

Man, Ideas and Politics

by Peter Drucker
Harper & Row, \$6.95

THE BEST FEATURES of twentieth century American conservatism come from Austrian liberals.

American conservatism is bound up with a defense of the political economy of capitalism. It owes less to Edmund Burke than to Adam Smith, and more to three Austrians — Joseph Schumpeter, Friedrich von Hayek and Peter Drucker — than to either British thinker.

Schumpeter is dead. Hayek is in Heidelberg. But Peter Drucker, who came to the United States in 1937 (after newspaper and banking work in London), is still publishing lucid, exciting books that rescue the good name of conservatism from the ham-handed grip of those who more aggressively claim to represent it.

Drucker was born in Vienna seventy years ago. He has been professor of management at New York University's Graduate School of Business since 1950. Before that he taught philosophy and politics. He understands that economics and politics must be studied together, and that the correct relationship between them is a matter of philosophic seriousness.

His field is what used to be called political economy. Currently he describes himself as a "political ecologist," a disagreeable (and uncharacteristic) piece of jargon by which he emphasizes his belief that "society, polity, and economy are a genuine environment, a genuine whole, a true 'system'."

As a conservative who is more interested in political economy than in T.S. Eliot, the Syllabus of Errors or the defense of bull fighting, Drucker is a cultural rarity, and a relative stranger to the readers of what pass for conservative journals in the United States.

He has now launched his eighth decade with his twelfth book, *Man, Ideas and Politics*, a collection of essays, some very recent, some written more than two decades ago. As usual, Drucker is no respecter of the borders which divide academic disciplines. He selects his topics freely, not at random.

A glance at this book might cause one to wonder what offshore investment trusts, Calhoun, Henry Ford, Kierkegaard and "deconglomeration" have in common. But in Drucker's competent hands these subjects become topics in his seemingly endless seminar on the nature and fecundity of freedom in a modern industrial society.

Today it is fashionable to believe that freedom is a chimera in a developed industrial society. Drucker does not agree. He believes that freedom is alive and expanding in such societies.

As an American Bagehot, he is an affectionate student of our institutions public and private. He is everything that Charles Reich (of *The Greening of America*) is not. He is not just a non-

greener, he is an anti-greener. His writings are wonderful medicine for those who, despairing of life in a complex society, decide that liberty can only be preserved by scratching about in beanpatches at New Mexico communes.

Drucker tirelessly argues that a free economy is a complex political achievement. This is what makes him a valuable conservative of a distinctly American stripe. American conservatives cheerfully accept the truth of what European conservatives say about (and against) capitalism: it is a powerful cause of open-ended change.

American conservatives generally have no quarrel with the "negative" or classic liberal definition of liberty as the absence of restraints imposed by others. They believe the political and economic liberties are indivisible and inherently good. Drucker's special skill and delight is explaining that they are also productive.

The first essay on "the new markets and the new entrepreneurs" is a masterful survey of the tumultuous developments in the American economy

in the 1960s. He analyzes the merger wave involving "growth companies," and relates to two new mass markets in investment and careers.

A career, he says, is not the same thing as a job. As people begin to seek the former rather than the latter, the economy will change as rapidly as the society it reflects. Here, as in essays on the Japanese economy, his analysis of "business" is really social analysis carried on by special, and effective means.

Drucker is also at home in the company of great men, as he demonstrates in his essays on Ford ("the last Populist and perhaps the greatest one"), Keynes (his "policies are magic — spells, formulae, and incantations, to make the admittedly irrational behave rationally") and Calhoun ("it is not that Calhoun was repudiated by the Civil War which is the key to the understanding of American politics, but that he has become triumphant since").

He is weakest in dealing with subjects that often bring even strong men to grief, like political prophecy and ferment among the young. His essays on these subjects have not aged well.

But Drucker has aged well, and this book is a worthy addition to what one hopes will be an expanding shelf of his intelligent books.

George F. Will

Selected Essays

by Oswald Spengler
Regnery, \$1.95

FIFTY YEARS AGO Oswald Spengler's *Decline of the West* made a lightning-swift conquest of the republic of letters. But after a season, the Prussian schoolmaster's work was routed from the center of attention, presumably forever forgotten. The reading public, usually neglecting to survey the full spaciousness of this "morphology of world history," accepted the reviewers' scornful talk about "pessimism" and "prophecies of imminent doom." Academicians damned the book as a monstrous creation, misbegotten by a method which, although impudently magisterial, was unscholarly.

During the last half century, however, students here and there have found in Spengler their true educator. It is for this self-selected company that Professor Donald O. White's translation of Spengler's political writings has a special importance. *Selected Essays* brings into English the book-length essay *Preussentum und Sozialismus*. Written two years after the *Decline*, it applies to twentieth century politics the Goethean maxim which inspired that great work: *Alles Vergengliche ist nur ein Gleichnis*. Ideologies are but semblances of the life phases through which every cultural organism must pass.

The political ideals of our Western or Faustian culture are derived from phases of the life-histories of three nations. Spain presented the West with the ideal of militant Catholicism, realized

in the conquest of the New World and reaching its climacteric in the defeat of the Spanish Armada. *Laissez-faire* capitalism attained its height in nineteenth-century England, a nation founded on the individualistic robber-ethic of the Vikings. Socialism belongs not to the Marxist parties but to Prussia. The ideal of service, of the value of work whether it be hand-work or brain-work, is the motive force of true socialism, and Frederick the Great first articulated this ideal with his avowal that "I am the first servant of my state."

Class is not a universal concept belonging to a universal political economy. It is English and tied up with property-holdings. The Prussian counterpart to class is a natural order or rank. Marx, according to Spengler, is meaningless after World War I, in which *laissez-faire* lost its spiritual resources, because his political economy, with its two-class system, applies only to an England of the past, the pre-war England of Manchester. In this England, work is a misfortune, a product of man's fall from grace, a burden to be borne by the unfortunate and underprivileged. Puritanism helped produce a philosophy of work which comported with Marx's Old Testament heritage. Consequently, "Democracy in England means the possibility of attaining to every existing rank."

Marxism, which is simply the negation of Manchester, is not true socialism, for socialism is above all a means

or organization, the principle of authority, while Marx merely envisages the proletariat as the final victor in a competitive struggle. Hence, "Marxism is the capitalism of the working class" and Lenin's "dictatorship of the proletariat" is a tacit admission that Marxists aim at nothing more than the displacement of one minority's proprietorship by that of another.

Socialism is not public ownership but aims "to bring under legislative control the formal structure of the whole national productive force, at the same time carefully preserving the right of property and inheritance, and leaving scope for the kind of personal enterprise, talent, energy, and intellect displayed by an experienced chess player, playing within the rules of the game and enjoying that sort of freedom which the very sway of the rules affords.... Socialization means the slow transformation — taking centuries to complete — of the worker into an economic functionary, and the employer into a responsible supervisory official." The principle of organization that Spengler envisages seems to be more like that of Italian corporatism than any other system. Spengler's emphasis on the state's role marks him off from the National Socialist ideologues whose racialism forces them to exalt "the Aryan fold community" above constitutionally-prescribed state-forms. Furthermore, Spengler, for all his authoritarianism, recognizes that "Democracy, whatever one may think of it, is the political form of this century, which cannot fail to assert itself with success. There is no alternative... except democratization."

Marxism in its social democratic guise brought about the disastrous German revolution of 1918, while revolutionary Marxism (Bolshevism) is simply a weapon employed by Russia's new rulers in their war against the hated and alien Faustian culture. Spengler foresees the expansion of Marxism into "the colored world," i.e., today's Third World. Whether it exists inside the West or outside the West, Marxism is a destructive assault on the West, the spirit of Mephistophelean negation.

However, the West, like republican Rome, will pass into a final phase of imperial lordship which will endure for centuries. In *Decline*, Spengler describes the advent of Faustian socialism, the final political form of the West, in terms of the revolt of the forces of Blood against obsolete state forms established during the reign of Money. Spengler's metaphor is in no sense racist; Blood-thinking is the ethic of rank, while Money-thinking is the ethic of class. The Viking expansiveness of Anglo-American *laissez-faire* has transformed the entire world, brought it under the sway of Faustian techniques. The historic task of *laissez-faire* has reached its fulfillment and the future belongs to Prussian socialism.

Spengler, believing that biology, the logic of life, precedes ideology, wished to become a man of action directing 'he political public. His failure was partly attributable to the fact that his seemingly-idiosyncratic theory rose above party platforms and their clienteles. After explaining that Marxism and Manchesterism were obsolete theories, he

hoped that true conservatives and true socialists, freed of partisan cant, would recognize their great common task. The Hitler regime brought destruction to his hopes and his *Die Jahre der Entscheidung*, published in America as *The Hour of Decision*, was seized and burned. Only his early death in 1936 saved him from the hostile attentions of the Gestapo.

But much more has gone awry than just one man's political mission.

We no longer foresee the West settling into a centuries-long phase of imperial grandeur and decline. Total collapse of the West in the coming decades, once only a nightmare, is an evermore threatening possibility in our waking world.

Can we draw practical corollaries from Spengler's little tract? Much of it seems narrow and even distasteful to us, but in the opinion of this reviewer, it has the educative power to draw us out of our present perspective and force us to ask basic and radical questions about our future action.

European integration is being led by social democrats, and Europe and America constitute one cultural unit. Hence, conservatives will find in the coming years that keeping socialism out of the American region" of the West will be as fatuous a struggle as keeping racial integration out of the Southern region of America. In all probability, conservatives will continue to confuse socialism with Marxism, will continue to construe "equal opportunity" in terms of the class ethic.

At the beginning of the 1960s, young

Americans had a choice of manifestoes: the Sharon Statement and the Port Huron Statement. The results of their choices are now obvious, not to be gainsaid by even the most "libertarian" of conservatives. Even they now admit that the students are largely lost. Next, the workers of America will follow. Nevertheless, G.O.P. conservatives will forget nothing and they will learn nothing; lost in their dream of undoing the New Deal, they will simply wither away as, year by year, their new recruits appear in ever-diminishing numbers.

In Spengler's Germany, the D.N.V.P. conservatives dreamed of restoring the glories of the *Kaiserreich* while the workers turned to Marxism. The whole world knows how the workers were superficially won back to a "national consciousness." However, although America was delayed in following the lead of European social democracy, due to its colonial isolation, it was also delayed in developing a potential for fascist reaction. If a man on horseback rides into our midst, he will come, like Pizarro, as a foreign conqueror alien to our culture, and, like the Incas, we will meet death in the midsummer of our lives.

Yet, the fate of the Amerindian culture fell outside the usual pattern of history, was an unnecessary accident. An educator such as Spengler can lead us to school ourselves in that radical conservatism which alone can win a future for our civilization.

Brent Nelson

Is the System Bad?

E.C. Pasour

THERE IS widespread discontent today in the United States, especially on college campuses. While much of it pertains to the Indochina War, there is also a great deal of discontent pertaining to our social and economic system. The most virulent attacks come from the "New Leftists," including members of the Students for a Democratic Society (SDS). The disenchantment is so pronounced that many are calling for a "revolution" without concern for the consequences. "Asked about the purpose of SDS 'revolution,' Tom Hayden replies: 'We haven't any. First we will make the revolution. Then we will find out what it is for.'"

The view expressed is undoubtedly held by a relatively small number of people. However, there are many people, especially in the intellectual community, who are highly critical of the market system which relies to a great extent upon the profit motive. Indeed, many of them urge that it be replaced by a form of social organization in which production is "to satisfy needs and not for profits." It is shown later in this paper, however, that there is a direct link between profits and the satisfying of wants or needs. Per-

haps the greatest impetus of this view in recent years came from Professor J.K. Galbraith's book.

Society. The main thrust of this book is that in our affluent society the important private needs have already been satisfied and that the urgent need is to increase those services supplied by government.

Is there a basic conflict between satisfying needs and the profit motive? What is the role of the profit motive in a market economy? Would another economic arrangement be more consistent with our social and political objectives? The first step in attempting to shed some light on these questions is to discuss the economic tasks which must be performed in any economy and the possible ways of achieving these functions.

There are certain economic tasks which must be performed in any society. All of the tasks are rooted in the basic problem of input scarcity. Since resources or productive inputs are limited relative to the desire for their services, all desires cannot be satisfied and priorities in their use must be established. Hence, one task is to determine what goods get produced. This in its simplest form is the familiar guns