

**Answers to the Liberty Quiz questions on page 463.**

1. Trial by battle. Apparently the custom had been to settle many disputes by fighting. King Henry II (1154–1189) introduced a number of legal reforms which, among other things, gave people the option of having a group of peers resolve a dispute. Historian F.W. Maitland: “The person sued might refuse trial by battle and have the question ‘Who has the best right to this land?’ submitted to a body of his neighbors sworn to tell the truth.”

2. John Hancock (1737–1793), the resourceful Boston merchant who defied British mercantilist restrictions and, with his sloop *Liberty*, smuggled cloth, hardware, coal, wine, tea, and other contraband. He led protests against British taxes. Hancock was president of the Second Continental Congress, the first elected governor of Massachusetts, and the first to sign the Declaration of Independence. Reportedly, a quarter of the signers were smugglers.

3. The Bill of Rights. Soon after the Constitutional Convention made its proposed Constitution public on September 17, 1787, people who became known as Antifederalists objected that it lacked a bill of rights specifically prohibiting the federal government from violating key civil liberties. The Constitution was ratified without a bill of rights, but Antifederalists threatened to push for a second constitutional convention. To head this off, James Madison sponsored a bill of rights during the first session of Congress.

4. The Emancipation Proclamation didn’t free a single slave. President Lincoln issued it on September 22, 1862, and it applied only to slaves in the rebel South—then beyond Union control. The aim of this war measure was to help stir insurrection in the South. The Emancipation Proclamation didn’t apply to the North or loyal border states, so slavery continued there.

5. Southern state governments enacted “black codes” which made it difficult for blacks to compete with whites in business and professions. To help protect freedom of

contract and property rights for blacks as well as everyone else, Congress passed the Civil Rights Act of 1866. But in 1872, the Supreme Court refused to uphold freedom of contract and property rights for blacks. These were the notorious *Slaughter-House Cases*.

6. The government school movement gained momentum as politically connected Protestants worked to counter the cultural influence of immigrant Catholic hordes from Ireland and Italy. By controlling school tax money and enacting compulsory attendance laws, Protestants could indoctrinate millions in schools they controlled.

America was a highly literate nation long before government schools dominated education. This is apparent from the remarkable number of books sold through the mid-nineteenth century. In 1863, *American Publisher’s Circular* reported some annual sales, including Harriet Beecher Stowe’s *Uncle Tom’s Cabin*, 310,000 and Washington Irving’s works, 800,000. Altogether, Anna Sewall’s *Black Beauty* sold 3 million copies; Noah Webster’s spelling book, 24 million copies; William McGuffey’s *Readers*, 125 million copies. Moreover, foreign visitors like Alexis de Tocqueville reported their impressions that literacy was widespread.

7. Contemporary and near-contemporary accounts suggest the Sherman Antitrust Act was passed to provide political cover for the McKinley Tariff, enacted at nearly same time. Back then, many observers commented on the hypocrisy. For example, New York lawyer Franklin Pierce: “We provide for high duties upon foreign imports for the protection of home industries, and when a monopoly controlling the home market results therefrom, then pass penal laws punishing the monopoly. In this way our politicians prove to the great combinations who furnish campaign disbursements for political parties their fidelity to monopolistic interests, while, by the penal statute, they assure the people that they are against trusts.”

8. Amidst the deep depression of 1920, President Warren Harding ordered 40 percent spending cuts. This depression was

over by July 1921, and the great boom of the 1920s got underway.

National income grew from an estimated \$59.4 billion to \$87.2 billion between 1921 and 1929. Record numbers of Americans bought their own homes. Annual sales of radios soared from about \$10 million in 1920 to \$411 million in 1929. By 1929, there were over 26 million cars registered in the United States, about one for every five Americans. Books sold in record numbers. To be sure, a few groups didn't share in the overall prosperity—notably farmers. They had expanded capacity dramatically during World War I, and afterwards European farmers resumed their normal production levels. So there was substantial excess capacity which farmers were reluctant to liquidate. This depressed agricultural markets for years.

9. Organized crime arose because of alcohol Prohibition during the 1920s. Enterprising individuals filled the continuing demand for adult beverages. They were often rough characters, because one sometimes had to be rough to enforce illegal contracts—courts wouldn't do it. As Milton Friedman reported on homicide trends: "There was a steady rise through World War I, and then an even steeper rise when the Eighteenth Amendment prohibiting the production, distribution, and sale of alcoholic beverages became effective. That rise peaked in 1933, the year in which the Prohibition amendment was repealed. The homicide rate then fell. . . ."

10. The Federal Reserve System was a key culprit responsible for the Great Depression. The Fed is subject to political influence. In addition, it's always difficult to interpret conflicting information, which means human error is a continuing risk. Because the Fed has considerable impact over the money supply, its errors can have a traumatic impact on the economy, as they did during the 1930s. In general, the half-century following the establishment of the Fed was more unstable than the half-century preceding it.

11. Nations raised tariffs on American products as retaliation against the Tariff Act

of 1930 (Smoot-Hawley). They singled out products which hurt Americans the most. Spain, for example, retaliated against U.S. tariffs on Spanish cork, wine, and oranges by slapping 125 percent tariffs on U.S. cars. In Italy, Mussolini had resisted pleas for protection until Smoot-Hawley, but afterwards he agreed to effectively ban U.S. cars and radios. The Swiss boycotted U.S. products—typewriters and gasoline were especially hard-hit. America's long-time friends and military allies like Canada, Britain, and France were as angry as everyone else. Overall, following Smoot-Hawley, U.S. exports plunged as much as 90 percent.

12. Taxes hit Depression-era farmers harder than anything else, costing more than farm mortgages. State and local governments got most of their revenue from property taxes which remained high even though farm commodity prices declined during the Great Depression.

13. The New Deal destroyed jobs by increasing taxes for a variety of spending schemes. For example, New Dealers tried to prop up farm income by reducing farm production, but this destroyed jobs, as Agriculture Secretary Henry Wallace admitted in 1934: "I am fully aware that acreage adjustment produces its unemployment problem just as the shutting down of factories in the cities."

Other New Deal job destroyers: National Industrial Recovery Act (1933), which established cartels to restrict production and hence employment; the Wagner Act (1935) which enabled unions to expand their power and get higher wages, thereby reducing the number of jobs employers could afford; the Social Security Act which, by introducing a new payroll tax, increased the cost of creating new jobs, reducing the number that could be created; Fair Labor Standards Act (1935) which made it illegal for employers to hire people who added less value than a minimum wage.

14. The New Deal certainly did not get America out of the Great Depression. In 1932, when Roosevelt was elected, 11,586,000 people were unemployed. In 1939, almost as many people were still unemployed—

11,369,000. In 1932, 16,620,000 people were on welfare. Eight years later, even more people were on welfare—16,908,000.

15. Woodrow Wilson (1916), Franklin Roosevelt (1940), and Lyndon Johnson (1964) all promised the American people to stay out of war, then maneuvered in.

16. According to the late Henry Hazlitt, U.S. legislative bodies enact some 150,000 new laws a year. Estimate is from the 1970s. There's no reason to suppose this number would be lower. Indeed, now that bigger government is back in style, the number seems likely to be higher.

17. The U.S. has 8,753 tariffs on the books.

18. According to James L. Payne's *Costly Returns*, people spend an estimated 5 billion hours a year unproductively trying to comply with tax laws.

19. Government regulations cost Americans about \$600 billion a year. (See *Market Liberalism, a Paradigm for the 21st Century* [Washington, D.C.: Cato Institute, 1993], p. 6.)

20. All these good things which now seem 100 percent American originated elsewhere or owe much to the enterprise of foreign-born people.

#### Scoring:

If you got fewer than 10 questions right, you can look forward to a lot of fun learning more. Between 10 and 15 questions right: congratulations for knowing so much about liberty. Over 15 questions right: obviously, you're an advanced student of liberty.

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