

LOST- a third of our liberty

we are on the way to a welfare state

by Fremont Rider

THE PEOPLE of the United States, for the last 35 years have had the double privilege of watching the gradual development of one of the most curious contradictions in recorded history. During this period our national leaders have professed grave fear that the Union of Soviet Socialist Republics would force its regimen upon us. They have spent hundreds of billions of dollars, here and abroad, to avert this catastrophe.

Yet, during this same period, these same leaders, working in accordance with a long series of ingratiatingly plausible federal policies, have been steadily changing this free republic of ours into a socialist state of exactly the sort from which they have claimed they were trying to save us. This change-over has been going on ever since the beginning of World War I; but most of us have no realization of what has been happening. Most of our leaders seem to be equally unaware. But at its real source there undoubtedly has been a complete knowl-

edge of the progress of this "socialization." For it has been in no sense accidental. Instead, carefully it has been promoted, step by step, by those who want it to happen.

There are several categories of these promoters. Masterminding the whole project is a small group of actual communist agents; this hard core is feeding shrewd basic policies for others to implement. Coincidentally there are thousands of idealistic theorists who are helping the change-over without the slightest idea of what it is leading us to. In between these two extremes is the great mass of our own American socialists, who, ever since the start of the New Deal, have been sprinkled thickly through government, particularly in the newer agencies. These latter would deny, and deny with entire sincerity, that they are communists. Most of them would also deny that they are socialists. They prefer to be known as advocates of a "planned economy" or of a "welfare state."

Of all the Americans who are

working to make over America perhaps the most numerous are those of unblemished personal integrity who are almost fanatically self-assured "Do-Gooders." These paternalistic destroyers of personal liberty desire to rule almost every detail of our lives. They disdain the desire for personal liberty.

TO ANALYZE how far the destruction of the American Republic has gone, a more definite idea of these fundamental changes is necessary. We need only to make a comparison between two important segments of our economy—our railroads, which, in the last 50 years have been almost completely socialized; the other our farms, which have not yet been.

Nominally, our railroads are still owned by their stockholders, not by the government. But where their legal ownership happens to lie is quite immaterial. Most railroad stockholders long ago gave up. Most of them have received no dividends for years and expect none. The railroads are still nominally controlled by their officers. However, they, like the stockholders, have become little more than figureheads, all basic control resting in the hands of the Interstate Commerce Commission and the railway labor unions.

No railroad management can decide how many men it will hire to do a given job, what wages it will pay them, and what hours they shall

work. Every detail of labor management is dictated by the government in response to what the various railroad unions demand. The result is the highest average wages per hour worked, the greatest amount of feather bedding per person employed, and the greatest labor waste in every direction.

Railroad management has no power to set the basic prices at which it will sell its product—transportation. Without government consent it cannot raise its rates to meet operating deficits. It cannot cut them to meet road and air competition. Furthermore, the terms of its sales are dictated to it, in the minutest detail, by the government.

As a result of 50 years of this socialized control, our railroads are nearly all bankrupt, despite passenger rates running about four cents a mile.

Let us see what would happen to our farms, if they also were to be socialized and run by the government in the way that our railroads are. The government would undoubtedly immediately unionize the farms with heavy increases in the wage rates. Remember, however, that basic wage rates are never the main reason for high union labor costs.

Take, for example, overtime pay. Once farm labor was unionized, it would probably be given a basic seven-hour day with the usual union provisions for overtime and doubletime. Casual rains and

non-union cows and chickens would raise overtime pay to the first great **extra** farm labor cost.

There would also be the enormous increases in labor cost resulting from another fundamental union policy, the “jurisdictional” division of labor. For no longer would farm hands be permitted to do any work that came up to be done. With this, and the various other sorts of union feather bedding, farm labor costs would quickly follow the same sky-rocketing path that railroad labor costs have, with the result that food from our socialized farms would cost four or five times as much.

Other phases of farm management would follow their railroad equivalents. The farmer might—for a while—be permitted to continue to own his farm; but his ownership would be a polite fiction, because his personal control would be taken away. As with the railroads, a farm bureaucracy would set all prices on the sale of his products, and would “regulate” their sale. No farmer could mortgage his farm, or increase or diminish the size of it, or plant what he pleased, unless he first asked and obtained bureaucratic permission to do so.

In trying to show, by these examples, exactly how the “welfare state” operates we have been freely using the words “socialism” and “socialist.” Before going further, a more formal examination of these words is necessary. In text books a socialist

state is defined as one in which “the state owns and controls the instruments of production and distribution.” These “instruments,” include all farms, mines, forests and fisheries, all manufacturing establishments, all wholesale and retail stores, all means of transportation, all banks and insurance companies.

TEXT BOOKS say that all these “instruments” are owned and controlled by “the State.” But “the State,” as Hayek points out in his study of socialist theory, *The Road to Serfdom*, not only always is, but always has to be, not merely a staff of bureaucrats but a staff of bureaucrats ruled by a self-appointed dictatorship.

Hayek proves brilliantly that dictatorship is an inevitable and permanent phase of every socialist economy. He shows that the moment personal liberty is destroyed, a slave economy must take its place.

It is not at all difficult to find out just about how far the “welfare staters” in Washington have succeeded in fastening this system of government upon us. There are three great earmarks by which every socialist state stands out: First: In a socialist state all citizens give their work, or the proceeds of it, to the State. Second: In a socialist state all its citizens derive their means of living, directly or indirectly, from the State. Third: In a socialist state all citizens have ceased to be free men; they are

obliged to obey, and to obey without question, the dictates of a self-appointed bureaucracy which rules over them. We must remember also that no socialist state is 100 per cent socialistic. Even in Russia there is a tiny permitted bit of personal production and personal income, free of bureaucratic control.

Any one examining our economy 50 years ago would have been able to detect in it no more than an insignificant trace of any one of the three above indicia. To be sure we had even then a socialized school system, a socialized postal service, socialized roads, and a few other very minor governmentally owned and directed enterprises. But custom—as well as sound common sense—had so long accepted these enterprises as proper functions of republican government that no one even looked upon them as socialistic.

If today we still take personal freedom for granted, it is only because we are ignorant of the vast changes in our economy which have come about.

Take the proportion of our total national income that we as citizens are obliged to give to government. This index percentage can hardly be questioned, for it is easily, and exactly, measurable. The figures clearly show that almost one-third of all of the work now being done by the American people is being done by them for the government, federal, state and local, for that is

the proportion of our work that we pay to the government in the form of taxes. By the first index, we have already gone one-third of the way toward becoming a socialist state.

PERHAPS you do not believe that this percentage also holds good for the second of the basic earmarks of socialism. One-third of the support of the American people is now coming to them from the state.

Check the figures. There are now, according to the Bureau of the Census, about 60 million persons in the United States working for income and about 15 million income receivers who are not workers. Of the 60 million nearly seven million are direct, full time, employees of government. They consist of federal civilian employees, the men and women in the armed services, and state and local government employees. Besides these seven million direct recipients from the state of earned income, there are about 16 million receiving direct unearned income from it. Twelve million of these are recipients of Social Security payments; four million are receiving either federal, state or city pensions, "relief," or other governmental cash emoluments.

Note that the above figures of the number of persons receiving their livings, in whole or in part, **directly** from government, already add up to more than one-third of all the recipients of income in our

population. But it would be misleading to add the above figures together and stop there, because there is duplication in them. Nor is it necessary, because the working direct recipients of government money are overshadowed by another category namely those working citizens who are being fully, but "indirectly," supported by "the state." Not drawing their wages, directly from the government; these workers are employed by business which is nominally "private" but is being actually wholly supported by the government—a business dependent upon a continuing inflow of government orders.

This "indirect" category of government workers has grown rapidly larger and larger. It includes, for example, about one-third of our entire building industry, practically all of our road and bridge building industries, and all suppliers, and sub-suppliers, of the armed services and other government departments.

Federal, state and local governments are now handing out orders to this portion—it might be termed the "kept" portion—of private industry at a rate running well toward a hundred billion dollars a year.

WE HAVE no exact figures on just how many of these "kept industry" wage earners there are. But there are at least eight million, enough to send the total proportion

of national income coming, directly or indirectly, from the state far over the one-third mark.

The most vitally important index is the third one, namely the size and the power of state's bureaucracy. This index is a harder one to measure exactly.

The estimates that have been made of it vary from 30 to 200 times that of 50 years ago.

Growth in power is even more difficult to measure. Congress has lost all real control over the appropriations which it makes. Some departments of government have such huge, and far-flung, commitments that only staffs of auditors could translate them into intelligibility. Other departments flatly refuse to give Congress any accounting of the billions they spend. In seeking money for itself almost every department grossly overstates its real needs. Every one intimately familiar with government knows that billions upon billions of dollars spent each year represent fantastic waste and incredible extravagance.

But such power gives no clear idea of the way the average American citizen is losing his personal freedom. If you ask what right any government bureau has to prevent any one from going into a perfectly legitimate new business venture, you ask the question that is at the heart of the socialization process. In this case no question of public health or safety is involved. Here is government agency seeking to

prevent that competition which is the very essence of free enterprise and of personal liberty.

Most business men today take this shackling of their businesses for granted, just as most all of us take the constantly growing loss of our personal liberties for granted.

It is their vast complex of "codes" that is the most significant indication of the growth of bureaucratic power.

THE NUMBER of "administrative laws" is incredible. Four years ago it was estimated that there were two million of them. Furthermore, it is a count only of formal laws: not of "directives," "decisions," and "orders." Obviously, no one can keep himself aware of the provisions of two million laws. And particularly he cannot do so when, as is often the case, they are duplicative in coverage, fuzzy in wording, difficult to secure, inadequately indexed, and usually quite unpublicized. In many of these laws deprivations of personal liberties have been enacted that are clearly unconstitutional.

In defense of the vast number of them, the conventional reply is that, in any society growing ever more complex, as ours is, everyone's personal freedom has to be continually more and more circumscribed by "regulation." If we admit that our bureaucrats are actually **obliged** continually to grasp for more and more power to rule over us, we

frankly admit that a time is bound to come when no personal freedom whatever will be left to us. That, in other words, we are bound absolutely to find ourselves at last living in a socialist state. Few commentators think long enough to realize that a vast amount of the "complexity" of modern life directly results from the bureaucratic "regulation" of it.

There is a worse aspect. A good deal of the honorable intent which initiated these administrative laws has evaporated. No longer can citizens feel any assurance that the "codes" we are asked to obey were really enacted in our interest. They may be so drafted as not to promote our welfare but the exact reverse—to promote only the welfare of the special interest that engineered their passage.

Perhaps at this point you will say, "But I, all by myself, can't do anything to stop this socializing process." You are still permitted to vote. When you vote, it is not at all difficult to tell whether the men asking your support are promoters of socialism or are fighters to preserve for you our ancient liberties. There are two simple, but infallible, tests that show exactly where any candidate stands. The first is: Is he trying to expand the scope of government, or to reduce it?

The second simple test by which you may detect whether any candidate for elective office is a socialist at heart is this: is he trying to ex-

tend the functioning of government into areas where it will be in direct competition with private business? Anyone in government who is seeking funds for scientific research, or education, or roads, or public health, or national defense, may perhaps be failing the first test but he will not be failing the second. But, if he is trying to make government become, or remain, an operator of department stores, or hotels, or paint factories, or power plants, he fails on both tests.

PERHAPS by now you feel forced to agree that the United States already has gone one-third of the way toward becoming a socialist state, but your reaction is: "What, only one-third? Why all the excitement? We have plenty of time left to stop and back track." You forget that the majority rules. To pass the legislation required to change the United States over completely from a free republic to a socialist state, the "welfare staters" are not obliged to get 100 per cent of the citizens eating out of their hands. They need merely 51 per cent of them doing so. And 51 per cent, you will note, is only a very few million more than the 34 per cent they have on their payrolls now. The erosion of our liberties is going on at a constantly increasing rate. It will take them only a few years more to secure this remaining 17 per cent. The end of American liberty is not something indefinitely remote.

This does not necessarily mean that, just as soon as the 51 per cent mark has been reached, the "welfare staters" will engineer an immediate overturning of all our political and economic machinery. With their goal reached, they are rather likely to let things ride. Since most of us do not now realize that one-third of our liberty has been taken away from us, we are likely not to realize when 51 per cent is gone.

Why do we permit this vast change-over to continue? The answer is simple. To one group after another in our total population the socialists in government have held out cleverly contrived, and extremely enticing, baits: to each group a different bait. There are too many business men, too many labor unionists, too many people, who don't want their gravy to stop flowing.

That is our national trouble: one group after another being blinded by selfishness. Too much regard for personal material welfare: too little regard for the welfare of the country as a whole. The founders of this nation did not rate the "more abundant life"—that is a life more abundant in terms of gaudy cars and sirloin steaks—as being worth more than liberty. What they placed first in what they sought for—and fought for—was freedom. They had already found out that those who exchange liberty for security find, in the end, that they have lost both.

COWS, CULTURE and CONFORMITY

by James E. Hanson

Not many mavericks are left in the great open spaces

A FOUNDATION of faith, in much of the East and all of the West, is that the Western United States is so behind-the-times and provincial as to be downright uncivilized. A baser canard is impossible to imagine. We of the West are catching up with the East.

Progress is evident on all sides. For instance, we are developing a tradition of the Old West's romance, which is about as valid as the East's belief in the unfailing propriety of the Pilgrims. There still are a few holdouts who remember the Old West actually was intolerable except to the greedy and the ignorant and to the outcast, but these skeptics are dying out or are being converted by television.

Then there is our geography, always against us but gradually being overcome. We are damming rivers that have been embarrassing in their wild freedom. We are populating our plains into oblivion. We can't standardize our rugged landscape, but we can build roads upon the mountains and make them less

majestic and mysterious; a peak with a car on it is not very impressive—especially when seen through scrawny second-growth timber and heaps of rotting slash, the only remaining evidence of the individualistic timber barons. Their descendants diligently perpetuate dynasties with company-man ways that would make their imaginative forebears' flesh crawl.

We Westerners have at least equaled the East in the worship of Success. That marks real civilization. The early settlers brought the faith with them from the East, and the unconvinced today rub shoulders constantly with countless modern immigrants from East and Midwest who labor evangelically to make the West ever more East.

We have Levittowns by the dozen and are building others by the score. We have an infinity of *Togetherness*. There are more Rotary and Kiwanis and Lions clubs; more Masonic and Knights of Columbus and Elks and Eagles; more Orders of Amaranth and Eastern