On Behalf of the Ideal

by Leonard E. Read

There is a line of reasoning, gaining ground among businessmen and others, that tends to narrow an understanding of freedom rather than broaden it. It relates in part to our work at the Foundation for Economic Education, and I want to examine the reasoning from this standpoint.

Over the past 14 years—from countries as remote as India as well as here at home—have come inquiries to this effect: "In what ideological pigeonhole can FEE be put? You folks don't quite fit Bentham or the Physiocrats or the Georgists or Smith or Mill or Simons, or any system. Where shall we put you?"

Honor be to these discriminating inquirers, for what FEE attempts to purvey is neither a system nor is it "pigeonholeable." On the contrary, we seek to learn of freedom in its consistent, undiluted, ideal form, and to report candidly and in full what that search reveals.

This effort on behalf of the ideal has met with enough approval to put FEE on its educational and financial feet. While always challenged and even criticized by many "practical" people—among whom are some of the world's greatest producers—there has been an adequate corps of what we shall call idealists to keep FEE going as a small-scale enterprise. Now, however, "practicality" appears to be winning converts from among those who were thought to be the idealists. Limiting these comments to the "practical" as distinguished from the idealistic businessmen and putting it bluntly, defections are observed at a time when leadership on behalf of the ideal might well turn the tide for freedom.

These "practical" people—many of them will readily acknowledge that our society is shot through and through with socialism. But, having said this, they will add, "While I agree with your idea of the ideal society in *theory*, it is utterly naïve to insist upon its rightness in today's world. The existing political interventions are *fait accompli*, water over the dam. To condemn them and to suggest the ideal in their stead, as you so undeviatingly do at FEE, is to operate in a dreamland. Forget about upholding the ideal and do your educational work for freedom premised on the *what is*, not on an idealistic *what-ought-to-be*. Let us be practical!"

Such counsel, increasingly offered, could more accurately be phrased, "Tell us how to make socialism work," as though we at FEE could perform that miracle if only we'd try!

For instance, the "practical" argue that TVA is here to stay, as are subsidies to farmers, compulsory Social Security, federal delivery of the mails, exchange controls, the minimum wage at which one is allowed to work, the maximum one is permitted to earn, coercive

Leonard E. Read established FEE in 1946 and served as its president until his death in 1983. This article, one of Mr. Read's Notes from FEE messages, is excerpted from Essays on Liberty, Vol. VII (1960), pp. 332–436. It is the tenth in a monthly series commemorating the 100th anniversary of Mr. Read's birth.

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powers in the hands of labor unions called "gains for the laboring man," indeed any item of socialism once it is put on the statute books. Everything, no matter how absurd, appears sacrosanct to them the moment it becomes law. Thus, they regard as foolhardy any questioning of what they deem "unalterable." The president of one of America's largest corporations summarized their conclusions, "We wouldn't think of supporting the work of FEE. Why those folks even argue that the government's social security program is not right."

Conceding, as they do, the hopelessness of removing any of the interventions, and recognizing clearly enough the miserable distortions these interventions inflict on a free and competitive market, the "practical" minded look with favor on additional anti-market devices such as governmental protections against their competitors. They privately regard as "economic nonsense" the wage earner's claim to the job he has vacated and, at the same time, claim a right to an exchange made by other parties. They denounce compulsory actions of unions as they ask for compulsory protection for themselves. Their inconsistency, which certainly is apparent to them, is charged off to "being practical."

It isn't that these people quarrel with the way FEE presents the ideal; it is that they reject the presentation of the ideal as sound educational procedure. This brings us to the nub of the question, to the point when analysis of their position is possible.

One thing for certain: our "practical" friends, according to their own admissions, are dead set against any more socialism than we now have. Except for some socialism in the form of protection against competition or a pet project, they stoutly advocate "dropping anchor." Yet, their unwillingness to criticize the status quo, coupled with their refusal to uphold the ideal of a free society for all to see and hear, makes them more effective obstacles to freedom's progress than are the socialists themselves.

This, indeed, is a serious charge. Valid? Let's see.

Socialism has only a few articulate antagonists and only a few articulate protagonists. Between these two small groups are unnumbered millions who are more or less indifferent, who at best are only followers of one camp or the other. Every issue has always been thus.

Socialism's protagonists will argue for, not against, their credo. Count on that!

Now, socialism's antagonists, were they to follow the counsel of the "practical" people, would remain neutral—standing neither against socialism nor for the ideal. In short, not one person in the population would be signaling either right or wrong. What is not shown to be wrong is perforce right, or so that unnumbered millions "who have the votes" would be warranted in concluding....

Those who, in this moral crisis, remain noncommittal while purporting to be private enterprisers are, in effect, however innocently, abettors of collectivism. They, not the socialists, have the educational obligation for stating the private enterprise case, ideally.

Regardless of how thoroughly we may adjust ourselves to our sickness—or even enjoy it—the numerous social diseases must be repeatedly and consistently identified as maladies lest we mistake our sickness for a state of health. Indeed, such diagnostic action is a necessary preface to corrective action, to the presentation and ultimate realization of freedom in its ideal form.

There aren't many of us at FEE naïve enough to believe that identifying socialistic projects as maladies, and upholding the ideal, will bring about the ideal. Any such expectation is absurd among human beings who, by nature, are fallible. However, we do insist that this course is the essence of genuine practicality, for only in this manner can our country's direction be reversed. Man can do no better than travel toward the ideal, and this he can do only if the ideal is sought for and to some extent discovered. We must always face in the right direction! There will never be any undoing of socialism unless the ideal of freedom is identified and upheld with enthusiasm and with undaunted faith.



Employers Swamped by Good Intentions

James L. Payne

One of the hidden costs of regulation is the intellectual burden of keeping up with it. In many cases, finding out what the rules are can be more than a full-time job. Consider the area of employer-employee relations.

A few months ago, an odd travel brochure arrived in my mail. It wasn't printed in four colors, and it didn't invite me to Hawaii or Cancún. No, this brochure offered me Dullsville. Printed on gray paper in blue ink, it urged me to come to the Doubletree Riverside Hotel in Boise, Idaho, to attend an all-day seminar on wage-and-hour legislation. My first reaction was, who would ever go on such an unappealing excursion?

Then I realized that probably *I* should. I run a small business, and I'm thinking of taking on an employee. Reading this brochure about what's involved in hiring somebody gave me lots of second thoughts.

It turns out that there isn't just one law governing wages and hours, but three comprehensive federal acts, plus state laws, as well as all the judicial case law that has grown up over the past half-century. So the eight-hour seminar in Boise barely scratches the surface of this legal specialty. No employer can simply hire a worker on the assumption that if he is fair and reasonable the law will have no quarrel with his behavior. Decades of regulation have put common sense out of the picture, so that only the experts know what's right and wrong.

The seminar, with its 35 sections on different aspects of employment law, helps employers become experts. It tells them how to define "hours worked," how to define "regular rate of pay," and how to define and apply the different types of exemptions from the law. It explains how the law treats time spent on volunteer activities, travel, preparatory activities, on-call duty, sleeping, and going to workshops and conferences. The seminar also covers what the law requires about minimum wages, vacation pay, holiday pay, overtime, jury duty, lunch hours, and work breaks.

Even if you attend this \$169 seminar, it doesn't mean you will avoid problems. Employment law is not a system for preventing disputes. It's a framework for provoking them, and all employers, even the most saintly, need to know how to navigate the sea of litigation. Hence, the seminar devotes an entire section to these hazards, including a "Stepby-step guide through the civil complaint process," a segment on "Defenses available to the employer," and another on "Practical strategies for handling wage/hour claims."

Regulating Snakes in the Workplace

And even if you become a master of all the wage-and-hour regulation, that would only be a beginning. Congress and the courts have

James Payne's most recent book is Overcoming Welfare: Expecting More from the Poor—And from Ourselves (Basic Books).