

that when a representative of a soup company tells us that his product makes the best lunch, a healthy skepticism is in order. But when a housing 'expert' unveils the latest plan to 'save the cities' or a member of the education lobby asks for expanded 'opportunities' for youth to consume his product at taxpayer expense, there is a tendency to regard them as wise men promoting the public interest."

Every negative situation faced by blacks today, argues Dr. Sowell, was faced at an earlier time by other immigrant groups. The future success of blacks, he believes, is to look carefully at the qualities which other groups developed to improve their condition: "Among the characteristics associated with success is a future orientation — a belief in a pattern of behavior that sacrifices present comforts and enjoyments while preparing for future success."

Today's minorities, Dr. Sowell believes, are not really far behind the 19th century immigrant groups at similar stages of development. The answer, he believes, lies within the groups themselves — not with the larger society. If government would simply stop meddling in such affairs and throwing up roadblocks — such as union shops which have notoriously kept blacks out of skilled

crafts and license laws which restrict entry into many jobs—progress would be more rapid. Prejudice, the author argues, is not eliminated by carrying placards against it but by removing its causes. The small degree of blind racism which remained would be of little consequence.

This book, hopefully, will become a landmark in the literature of race relations and its relationship to economic success. It is an eloquent plea for freedom and free enterprise from a black intellectual about whom we will be hearing a great deal in the future.

- **FAITH AND FREEDOM: A Biographical Sketch of a Great American, John Howard Pew** compiled by Mary Sennholz. (Grove City, Pa., Grove City College, 1975) 179 pp.

Available at \$6.00 from The Foundation for Economic Education, Irvington-on-Hudson, N. Y. 10533.

Reviewed by Mark B. Spangler

"We never plan anything. I think there's got to be more central planning. . . . People may think badly of the idea simply because anything that smells of government and planning stinks. To me it makes sense."¹ Those are

¹ *Time*, February 10, 1975, pp. 70-71.

the words of Henry Ford II, and they express adequately the most significant change American society has undergone over the course of this century. Government has been sanctioned solver of all problems, particularly in the realm of economics. Today the popular search for economic well-being is by way of special privileges or money transfers from the government.

Instructors and students enjoy the use of federal and state aid at schools. Urban renewal officials use federal grants to reconstruct communities. Failing industries petition for federal subsidies as do bankrupt cities. "Charity" has come to mean distributing food stamps, unemployment relief, old age care, health aid, and so on. If the government is not called upon to subsidize, then it is expected to control certain actions of individuals. The federal government controls prices that are too high or too low; it regulates competition that is too much or too little. By issuing licenses and permits, the state decides who can enter an occupation and who can build what and where. Employers are told whom they can employ and under what conditions; new workers can be told to join a union. And so it goes today — utilizing government for the benefit of one at the expense of another's

liberty or income. Unfortunately, the play does not end happily. History has seen such performances time and again and knows the outcome.

Consider the following, in direct contrast to the present picture:

To J. Howard Pew, every wanton restraint to individual liberty whether practiced by a dictator or a popular government, was a degree of tyranny. He opposed every form of government intervention with the creative activity of man. With heavy heart he watched the growth of government in Washington and saw its bureaucracy encroach upon the traditional freedoms of Americans. To him central planning and control meant denial of individual freedom to plan and control. Therefore in countless speeches, he pleaded the case for individual freedom and the private property order, which to him was "the great American Heritage."

Who was J. Howard Pew? He was an industrialist, researcher, developer, manager, and corporate president; he was an entrepreneur of the oil industry. His career covered nearly three quarters of this century and witnessed the transformation of a free society into a highly controlled society. He saw faith in free men discarded for faith in the state. "A free economy is only possible when all people stand equal before the law. That is the principle laid

down in our constitution. . . . But this principle has been violated time after time. . . ." was one way J. Howard Pew described the present course of America.

His actions and words endorsed freedom and free enterprise; he rejected the free society's only alternative, the centrally commanded society and economy. As an "economist" he saw the efficiency of free markets; as a person he saw the morality of individual freedom. Mrs. Sennholz reports that Howard Pew was defiant and recalcitrant to the authorities of the world, but malleable to eternal principles. *Faith and Freedom* traces the application of Mr. Pew's principles to the domains of education, economics, industry, charity, religion, the importance of America's heritage, and the problems which America faces today.

How did Howard Pew approach the problem of serving consumer demands for higher education? He used the same cost-cutting, managerially-efficient approach that enables enterprises to bring all other goods and services to the masses. Certainly he never looked to government to subsidize his enterprise. Profitable enterprises plow the company's earnings back into the business to expand and to continue to serve consumers. Comprehending the economic impor-

tance of competition, Mr. Pew spoke against business using politics to restrict competitors: "We believe in competition for ourselves. . . . We have never sought . . . a sheltered position. . . . If somebody else can serve the public better in quality or price, he is entitled to the business."

He wisely recognized that in a free market employers must compete for labor's services; hence, he took a personal interest in his employees. Howard Pew initiated a stock purchase plan for his employees; and during the Great Depression he refused to make general layoffs or wage reductions. He understood how free market prices regulate an economy and direct its production; price controls only restrain economic growth. Mrs. Sennholz has included in the book one of his 1934 speeches relating the damaging repercussions that could have been brought upon the oil industry if at that time the government had imposed controls just on transportation. He gives a clear description of the process by which federal controls snowball once initiated.

The major evil of our time is inflation, and Howard Pew knew that inflation is the expansion of the money supply by federal officials. It is such expansion which causes prices to rise in a general


fashion, thus bringing instability to the economy and making calculation almost impossible. "War, pestilences, plagues, and catastrophes rarely bring about the fall of a nation; but inflation has been responsible for the downfall of many great empires of the past," he said.

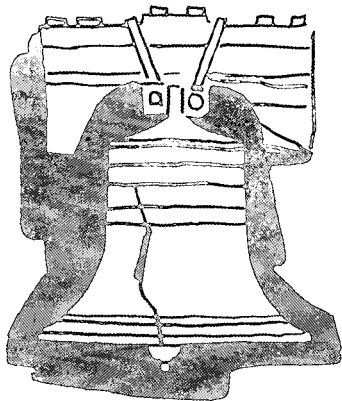
J. Howard Pew saw that government security is a fraud: "it has nothing excepting only that which it takes from the people. The key to security is production." The greatest economic charity to Mr. Pew was every productive effort that enables other individuals to become independent of alms. He thought the greatest danger to charity was the rise of compulsory benevolence by an omnipotent provider state. Above all, while voluntary activity strengthens social cooperation, the coercive redistribution by the state generates conflict and breeds corruption. Charity is a moral obligation that is comprehended in the realms of religion and education; charity is not forced giving.

America's economy did not become prosperous and strong by

mere accident, nor has it deteriorated to its present state by pure chance. Ideologies shape and govern society. A faith in free men gave America its strength; a faith in the state has been undermining the foundation of America. Howard Pew put it this way:

If you believe in freedom for the individual, you must be opposed to any encroachment of government on the rights of individuals. If you believe that everyone is entitled to the opportunity for an education, you cannot believe in government control of that education. If you believe in a free market you cannot justify government price controls. If these are your principles, they admit no compromise, for you cannot mix right with wrong any more than you can mix contaminated water with pure water without having the whole water contaminated — and it makes no difference how little contaminated water there may be in the mixture.

Faith and Freedom is simple and straightforward; it is a common sense expression of the actions and thoughts of an industrial genius defending freedom and free enterprise. 



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