

What Can I Do?

Dear Mr. E:

"What can I as an individual do to stop this mad rush toward compulsory collectivism in America today?" Few questions are as challenging as yours, and here's my attempt at an answer.

Fortunately for the cause of freedom, it is only as an individual that you or I can do anything at all. This is true because every good idea — as well as every bad idea — begins with one person. He in turn convinces another person. Soon there are several persons who have accepted this idea as advanced by one individual person. This is the voluntary way of accomplishing a desired objective. This is the only method that is in accord with freedom. Unfortunately, it quite frequently happens that individual persons who have voluntarily accepted an idea then band themselves together to force — by vote or otherwise — their idea upon other persons. This, of course, is directly opposed to freedom. It is force and compulsion. This is the method used by those who desire to make other persons do as they think "best for them" or "for their own good." This concept is contained in the much used phrases, "There ought to be a law to make people do this" and "Every American should be forced to read this."

Force cannot be used in the interests of freedom — except for self-defense and rebellion against slavery. This holds true whether the force is applied by a majority or a minority. It holds true whether the force is applied by a robber with a pistol or by a representative of the majority of the people who have voted to force other persons to do what the majority considers "best for them." The theory now held in this country that the votes of the majority automatically insure freedom is incorrect. It is now leading us to our own destruction. *Might has never made right.* It never will.

THIS IS not to deny that a republic or representative democracy is the most desirable form of government we have yet discovered. It is not to deny that freedom is safer in the hands of the many than in the hands of the few. But it is to deny that freedom is automatically safe just because the franchise has become widespread in America; just because we call ourselves "a democracy." It requires more than a vote to preserve liberty; it requires *understanding* on the part of the voters; it requires the knowledge that all governmental decrees and actions must be grounded on moral and natural law if they are to benefit the people.

And that is where *you as an in-*

dividual enter the picture. Without in any respect repudiating democracy and the right of universal franchise, all voters must understand that *what becomes law* is far more vital to freedom than the method used to secure its passage. Blinded by the erroneous belief that freedom is automatically guaranteed by the right to vote, we are now rapidly voting ourselves into abject dependence upon governmental control of our affairs. We are repudiating the responsibility that *is* freedom. We are adopting a “something for nothing” philosophy.

IF YOU would best serve the cause of freedom, you must explain this concept to all who will listen. If you as an individual neglect to do this, how else can it be done? I cannot do it because I do not know your family, your business associates, your fellow churchmen, your lodge brothers, your friends. They will listen to you — not to me.

Now you may say: “But all my associates and friends already agree with me. They are already on our side!”

IT IS TRUE that most of your associates and friends may pay lip service to the principle of private ownership of the means of production. They may say that they are opposed to “special privileges” for

anyone — but are they? How many of them are opposed to government's entry into the business of producing and selling electricity? How many of them understand the danger to personal freedom found in compulsory, government-guaranteed “security”? Who is the logical person to explain it to them — I or you?

ARE ALL of your friends and associates opposed to government-decreed, compulsory unionism? How about our government's support of socialism in Europe? Do your associates understand that tariffs cause higher prices by protecting less efficient producers? What about the other violations of freedom such as rent control, progressive taxation, the decreasing of the value of our money by government decree and by deficit financing, price supports, and a host of others? These are vital issues. Can you explain them convincingly to your friends and associates?

What can you as a lone individual do? First you can train yourself to *explain* instead of, like most of us, only to *sputter* on behalf of liberty. We here at the Foundation for Economic Education can be of help in that respect. In many cases, we spend a thousand technically skilled hours to prepare a study that you or any other interested person can read and understand in

less than an hour. Our sole purpose is to furnish this information to any person who will use it. Our work is ineffective unless individual persons read it, understand it, and explain it to other individual persons.

Now it may be that you — like me — do not know the answers to all these questions. If that is true, I suggest that you and I learn them. Literally, we must *learn* freedom. We as individuals must understand the philosophy of freedom so well that we can explain it convincingly and persuasively.

ABOVE ALL, as individuals we must begin this job with other individuals. Don't expect to change the course of the nation overnight. Begin with just one person. Convince him or her that personal responsibility for one's own welfare is more desirable than government-guaranteed "security." Convince him that freedom will work if we will only trust in it. If this one person becomes convinced through understanding, he or she will in turn convince another person. And so on. In short, if you yourself understand and are able to explain the fallacies of compulsory, government collectivism — and the alternative advantages of voluntary co-operation — many persons will seek your opinion and advice. Only

then will you become truly effective.

Slow? Yes! But it is the *only* way. Any short cut must necessarily involve compulsion. That would defeat your own purpose! Education is indeed a slow process. That is because it must be voluntary. The person must want to know. He cannot learn until first he has a desire to learn. Thus your task as one individual person is indeed a hard one and a vital one. First you yourself must be able to explain your philosophy convincingly. Then you must be most tactful in approaching the other person. While it is not dangerous to be honest, one should not become cantankerous with his honesty. Don't argue; explain. Don't call names; you will only antagonize. Since freedom is the world's finest product, there is no reason why a skilled salesman can't sell it to several of his friends and associates. Suppose that a million "individual persons" did that? The battle for freedom would soon be won. The voters would then automatically reject all socialistic candidates and proposals, by peaceful and voluntary means.

I hope that this purely personal answer may be of some aid or encouragement to you. And, finally, good luck!

DEAN RUSSELL

Dean Russell, now with United States Steel, wrote this letter as a member of the Foundation staff.

The Wage Spiral?

Dear Mr. M:

I now wonder if I failed to make myself clear on the point about wage rates. May I try to restate it briefly?

As I see it, during a period such as we are now in, it is the government-created excess of money that makes prices high — and wages are merely one of the prices thus made high by inflation. If little is produced at these high wages, no matter what its cause, prices will then be *additionally* higher for that reason, too.

In the deflationary period of the early Thirties, it was my contention, using these same tools for analysis, that prices could not be raised solely by the device of the government's forcing wage rates up (minimum wages, etc.); that they could only raise unemployment thereby. To be consistent, I could hardly contend that rising wages cause prices to be high in a period of inflation, but fail to do so in a period of deflation. F. A. HARPER

Dr. Harper is a member of the staff of the Foundation for Economic Education.

Value Is Subjective

Dear Mr. K:

The "subjective theory of value," which you ask about, is the one upon which Dr. Mises bases his

analysis of the market economy in *Human Action*.

Dr. Mises starts with the idea that because people *want* goods and services, other people try to produce them. This demand gives value to the *means*, i.e., the factors of production needed for obtaining these goods and services.

VALUE is not objective — it is entirely subjective. The value of object "A" in your opinion may be higher than that of object "B," whereas their importance to me may be exactly the reverse. In that case, I would be willing to exchange my "A's" for your "B's." And if we exchanged "A's" and "B's" in this way, we would both gain. Exchanges take place only because people value things differently — not because there is any objective equality in their values.

The objective theory, commonly known as the labor theory of value, as I understand it, holds that something has "value" because of the work that went into making it. Yet, we well know that a person may spend hours of tiresome labor to make something that cannot then be sold at any price. A man who drills for oil, only to find the well dry, cannot always sell his land, equipment, and the hole in the earth for enough to repay him for his efforts and expenses. The labor theory of value would at-