseudo-liberals have gotten him into to pass legislation creating in many southern communities a model school, integrated and of the finest quality, a very considerable breakdown of resistance would be secured. A demonstration of "peaceful co-existence" within the school would go far to effect social change. At the same time the Negroes would be assured of better education. No court orders, no violence or pressure would be necessary and the results would be permanent and effective. Best of all we would not be sacrificing the war against prejudice to win the minor skirmish of integration. The Negro would not be burned upon the altar of his own cause.

Social progress is never wrought at the expense of freedom. It is bad enough for the southerners to impose a totalitarianism upon the Negro. How much worse is it that the federal government impose a dictatorial ultimatum upon the southerners? Two totalitarianisms don't make freedom. Nor does the squashing of a minority, if you consider the south to be a minority. Neither does the ruthless destruction of a majority, if you consider

the segregationists a majority in the states in question.

The Negro's greatest enemy is the pseudo-liberal who is gratifying his own ego while ruining the Negro's chances of equality in the South. Nothing promotes so much tragedy as a blind idealist. Nothing is finer than a man or a group with the gumption and integrity to tackle a problem on its own, and solve it without begging for aid, creating malice or destroying good will among men.

CONSERVATIVES

(Continued from page 10)
discontent and which hack away at tradition and institutions such as the churches, private property, morality and manners (and in the communist block even the family comes under fire). Quite naturally, the conservatives regard the radical approach destructive rather than constructive. This the impatient progressive can't understand, however, and all conservative resistance he meets seems reactionary and blindly obstinate (unfortunately, frequently the conservatives aren't too good at communicating their reasons and philosophy to opponents.) Enlightened conservatives will agree when the label reactionary is applied to some opponents of change, but not all as the radicals would have it.

It can be seen by this essay, the author hopes, then, that American conservatism is far from blind worship of the past or a posture of entrenched privilege. In fact, in defense of the economic system that has brought the greatest abundance and dispersion of wealth in history, the conservatives offer a singularly non-materialistic argument. In spite of all their promises, the radicals who propose complete economic leveling and equality as the answer to all social questions are far more materialistic and narrow in their outlook than the conservatives described above. And if the optimistic view of most present day "liberals" that we continually are getting nearer to truth prevails, more people will wake up to the fact that the conservatives offer a strikingly human and useful approach to the problems of our times.

EBB TIDE

(Continued from page 8)

History, especially recent history, tells us that would-be dictators look longingly toward any source of great and solitary power which would serve them well in their efforts to assume complete authority. Socialism, with its centralized and peremptory rule, offers just such a tool for authoritarianism. It is not surprising that the countries which practice communism, a form of complete governmental control of the economy, are totalitarian dictatorships.

Stalin, with 3,000,000 communist party members, was able to completely control 180,000,000 Russians. It seems not too unreasonable to fear that an executive who commands 5,000,000 government employees could impose severe restrictions on the liberty of 150,000,000 Americans if the powers of the executive are to continually increase and if the man filling the post did not give credence to our traditional concepts of individual liberty and limited government.

It is possible that for a period we might enjoy a leader whose virtue and wisdom prohibited him from using his authority to the detriment of the people. But we have no assurance that future leaders would be so wise and virtuous or that they would remain so once they felt the intoxicant of complete authority. We would do well to keep in mind Lord Acton's dictum that "power corrupts, absolute power corrupts absolutely."

All luxuries have their price, and the price of letting the government do for us what we, as individuals, could do for ourselves is the curtailment of our freedom, and an attenuation of our self-reliance. It is highly doubtful that the security offered by the all-powerful state is worth the price we must pay. It is more highly doubtful that a person can be secure in a society wherein his livelihood, protection, and, perhaps, life and death are dependent upon the whims of the state.

One finds it difficult to sympathize with a people who learn too late that the security provided by

an authoritarian government is not of a brand most conducive to human happiness. Benjamin Franklin passed judgment on such a people when he said, "Those who would give up liberty for a little temporary security deserve neither liberty or security."

AMERICAN INDUSTRY

(Continued from page 6)

organized farmer and organized labor ranks, once the backbone of forward-looking political movements, are now veering towards a special interest status and political conservatism. This is taking place as both the organized farmer and organized labor are becoming more and more concerned with self-interest rather than the public interest."

Again we see that someone else has observed the effect of the retreat from individualism. We might ask: What else can the eminent editor expect from organized pressure groups?

Some of my friends and colleagues, who apparently have a broader vision than I have, tell me that this tendency towards association is essential in a complicated society—that it promotes efficiency and is, in general, beneficial. In the last analysis, however, their arguments boil down to the belief that the people cannot be trusted as individuals; too many people are ignorant of the basic facts which are required for decision; too many are too stupid to use the information if they have it. In short, it is in their submission to superior leaders that the hope of society lies.

This may be true, and I may be living in a dream world. But if it is true, democracy will not long persist, for this is simply the doctrine of the aristocracy of leadership. It seems to me that the history of the world having been what it has been, the acceptance of such a doctrine is strictly an act of faith and not an intellectual process at all.

Any society which utilizes a very high proportion of organized groups gives a great deal more training in followership than in leadership—and this applies to much of what we are doing in our schools, in our businesses, in our labor organizations,

and so on. Followership means the sublimation of individual choice and decision.

My belief is that people are not as stupid or as ignorant as they are told they are by many who aspire to leadership. They simply appear to be when they are placed in improper circumstances. In the midst of the primeval forest the most primitive of savages would be the superior of a Shakespeare or a Voltaire or, for that matter, of a "coach of the year."

If it is the ignorance of the public which necessitates this congregation, the flocking and this organization, then the cure would seem to be to relieve the ignorance and arrange for a better informed public. What we need is a better set of individuals and not a set of controls which will relieve them of the necessity for improving themselves.

Yet, in some hearings I attended not long ago, I heard one of our own public officials plead for a law—admitting that education and moral suasion were what was needed, but they were insufficient at present—and that if we would only give her the law, then the law would itself be the education and the moral suasion which was required. It was the perfect illustration of the idea that might after all will justify itself and make right. I am so old-fashioned as to be shocked at such expressions—whether they deal with business controls or other social controls.

Suppliers

I have spoken only about the freedom of the individual to make choices of offers. But under the American system the suppliers have an equivalent freedom. Within very broad limits they may make and offer anything which they think might serve a useful purpose or which they think anybody might want, and they take their own chances on meeting with my and with your acceptance or rejection. Sometimes they guess wrong—but in the history of American life they have more often guessed right—and out of their manifold offerings (some of them mere fantastic daydreams or ridiculous imaginings, of course), has come the highest stan-

dard of living and the highest degree of security for the individual which is known in the world today.

Some tell us that this was because of the wealth of our resources and not because of the system under which we have operated. I do not believe this. We have rich resources, of course, but so have other countries. Our greatest resource has been our productiveness, and this is a matter of the spirit of the individual—a type of spirit which does not thrive for long under collective economies.

The powerful drive which leads many people to wish to turn more and more of our economic activities into the hands of government is usually based upon two conceptions (I prefer to call them misconceptions):

1. That a large proportion—perhaps nearly all—of our businessmen are untrustworthy and inefficient;
2. That government experts can perform the tasks more efficiently, more economically, and more honestly than private interests.

I do not believe either charge—as a general charge—and I hesitate to give them the dignity of expression here. But I am going to deny each, and you ought to know what I am denying.

Critics and Criticisms of American Business

The critics of American business and industry are legion.

The attacks range all the way from jocose references to Rotarians as businessmen who are a little too old to be Boy Scouts to far-flung condemnations of practically all that our business system does.

In general, a small amount of literature, much of it badly conceived and a great deal of it actually wrong in facts, becomes the basis for most of this criticism for, as with many of us who organize into groups and acquire herd characteristics, a few sources of information become popular and fashionable and most other sources are disregarded. In various epochs, one could no more learn the characteristics of the American business system by reading Ida M. Tarbell's *History of the Standard Oil*

Company, The Life of Jay Gould, The Nation or The New Republic—or for that matter, the literature devoted to the glorification of business—than one could learn the real characteristics of American social and political life by confining one's reading to the headlines of the Chicago Tribune.

One learns American business life best, I think, by living it—and when one lives it, one finds that businessmen are not different from other men.

Are businessmen generally bad?

The field to which I devote much of my time is the field of business ethics. In a way, this is a study of the criminal law of business, and I keep probing the weak spots and the soft spots—of which there are many—in our business system.

But my conclusion is that businessmen are merely men—and that there are no more bad businessmen, proportionately, than there are bad men in any other important and influential groups in our society. I have files not only on bad businessmen, but upon bad doctors of medicine, upon bad lawyers, upon bad ministers of the gospel, upon bad journalists, upon bad politicians, upon bad college professors, upon bad plumbers, bad labor leaders, and bad citizens.

These groups are all pretty much the same. In each field there are particular problems or responsibilities which must be faced by the participants, and in each there are about the same proportion who fail to carry these responsibilities in an honorable manner. For the most part, the businessman's activities are more public, more aboveboard and more readily observed, more frequently encountered, and he is likely to be most criticized. But this does not make him worse.

Businessmen are in positions of high trust and difficult responsibilities, and with reasonably few exceptions, they carry the trust with distinction. Let any supercilious professional man or intellectual criticize businessmen in general in my presence at his peril! For I can dig out a file—and it will be a fat file, too—of skulduggery within his own group. But I will not general-

ize from my file that all members of his group are unworthy.

I am aware that one of our own professors has written a book in which he states that 95 per cent or some percentage of our businessmen were criminals during the controls period—and I have also studied the book of a professor at the University of Indiana who says the same thing.

But both of these charges are meaningless and merely represent a careless use of words and interpretations—a practice to which professors ought not become addicted.

If I have time later, I shall show how some of these so-called "criminals" are made. If I were to adopt the logic of the studies, I would be forced to make the charge that 98 per cent or 99 per cent of the people in this room, not excepting myself, are criminals—and were criminals during the period covered by the studies. This would be true in a certain sense, but it would be entirely untrue in the broader sense in which we intend to use the word "criminality."

Every one of you breaks a considerable number of laws, some of them criminal, every day—and you don't even know what the laws you break are! I shall explain later that businessmen are no exception to this.

It is characteristic of the present age—and perhaps of all ages—that we attack groups instead of persons. This leads us into error because the "group" is an abstraction, and only persons can be condemned morally. It is this type of vague and incoherent thinking which leads us into the various types of discrimination which bother so many people today.

Many of our intellectuals have an extreme suspicion of businessmen, or perhaps it may be only of big businessmen, or corporations, or utilities, or oil companies, or what have you. Members of co-operatives are taught to suspect all private enterprises. Independent businessmen are taught to suspect all co-operatives. Much of organized labor regards all management and all ownership as natural enemies; and the owners reciprocate the feeling with interest—with the result that

much of the literature in both fields is expressed in terms of fight! fight! fight! Those of us who are in the unorganized middle groups are likely to suffer from the excesses of both, but, as good citizens, we are expected to be truly democratic and submit.

These are perfectly normal effects of the herd tendency and of the drift away from individualism.

On the whole, I would say that American industry and American business judged purely on the basis of the men who operate them—measure up very well in all essential aspects. That is to say, they measure up very well on the standards of our society. Industrialists are no worse than other groups—professional or otherwise. Perhaps I should say they are just as good as any other group. In some special respects, where they have special training and special responsibilities, they are much better than others. And I believe that all attempts to set the managers of industry apart as a special group at an essentially lower moral level than other influential groups of citizens—including those in charge of our political destinies—are not only unfair—they are wrong, as a matter of fact.

A great deal of the criticism of American business is not only wrong—it is incomprehensible—because it is not based upon facts. I am not here to whitewash American business. There is a great deal in it that needs cleaning up. But I can apply that statement with equal truth to the government to which many of you, perhaps, wish to transfer the responsibilities of business. I do wish, however, to object to the manifest unfairness of many of the charges against American business. In too many fields facts are assumed when, in truth, we do not actually know what the facts are. And because most of this criticism comes from a highly literate group of citizens who are supposed to know what they are talking about, the criticism is likely to be given a great deal more weight than it deserves.

Let me give a few illustrations—these are selected to be striking rather than important, I admit—of

how various concepts, based upon illusion, can get started.

Who are stockholders?

Many Americans, and even many stockholders, can be made to go along with almost any attack upon American corporations. In the first place, corporations are supposed to be evil-doers, and in any case they have lots of money.

But an attack upon the corporation is an attack upon the interests of the individual stockholder, who may or may not deserve the attack!

Who is the stockholder? We simply do not know the answer to this question. If any of your teachers tell you that they know the answer, they are fooling you; though I am quite sure it is only because they have themselves been fooled first.

The Brookings Institution is even now just starting our first real research on who really owns the American corporations. Nobody knows how many American stockholders exist. G. Keith Funston, president of the New York Stock Exchange, has expressed the opinion that, when the study is completed, we will discover that Main Street—not Wall Street—owns the nation's industries. I suspect that we will discover that there are more than 10,000,000 stockholders. Ten million stockholders and their families are not a small group, and they must not be disregarded simply because we have a catchword—the corporation—for government lawyers to play with and for organized groups to adopt as a whipping post!

In spite of this, most American labor and many other large groups of Americans, including governmental administrators and tax authorities, are largely convinced that an attack upon corporations is not an attack upon individuals!

Let me give another illustration.

The Monroe Calculating Machine Company, which has had its share of labor difficulties—some of them deservedly, no doubt—recently put out a quiz contest for its employees. It got responses from a great many.

One of the questions asked was: "How much salary do you think the directors of the company receive?"

Most of the employees said they

thought the salary was \$25,000 per year. This was about the median answer.

The correct answer was: \$1,200 per year.

Where did the \$25,000 illusion come from? I haven't the slightest idea, but it did exist. And it was the cause of trouble. I am convinced that many of our opinions, in the criticism of business as in the criticism of our other institutions, are based upon the same sort of illusion.

This is a difficult situation. Unfortunately not much can be done to cure this by reading newspapers or magazines or listening to the radio. These media are more than likely to repeat and intensify the illusions. It is unfortunate that most people have the habit of accepting anything that is printed as a fact. They would be safer if they accepted the principle that all printed statements are likely to be more or less in error.

Let me read a quotation. It is from *Business Week*, Nov. 10, 1951, p. 82. Some of you may suspect that this is just "business literature," but I assure you that it is accurate enough:

"A minister in Youngstown, Ohio, climbed into his pulpit on Sunday and cut loose with a blast at local industry. With his own eyes, he said, he had seen men chained to their machines and forced to work. He called down Divine wrath on factory owners who could so degrade their fellow men."

Now what had actually happened was this: The minister had visited a factory where, among other things, he had watched a workman operating a heavy metal shearing machine. This man had chain guards around his wrists, the chains being riveted to the bench. The chains were long enough so that he could handle his work, but they were short enough so that he could not possibly get his hands under the blade. This was a well-recognized safety device. The minister had been given no explanation. Perhaps his guides could not conceive of anybody being stupid enough to make the interpretation he made. But this minister fooled them! He assumed that the chains held the man to his job.

Youngstown industrialists thought that this incident was very amusing until they discovered that a very large number of people believed the minister's version. And why shouldn't they have believed it! Their information came from a minister of the gospel—a man supposedly devoted to the cause of Truth.

Most Americans have been taught that industry is rich and that the rich can easily be made to pay all of the taxes. This is another of the great illusions. I wish it were true because, if it were, we could somehow develop the Promised Land out of it.

The unfortunate fact is that the rich can't pay much of anything, because they haven't got enough money!

In 1947, according to the National Bureau of Economic Research (and I myself place great confidence in the accuracy of the work of this great institution) showed that, in the then distribution of personal income, individuals getting between \$2,000 and \$5,000 per year received, among them, about 50 per cent of the entire income.

And the sum of all the personal incomes, from \$10,000 per year up, was only 4 per cent of the total!

A one hundred per cent income tax in these upper brackets today would be literally a drop in the bucket. Those of us in the great middle class get most of the money and we must pay most of the taxes. To talk about an escape from this is to talk about nonsense. It is, in a sense, to propose a social felony.

The belief that corporation taxes come from corporations and not from individuals is also a fallacy of a sort. And the alternative belief that the corporation tax, if it comes from individuals, comes only from rich individuals is almost certainly another fallacy. We must await the returns from the Brookings study before we give more accurate facts.

Many of the economic ideas of the day are based upon assumptions which are not in accord with these basic facts. Economic ideas which are based upon illusion are always dangerous because they may be acted upon. And to act upon the basis

of illusion is to court the unpredictable—by definition.

Industries are constantly blamed—frequently by well-meaning people, people whose hearts are in the right place but whose heads are insecurely attached—for things which are outside their control, either acts of God, in the legal sense, or acts of government.

Mr. John C. Doerfer, chairman of Wisconsin's Public Service Commission, shows that to give a private utility \$1 of net earnings under our 52 per cent corporate income tax, the commission must raise the rates about \$2.09 or \$2.10—the government taking more than half of the increase. But with the unthinking citizen, the corporation bears all the blame.

When you—the ladies as well as the men—grouse about the price of your cigarettes, the first and most essential element in your standard of living—do not blame the tobacco industry or, as some prefer to say, the tobacco monopoly. More than half of this 20 cents goes to various governmental units—federal, state, and sometimes even county and city. The manufacturer himself gets less than half as much as the government gets. Perhaps it is fair to say that the manufacturer gets the onus while the government gets the bonus.

Consider such a universally consumed commodity as gasoline, a major source of power and one which comes from one of the most criticized of big businesses. It sells for 20 cents a gallon and sometimes less all over the United States.

This is a mere fraction of what it costs to buy a gallon of Coca-Cola—locally produced by small businessmen.

In fact, I don't know of a single place where you can buy a gallon of pure spring water which has been subjected to no manufacturing operations for 20 cents.

And please don't protest that gasoline actually costs more than that. I will not be so unfair to the industry as to include the sales taxes which the various governments require the station man to collect from you.

Please do not assume that I am

objecting to the tax or the method of collecting it—the method is the simplest and the most efficient type of tax we have and I approve of it—I am only objecting to the fact that business and industry are frequently criticized for charges levied by the government. Industry carries much of the criticism for present cost of living which it does not deserve.

Since the cost of living has got into the discussion, I might mention one other factor.

Many taxes of the type I have illustrated are included in the cost of living index. A rise in the tax helps to assure a rise in wages to all who are under escalator clauses—and so in the long run these individuals get their taxes refunded while the bill is loaded doubly upon you and upon me, if we are not protected by such escalator clauses. Only last week or the week before government committees beat off determined attempts by powerful groups who sought to have income taxes included in the cost of living index—so that income taxes too might in the long run be refunded to those fortunate enough to be included under such clauses. I will not discuss at the present time, the manner in which these clauses are almost sure to guarantee continued inflation.

This matter of including income tax as an element in the cost of living is now to be brought before Congress, and who knows how Congress—eternally looking for votes—will act? Such an action, if taken, would be distinctly undemocratic—it would represent a most manifest type of unfairness.

Under a free industry, with free pricing and free choice—actually working—this favoring of one group over another is impossible—and this is one of the most important reasons for preserving free industry and free business.

Democracy, if it is democracy, should mean—real equality of opportunity—no discrimination between individuals—and no exploitation of individual by individual or by government.

I have pointed out that business and industry is frequently unjustly maligned by the public—but this is

usually because the public does not understand the facts.

Industry is also sometimes badly treated by government.

On occasion the Department of Justice or some other governmental agency has made charges and started investigations and has actually advertised an adverse position against an industry or a business for a year or more in the press of the nation. That is to say, they have tried the allegations in the newspapers, to incalculable damage of the industries. I do not object when they catch the guilty. The guilty should be damaged! But consider the many cases in which they drop the investigations as unproductive, or in which the courts finally throw the case out as baseless. Many of our largest businesses have been subjected to such treatment—the A. & P. has been subjected to it off and on for 10 years or so.

When the baseless case falls through, the matter is simply dropped. There are no apologies, corrections, reparations—though the losses may have been tremendous. Sometimes the charges are instituted or deserted with changes of administration, or with a change in the personnel of a bureau—as when an ambitious chap comes newly into a bureau, bent upon making a record and preferring to make it in the only way he understands—in the newspapers.

When this sort of thing is done against a politician by a politician, it is called McCarthyism, and is much decried by many people. When it is done against a business by government, it is quite likely to be accepted as evidence of social progress.

I know that it is unfair to blame this entirely upon our governmental administrators, most of whom are respectable individuals with a great deal of capacity and sincerity, compelled to administer laws they do not themselves understand. Much of the blame rests upon our American press. For the charge that a man or a businessman is a crook is good news and it deserves front page treatment. The fact that a two-year-old investigation has fallen through is not news, and if it is

printed, it will be printed somewhere back of page 17. The fact that there is a business character which deserves rehabilitation is not the newspaper's business at all.

It may be that, in a sense, this is not an unsatisfactory commentary upon our current civilization. We will be in really bad shape when an honest man is so unusual that he will get front page treatment. But all this can be pretty tough on the business or the industry which is wrongly suspected and wrongly libeled.

One of the usual criticisms of American industry is that it is too big. Of course it is big. That is why it can do some of the things which it does do. It is possible to achieve a relatively low and stable level of industrial production with a very large number of small, equally sized, widely dispersed industries. But so-called industrial miracles cannot be performed in that manner.

It is also possible to achieve a stable society on a relatively low level of income where all people are at the same level; that is to say, where there is equal treatment for all, regardless of their productivity. But it has never been demonstrated that high average levels can be achieved in that manner. In fact, all of the periods of grand achievement in human history have been periods in which there has been great disparity in levels of income as between individuals, just as there has been great disparity in productivity.

The closely controlled societies in which governments have managed all affairs have invariably been low-income societies. This is true of Russia today. It was true of the Germany of Hitler and the Italy of Mussolini. It was notably true of the Europe of the Mercantilistic period when governments, usually by the Divine Right of Kings, controlled, through their ministers, the economic life of the land. It will be true of the current experiments in socialistic enterprise. Security and stability at a low level are characteristics of the "fair shares for all" type of society illustrated best, perhaps, in the slave society of the Ant

and the Bee—societies which are sometimes put forward as examples of the perfect society and, consequently, as examples for us to follow.

And so with industry. The real destruction of large-scale industry, which nobody professes to wish to achieve, but which the Department of Justice, sporadically, does try to achieve, must mean a lessening of the tempo of industrial production and changes in our standard of living. We should rid ourselves not of big business, but only of bad big business, quite a different thing.

In time of war, of course, these charges are largely silenced. We know that big industries are essential for the type of war which modern science has developed!

Freedom of opportunity and equality of opportunity are, of course, two different concepts. People who are used to living only in a world of words are likely to confuse the two. In a practical world, of course, freedom of opportunity must be correlated with capacity for utilizing opportunity, and the term "equality of opportunity" has always meant in practice not equality in the abstract sense, but freedom to utilize whatever opportunities the individual considered possible for himself.

In this sense it has been freedom of opportunity and not equality of treatment which has been the cornerstone of what we call the American system, and the shifting emphasis which reduces the weight of the former and increases the weight of the latter is a perversion of the principles upon which our earlier progress was based.

For many decades there were two frontiers which guaranteed this freedom of opportunity—the physical frontier of our geographical extension with its free land, and the somewhat different industrial frontier. The former is no longer free because it has disappeared, and nothing can be done about that. The industrial frontier is still with us and it can be kept free, though if we are not vigilant in the protection of our rights and of our freedoms, it, too, will disappear.

With the land frontier gone and the industrial frontier gone, we will

have nothing left but intellectual frontiers; and these will not long remain free either. We have only to look into the countries where democracy—the power of individual choice—disappears, to see that intellectual freedom immediately becomes impossible.

One of the fundamental problems of the current society is this: How can individuals retain their freedom of choice in a world with increasing populations and increasing complexities and longer and longer chains of production and distribution?

One solution proposed is: These things must be planned and, from the very nature of the problem, they must be planned by governments.

I confess that I have little sympathy for this view, and my lack of sympathy is based upon what I have been able to observe of the activities of governments over the past 2,000 years. I am assured by many of my friends and colleagues that "things are different now." But every generation has been assured that for 2,000 years. Government has always said: "We can do the job better," but there are few instances in which it has ever been done so.

Another solution is to retreat from individualism—to frankly give it up—and to center all of our attention upon what is called security. As those who are trying to live on pensions in an inflationary world are probably learning, this is another will-o-the-wisp.

It is probably demonstrable that no insecure civilization has ever lasted long, but it is likewise true that no civilization which has achieved what appeared to be high security has lasted long either. And in the modern world those civilizations where individuals lost all right of choice and all right in initiative in return for the guarantees of beneficent governments—namely, the Germany of Hitler, the Italy of Mussolini, and the Japan of Hirohito, were notably short lived. The Russia of Stalin lives on, it is true, but it seems to live on at a most depressing level. I am satisfied that the democracies, as long as they remain democracies, can outfight, out-

last, outdesign, outact, outlive, outthink, out invent—out anything that the strictly governmentally-operated societies propose to do.

Competition has been wasteful, of course—it is by nature so—but it is less wasteful of welfare than any other of the proposed substitutes—including government. For government can be very wasteful. Free competition, moreover, pays many dividends which government cannot offer. It gives room for individual choice and the development of individual initiative which, in a life where the individual and his interests and his dignity are the ultimate aims, would seem to be a very desirable consummation. This means nothing, of course, in a country where the state or the society is the end, rather than the individual. But many of my well-meaning friends would try to convince me that the individual can be freest when his freedoms are most circumscribed—he has only to hand those freedoms over to a power well able to administer them. This is a point which I have never been able to understand.

Another fundamental problem is: Who should carry the indeterminate risks which accompany all new developments and all prospective developments? The risks cannot be avoided. But many reasonable people consider that they can be dissipated by "averaging them out" in a general system of security. In its ultimate development this means "equal treatment for all" as the only workable approximation to a riskless world.

Many other reasonable people—and I think that I am one of them—believe that the risks must be carried by those who can carry them—in the ideal sense, of course, only by those who understand what they are doing. In a given society there will always be individuals who will take a chance on nebulous possibilities—where a governmentally controlled authority, responsible, in the last analysis, to the agreement of the "average" person who does not like to take a chance, could not operate. "Fools rush in where angels fear to tread" has always been the watchword for those who are committed to caution in all things. But, for

the most part, it has been a limited number of individuals who took wide chances, who have brought us most of our progress. And these individuals have not been fools. Two generations after their death we are likely to call them geniuses or something of the sort.

Any system which will so restrict the activities of these "fools" in industry must in the long run be disastrous to the hope of progress. The Robber Barons of an earlier day—and it is a curious fact that many of these so-called Robber Barons died poor—built the railroads which the government had neither the wisdom nor the courage to build. In a more settled society, such as early Germany, governments, it is true, did much the same thing but only under conditions where guaranteed markets and guaranteed populations were already on the ground. Our "pirates" built lines to nowhere—into deserts and mountain vastnesses where nobody lived, and, unadmirable though many of their activities may have been, on the whole they did a good job and you and I use those railroads today.

In history, for the most part, governments have been successful only in taking over what individuals have already developed. This they sometimes do successfully, it must be admitted, but in general they fail more often than they succeed.

Many people are inclined to say: We know all that. We don't want the government to operate everything. But why not have controls?

In my own case, my knowledge of business regulations is perhaps wider and much more precise for the 12th, 13th, 14th, 15th and 16th centuries than it is for the present era; for I must confess that there is a good deal of the modern attempt at what is called "control" from which I cannot make head or tail. Medieval man knew what he wanted, he wrote it down in the form of a brief and clear regulation, and then he went ahead and did it.

Of course those early regulations were not made by experts, properly speaking. They were made by the men in the field, and 99 per cent of them are perfectly understandable. Not all of them worked—not all of

them were good regulations—but everybody knew what they said.

This is a quality which is seldom an attribute of the modern regulation where courts flounder for years, never discovering the real meaning, if any, but instead continually changing it. Within your own lifetimes you have seen the spectacle of a president of the United States threatening to appoint enough new justices to the Supreme Court of the United States to procure an interpretation consistent with his own personal wishes. Fortunately for American industry and for American democracy, this proved to be a threat only and was not actually carried into practice.

One of the difficulties of controls is the seeming impossibility of interpreting their meaning in any definite manner.

Modern control laws are likely to be so written that they cannot be understood until after years of litigation—frequently until long after the crises they were designed to meet have actually passed. Neither the lawyers nor the courts can decide consistently what many of these mean—and competing government agencies sometimes interpret them differently.

And yet any businessman who fails to understand becomes a statistic in the criminal list, and he is gleefully pointed out by those social theorists who make a career out of demonstrating the incredible proportion of our businessmen who are criminals.

When a governmental concept of control is so vague that it cannot be expressed simply enough to be understood by the controlled—and firmly enough so that the announced interpretations can remain stable long enough for reasonable controllees to become adjusted to the interpretations—the concept is not yet a fit subject for control.

When one of the officials of the Federal Trade Commission was on our campus a couple of years ago, I sought during a question period to get some kind of a definite interpretation of a certain attitude on fair competition right from the fountainhead, a matter I had never

been able to grasp either from the law or the cases.

I am a student of that particular field and I thought that if the businessmen were supposed to know, then I too, ought to know.

But what I got from him were five identical repetitions of a set phraseology which I could not understand. Insistence of failure on my part would bring nothing but identical repetition. Either he could not or would not explain. I do not to this day know the interpretation of the regulation—in any case, the attitude of the government and of the commission seems to have changed since then.

Now it may not be important that I do not understand. I will not be put in jail for being ignorant. But any businessman can go to jail for not understanding! And I think that it is fair to say that, because of my concentration on study in this field, I am better equipped to understand than most of the 4,000,000 businessmen in the United States.

The attitude of the bureau is likely to be: We do not interpret these things. We merely enforce them. Let the citizen get himself hauled into court and then he will find out soon enough whether what he is doing is all right or not.

I have seen precisely this done in a price control office which helped to produce some of the 95 per cent of criminals among businessmen to which I have already referred.

I myself have seen some of these “criminals” made. I sat in one of our large price control offices and examined a file of correspondence with a little merchant out in the middle of one of our Midwestern states.

“Dear Sirs,” this helpless little fellow wrote. “I have such and such goods and I propose to sell them at such and such prices. The facts are these. I bought the goods at such and such a time and I paid such and such prices for them. Can I do this legally?”

The answer from a government lawyer was:

Dear Sir:

The law connected with the question you ask is as follows:

And then there followed a direct

quotation of the legal phraseology.

The next letter from the little businessman said: “I know what the law says. I have had a copy of it and its revisions on my desk for three months. What I want to know is what the law means. Can I sell those goods legally?”

The next letter from the price office was:

Dear Sir:

The law as it applies to your question is as follows:

And then followed another repetition of the legal phraseology.

This sort of thing kept on and on.

Finally I turned to the lawyer and said: “Why in the world didn’t you tell this little fellow what to do?”

“What?” said the price lawyer. “You think that I should stick my neck out and make a decision which may be reversed by a higher up or a court? What do you think I am? Let this merchant do what he wants to, and then when we get him into court we can find out whether he can do it or can’t do it. Certainly I don’t know at the moment.”

No doubt this little merchant became one of our professor’s criminal statistics. I have always felt the control lawyer, too, should have been made a statistic.

In summary, it seems to me that the real issues are:

1. Do we wish to move towards a government controlled economy which, in the long run, must be expected to produce a low but relatively equal standard for everybody, when we do not actually have any assurance that this low and equal standard will be either stable or secure; or

Do we prefer the relatively high standards which can and which do come from free fair competition, even though those high standards must be coupled with considerable dispersion in both standards and degrees of security?

It seems to me that the former choice means, inevitably, the death of individualism and the ultimate death of democracy.

2. What, if anything, do we expect to gain by substituting the efforts of a few hundreds or a few thousands of government “experts”

or "bureaucrats" for substantially free and individual control of 4,000,000 businessmen under conditions of fair competition and the substantially free choice of 150,000,000 consumers?

My own assumption being that the normal citizen can make a far better choice, his own interests considered, than can a stranger in distant Washington, my opinion becomes this: That there is little to be gained and a great deal to be lost in such a course.

You will notice that I have again qualified my statement on competition by making it fair competition. Enforcing our moral rules of conduct, where they must be made law, is one of the functions of the government; while regulating our economic choices does not seem to be one of its functions, unless we are willing to accept the type of system which such control implies. I think that such an acceptance would be

nothing short of tragic. It is understood, of course, that I am speaking of normal and reasonable peacetime life. I would not presume to give advice on how to run a war.

January 28, 1959

Although the remarks in this lecture were made some years ago, I do not see any present reason for changing them. A number of unfelicitous phrases might be improved, of course, but I would not greatly modify or retract any of the attitudes. On the contrary, recent developments would lead me to intensify some of them.

One illustration might be added. I have been told that the student publishers of this magazine have been prohibited from fair and honest solicitation of advertising from certain free American business men because one of the institutional bodies which regulate student activities has granted a monopoly over certain advertising areas to another

student publication. This seems to me to be a singularly ill-advised procedure for introducing maturing students into a world which, whether we like it or not, is still essentially competitive. Whatever inconvenience this regulation may bring to the new publication, it seems clear to me that there will be far greater eventual harm to the student groups who are encouraged to labor under this paternalistic but by no means beneficent control. It seems surprising to me that Wisconsin, with its long tradition of Freedom, would tolerate such an action on the part of one of its agencies.

P. G. Fox

The magazine staff willingly went along with the organization Professor Fox refers to in its ruling to restrict advertising privileges. However, the Professor's comment teaches the good lesson that freedom should begin at home.—Ed.

*"I have sworn upon the altar of God
eternal hostility against every form of tyranny
over the mind of man."*

— Thomas Jefferson

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BOOK INSIGHT

IDEAS HAVE CONSEQUENCES,

by Richard M. Weaver; University of Chicago Press; U. Lib. FE W37 Cutter

The idea that has led to our present conflict arose when western man began to abandon his belief in absolutes.

Despite the material advances of science, modern man vaguely senses that all is not well; Mr. Richard Weaver crystallizes this feeling in his short book *Ideas Have Consequences*. Weaver sees in our society an absence of traditional virtue, notes in scholarship an obsession with the particular that has led to a lack of general perspective, and observes the seeds of conformity being sown by the Great Stereopticon of the press, cinema and radio. The rationalists and monists have no clue to revitalization of our civilization, Weaver maintains. The answer instead is to acknowledge the transcendence of the imagination and intuition. And the road to recovery, Weaver suggests, lies in building on the institution of property (the last metaphysical right), appreciating the symbolic as well as the logical power of the language with emphasis on the problem of proper naming, and finally, infusing piety into our concept of community and justice.

— ALAN McCONE

BUREAUCRACY, by Ludwig Von Mises, Yale University Press; U. Lib. J. M68 Cutter.

There is a fundamental difference between the way businesses and governments operate. Professor Ludwig Von Mises demonstrates in his book *Bureaucracy*. A business executive gives one directive to those working under him: act so as to make money. Thus, subordinates can exercise their imagination and initiative with complete freedom, as long as their activities result in profits. And it is very easy for the man at the top to judge his performance by looking at a balance sheet.

A government, however, can not use profit as a gauge of efficiency. In order to make sure subordinates behave properly, an executive must promulgate orders and regulations which spell out minutely the manner in which they act. Thus the performance of a subordinate is judged on the basis of how well he obeys, and there is a penalty on deviation and initiative.

When governments extend their activity into the sphere of commerce, they bring their bureaucratic procedure with them. Lack of imagination and inefficiency inevitably result.

— ALAN McCONE

A GUIDE TO ANTI-COMMUNIST ACTION,

by Anthony T. Bouscaren; Henry Regnery Company, \$4.

Ignorance of the true nature of international communism on the part of the general public and some government officials constitutes the most serious disadvantage America has in its struggle against the Russian threat. Anthony T. Bouscaren's *A Guide To Anti-Communist Action* presents in a pointed and highly organized form an explanation of communist aims and a program for combatting them.

Bouscaren advocates a much more intense and positive program of resistance than is now practiced. Specifically he calls for a plan of ultimate destruction rather

than the weak and ineffective policy of peaceful co-existence.

Bouscaren examines past Soviet foreign policy tactics and the current teachings of Stalinist doctrine in Russian schools. He concludes that communists have not changed their basic aim, world domination. Present Soviet overtures for peace are only a ruse to conceal their designs for conquest.

— GALE PFUND

THE ROAD TO SERFDOM,

by A. Hayek; Phoenix Books, \$1.25
U. Lib. HE 11 .H 32Cutter

"In my opinion it is a grand book . . . Morally and philosophically I find myself in agreement with virtually the whole of it; and not only in agreement with it, but in deeply moved agreement," said John Maynard Keynes, famous British economist, about Frederick A. Hayek's book, *The Road To Serfdom*.

Hayek shows that when the people of any nation adopt the ideas that social and economic planning is a necessary and inevitable cure for the evils of modern society, they are taking their first step in the direction of bondage. In his enlightening and alarmingly pertinent book, Hayek carries this fundamental truth through all of its logical conclusions to show why it must occur.

Any planned economic system, be it socialism, fascism, or communism, cannot succeed without inevitably resorting to dictatorial methods and the suppression of individual liberty. It is an illusion to believe that democracy can operate effectively even under a limited system of social and economic planning. The very nature of planning for an established goal requires an organization and unity quite beyond the scope of democratic methods. Therefore, to make the system effective, power and authority must be relinquished by the legislature and given to a central planning board with a strong leader. From this point, the totalitarian organization grows and eventually oppresses the citizens it promised to help.

Many advocates of socialism attribute the evil effects of past totalitarian socialist systems to the historical accident that they fell into the hands of corrupt and morally irresponsible people. Hayek points out, however, that there exists inherently within the concept of a planned economy the conditions necessary for corruption of leaders. To be effective, the socialist system must be totally unified and centrally directed. Any deviation by a particular individual or group is of course subversive and must be dealt with by coercion. Judeo-Christian morals inevitably give way to Machiavellian tactics. Thus, once the basic goals of the planned economy are determined, history is rewritten, ethics altered, and truth is masked if this will serve the ends of the state.

The horrifying implications of this book become clear when Doctor Hayek compares the trend of thought in pre-Hitler Germany with that in present day England and the United States. The idea that the future belongs to the planned, government-controlled state is, disturbingly, as prevalent here today as it was in Germany before the war. Enthusiasm for organization and veneration for the state are further indications of a tendency in thought, which, if carried through, will have results even in a democracy as disastrous as those in Germany under the rule of Hitler.

— GALE PFUND

REFLECTIONS ON THE REVOLUTION IN FRANCE

by Edmond Burke

Edmund Burke's essay evaluates the French revolution with an eye as to whether England should follow suit. He also comments on the rights of man and on "true" government, and ends by discussing the reasons why the French revolution failed to establish a free country.

He objected to the revolution because it was a radical upheaval, rather than a building on the foundations of the old regime. Furthermore, it was based on religion, it upset property rights; and it removed the monarchy which had functioned as a balance of power over the States-General.

The biggest reason for the failure of the French revolution was that the members of the National Constituent Assembly had had little experience in running a nation. They compounded this weakness by not using existing institutions for effecting their reforms. Another major error was their not providing for a Senate which would give long term direction to the reforms planned and would impose the austerity needed to put France back on a sound financial footing.

In these reasons lies the value of Burke's essay for modern readers. The revolutionary government fell for lack of long term stability. The intended reforms could have been carried out using the government then existing, as England was to do in the next half-century.

This does not assume a dogmatic Faith in Existing Institutions, but rather a very practical examination of

their function and value, and subsequent use of their power to effect necessary reforms, without going through a directionless period of chaos.

— CLINTON AYER

THE AMERICAN CAUSE

by Russell Kirk; Henry Regnery Company,
\$3; Hist. Lib. FD 83. K 59

History has shown us that to fight effectively for a cause, one must understand that cause. The lack of an expressible definition of American principles and philosophical postulates in the minds of so many of her citizens was the principal reason for the failure of American prisoners of war to stand up under the communist brainwashing tactics of the recent Korean war. Russell Kirk, in his book *The American Cause*, attempts to mend this flaw in our national strength by presenting an outline of our basic beliefs and principles.

The key to American philosophy is its Judeo-Christian heritage. Most of our basic concepts of freedom, private rights, charity, love, duty, and honesty can be traced to some underlying religious principles which Kirk defines as the fatherhood of God, the brotherhood of man, and the dignity of man. These ideas have found further expression in the basic principles of economics, politics, and morals, which principles must be characteristic of all civilized nations. Doctor Kirk maintains that the extent to which we adhere to our concepts of these principles will be the extent to which we endure as a nation.

— GALE PFUND

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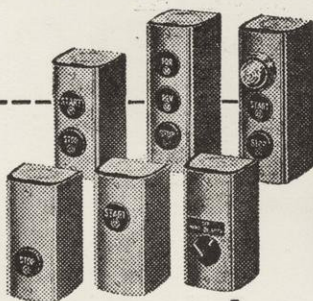
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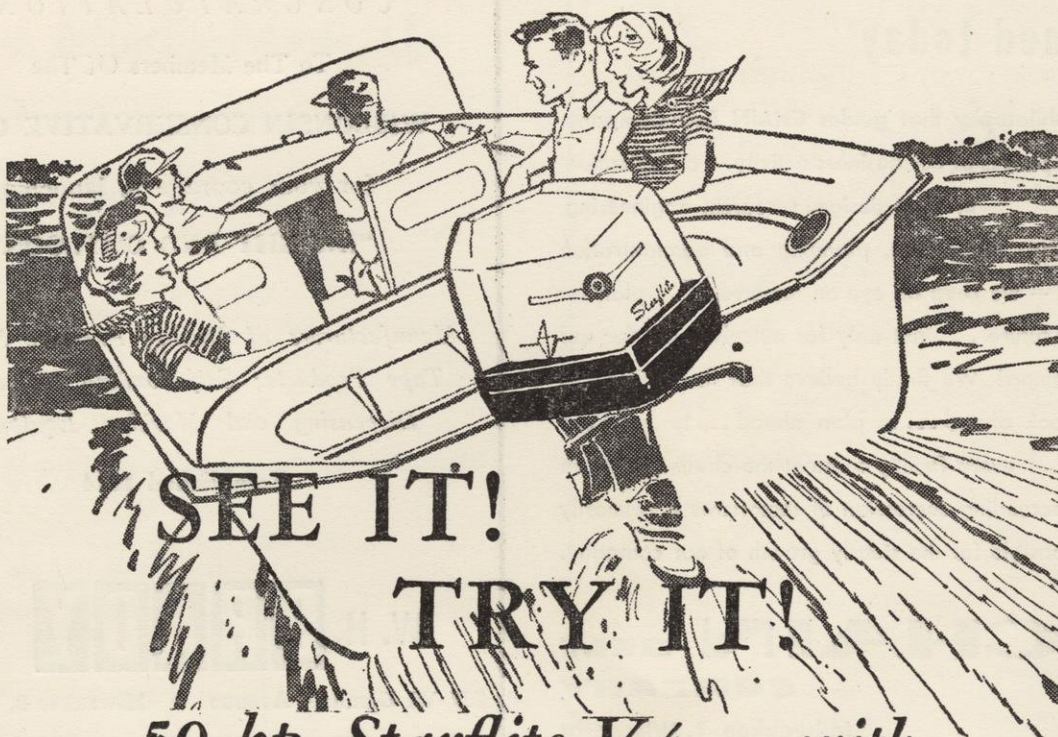
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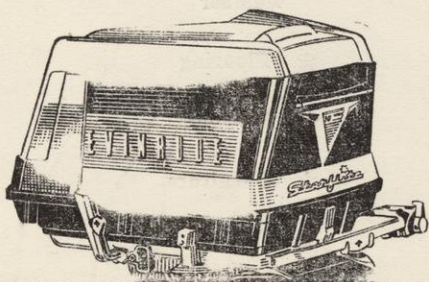


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