

Interventionist Liberalism and the Fast Lane

FRED ALLEN once quipped that “The world is moving too fast for the Moses-model man.” Since then, we have speeded up considerably. A silicon chip may come to hold it all. And we have spun off into space, with destinations as yet unknown. Those who have grasped these comets’ tails are euphorious, when not assailed by fear of future shock. The rest of us are bewildered by it all.

Few of us would wish these miracles to vanish. Division of labor now promises an end of toil by robotry—man’s longest dream in sight. So why are we distraught? The prime answer is that philosophy is dead.

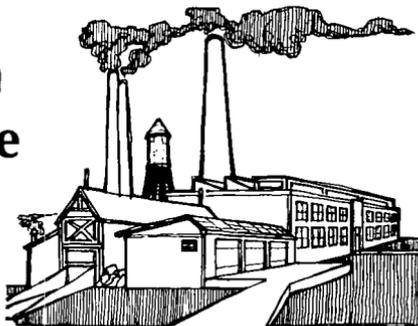
Much of the madness around us is just that: reminding us that we are in the age of psychiatry, where even the normal may be gauged as ab-

normal. For the sake of personal sanity, we cannot too often remind ourselves that matters cannot be as horrendous as depicted. After all, the world has never been utopian and a good case can be made that we have “never had it so good.” When one looks around, it appears that most persons are behaving themselves reasonably well and quite a few are doing outstandingly. Indeed, it is only by contrast with this moderate orderliness that we can get an impression of how dreadful the exceptions are.

Nevertheless, however unreasonable they may be, it is best that we take the signs of our times seriously. In an era devoid of philosophical wisdom, we have, arguably, stretched the engine of capitalism to the breaking point. Perhaps we are asking wealth to do what it is unfitted to do: solve all “social problems,”

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Should American Business Give Up Smoking



OVER the past two years, the United States' trade deficit has skyrocketed. This has led to a renewed interest in the question of free trade. More than this; it has led to a rethinking of just what it is that America's economy is supposed to do in order to compete in world markets.

We have been told that America's "smokestack industries" are threatened, and that this nation is losing its competitive abilities in the field of heavy manufacturing. I am sure this analysis is correct. Now, why am I supposed to worry about this?

Let me ask you a question. Are you worried about America's loss of competitive ability in basic manufacturing? Let us lay aside the military

strategy questions for the moment. (I will return to this topic later.) Are you worried about the economic effects of the loss of manufacturing capacity in the smokestack industries? Are you worried about the loss of jobs in these industries? Are you worried about "our" competitive edge being dulled?

Why?

I would hazard a guess that you are not really very worried about these possibilities. In fact, if you heard that a factory was going to be built across the street from your home, you might start worrying about *that* threat even more than you are worrying about the loss of America's smokestack industries. There are some of you who might even be tempted, however momentarily, to file a complaint with your local zoning board to keep that factory out of your neighborhood.

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while all but abandoning individual responsibility. If this is capitalism, then capitalism must be at fault.

What, then, are the grounds for hope? First, those who enumerate such matters tell us that today's youth, despite continuing socialistic bias in education, are turning up most often as conservative-libertarian—to use the current vernacular for whiggishness. An even more substantive occurrence has been the sinking, almost dead, esteem into which Keynesian economic theory has fallen. It is difficult to find an economist of that school today. Even Congress belabors its mind with “the deficit.” And such a callow youth as Arthur Laffer often has the last laugh.

Without Keynesian theory in practice, the “new liberalism” must be a sinking star. Only deficit financing can sustain it. Roosevelt's New Deal was chicken feed compared to the current welfare state and that is all that we would have, had it not been for Lord Keynes' magic and the consumption function. The interventionist liberal revolution would have run out of cash flow. What goes on now is a rear guard action, trying to save some boondoggles from the debacle.

While, as long as the goodies flow, we the people will grab them; yet too many of us, in all classes, are getting wise to the political Ponzi game knowing that a bill comes with the lunch.

It is not equally recognized how much of the pressure which so many of us have referred to as the “rat race,” has been the result of the forenamed false economics. Stimulation of consumption by means of transfer payments must play hob with an otherwise free market. It offers the carrot to the consumer while beating the producer to make him keep up with resultant inflation. Wasted energy and wasted resources have been the result. Buyers overbuy to hoard goods instead of cheapening money. Producers and sellers are squeezed by ever-rising costs, in resources and labor. Skimping in quality and planning for quick wear-out in fashion and substance was an inevitable result. We became the throwaway society, whose trash-disposal became a world wonder equal to the pyramids. Eventually, sound companies were chivvied into making unwise mergers in attempting to survive the rat race.

Collectivism Is the Scoundrel

If this *were* capitalism, it would make socialism look attractive: anything to bring orderliness and dependability out of chaos. But this was *not* capitalism; nor was it socialism, for public ownership was minimal. One hates to admit it; but those who attacked it as fascism were closest to a common definition: private ownership with public right to use, which spells out state control.

So capitalism is not the scoundrel. It is the government which has wrought this time of travail: for there is no animosity in the truly capitalistic free market. By far most buyers and sellers will make their contracts in reasonable amity. The legitimate purpose of the state is to suppress and punish the minority of frauds and criminals who are always with us. To do otherwise, with government trying to run the market, has always and everywhere increased the numbers of such rascals—and, most disastrously, in government itself. For Lord Acton was indubitably right in his aphorism regarding the corruption of power.

The closest we have come to instituting capitalism and the free market in the United States was establishment of our Federal Constitution and its Bill of Rights; but we have been eroding its principles gradually ever since by ever looser interpretation. The document still stands. All that is necessary is to honor its clear intent—if we wish to know capitalism. None of us can plead ignorance of the free market; for each of us, even among the criminal element, must make some unpoliticized, unforced transaction every day. That is why they say that there is honor even among thieves.

No one could possibly know less concerning what is good for the individual citizen than the so-called liberal politician. His intellectual

legacy has been chronic unemployment, single-parent families, teenage pregnancy, racial and sexual conflict, and a host of other social ills which accompany establishment of a welfare class. For, make no mistake, it takes organized political power with police force to create such havoc.

Individual Liberty and Social Harmony

So life in the fast lane, in the manner to which the new liberalism has made us uneasily accustomed, is not inexorable. Indeed, it is close to bankruptcy. But we are well advised to maintain a degree of calm until the funeral. The cure is wisdom which is not born of vituperation and mass action. As Leonard Read was fond of saying, the answer to error is to make of oneself "one better unit." He understood that only such efforts would add up to any desirable change in affairs.

There is little wrong with life in the fast lane which cannot be amended by movement to the condition of individual liberty, for persons, of whatever status, are the most viable masters of their own welfare. Taken in the aggregate, their individual efforts to that end and based on complementary interests, create what Frederic Bastiat called "economic harmonies," or social peace and order such as possible in this world. 