

THE CASE FOR
ECONOMIC FREEDOM

Benjamin A. Rogge, Ph.D.

Foreword by
Edwin J. Feulner, Ph.D.

Foreword © 2008 by The Heritage Foundation.
© 1979 by Liberty Fund, Inc., from their Online Library of Liberty.
Reprinted by permission of Liberty Fund, Inc.

Foreword

Whenever we find ourselves in economic trouble, whether it is a temporary slowing of the economy or a true recession, there are those who insist we must turn to The Government to rescue us. The proposed remedies are always variations on a Keynesian theme: increased government spending, higher taxes on the “rich,” more regulations on this or that industry, tariffs and quotas, wage and price controls, all propelling us faster and faster down Friedrich von Hayek’s “road to serfdom.”

So it was in times past, so it is today.

But in the same crisis, there have always been voices of reason and foresight that proposed a different road—the road to freedom, opportunity, prosperity, and a civil society.

In these President’s Essays that began more than twenty years ago, I have explored the ideas and lives of conservatives who have been champions of liberty and opponents of tyranny, foreign and domestic. As we consider how best to work our way out of our present economic difficulties, I immediately think of three eloquent exponents of the free market: Friedrich von Hayek, Ludwig von Mises, and Milton Friedman. I was privileged to know all three of them.

Professor Hayek was a Distinguished Fellow at The Heritage Foundation and a scholar-in-residence on three separate occasions. My wife, Linda, and I hosted several dinner parties in his

honor at our home. My one meeting with Professor Mises occurred in New York City in September 1968 when I was barely out of graduate school. I was awestruck at the opportunity to ask him to inscribe my copies of *Socialism* and *Human Action* and to pose one or two tentative questions. He was patient in his explanations. I was able to talk frequently with Milton Friedman at meetings of the Mont Pelerin Society and the Philadelphia Society. The Heritage Foundation was pleased to confer on Milton and Rose Friedman our highest award—the Clare Boothe Luce Medal. The ideas of these truly wise thinkers continue to inspire all of us on the Board of Trustees and the staff of The Heritage Foundation.

It was Hayek’s stunningly simple insight that the biblical warning, “Pride goeth before a fall,” applies equally to societies as well as individuals. *Hubris* is a tragic flaw not only in ancient Greek heroes, he said, but in modern nation-states.

Hayek recognized that socialism, the collectivist state, and planned economies represent the ultimate form of hubris. Those who plan them attempt—with knowledge that will always be insufficient—to redesign the nature of man. In so doing, they disregard traditions embodying the wisdom of generations and confuse the law they cannot change written in the hearts of men with administrative rules they can alter at their whim. Such presumption, Hayek said, was a “fatal conceit” that would lead inevitably to government planning, collectivism, and the end of liberty.

In 1940, when Ludwig von Mises was nearly sixty years old, he was exiled from his native Austria and came to the United States speaking little English and without an academic appointment. In that year, collectivism was on the march throughout the world. But fifty years later, the former Soviet economist Yuri M. Maltsev would say: “Mises was right and Lenin was wrong.

That is the great lesson of the 20th century.” Once dismissed as a relic, Mises has been revealed as a prophet.

The libertarian economist Murray Rothbard summarized Mises’ general law about government intervention this way: “Whenever the government intervened in the economy to solve a problem, it invariably ended, not in solving the original problem, but in creating one or two others, each of which then seemed to cry out for further government intervention.”

Milton Friedman declared that no one had done more to promote free markets in America than Ludwig von Mises. I think I can be pardoned if I amend that statement to say, “except Milton Friedman.” Milton’s most popular book, written with his wife Rose, was *Free to Choose*, in which he stresses “the importance of the intellectual climate of opinion” which determines the preconceptions of most people and their leaders. That was certainly true of Milton Friedman. Through his books, articles, and lectures, Friedman, who won the Nobel Prize in Economic Science in 1976, materially shifted public attitudes around the world about the role of government.

He did so first by discrediting the idea, common since the Great Depression, that capitalism is inherently flawed and requires the “fine tuning” of government to avoid excess and disaster. Second, he showed in case after case that government interventions in free markets are not only ineffective but result in the exact opposite of their intended purpose. Friedman called this effect the “invisible foot”—the unseen force that makes things go wrong, often terribly wrong, with government social programs.

Third, Friedman insisted that economic, social, and political freedom are inseparable—they are all part of the same yearning of the human spirit. It is not true, he wrote in his seminal work, *Capitalism and Freedom*, “that politics and economics are sepa-

rate and largely unconnected.... Such a view is a delusion.” Economic freedom, he said, is “an indispensable means toward achievement of political freedom.”

And what was the genesis of *Capitalism and Freedom*? A series of lectures delivered in 1956 at tiny Wabash College in Crawfordsville, Indiana (population, 12,000), at the invitation of Professor John V. Van Sickle and the brilliant but largely unknown economist Benjamin A. Rogge, the subject of my President’s Essay for 2008. The Friedman lectures were part of an annual summer seminar sponsored by the Volker Fund and directed by Rogge. The attendees were twenty to thirty young academics from across the country invited to Wabash to learn more about economic freedom.

In the Preface to *Capitalism and Freedom*, Friedman writes that he is “indebted to the directors of these conferences not only for inviting me to give the lectures, but even more for their criticisms and comments on them and for friendly pressure to write them up.” The libertarian scholar Leonard Liggio, who knew both men, says that “Milton had a very high regard of Ben.”

Indeed, Friedman valued Rogge’s counsel so much that he made him a part of the early planning for a television series about the free market that became the award-winning TV program and best-selling book, *Free to Choose*. Friedman knew of Rogge’s role as the narrator of *Adam Smith and the Wealth of Nations*, a documentary film about the father of modern economics produced by the London-based Institute of Economic Affairs and sponsored by the Liberty Fund in Indianapolis.

Friedman introduced Rogge to the *Free to Choose* producer, Bob Chitester, who recalls that he had several meetings with Rogge about the series and invited him to “the first in-depth planning meeting” in the spring of 1977. “It’s fair to say,” says

Chitester, that Rogge “was of considerable help by his enthusiastic endorsement of the project and encouragement of all involved.”

The significant difference that a small school like Wabash College and teachers like Ben Rogge can make on higher education was underscored by Thomas Sowell, America’s leading black intellectual. In his book, *Choosing a College*, published in 1989, Sowell wrote that the classic liberal arts college “is more than a pleasant place where other people know you, though that is not a small consideration for a student living away from home for the first time—especially a shy student.” The learning process, he said, can be far more manageable where professors are teachers first and foremost.

“One of the best taught introductory economics classes I ever saw,” Sowell wrote, “was taught by the late Ben Rogge at Wabash College in Indiana.” He declared that few students would ever receive such “a good foundation” in the subject. “Ben, rest his soul,” summed up Sowell, a trained economist like Rogge, “had obviously thought through all the pitfalls of the subject and led the student safely around them.”

It is not surprising that he was voted Teacher of the Year several times by Wabash students. According to his son Ben Rogge, Jr., “students from all disciplines took his classes and he usually had more student advisees than any other professor at Wabash.”

Integral to Rogge’s teaching was his abundant use of humor. Art Diamond, who studied under Rogge and is now himself a professor of economics, recalls that Rogge liked to say: “I believe that capitalism is the system that produces the wholesome bread, and socialism is the system that produces the moldy bread. But even if I was wrong, and if it was the other

way around, I would choose capitalism because it is the system of free choice.”

Once a student asked him, “Dr. Rogge, don’t you believe we should have a national health-service program of some sort?” Rogge smiled and asked the student, “What do you have against sick people? Would you visit on them the same quality of services we have seen come to other government-run programs or systems” such as the Postal Service?

“Even critics of capitalism,” writes Southern Methodist University Professor Dwight Lee in a forthcoming collection of Rogge’s writings to be published by The Liberty Press, “must have found it difficult to resist being charmed” by someone who started off his strongly libertarian talk by predicting his audience would soon ask, “Rogge, just what kind of nut are you?” But Rogge defended himself by explaining he was really a “Kiwanis Club-type conformist” whose “only attention-drawing eccentricity has been a tendency to give myself all putts under five feet.” But, Lee stresses, Rogge’s humor never distracted “from the seriousness of his purpose or the intellectual depth of his arguments.”

Ben Rogge had a knack for making friends like Thomas Sowell. The two economists met in the late 1960s when Rogge visited Cornell, where Sowell was teaching. Rogge gave a talk on “The Welfare State Against the Negro,” prompting Sowell to write: “It’s really amazing that no one’s thought of this before because there’s so much material there.” At this point Sowell had no thought he would ever take up the subject himself.

For years the two men talked about the work Rogge intended to write about race and economics. But finally it occurred to Ben, said Sowell, “that he was never going to write that book.” He gave his manuscript to the younger economist. “I was flabbergasted,” Sowell recalled. “I don’t think I ever used anything

directly from his manuscript, but the fundamental idea that you could apply economics to racial issues” and which Sowell went on to examine came from Ben Rogge.

As his reputation spread, Rogge came to the attention of the millionaire businessman Pierre Goodrich, who was a trustee of Wabash College. Soon they were exchanging ideas and memoranda and when Goodrich founded the illustrious Liberty Fund, he named Ben Rogge a member of the board. Rogge served as a principal adviser to Goodrich and a leader of various Liberty Fund colloquia for the rest of his life. Their collaboration produced far-reaching consequences in different fields. It was because of the Goodrich-Rogge relationship, according to Professor Emeritus Edward McLean, a longtime Wabash colleague of Rogge, that the eminent jurist Roscoe Pound came to Wabash College to deliver a series of lectures that were later published as *The Development of Constitutional Guarantees of Liberty*.

In his biography of the Goodriches, Dane Starbuck writes, “The thread that tied [Rogge and Goodrich] together was the passion they shared for free market ideas and their desire to see those ideas spread at Wabash and beyond.”

Ben Rogge also served as a director of the Foundation for Economic Education (FEE) and was a frequent speaker, along with FEE president Leonard Read, at its seminars and conferences. A favorite presentation of his at such gatherings was “The Case for Economic Freedom,” which I have selected for this year’s President’s Essay.

Who was this apostle of freedom equally comfortable with a freshman student, a Nobel Laureate, or an eminent entrepreneur? John Moorhouse, a former student who became a distinguished professor of economics at Wake Forest University, described Ben Rogge as “exuberant, knowledgeable, a gifted teacher ... [who] got students to think by asking them ques-

tions.” Dwight Lee, the editor of the new collection of Rogge’s writings, summed him up as one of those people who “understood the value of freedom and responsibility and [were] willing to speak out against the powerful, but often, subtle, forces for tyranny.”

Born in Hastings, Nebraska, in 1920, Benjamin Arnold Rogge learned his ABCs in a two-room schoolhouse. His father was a bricklayer, and the living was anything but easy in rural Nebraska during the Great Depression: the family depended upon the vegetables they grew in the summer to get through the winter. Always a quick learner, Ben graduated from high school at fifteen and worked his way through Hastings College, receiving a B.A. degree, before enlisting in the U.S. Army Air Force in 1941. He served as a navigator in the Air Transport Command throughout World War II, rising to the rank of captain. Following wartime service, he received an M.A. in economics from the University of Nebraska in 1946 and came to Wabash College in 1949. While teaching at Wabash, he earned a Ph.D. in economics from Northwestern University.

Although he could have taught at a more prestigious institution, Rogge remained at Wabash until his early death in 1980 at the age of sixty. During his thirty-one years at the college, he served as a teacher of economics, academic dean, and director of the Wabash Institute for Personal Development, an innovative six-to-nine-week liberal arts course for businessmen. Along with his colleague John van Sickle, he wrote a well-received textbook, *Introduction to Economics*.

Despite persistent heart problems, he maintained a busy off-campus schedule, addressing more than twenty business groups and educational forums every year. In 1972, for example, he appeared before the San Francisco Bond Club, the Michigan Bankers Association, the Milwaukee Society, the Missouri Bankers Association, and an “Economic Seminar for Young

Adults” in South Dakota. He was in frequent demand as a master of ceremonies at important conservative events such as the April 1975 testimonial dinner for F. A. Hayek, hosted by Hillsdale College. Joining Ben as dinner speakers were George Stigler, a future Nobel Laureate in economics; Antony Fisher, founder of the Atlas Economic Research Foundation; and Hillsdale President George Roche.

His daughter Marise Melson describes him fondly as “an evangelist for political and economic freedom.” He was also a remarkably accurate economic forecaster. In 1979, Rogge predicted interest rates would hit 15 to 18 percent in the 1980s—as they did—and that the price of gold would reach \$500 or even \$700 an ounce—it was above \$600 an ounce in the fall of 1980.

At the time of his death, Ben Rogge was Distinguished Professor of Political Economy at Wabash College. With his customary wit, Rogge cautioned people not to overemphasize the importance of his title, describing it as “what they hand out at small colleges to senior faculty members in lieu of cash.”

The high regard in which he was held is evident from the generous contributions to a Benjamin Rogge fund by Wabash alumni like my Heritage colleague Robert Russell. Since 1983, the annual Rogge Memorial Lecture has brought to Wabash such distinguished intellectuals as George Stigler, James M. Buchanan, and Douglass C. North, all Nobel Laureates in Economics, as well as Richard Epstein, Theodore Lowi, Walter Williams, and Manuel Ayau.

Professor Rogge was a member and director of the Mont Pelerin Society, where I had occasion to meet and talk with him. He was an active participant at MPS meetings. At the 1968 meeting in Aviemore, Scotland, for example, he pointed out that for all their talk, the trade unions in America had done little

to advance the cause of the African-American worker. He noted that in New York City there were just three blacks among 2,300 members of an elevator constructors' local.

At the Vichy, France, meeting the year before, Rogge challenged a recent assertion by the liberal economist John Kenneth Galbraith that free market forces no longer mattered. In fact, Rogge pointed out, the respected economist Paul Samuelson wrote in his widely used textbook *Economics* that West Germany's economic "miracle" following World War II was due to "a thorough-going currency reform" that spurred widespread production and consumption. Rogge was warmly applauded by Society members.

Ben was also a member and trustee of the Philadelphia Society, whose conferences brought out the Puck in him, as when he was asked why it was called the Philadelphia Society. "Because," he explained, "our annual meetings are always held in Chicago."

I recall vividly his telling the "official" story of what he called "the least official organization in the history of man." He brought up the renowned but reclusive conservative scholar Russell Kirk, who insisted on living in Mecosta, a tiny town in the middle of Michigan's "stump country," far removed from the city and modern inventions like television. It was at a Philadelphia Society meeting in Chicago, Rogge revealed, that the "monastic" Dr. Kirk first presented to the world his lovely and charming wife, Annette. "The reason that she has missed so many meetings since the first one is that she has been pregnant a good deal of the time since then." Ben paused and then delivered the punch line: "Medieval monk indeed!"

All of what Ben Rogge wrote flowed from his staunchly libertarian philosophy which, borrowing from Albert Jay Nock, he

summed up this way: that *the society* be distinguished from *the state* and that the society not be absorbed by the state.

“I am essentially a conservative on most questions of social organization and social process,” he said. “I do believe in continuity, in the important role of tradition and custom, in standards for personal conduct, in the great importance of the elites (imperfect though they may be).

“But unlike the political conservative, I do not wish to see these influences on individual behavior institutionalized in the hands of the state. As I read history, I see that everywhere the generally accepted social processes have been made into law, civilization has ceased to advance.”

Echoing Hayek, Mises, and Friedman, Ben Rogge stated that the libertarian was in no sense a utopian. “He argues only,” he said, “that in a world in which each individual, imperfect man [is] left free to make his own imperfect decisions and to act on them in any way that is peaceful, enjoying the fruits of his successes and suffering the agony of his mistakes, man [can] at least fully attain to the dignity and tragedy and comedy that comes from being a man.”

Rogge did not hesitate to present provocative solutions to public problems, like the continuing decline of higher education in America, believing that the right ideas can have the right consequences even when things appear hopeless. The heavily subsidized experiment in achieving equality through mass education, he stated, has resulted in making of schools and colleges “a collection of nonstudents under the tutelage of nonteachers and the administration of the incompetent.”

In a slim volume titled *Education in a Free Society*, he and Pierre Goodrich propose that government withdraw completely from education leaving the field to private enterprise. As a

result, they write, some schools would be operated by religious groups, some would be secular. Some would serve the gifted students, some the slower students. Some schools would have a variegated student body, some a homogeneous student body. Some would offer only liberal arts, some vocationally oriented materials, still others some mixture of the two.

The costs of education would be borne by the student or his family or perhaps some patron. It would be better, Rogge and Goodrich argued, to have all schools operated for profit because this would assure they would operate more efficiently and would relieve the grievous burden borne by the taxpayer.

As for equality, the authors are clear: “The only equality that is consistent with freedom is equality before the law. . . . All other forms and types of equalities can be brought into being (if at all) only through the use of force.”

The suggestion to withdraw government from education is certainly a radical proposition, but there are colleges in America—Hillsdale and Grove City come to mind—that spurn all governmental grants, loans, and subsidies. There are hundreds of private elementary and secondary schools, religious and non-religious, that provide far more than an adequate education. And there is a rapidly growing home-schooling movement comprising several million pupils.

Rogge and Goodrich acknowledge that it is highly unlikely their proposals will be adopted, but they wanted nevertheless to present them not as an ideal but as a possible optimum in a free society. They define such a society as one in which the state will be “limited to the role of night watchman,” that is, to preserving the peace, protecting lives and property, and preventing or punishing fraud.

As for the serious economic problems confronting us today, Ben Rogge would advise us to begin with a few fundamental questions. Which principles should guide us as we consider solutions? More government or less government? More regulations or more freedom? More decisions by a far-off bureaucracy in Washington or more decisions by the people acting in their best interests and those of their family and community?

Nearly thirty years ago, in his penetrating book *Can Capitalism Survive?* Ben Rogge made the case for economic freedom—a case which I think is as relevant today as when he wrote it.

He begins by defining economic freedom as “that set of economic arrangements that would exist in a society in which the government’s only function would be to prevent one man from using force or fraud against another—including within this, of course, the task of national defense.” If that definition strikes you as unrealistic or unattainable, it is an indication of how far we have drifted from the free market, the economic philosophy of the Founding Fathers.

Professor Rogge states that the most important part of his case for economic freedom is not its proven efficiency in allocating resources or its success in promoting economic growth but “its consistency with certain fundamental moral principles of life.” Rogge’s emphasis on the moral dimension of the free market system echoes the moral sentiments of Adam Smith and present-day disciples such as Wilhelm Roepke, author of *A Humane Society*, and Michael Novak, author of *The Roots of Democratic Capitalism*. Novak argues, for example, that democratic capitalism is “not just a system but a way of life” with a strong sense of right and wrong.

Rogge’s second key point is that most people will never understand the purely technical workings of any economic system but will judge a system by its consistency with their moral

principles. He offers the following example: Free enterprise was respected in nineteenth century America when it was generally accepted that each man was responsible for what happened to him now and in the hereafter. Most people agreed that it was “immoral to use the power of government to take from one man to give to another.”

But as this doctrine of individual freedom was replaced in the mid-twentieth century by one which made man “a helpless victim of his subconscious and his environment—responsible for neither his successes nor his failures,” the free enterprise system was rejected by many who had no real understanding of its operating principles or characteristics.

Professor Rogge next presents his own values, beginning with the central one—individual freedom. “Each man,” he writes, “must be free to do what is his duty as he defines it, so long as he does not use force against another.” Please note his use of the word “duty,” which implies responsibility—precisely his next value. “I believe,” he says, “each man to be ultimately responsible for what happens to him.” The answer to the question, “Who’s to blame?” is always “*Mea culpa*, I am.”

He also believes that man is “imperfect, now and forever.” And if he is imperfect, all of his constructs must be imperfect, and therefore the choice is always among degrees and kinds of imperfection. “The New Jerusalem,” he says, “is never going to be realized here on earth, and the man who insists that it is, is always lost unto freedom.”

It is, of course, our liberal friends who constantly assert that perfection or near perfection can be attained here and now and through the proper use of government, if only we will give them the power and the opportunity. To which Ben Rogge responds, quoting Lord Acton: “Power tends to corrupt and absolute power corrupts absolutely.”

He catches the modern liberal in a flagrant inconsistency, pointing out that while he is quite indifferent to his economic freedom, he fiercely defends his non-economic freedoms. For Rogge, *all* freedoms are important and interrelated. He even chastises the modern conservative for not doing more to resist censorship and denials of equality before the law for people of all races. “It is precisely because I believe these non-economic freedoms to be so important that I believe economic freedom to be so important.”

He expresses deep concern about the ever-expanding government intervention in our still predominantly private enterprise economy. These interventions, he warns, pose a serious threat to our non-economic freedoms. He points out, for example, that farmers have become captives of the government in such a way so that “they are forced into political alignments that seriously reduce their ability to protest actions they do not approve.”

Each intervention in the economic life of citizens, Rogge says, gives the government additional power to “shape and control” the attitudes, the writings, the behavior of those citizens. Each intervention “is another break in the dike protecting the integrity of the individual as a free man or woman.”

Professor Rogge rests his case for economic freedom not on its undeniably productive achievements but on the consistency of the free market with “man’s essential nature, on the basic morality of its system of rewards and punishments, on the protection it gives to the integrity of the individual.”

It is, I believe, an eloquent case, a powerful case, a convincing case, that he makes for an enduring principle of our nation—“the free market, the expression of man’s economic freedom and the guarantor of all his other freedoms.”



Again this year, I am grateful to my colleague Dr. Lee Edwards for his editorial assistance with my foreword. I deeply appreciate the cooperation and reminiscences of Mrs. Marise Rogge Melson, Ben's daughter; Edward A. McLean, Professor Emeritus of Political Science, Wabash College; my counselor and Wabash graduate, Robert Russell; Ruth Connolly of The Liberty Fund, my colleague on the I.S.I. Board of Trustees; M. Stanton Evans; William F. Campbell, long-time Secretary of the Philadelphia Society; my Mont Pelerin Society colleague, Professor Leonard Liggio; Robert Chitester; and Professor of Economics Dwight Lee of Southern Methodist University, who edited the forthcoming *A Maverick's Insights in Defense of Freedom: Selected Writings and Speeches of Benjamin Rogge*, which will be published by the Liberty Press in 2010. My Heritage colleagues Shawn Ryan, Tim Chapman, Therese Pennefather, Michelle Smith, and Richard Odermatt have all helped in the production of this essay.

The titles and dates of the earlier President's Essays I refer to above are: "Responsibility and Freedom," F. A. Hayek, 1993; "Liberty and Property," Ludwig von Mises, 1998; "Capitalism and Freedom," Milton Friedman, 1997; "Isaiah's Job," Albert Jay Nock, 1990; "Enlivening the Conservative Mind," Russell Kirk, 1992; "The Economic Necessity of Freedom," Wilhelm Roepke, 1988; and "Errand into the Wilderness," Michael Novak, 1989. All of these essays can be found in "The March of Freedom" (second edition, published by The Heritage Foundation, 2003).

Finally, a sincere thanks to all of our friends who, with their suggestions and encouragement, make this annual President's Essay possible.

Edwin J. Feulner, Ph.D.
President
December 2008

THE CASE FOR ECONOMIC FREEDOM

Benjamin A. Rogge, Ph.D.

The Case for Economic Freedom

My economic philosophy is here offered with full knowledge that it is *not* generally accepted as the right one. On the contrary, my brand of economics has now become *Brand X*, the one that is never selected as the whitest by the housewife, the one that is said to be slow acting, the one that contains no miracle ingredient. It loses nine times out of ten in the popularity polls run on Election Day, and, in most elections, it doesn't even present a candidate.

I shall identify my brand of economics as that of economic freedom, and I shall define economic freedom as that set of economic arrangements that would exist in a society in which the government's only function would be to prevent one man from using force or fraud against another—including within this, of course, the task of national defense. So that there can be no misunderstanding here, let me say that this is pure, uncompromising *laissez faire* economics. It is not the mixed economy; it is the unmixed economy.

I readily admit that I do not expect to see such an economy in my lifetime or in anyone's lifetime in the infinity of years ahead of us. I present it rather as the ideal we should strive for and should be disappointed in never fully attaining.

Where do we find the most powerful and persuasive case for economic freedom? I don't know; probably it hasn't been prepared as yet. Certainly it is unlikely that the case I present is the definitive one. However, it is the one that is persuasive with me, that leads me to my own deep commitment to the free market. I present it as grist for your own mill and not as the divinely inspired last word on the subject.

The Moral Case

You will note as I develop my case that I attach relatively little importance to the demonstrated efficiency of the free-market system in promoting economic growth, in raising levels of living. In fact, my central thesis is that *the most important part of the case for economic freedom is not its vaunted efficiency as a system for organizing resources, not its dramatic success in promoting economic growth, but rather its consistency with certain fundamental moral principles of life itself.*

I say, "the most important part of the case" for two reasons. First, the significance I attach to those moral principles would lead me to prefer the free enterprise system even if it were demonstrably less efficient than alternative systems, even if it were to produce a *slower* rate of economic growth than systems of central direction and control. Second, the great mass of the people of any country is never really going to understand the purely economic workings of *any* economic system, be it free enterprise or socialism. Hence, most people are going to judge an economic system by its consistency with their moral principles rather than by its purely scientific operating characteristics. If economic freedom survives in the years ahead, it will be only because a majority of the people accept its basic morality. The success of the system in bringing ever higher levels of living will be no more persuasive in the future than it has been in the past. Let me illustrate.

The doctrine of man held in general in nineteenth-century America argued that each man was ultimately responsible for what happened to him, for his own salvation, both in the here and now and in the hereafter. Thus, whether a man prospered or failed in economic life was each man's individual responsibility: each man had a right to the rewards for success and, in the same sense, deserved the punishment that came with failure. It followed as well that it is explicitly immoral to use the power of government to take from one man to give to another, to legalize Robin Hood. This doctrine of man found its economic counterpart in the system of free enterprise and, hence, the system of free enterprise was accepted and respected by many who had no real understanding of its subtleties as a technique for organizing resource use.

As this doctrine of man was replaced by one which made of man a helpless victim of his subconscious and his environment—responsible for neither his successes nor his failures—the free enterprise system came to be rejected by many who still had no real understanding of its actual operating characteristics.

Basic Values Considered

Inasmuch as my own value systems and my own assumptions about human beings are so important to the case, I want to sketch them for you.

To begin with, the central value in my choice system is individual freedom. By freedom I mean exactly and only freedom from coercion by others. I do not mean the four freedoms of President Roosevelt, which are not freedoms at all, but only rhetorical devices to persuade people to give up some of their true freedom. In the Rogge system, each man must be free to do what is his duty as he defines it, so long as he does not use force against another.

Next, I believe each man to be ultimately responsible for what happens to him. True, he is influenced by his heredity, his environment, his subconscious, and by pure chance. But I insist that precisely what makes man man is his ability to rise above these influences, to change and determine his own destiny. If this be true, then it follows that each of us is terribly and inevitably and forever responsible for everything he does. The answer to the question, "Who's to blame?" is always, "*Mea culpa*, I am."

I believe as well that man is imperfect, now and forever. He is imperfect in his knowledge of the ultimate purpose of his life, imperfect in his choice of means to serve those purposes he does select, imperfect in the integrity with which he deals with himself and those around him, imperfect in his capacity to love his fellow man. If man is imperfect, then all of his constructs must be imperfect, and the choice is always among degrees and kinds of imperfection. The New Jerusalem is never going to be realized here on earth, and the man who insists that it is, is always lost unto freedom.

Moreover, man's imperfections are intensified as he acquires the power to coerce others; "power tends to corrupt and absolute power corrupts absolutely."

This completes the listing of my assumptions, and it should be clear that the list does not constitute a total philosophy of life. Most importantly, it does not define what I believe the free man's *duty* to be, or more specifically, what I believe my own duty to be and the source of the charge to me. However important these questions, I do not consider them relevant to the choice of an economic system.

Here, then, are two sections of the case for economic freedom as I would construct it. The first section presents economic freedom as an ultimate end in itself and the second presents it as a

means to the preservation of the noneconomic elements in total freedom.

Individual Freedom of Choice

The first section of the case is made in the stating of it, if one accepts the fundamental premise.

Major premise: Each man should be free to take whatever *action* he wishes, so long as he does not use force or fraud against another.

Minor premise: All economic behavior is “action” as identified above.

Conclusion: Each man should be free to take whatever action he wishes in his economic behavior, so long as he does not use force or fraud against another.

In other words, economic freedom is a part of total freedom; *if freedom is an end in itself, as our society has traditionally asserted it to be, then economic freedom is an end in itself, to be valued for itself alone and not just for its instrumental value in serving other goals.*

If this thesis is accepted, then there must always exist a tremendous presumption against each and every proposal for governmental limitation of economic freedom. What is wrong with a state system of compulsory social security? It denies to the individual his *freedom*, his right to choose what he will do with his own money resources. What is wrong with a governmentally enforced minimum wage? It denies to the employer and the employee their individual freedoms, their individual rights to enter into voluntary relationships not involving force or fraud. What is wrong with a tariff or an import quota? It denies to the individual consumer his right to buy what he wishes, wherever he wishes.

It is breathtaking to think what this simple approach would do to the apparatus of state control at all levels of government. Strike from the books all legislation that denies economic freedom to any individual, and three-fourths of all the activities now undertaken by government would be eliminated.

I am no dreamer of empty dreams, and I do not expect that the day will ever come when this principle of economic freedom as a part of total freedom will be fully accepted and applied. Yet I am convinced that unless this principle is given some standing, unless those who examine proposals for new regulation of the individual by government look on this loss of freedom as a “cost” of the proposed legislation, the chances of free enterprise surviving are small indeed. The would-be controller can always find reasons why it might seem expedient to control the individual; unless slowed down by some general feeling that it is immoral to do so, he will usually have his way.

Noneconomic Freedoms

So much for the first section of the case. Now for the second. The major premise here is the same, that is, the premise of the rightness of freedom. Here, though, the concern is with the noneconomic elements in total freedom—with freedom of speech, of religion, of the press, of personal behavior. My thesis is that these freedoms are not likely to be long preserved in a society that has denied economic freedom to its individual members.

Before developing this thesis, I wish to comment briefly on the importance of these noneconomic freedoms. I do so because we who are known as conservatives have often given too little attention to these freedoms or have even played a significant role in reducing them. The modern liberal is usually inconsistent in that he defends man’s noneconomic freedoms, but is often quite indifferent to his economic freedom. The modern

conservative is often inconsistent in that he defends man's economic freedom but is indifferent to his noneconomic freedoms. Why are there so few conservatives in the struggles over censorship, over denials of equality before the law for people of all races, over blue laws, and so on? Why do we let the modern liberals dominate an organization such as the American Civil Liberties Union? The general purposes of this organization are completely consistent with, even necessary to, the truly free society.

Particularly in times of stress such as these, we must fight against the general pressure to curb the rights of individual human beings, even those whose ideas and actions we detest. Now is the time to remember the example of men such as David Ricardo, the London banker and economist of the classical free-market school in the first part of the last century. Born a Jew, married to a Quaker, he devoted some part of his energy and his fortune to eliminating the legal discrimination against Catholics in the England of his day.

It is precisely because I believe these noneconomic freedoms to be so important that I believe economic freedom to be so important. The argument here could be drawn from the wisdom of the Bible and the statement that "where a man's treasure is, there will his heart be also." Give me control over a man's economic actions, and hence over his means of survival, and except for a few occasional heroes, I'll promise to deliver to you men who think and write and behave as I want them to.

The case is not difficult to make for the fully controlled economy, the true socialistic state. Milton Friedman, professor of economics at the University of Chicago, in his book, *Capitalism and Freedom*, takes the case of a socialist society that has a sincere desire to preserve the freedom of the press. The first problem would be that there would be no private capital, no private fortunes that could be used to subsidize an antisocialist, pro-

capitalist press. Hence, the socialist state would have to do it. However, the men and women undertaking the task would have to be released from the socialist labor pool and would have to be assured that they would never be discriminated against in employment opportunities in the socialist apparatus if they were to wish to change occupations later. Then these procapitalist members of the socialist society would have to go to other functionaries of the state to secure the buildings, the presses, the paper, the skilled and unskilled workmen, and all the other components of a working newspaper. Then they would face the problem of finding distribution outlets, either creating their own (a frightening task) or using the same ones used by the official socialist propaganda organs. Finally, where would they find readers? How many men and women would risk showing up at their state-controlled jobs carrying copies of the *Daily Capitalist*?

There are so many unlikely steps in this process that the assumption that true freedom of the press could be maintained in a socialist society is so unrealistic as to be ludicrous.

Partly Socialized

Of course, we are not facing as yet a fully socialized America, but only one in which there is significant government intervention in a still predominantly private enterprise economy. Do these interventions pose any threat to the noneconomic freedoms? I believe they do.

First of all, the total of coercive devices now available to any administration of either party at the national level is so great that true freedom to work actively against the current administration (whatever it might be) is seriously reduced. For example, farmers have become captives of the government in such a way that they are forced into political alignments that seriously reduce their ability to protest actions they do not approve. The

new trade bill, though right in the principle of free trade, gives to the President enormous power to reward his friends and punish his critics.

Second, the form of these interventions is such as to threaten seriously one of the real cornerstones of all freedoms—equality before the law. For example, farmers and trade union members are now encouraged and assisted in doing precisely that for which businessmen are sent to jail (i.e., acting collusively to manipulate prices). The blindfolded Goddess of Justice has been encouraged to peek and she now says, with the jurists of the ancient regime, “First tell me who you are and then I’ll tell you what your rights are.” A society in which such gross inequalities before the law are encouraged in economic life is not likely to be one which preserves the principle of equality before the law generally.

We could go on to many specific illustrations. For example, the government uses its legislated monopoly to carry the mails as a means for imposing a censorship on what people send to each other in a completely voluntary relationship. A man and a woman who exchange obscene letters may not be making productive use of their time, but their correspondence is certainly no business of the government. Or to take an example from another country, Winston Churchill, as a critic of the Chamberlain government, was not permitted one minute of radio time on the government-owned and monopolized broadcasting system in the period from 1936 to the outbreak of the war he was predicting in 1939.

Each Step Leads to Another

Every act of intervention in the economic life of its citizens gives to a government additional power to shape and control the attitudes, the writings, the behavior of those citizens. Every

such act is another break in the dike protecting the integrity of the individual as a free man or woman.

The free market protects the integrity of the individual by providing him with a host of decentralized alternatives rather than with one centralized opportunity. As Friedman has reminded us, even the known communist can readily find employment in capitalist America. The free market is politics-blind, religion-blind, and, yes, race-blind. Do you ask about the politics or the religion of the farmer who grew the potatoes you buy at the store? Do you ask about the color of the hands that helped produce the steel you use in your office building?

South Africa provides an interesting example of this. The South Africans, of course, provide a shocking picture of racial bigotry, shocking even to a country that has its own tragic race problems. South African law clearly separates the whites from the nonwhites. Orientals have traditionally been classed as nonwhites, but South African trade with Japan has become so important in the postwar period that the government of South Africa has declared the Japanese visitors to South Africa to be officially and legally “white.” The free market is one of the really great forces making for tolerance and understanding among human beings. The controlled market gives man rein to express all those blind prejudices and intolerant beliefs to which he is forever subject.

Impersonality of the Market

To look at this another way: The free market is often said to be impersonal, and indeed it is. Rather than a vice, this is one of its great virtues. Because the relations *are* substantially impersonal, they are not usually marked by bitter personal conflict. It is precisely because the labor union attempts to take the employment relationship *out* of the marketplace that bitter personal conflict so often marks union-management relationships.

The intensely personal relationship is one that is civilized only by love, as between man and wife, and within the family. But man's capacity for love is severely limited by his imperfect nature. Far better, then, to economize on love, to reserve our dependence on it to those relationships where even our imperfect natures are capable of sustained action based on love. Far better, then, to build our economic system on largely impersonal relationships and on man's self-interest—a motive power with which he is generously supplied. One need only study the history of such utopian experiments as our Indiana's Harmony and New Harmony to realize that a social structure which ignores man's essential nature results in the dissension, conflict, disintegration, and dissolution of Robert Owen's New Harmony or the absolutism of Father Rapp's Harmony.

The "vulgar calculus of the marketplace," as its critics have described it, is still the most humane way man has yet found for solving those questions of economic allocation and division which are ubiquitous in human society. By what must seem fortunate coincidence, it is also the system most likely to produce the affluent society, to move mankind above an existence in which life is mean, nasty, brutish, and short. But, of course, this is *not* just coincidence. Under economic freedom, only man's destructive instincts are curbed by law. All of his creative instincts are released and freed to work those wonders of which free men are capable. In the controlled society only the creativity of the few at the top can be utilized, and much of this creativity must be expended in maintaining control and in fending off rivals. In the free society, the creativity of every man can be expressed—and surely by now we know that we cannot predict who will prove to be the most creative.

You may be puzzled, then, that I do not rest my case for economic freedom on its productive achievements; on its buildings, its houses, its automobiles, its bathtubs, its wonder drugs,

its television sets, its sirloin steaks and green salads with Roquefort dressings. I neither feel within myself nor do I hear in the testimony of others any evidence that man's search for purpose, his longing for fulfillment, is in any significant way relieved by these accomplishments. I do not scorn these accomplishments nor do I worship them. Nor do I find in the lives of those who do worship them any evidence that they find ultimate peace and justification in their idols.

I rest my case rather on the consistency of the free market with man's essential nature, on the basic morality of its system of rewards and punishments, on the protection it gives to the integrity of the individual.

The free market cannot produce the perfect world, but it can create an environment in which each imperfect man may conduct his lifelong search for purpose in his own way, in which each day he may order his life according to his own imperfect vision of his destiny, suffering both the agonies of his errors and the sweet pleasure of his successes. This freedom is what it means to be a man; this is the God-head, if you wish.

I give you, then, the free market, the expression of man's economic freedom and the guarantor of all his other freedoms.

Previous President's Essays

<i>A Letter to My Children</i> Whittaker Chambers	1986
<i>Up from Liberalism</i> Richard Weaver	1987
<i>The Economic Necessity of Freedom</i> Wilhelm Roepke	1988
<i>Errand Into the Wilderness</i> Michael Novak	1989
<i>Isaiah's Job</i> Albert Jay Nock	1990
<i>Freedom, Tradition, Conservatism</i> Frank S. Meyer	1991
<i>Enlivening the Conservative Mind</i> Russell Kirk	1992
<i>Responsibility and Freedom</i> F. A. Hayek	1993
<i>The Conservative Framework and Modern Realities</i> William F. Buckley, Jr.	1994
<i>A Letter to the Young</i> Midge Decter	1995
<i>The March of Freedom: The Westminster Speech</i> Ronald W. Reagan	1996
<i>Capitalism and Freedom</i> Milton Friedman	1997
<i>Liberty and Property</i> Ludwig von Mises	1998
<i>Farewell Address</i> George Washington	1999
<i>Four Essays</i> Leonard Read	2000
<i>The Minister to Freedom: The Legacy of John Witherspoon</i> Joseph Loconte	2001

Previous President's Essays (continued)

<i>Defending U.S. Interests and Principles in the United Nations</i> Jeane J. Kirkpatrick	2002
<i>The Contexts of Democracy</i> Robert Nisbet	2003
<i>The Conscience of a Conservative</i> Barry Goldwater	2004
<i>Statecraft</i> Margaret Thatcher	2005
<i>A New Order for the Ages: The Making of the United States Constitution</i> Forrest McDonald	2006
<i>A Letter to My Son</i> Norman Podhoretz	2007

Most of these essays have been collected in the second edition of *The March of Freedom* by Edwin J. Feulner, Jr.