



12. *The Democratic Illusion*

CLARENCE B. CARSON

CUSTOMS do change. It was once the custom for children to read and be told fairy stories, fables, legends, and myths. Young children were taught to believe in Santa Claus (and, in this case, still are), told of the legend of Robin Hood, read stories of fairies who performed work for adults, and led to believe that there was a pot of gold at the end of each rainbow. Generally speaking, such fables are no longer approved by the "experts" on child rearing. The stories have been taken out of the textbooks in the early years of schooling. Parents have been warned against filling their children's minds with illusions. Ac-

cording to the new dispensation, children were to be taught the facts of life from the beginning, and that as prosaically and clinically as possible.

Whatever else might be said for or against this newer viewpoint, it did have a seductive logic about it. Children who had not been provided with illusions would not have to be disillusioned. They should have a progressively firmer grasp upon reality as they grew up, and, as adults, be truly realistic. It has not worked out that way. Today, adults are told fairy stories, fables, legends, and myths, and a large number of them apparently believe them. Many men apparently believe that government is a kind of Santa Claus who can bestow goods for which there is no charge, that in a democracy people may legitimately play

Dr. Carson is Professor of American History at Grove City College, Pennsylvania. Among his earlier writings in THE FREEMAN were his series on *The Fateful Turn* and *The American Tradition*, both of which are now available as books.

Robin Hood by taking from the rich to give to the poor, that we have solved the problems of production and that the good fairies will continue to produce goods when the incentives to production have been removed, and that there is a pot of gold at the end of the rainbow which the politician describes if we will only follow his policies.

There is much more to current illusions, of course, than improper rearing of children, but the question that the above development raises should not be left suspended. The wisdom that is bound up in established customs cannot always be perceived by the naked eye. On the contrary, what may appear illogical upon first examination may have reasons that stem not from abstract logic but from the way people are. Men are given to illusions, probably always have been and will be.

Supplying children with illusions in felicitous stories and myths may have the effect of an inoculation against illusion (following the principle of inoculation of inducing the disease in a mild form). As the child grows up, he sheds the illusions one by one, or in bunches. The legends, stories, and myths may provide him invaluable points of reference for the discernment of reality. He knows, from them, what sort of

things belong to the real world and what sort to illusion. Those who do not have some embodied illusions as points of reference may have much greater difficulty in separating illusion from reality, or, to put it another way, may succumb much more readily to the illusory.

At any rate, illusions abound in the twentieth century. They are usually decked out in more sophisticated garb than the above examples would indicate. Men are drawn along on the journey toward the pot of gold at the end of the rainbow by phrases such as "creating a democratic society," "adjustment of monetary supply to demographic tendencies," "transforming the environment to meet human needs," "an equitable distribution of the wealth," "mutual cooperation for the advancement of the general welfare," "increasing the purchasing power of the underprivileged," "rectifying maladjustment induced by technological innovations," "preventing the stagnation of the economy," and "balancing expenditures between the public and private sector." The language is new — out of euphemism by sociology, midwived by would-be bureaucratic intellectuals — but the illusions are as old as the daydreams of improvident men.

Let us examine one of the cur-

rent illusions in somewhat more detail, show why it is an illusion, and use the example as a way of reviewing the story of the flight from reality thus far. An illusion which appears to be gaining ground steadily in the United States is that poverty can be abolished. Already, war has been declared upon it, and we are led to expect that the demise of poverty will occur in the not too distant future.

The Problem of Production

From one point of view, the abolition of poverty can be made to appear quite plausible, in this country at least. The argument for it goes something like this: The problem of production has now been solved. America now produces enough goods, or has the means for doing so, so that no one need suffer privation. To support such a contention, evidence can be adduced of the glut of goods now available despite the fact that some factories are not producing at their full capacities. Let us assume that the description is accurate, that there is a glut of goods and the capacity – potential or actual – for producing abundance that will abolish poverty. Even so, the conclusion does not follow.

The fundamental fallacy is in the major premise – that the prob-

lem of production has been solved. It has only been solved if the matter is viewed as being static. That is, it has only been solved for today and a few more days, after which it will emerge once more if something is not done. Redistributionist schemes derive such plausibility as they have by abstracting a static picture from the situation as it momentarily exists. It becomes apparent when an actual redistribution is undertaken that the problem of production has not been solved.

Planners will shortly learn, if they did not already know or suspect it, that poverty stems not primarily from unfair distribution but from the unwise choices which men make. The main reasons for poverty, other things being equal, are improvidence, laziness, lack of foresight, slovenliness, the use of capital for consumer goods or goodies, and physical or mental debility. (Of course, governments can and do intervene in ways to contribute to the poverty of individuals.) Most poverty, then, can be attributed to the choices, or failures to choose, which men make. To put it another way, poverty results from the uses men make of their liberty.

There is reason to believe that this has long been apparent to social reformers, for their programs

regularly result in the reduction of the choices which men have available to them. To state it bluntly, the attempt to abolish poverty is made by taking away the liberty of people. This can be done crudely or with considerable subtlety. When it has been done crudely, Western Europeans and Americans have usually been horrified at it. Thus, Communist measures have repulsed most Westerners rather than attracted them. In the West, then, the removal of liberty has been advanced much more subtly, and the programs for abolishing poverty, or what-not, have been mild initially. The removal of choices takes such forms as increased taxation, inflation, and governmental controls.

Intervention Breeds Poverty

But even when choice has been removed, poverty will not be banished. Prosperity, even more than poverty, is the result of innumerable choices of individuals — of decisions, of individual initiative, of saving, of prudent investment, of invention, and so on. When liberty prevails generally, a great many people may contribute to their own and to the prosperity of others. As liberty is reduced, they lose the means, the opportunity, and the incentive for innovation, invention, discovery, and increased productivity. In consequence, pov-

erty is extended to more and more people rather than being abolished.

This is not simply a matter of speculation; there are a goodly number of historical examples for those who prefer experimental evidence. The Russian Bolshevik innovations caused poverty on a titanic scale in the 1920's and 1930's. The programs of the British Labor Party after World War II came near to completely wrecking what still remained of an English economy after decades of increasing intervention. Reports from Communist China indicate that collectivization has wrought devastation in places there. But one need not go so far afield for evidence. Ninety miles from the shores of the United States the scene has been enacted almost before our eyes. The Pearl of the Antilles, once a fertile paradise of productivity, has been transformed in short order into a land of hunger and shortages. There are many other examples throughout history of the failure of men to produce when they are denied the fruits of their labor — at Jamestown, at Plymouth, at New Harmony, and so on.

In the final analysis, poverty cannot be abolished because, when men are tolerably free, it is an individual and family matter. It is a result of their habits, customs, indiscipline, and themselves

as they are. Any collective approach to the abolition of poverty, as if it were a thing itself, can only temporarily alleviate the condition of some people, if it can do that, at the expense of a general impoverishment. The ultimate importance of liberty does not derive from the fact that free men will produce more bread, but they will, if that is what they want.

Gaining Respectability

The above principles were generally well known among nineteenth century Americans, and among people elsewhere, too. Men who proposed to abolish poverty were considered laughable or dangerous, or both. It is no longer so. The series thus far has dealt with how the way was prepared for contemporary illusions, with how thinkers were cut loose from reality by focusing upon the abstract and ephemeral, with how utopian ideas were spread, with how past experience was defamed and traditional philosophy discredited, with how some thinkers began to conceive of themselves as creators, with how the programs for social transformation were made more palatable by the domestication of them. By the early twentieth century reformist intellectuals were beginning to draw publicists and politicians into the web of their delusion. A consider-

able number of Americans began to accept some of the milder programs of social reform.

But the programs of ameliorative reformers involved taking away the control which people had of their own affairs. They involved taking away some of the cherished liberties of at least some people. Now it is doubtful if there have ever been people more jealous of their liberties than Americans. It was for this that Americans rebelled against England and effected their independence, so generations of school children had learned. They had learned, too, in the inspiring phrase of Patrick Henry, that liberty was more precious than life. They had carefully limited and restricted their governments so that these might be less likely to become tyrannical. Americans would not lightly have yielded up their liberties, even if they had thought it would have resulted in more bread.

Many things went into making the reduction of liberty acceptable, but none of these could be ranked with the claim that what was being done was democratic. Americans had come, by the early twentieth century, to value what they thought of as democracy. Indeed, they had come to associate it with their system of government and their liberties in such a way that

they could not readily perceive how things that were claimed to be democratic could be antithetical to their liberties. Some reformers perceived that the American attachment to democracy could be turned to good account; they need only identify their programs with democracy.

Herbert Croly made this rather clear as early as 1909. He declared that the loyalty of Americans "to the idea of democracy, as they understand it, cannot be questioned. Nothing of any considerable political importance is done or left undone in the United States, unless such action or inaction can be plausibly defended on democratic grounds. . . ." ¹ Elsewhere, he points out how this fact can be utilized, saying that "the American people, having achieved democratic institutions, have nothing to do but to turn them to good account. . . . A democratic ideal makes the social problem inevitable and its attempted solution indispensable." ² In short, he was maintaining that the political instrumentality of democracy should be used to transform man and society.

It is doubtful if anything in the history of Christendom can

match the enamorment of Americans with democracy in the twentieth century. They have fought a war to make the world safe for it, written numerous books about it, taught courses about it, thingified it, prayed for it, and embraced it as the unquestioned good. Many writers sprinkle the word on their pages as if it were seasoning, politicians justify their programs by it, and educators call upon it as if it were heavy artillery.

***The Grand Illusion that
"We Are the Government"***

What is so strange about it is that the appeal to democracy is founded upon an illusion. It is an illusion born in ambiguity, nourished by a political party, brought to maturity in romantic confusion, and placed in the service of social reform. But before reviewing this history briefly, the character of the illusion should be made clear.

The fundamental illusion here is that these United States, either singly as represented by the general government or taken together by including the state governments, are a democracy. The general government of the United States is not a democracy. It is not a democracy historically, etymologically, nor in the sense in which reformers use the word to justify their programs. The root meaning of democracy is rule, or govern-

¹ Herbert Croly, *The Promise of American Life*, Cushing Strout, intro. (New York: A Capricorn Book, 1964), p. 176.

² *Ibid.*, p. 25.

ment, by the people. Government, according to the *American College Dictionary*, means, "the authoritative direction and restraint exercised over the actions of men in communities, societies, and states; direction of the affairs of a state, etc.; political rule and administration. . . ." It should be clear that in the United States the people do not govern. They do not make the laws. They do not administer the laws. They do not enforce the laws. These functions are performed by those people in government service. Nothing should be plainer than this.

Lincoln's Phrase Examined

Some of the confusion about our system of government can be cleared up by reference to the most famous, and repeated, purported description of that system, the phrase extracted from Lincoln's Gettysburg Address. As rhetoric, the phrase — "government of the people, by the people, for the people" — has much to commend it. It is simple, well balanced, and easily remembered. Unfortunately, it has come to have the standing of revealed truth when, in fact, as description, it is part true, part false, and part dubious.

It may be accurate to say that ours is a government of the people, that is, that it *derives its powers* from the people, *operates by the*

consent of the people, and that those who govern are *chosen or appointed* from among the people. But it is not a government *by* the people. To think that it is, is to confuse the governed with the governors. Men exercise the powers of government; they govern or rule. Those who govern are not the people; no magic of voting, appointment, or delegation can transform them into the people. By constitutions, those who govern in the United States are granted *limited* powers to be exercised for a *limited* time to perform *limited* functions. In theory, the people have unlimited power; they may do whatever mortal men can do. (In practice, however, they are limited by constitutions, and those who govern are charged with seeing that they observe these.) Not so, the governors; they are strictly limited. To believe that the people govern is an illusion; it confuses governors with governed, and opens the floodgates to unlimited power of the governors over the governed. Lincoln's description here was inaccurate. As to whether ours is a government *for* the people, that depends upon how the powers are exercised.

The notion that the United States is a democracy is almost as old as the republic about which the confusion exists. As early as 1835 Alexis de Tocqueville, a

Frenchman, published a book in Europe whose title in English translation is *Democracy in America*. Partisans of the Democratic Party were already beginning to refer to our system as democratic. By the latter part of the nineteenth century, the name had stuck, and Americans came to assume that theirs was a democracy.

It was generally understood at the time of the drawing and ratification of the Constitution of 1787 that it did not provide for democracy. The Founders understood that, in classical terms, they were providing for a mixed government. Its various branches were described as monarchical (the executive), aristocratical (Senate and possibly the Supreme Court), and democratical (House of Representatives). They understood very well, of course, that of the offices they were providing for, the President was not to be a monarch, the Senate not to compose an aristocracy, nor the House a democracy. The terminology was drawn from their understanding that there are three forms for the exercise of political power — monarchy, aristocracy, and democracy — and that they were assigning authority and responsibility to bodies derived from each of these forms. The power to be exercised was derived from the people by the representative principle. The resulting gov-

ernment they understood to be a republic.

The Founders' Intent

The Founders neither intended to found a democracy nor did they. There were two main objections to a direct democracy at the time. One was that the country was too extensive for any such mode of the exercise of power. The other objection was much more fundamental and universal in its implications. It was that even if it were territorially practical to have direct democracy, it would not be desirable.

In the debates over ratification in the Massachusetts Convention Moses Ames, who had presumably experienced direct democracy in the town meetings, made the point emphatically. "It has been said that a pure democracy is the best government for a small people who assemble in person. . . . It may be of some use in this argument . . . to consider, that it would be very burdensome, subject to faction and violence; decisions would often be made by surprise, in the precipitancy of passion, by men who either understand nothing or care nothing about the subject. . . . It would be a government not by laws, but by men."³

In the government actually

³ Elliot's *Debates*, Bk. I, vol. 2, p. 8.

founded, the role of the electorate was twofold: to give its *consent* by the choice, either directly or indirectly, of those who were to govern, and to *limit* the actions of those in government by periodic elections.

Yet by the Jacksonian period “democratic” was being used by some to describe the American way. The Jacksonians claimed to be lineal descendants of the Jeffersonians, and a good case can be made in justification of the claim. Later historians have written of “Jeffersonian Democracy,” though Jefferson called his the Republican Party. Nevertheless, Jefferson did use the term “democracy” to refer to American ways, and it is appropriate to go back to him for an historical examination of the matter in hand.

The belief that the United States is a democracy arose mainly from an ambiguous use of the word “government.” If Jefferson, Jackson, and their followers, had consistently thought of government as that which has a monopoly of the use of force in a given jurisdiction, they would not have thought of the United States as a democracy. They understood the political arrangements in this country too well for that. But they thought of government as also embracing the management by an individual of his personal affairs as well. This

is often referred to as self-government. The difficulty with such usage is that it introduces ambiguities; it blurs the distinction between an individual’s control of his affairs and the actions of agents of government — a distinction too important to be ignored. The confusion of these distinct activities set the stage eventually for a vast extension of governmental power at the expense of the individual’s control of his affairs.

Both Jefferson and Jackson Opposed Big Government

Of course, neither the Jeffersonians nor the Jacksonians foresaw any such consequences. Indeed, there is great irony here, for both men and their followers were opponents of large governmental establishments and defenders of individual liberty. The Jeffersonian Republican Party drew its following from those concerned to limit the powers of the general government, to delineate the rights of the individual, and to secure the powers of local governments. The Jacksonians were vigorous opponents of governmental intervention in the economy, of the grant of special privileges, and of the use of large governmental powers in the lives of the citizenry.

Jefferson made his position clear on the role of government in his First Inaugural Address. He said

that what was needed was "a wise and frugal government which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned." Still, he did confuse the issue as between political government and self-government. On one occasion, he wrote: "We of the United States, you know, are constitutionally and conscientiously democrats." He offered this explanation for the claim:

We think experience has proved it safer, for the mass of individuals composing the society, to reserve to themselves personally the exercise of all rightful powers to which they are competent, and to delegate those to which they are not competent to deputies named, and removable for unfaithful conduct by themselves immediately.⁴

That he thought of the matter primarily in terms of men managing their own affairs is made clear in the following. He said that Americans had imposed on them "the duty of proving what is the degree of freedom and self-government in which a society may venture to leave its individual

members."⁵ Moreover, "I have no fear but that the result of our experiment will be that men may be trusted to govern themselves without a master."⁶

The Jacksonians were, if anything, more concerned with limiting government than the Jeffersonians and, at the same time, more fertile in producing confusions about self-government and democracy. In the *Democratic Review*, initiated in 1837, the author declared:

The best government is that which governs least. No human depositories can, with safety, be trusted with the power of legislation upon the general interests of society so as to operate directly or indirectly on the industry and property of the community.⁷

The same author declared, "This is the fundamental principle of the philosophy of democracy, to furnish a system of administration of justice, and then leave all the business and interests of themselves, to free competition and association; in a word, to the *voluntary principle*. . . ."⁸

William Leggett, another Jacksonian, enunciated similar principles in the 1830's. "The funda-

⁵ *Ibid.*, p. 77.

⁶ *Ibid.*

⁷ Joseph L. Blau, ed., *Social Theories of Jacksonian Democracy* (New York: Liberal Arts Press, 1954), p. 27.

⁸ *Ibid.*, p. 28.

⁴ Edward Dumbauld, ed., *The Political Writings of Thomas Jefferson* (New York: Liberal Arts Press, 1955), pp. 48-49.

mental principle of all governments," he said, "is the protection of person and property from domestic and foreign enemies. . . ."⁹ When it has done that, he thought, men may be expected to look after themselves:

As a general rule, the prosperity of rational men depends upon themselves. Their talents and their virtues shape their fortunes. They are therefore the best judges of their own affairs and should be permitted to seek their own happiness in their own way, untrammelled by the capricious interference of legislative bungling, so long as they do not violate the equal rights of others nor transgress the general laws for the security of person and property.¹⁰

He identifies this with democracy by saying that "If government were restricted to the few and simple objects contemplated in the democratic creed, the mere protection of person, life, and property . . . , we should find reason to congratulate ourselves on the change in the improved tone of public morals as well as in the increased prosperity of trade."¹¹

Walt Whitman, too, was an apostle of democracy (or of Democracy, for the word had not lost its partisan connotations when

he wrote the words below). His views were similar to those above. "*Men must be 'masters unto themselves,' and not look to presidents and legislative bodies for aid.*"¹² This being so, that government is best which governs least.

One point, however, must not be forgotten—ought to be put before the eyes of the people every day; and that is, although government can do little *positive* good to the people, it may do an *immense deal of harm*. And here is where the beauty of the Democratic principle comes in. Democracy would prevent all this harm. It would have no man's benefit achieved at the expense of his neighbors. . . . While mere politicians, in their narrow minds, are sweating and fuming with their complicated statutes, this one single rule, rationally construed and applied, is enough to form the starting point of all that is necessary in government; *to make no more laws than those useful for preventing a man or body of men from infringing on the rights of other men.*¹³

A Large Measure of Self-Control

The Jacksonians, then, had a theory of democracy, a theory which involved limited government, free trade, a society of equals before the law, and each man pursuing his own interests limited

⁹ *Ibid.*, p. 75.

¹⁰ *Ibid.*, p. 76.

¹¹ *Ibid.*, p. 87.

¹² *Ibid.*, p. 131.

¹³ *Ibid.*, p. 132.

only by the equal rights of others. In this way, the energies of each man would be released to make the most for himself and contribute the greatest amount to the general well-being. They perceived that from the diverse activities of men a near miraculous harmony of achievement emerged. They surrounded their idea of democracy with a romantic aura, and some men sang praises to it. The author in the *Democratic Review* broke forth in what amounts to a lyrical litany to democracy:

We feel safe under the banner of the democratic principle, which is borne onward by an unseen hand of Providence, to lead our race toward the high destinies of which every human soul contains the God-implanted germ; and of the advent of which — certain, however distant — a dim prophetic presentiment has existed, in one form or another, among all nations in all ages.¹⁴

It is quite probable that it was some such conception of the American system as this that Lincoln had in mind when he drew the fateful phrase for the Gettysburg Address. And, in this sense — conceiving the people as individuals, and government primarily as self-government — it may have been descriptively apt to refer to the system as a government of, by, and for the people. It is not diffi-

cult to understand, either, how many Americans could come to value democracy so highly. As I have pointed out, however, the conception was flawed by ambiguity. There was no clear distinction between government as force and “government” as a man’s management of his own affairs.

Indeed, the Jeffersonians and Jacksonians did not see the need for making such a distinction. What is correctly called government was only an extension of the principle of a man’s control of his affairs to a different arena, when the government was popularly based. They were majoritarians; they thought that when government derived its power from a broad general consent that the liberties of the individual would be most secure. The effort to extend the suffrage was thought of as part and parcel of an attempt to be rid of special privileges, governmental favors, and the use of government for special interests.

Reversing the Historic Pattern of Governmental Privileges

In historical perspective, their case was an impressive one. Governments had ever and anon been used for the advancement of the few at the expense of the many. Men of wealth and station had used government to consolidate their positions, to confer titles and

¹⁴ *Ibid.*, p. 30.

hereditary positions upon them, and to grant them exclusive franchises and monopolies. Could the poor not see that their hope lay in limiting government, in *laissez faire*, in allowing each man to receive as his efforts and ability merited? Could those of the middling sort not perceive that their advantage lay with a free and open economy?

For the moment, in the mid-nineteenth century, they could. There were as yet no widespread theories about using the government positively to benefit the less well off. No grandiose plans for redistributing the wealth had yet been spread to bemuse and enamor the ne'er-do-wells. In the last decades of the nineteenth century, however, the situation was changing. Social theorists, utopians, reformers, communitarians, populists, anarchists, socialists, and others were spreading their ideas. The programs ranged from Henry George's proposal to confiscate all rent, to the Populist idea of partial government ownership of the means of production, to Daniel De Leon's full-fledged Marxist socialism. The siren song that all sang, however, was that the government (as force) should be used for the benefit of the general populace, at the expense of the few. The hoary practices of discrimination by government were to be reversed; the

have-nots were at last to be made the beneficiaries of government.

Perverting the Democratic Ideal

Clearly, however, American institutions, traditions, and beliefs ran counter to any such usage. American democracy stood for limited government, for equality of all (including the rich) before the law, for each man to seek his own good in his own way, and for each to receive the rewards of his own labor. Perhaps a revolutionary socialist would conclude that democracy would have to go, then. After all, some were concluding that socialism would have to be ushered in by an elite. However, evolutionary socialists — Fabians, gradualists — proposed to turn the materials at hand to their ends. Democracy was a concept too deeply ingrained in American thought, as Herbert Croly indicated, to be ignored. It must be somehow subsumed into the new vision; it must be "instrumented" for new social ends.

But for this to be done the conception of democracy would have to be transformed; the old democracy would have to be displaced by a New Democracy. This was the burden of Walter Weyl's book, *The New Democracy*, examined in the last chapter in another connection. He made no secret of the fact that this was what he was

about. He referred to the "so-called individualistic democracy of Jefferson and Jackson," and declared that whatever its merits had been at the time it was now obsolete. "The force of our individualistic democracy might suffice to supplant one economic despot by another, but it could not prevent economic despotism."¹⁵ What he meant was that when each man got the rewards of his efforts, some got much more than others. In consequence, "to-day no democracy is possible except a socialized democracy."¹⁶ The reason for this, he claimed, was that the "individualistic point of view halts social development at every point. Why should the childless man pay in taxes for the education of other people's children? . . . To the individualist taxation above what is absolutely necessary for the individual's welfare is an aggression upon his rights and a circumscription of his powers."¹⁷

This conception of democracy would have to be changed:

In the socialized democracy towards which we are moving all these conceptions will fall to the ground. It will be sought to make taxes conform more or less to the ability of each to pay; but the en-

gine of taxation, like all other social engines, will be used to accomplish great social ends, among which will be the more equal distribution of wealth and income. The state will tax to improve education, health, recreation, communication . . . , and from these taxes no social group will be immune because it fails to benefit in proportion to cost. The government of the nation, in the hands of the people, will establish its unquestioned sovereignty over the industry of the nation, so largely in the hands of individuals.¹⁸

The "people," however, had generally been less than enthusiastic at that time about such thoroughgoing "democracy." To change popular opinion, Weyl believed it would be necessary to undertake an immense educational program. People must be led to

recognize that we have the social wealth to cure our social evils — and that until we have turned that social wealth against poverty, crime, vice, disease, incapacity, and ignorance, we have not begun to attain democracy. We must change our attitude towards government, towards business, towards reform, towards philanthropy, towards all the facts immediately or remotely affecting our industrial and political life.¹⁹

Such an "educational" program was, of course, undertaken, and the story of it will be told later.

¹⁵ Walter E. Weyl, *The New Democracy* (New York: Macmillan, 1912), pp. 161-62.

¹⁶ *Ibid.*, p. 162.

¹⁷ *Ibid.*, p. 163.

¹⁸ *Ibid.*, pp. 163-64.

¹⁹ *Ibid.*, p. 273.

**The "New Democracy" Contingent
on a New Class of Rules**

But the important point here is this: The ambiguity of the earlier conception of democracy was dissolved into an illusion. Democracy was transformed into a political conception. The government (as force) was to undertake the myriad functions being prescribed. What had formerly been done by the people (individually) was now to be done for them by the government. But that would not be democratic. The people collectively could not even perform the simpler offices of limited government. To understand this it is only necessary to imagine all Americans gathered to welcome a foreign ambassador or directing a military undertaking. No, an electorate could not even direct the simplest of activities; for that it had to choose representatives, and these had to appoint agents. These agents were not the people, a fact well understood earlier, and they had to be checked else they would become despotic. For that, elections would serve, or so they hoped.

Now, however, governments were to undertake vastly complex

activities, activities whose complexities eluded the understanding of all except a few. Governments were to plan economies, control economic activities, attempt to effect distributive "justice," enter into every facet of the lives of people. If this could be done, it certainly could not be done by the "people." All constructive activity requires organization. If more than one person is involved, hierarchical organization becomes necessary. Authority and responsibility must be located in a single head, and if the undertaking involves a great many people, there must be a "chain of command." Insofar as the American political system provides for such organization, it is not democratic (it is monarchic and aristocratic, a fact well understood by the Founders); insofar as it is democratic, it does not encompass such organization and activity.

In short, the reformers could not effect their programs by democratic means. They could, however, change the conception of democracy into a conception of ends and use undemocratic means to the end. The story of how they did this needs to be told, also. ♦

The next article in this series will pertain to "The Democratic Elite."

"Every employee is ENTITLED to a fair wage."

BEING "FAIR" in the determination of wages is an axiom of good management, a "demand" of union leaders. But at the risk of appearing to be "unfair," let us examine the notion that "every employee is *entitled* to a fair wage."

Suppose, for instance, that a man is employed to produce ordinary aluminum measuring cups. Working with only such hand tools as a hammer and cutting shears, he is able to cut and form two cups an hour—16 in an 8-hour day; and these hardly the streamlined models which grace a modern kitchen.

A block away, a man using a press, dies, and other mass production equipment turns out high quality aluminum measuring cups at a rate of 320 a day. What is a "fair wage" in each of these plants? Is it the same for the highly skilled man who forms cups with hand tools as for the man who mass produces them at twenty times the first man's rate?

Mr. Anderson is Manager of the Employers' Association of Milwaukee.

If the advocate of "fair wages" begins with the assumption that two dollars an hour is a fair wage for the man using hand tools, it is clear that each cup must sell for no less than one dollar—just to cover labor costs. But charging any such price for handmade cups obviously is out of the question if superior cups from the nearby competing plant are offered, shall we say, at 25 cents each.

If the consumers' choice is to be a determinant of the price of cups, then it appears that this hand craftsman—for the job he is doing—may not be able to earn more than a few cents an hour. Were he to insist on more from his employer, he'd obviously price himself out of that job. This, of course, would leave him the alternative of seeking employment elsewhere; possibly at the more highly mechanized plant in the next block.

Within an economy of open competition, it seems reasonable that any person should be free to