



The Preservation of Liberty

TOWNER PHELAN

IT IS of vital importance that the American people understand the nature of our epic struggle with the Soviet Union. It is likely to continue for generations. Its scope is world-wide. It is not limited to foreign affairs but includes our domestic institutions. Our objectives are twofold: first, to protect our national independence — our freedom from Soviet conquest; second and scarcely less important, to preserve the institutions of a free society. We shall not win that struggle if we become a totalitarian country even though we preserve our national independence.

The announced objective of the Soviet Union is world conquest. It has never been renounced but has been constantly reiterated.

Lenin outlined that objective clearly:

“As long as capitalism and socialism exist, we cannot live in peace: in the end, one or the other will triumph — a funeral dirge will be sung either over the Soviet Re-

public or over world capitalism.”¹

Khrushchev put Lenin’s funeral dirge in slightly different language when, at a reception in Moscow, he told Western diplomats, “We shall bury you.”

Lenin wrote: “Force alone can settle the great problems of political liberty and class struggle, and it is our business to prepare and organize this force.”²

“The revolutionary dictatorship of the proletariat is power won and maintained *by violence* of the proletariat against the bourgeoisie, *power that is unrestricted by any laws.*”³

“Until the final issue is decided, the state of awful war will continue.”⁴

Khrushchev in his report of the

¹Lenin, V. I., *Selected Works*. Moscow: Corporative Publishing Society, 1935, Vol. VIII, p. 297. (Note: This and many other quotations from communist sources taken from *Struggle on a New Plane* by J. Edgar Hoover, Director of the F.B.I.)

²*Ibid.*, Vol. III, p. 54.

³*Ibid.*, Vol. VII, p. 123.

⁴*Ibid.*, Vol. IX, p. 242.

Central Committee Twentieth Congress of the Communist party of the Soviet Union, February 14, 1956, said:

"Today our party. . . is confidently leading the country along the path pointed out by the great Lenin."⁵

"Revolutionary theory is not a collection of petrified dogmas and formulas, but a militant guide to action in transforming the world, in building communism."⁶

Lenin explains why the smiles of the "Summit Conference" and talk of "peaceful coexistence" have been followed by the savagery of Hungary and the unrelenting struggle of the Soviet Union to take over the Middle East. He explains why the present Soviet tactics will in due time again be followed by a revival of the "popular front" tactics again to befuddle and entrap our gullible liberals. Lenin's explanation is expressed in these words:

"Without concessions we shall not be able to carry out our programme — concessions do not mean peace with capitalism but war on a new plane."⁷

Our struggle to prevent world conquest by the Soviet Union is not limited to the fields of diplomacy and war. It is fought on

every level — it penetrates every institution of our society. A decade ago the Harvard economist, Sumner H. Slichter, wrote this about the United States:

"Its institutions are under attack. In fact the attack against them is the best organized and most carefully planned that has ever been launched against economic and political arrangements. It has its purpose of destroying these institutions and replacing them with very different ones."⁸

The Target and the Attack

The target for the organized attacks against our institutions is individual liberty — the immediate point of attack is directed against private property. This is true because the most effective way to destroy liberty is to do away with private property. Without private property every man would be a slave of the State. He would be a slave because he would depend upon the State for his livelihood. In 1950 Senator Paul H. Douglas, who is no conservative, wrote:

"Men will not be free . . . [if] the same group that controls jobs will control the government."⁹

He suggested that the then Brit-

⁵Slichter, Sumner H. *The American Economy*. New York: Alfred A. Knopf, Inc., 1948, p. 4.

⁶"Freedom and the Diffusion of Power" in *Proceedings of the Academy of Political Science*, May 1950, p. 125.

⁷*Soviet News*, London, England, p. 79.

⁸*Ibid.*, p. 89.

⁹Lenin. *op. cit.*, Vol. VIII, p. 298.

ish Labor Government would “use their power to crush...their political opponents” if the Labor Government were to take over all British industry instead of the 20 per cent then nationalized.¹⁰

Capitalism is, by definition, private ownership and control of business. Its only alternative is State ownership and control of business. Under State ownership “one set of men” would control both “jobs” and “government.” Senator Douglas says that, if this happens, “men will not be free.” If all power is concentrated in the State, it is of no importance, in the long run, whether that State represents communism, fascism, British socialism, or Welfare Statism carried to its logical conclusion, or any other “ism.” *The men who control such a State may start with the best intentions – but they will end as bloody tyrants. It is impossible to reject capitalism except in favor of its only alternative, the omnipotent State, under which man cannot be free and his dignity will not be respected.*

We quote from a statement of Jasper E. Crane to the National Council of Presbyterian Men:

“Liberty is the individual person’s control of himself, his freedom of choice, his responsibility for his own actions. . . . Human rights include the ownership of

property and the responsibility to manage it faithfully. This involves the private possession and management of tools, sometimes known as ‘capitalism.’ The denial of the right of ownership is the precise condition of bondage.”¹¹

Private Property Threatened

Private property is the only effective safeguard to individual liberty. The persistent and well-organized attacks upon private property and hence upon individual liberty are both domestic and world-wide. In the main they are carried on, at least in the United States, by noncommunists. They have wide-spread support in academic and church circles. For example, in 1948 the World Council of Churches meeting at Amsterdam adopted a report which said:

“The Christian Churches should reject the ideologies of both communism and laissez-faire capitalism.”

This naive and unrealistic view equates Soviet slave labor camps and the brutal suppression of the Hungarian revolt with the right to own property which is the foundation of democracy and freedom. In rejecting capitalism it rejects the only kind of organization of society within which man can be free and his dignity respected –

¹¹“Christianity vs. Totalitarianism” in *Peace and Freedom*, May, 1950. p. 6.

¹⁰*Ibid.*, p. 124.

that is, a society in which the ownership and control of the instruments of production are in private hands.

In the United States the spearhead of the attack on private property is directed against privately owned electric power companies. The immediate objective of those who oppose the human right to own property is to create a governmental monopoly of the generation and distribution of electric power. Public power advocates are looking to the future and are bending every effort to have atomic power remain a 100 per cent government monopoly.

Regulation and Control

The ultimate objectives of the self-styled "liberals" go far beyond the socialization of the power and atomic energy industries. The goal is the eventual socialization of all large-scale industry.

A free society rests upon voluntary action — a totalitarian society upon direction of individual activity by the State. The efforts of those who call themselves liberals are unremittingly directed toward restricting the area of voluntary choice and voluntary action by the individual and increasing the area of governmentally directed activity. This can be accomplished either by government ownership and operation of business enter-

prise or by government regulation and control.

The Federal Power Commission's regulation of the price of natural gas at the wellhead is the opening wedge in an attempt to make the oil industry into a regulated public utility. If the price of gas is regulated at the wellhead, then it would be equally logical to regulate the price of coal at the mine. It would be equally logical to regulate the price of oil. Gas, coal, and oil are all used for home heating and for the generation of electric power. Heretofore, regulation has been limited to common carriers and to public utilities. Until the government reached out to regulate the price of gas at the wellhead, regulation had not been extended to cover the commodities that the carriers transport or the fuels public utility companies distribute or use to generate power.

Only during wartime has the public been willing to accept government rent, wage, and price controls. But liberal economists have consistently advocated large-scale government spending, deficit financing, and government created easy money — all of which generate inflation. Then they wish to attempt to control the consequences of planned inflation by permanent price and rent controls. When one of the first acts of the

first Eisenhower Administration was to abolish rent and price controls, liberals filled the air with dire predictions that unrestrained inflation would follow. Instead, we had a period of relative price stability and unparalleled prosperity. The abolition of rent and price controls was accompanied by a lessening of inflationary pressure due to Eisenhower's multibillion dollar cut in the budget proposed by Truman.

Inflationary Pressures

Unfortunately, the budget is again so large as to generate inflationary pressures notwithstanding the fact that it is balanced. And the so-called "tight money" policies of the Federal Reserve authorities have not, as is popularly believed, cut the volume of credit outstanding — they have merely slowed down the rate of increase.

Formidable political and special interest pressures are building up to add fuel to the inflationary fires. Their purpose is to keep our inflationary boom going on an ever-increasing volume of credit. In a word, it is to promote inflation, which in turn may lead to the imposition of direct price, wage, and rent controls and the loss of individual liberty. There is also the danger that inflationary booms will sooner or later bring

on a crash and a depression. They always have done so in the past.

The admitted inflationists including many legislators, the "liberals" who are constantly clamoring for bigger government spending programs, the public power lobby, the school lobby, the home-building industry which wants subsidized low interest mortgage credit, and the old-fashioned log-rolling political pork barrel are among the formidable forces exerted to promote further inflation and its ultimate consequences of direct controls — loss of liberty and a depression.

In the rest of the world "nationalization" of industry and natural resources, coupled with the rejection of basic principles, are undermining the right of private ownership of property upon which individual liberty depends. In the so-called undeveloped countries nationalization is a thinly veiled disguise for outright expropriation — that is, seizure without any compensation, or only a token payment, to the former owners.

Intervention Abroad

The doctrine is growing in foreign countries — particularly in undeveloped countries — that it is the duty of the United States and other advanced countries to supply investment capital on a continuing basis through outright govern-

ment grants or loans that could not stand the scrutiny of ordinary standards of investment prudence — in a word, loans that are never intended to be repaid.

Whether or not such intergovernmental gifts promote international friendship and peace is a highly debatable question. But those who debate the question should know that any governmental foreign aid program tends to undermine the right to own private property. The government that gives a gift must first have taken private property from its own taxpayers. This is likewise true of any other government expenditure. Therefore, it is evident that the question of foreign aid is merely one segment of a broader question, namely: What limits should be placed on the amount of governmental expenditures and on the purposes for which such expenditures should be made?

The basic principles involved are easy to express — their exact application to a particular situation

is far more difficult to determine. The basic principle is that governmental expenditures, and therefore governmental functions, should be strictly limited and the total “tax take” from our citizens should be the minimum amount necessary to carry on proper and necessary governmental functions. Obviously, aiding indigent nations is not a proper governmental function.

Furthermore, in the case of foreign aid, seldom, if ever, has the recipient government used such a gift to develop or defend private ownership of property within its borders. All too often the aid goes to countries which expropriate private property, as did Egypt with the Suez Canal and Mexico with the properties of foreign oil companies. It is of the utmost importance to recognize that liberty and freedom can exist only when the means of production are in private hands. Otherwise, all men would be slaves of the omnipotent State. ● ● ●

IDEAS ON LIBERTY

Each Man's Duty

THE DEFECTS of every government and constitution both as to principle and form must be as open to discussion as the defects of a law, and it is the duty which every man owes to society to point them out.

THOMAS PAINE, *The Rights of Man*



Shades of Hammurabi

ROBERT LEFEVRE

SENATOR Ralph W. Allhorn stood straight and tall in the vestibule as he held the door for his wife, Sarah, and her sister, Martha. He had the feeling of supreme accomplishment, a trace of which feeling pushed up the corners of his mouth as he stood there gallantly waiting for the ladies to precede him.

The dinner meeting held by the party had had a magnificent turnout. In his mind's eye he could still see the immaculate linen, the glittering goblets and silver, and the upturned faces of his fellow party members. It had been not only a victory dinner, in honor of the party's accomplishments during the past legislative season, but also, in essence, an opening salvo for the new campaign which would get underway in earnest within a

few weeks. As the party's senior officeholder within the state, he had been the principal speaker.

His ears still thrummed pleasantly to the words of the chairman as he had been introduced. "Fellow Americans and loyal party workers: Tonight I have the great privilege and honor to bring you the man who . . ." The Senator glowed inwardly at the bountiful recognition that had poured from the lips of Steve Crain, attorney and head of the 34th assembly district. Steve had laid it on a little thick. But that was politics for you. And it wasn't that what he said was overdone. Steve simply had reference to his record in checking off some of the iridescent phrases: leader of patriots; emblem of statesmanship; prime mover for good government; lover