# FREEDOM vs. POWER

By GLENN E. HOOVER, Professor of Economics Emeritus, Mills College, California

PREEDOM, in the present context, means simply the absence of restraint. It is sometimes defined as the absence of improper restraint. This permits us to say, for example, that the freedom of children is not restricted by their parents, and that the freedom of adults is not curtailed by compulsory military service. To me it seems preferable to say that such restrictions do curtail our freedom but that they may be justified.

In recent years the term "freedom" has been so misused that it may be well to recall some of the grosser abuses of it. For example, a nation governed by a dictator will be called a "free" nation if—perhaps for the worst of reasons— it adheres to "our side" in the Cold War. Surely we might accept the aid of tyrants, in peace as well as war, without corrupting our speech by identifying tyranny with freedom.

An equally mischievous confusion is evident in the use of such terms as "freedom from want," "freedom from fear" and freedom from all the other evils to which our flesh is heir. No one, recently, has promised us "freedom from old age" but some fakir is sure to offer one. Those of us who have learned that freedom expands with the advancing years do not wish to be spared the aging process. We wish rather that our nation might be freed of the stupidity that is the real cause of all our preventable woes.

The word "power" offers fewer semantic difficulties. It is, however, used to mean control over nature as well as control over men. One may, therefore, welcome an increase of power in the first sense, while deploring any increase of it in the second sense. Normally, however, the context will make the meaning clear. What we are presently concerned with is man's power over his fellows.

# MAN'S POWER OVER MAN

Apart from parental control of minors, the first and most complete control of man by man is found in the institution of human slavery. Its disappearance marks what is perhaps the single permanent improvement in human relations in the history of our species. However, the fact that human slavery has been abandoned should not make us forget how long it persisted, and how recently it was defended by appeals to Holy Writ, Aristotle and learned men of every century.

Gone too are those institutions and customs known as "serfdom". Those who say that serfdom exists in parts of our South are either using the term as an epithet or they have forgotten the serf's attachment to the soil and other main features of that system. Others have said that the essential features of chattel slavery persist in what is

Speech delivered last July at the 15th annual Conference of the Henry George School at Rutgers University, N.J.

called the "wage slavery" of our industrial areas. The wage slaves themselves are generally busy with their automobiles, their TV sets and other expensive diversions. They have had little time to meditate on their servile status, and the phrase "wage-slavery" has been all but laughed away. A phrase designed to rouse the rabble is now but a linguistic curiosity, nor could the combined genius of Moscow and Madison Avenue put life into it again.

The elimination of chattel slavery and serfdom, however, has removed only the grosser restrictions on personal freedom. For instance, there is neither slavery nor serfdom in China, yet the government there determines where each shall live, the work he is to do, and when he shall eat, sleep and join in the benediction for those who rule him. The communal system now operating in communist China may increase that country's economic and military power, provide "social security," equalise fortunes, etc. but the expansion of personal freedom is not even one of its goals.

And now a few words on the decline of personal freedom in our own country. Here, as in China, the chief restrictions on our freedom are imposed by government. In China the local Commune seems to be the worst offender, and with us it is the national government. For example, prior to the first World War, anyone who wished to go abroad had only to be accepted as a passenger, or stow away on an outbound ship. Now a State Department functionary may decide that your proposed travel is not in the "national interest" and you will be forced to remain within our national frontiers.

You will note that I said a "functionary" would make this decision, although I might have said our Government, or a "bureaucrat." I wanted to use a neutral term. There is, unfortunately, a tendency among us to believe that decisions made by the "Government" are prima facie good, while decisions made by "bureaucrats" are prima facie stupid. I trust that my avoidance of emotive words will not obscure the fact that all decisions made by what we call "Government" are in fact made either by appointed "bureaucrats," or by elected "politicians".

Another loss of personal freedom has resulted from our docile acceptance of military conscription. Prior to the last World War anyone predicting the American people would accept conscription in time of peace would have been thought quite irresponsible. Yet it now appears to be a permanent feature of our "American Way of Life," although Britain, a small country much nearer Russia than are we, has decided to abandon it. It would be regrettable if we, the self-styled leader of the Free World, were to be the last to abandon peace-time conscription.

Much of our claim to being one of the freest of peoples is based on our right to freely assemble and to speak and

write as we please, even on the most controversial topics. These are indeed important freedoms, but they seem to be important only in countries in which they are denied. Those with some experience in the field of adult education can testify that in the era of the movie, radio and TV it is difficult to assemble a respectable number of people to discuss any matter of importance, no matter how controversial it may be. Moreover, our notorious eagerness to "conform" makes it unnecessary for our government to concern itself much with what in Imperial Japan were called "dangerous thoughts". It is as though all the mass media of communication had conspired to soothe us rather than to provoke any intellectual ferment, dangerous or otherwise.

## ECONOMIC CONTROLS

It is chiefly in the economic field rather than the ideological one that our Government wields powers which no Libertarian can accept. For example, Libertarians will insist that they have the right to buy foreign wares as freely as they can buy domestic ones. By customs duties and import controls we are now compelled to buy the higher priced domestic products. The profits of the domestic producers, it is said, will "trickle down" to the general public. That we still tolerate such an abuse of governmental power shows how little we understand the basic elements of a free economy.

The governmental power best known to most of us is the taxing power. That taxes must be paid is admitted, but the government of a really free people will not resort to inquisitorial methods nor will it bewilder its citizens with anything so complex as our present income tax laws. Their "self assessment" feature encourages dishonesty, and the growing number of "tax consultants" is evidence that many of our citizens are unable to master the intricacies of such legislation. To pay the tax is often burdensome enough, but to have to pay some expert to determine how much must be paid the Government is a needless harassment which no Libertarian can accept.

To complain about high taxes while supporting the governmental programmes which make them necessary, is of course, pure infantilism. Our wrath should not be directed at the size of the tax burden, but rather at the unjust way in which it is distributed. A rational society would first take for public purposes the unearned wealth which results from population growth and the schools, streets, parks and other amenities which the taxpayers provide. It is only after this publicly created wealth is taken for public purposes that we should argue about how additional revenues should be raised.

The socially created values to which I refer are, of course, land values. As distinct from all other forms of wealth, land is the product of Nature or of Nature's God. As the surrounding population grows and public improvements multiply, land values grow, and this without any useful service whatever provided by the land owners. For a community to take for public purposes the values which

the community has created may not be the end of wisdom but it is certainly the beginning of it.

### "DIRIGISME" - NOT SOCIALISM

Our government's intervention in our economy is frequently—and erroneously—called "socialism". This word has become an epithet in the American language, and there is a temptation to apply it to anything we don't like. However, no eagerness to score a point can justify a deliberate distortion of the accepted meaning of words. "Socialism" means governmental ownership and operation of the means of production and distribution. Such genuine socialism as we have is concentrated at the local government level — water, light, gas, transportation, parking lots, etc. Public ownership in these fields is so generally supported by our business communities that it is often called "down town socialism".

Congressional interference with our economy in peace time is chiefly in the form of controls over farm prices, production, marketing, etc. To suggest that this haphazard bungling is "socialism" is to give it a dignity it does not deserve. The government does not acquire a single acre, plant a single seed or milk a single cow. Instead, by limiting the importation of some farm products and dazzling domestic growers with subsidies and penalties, it largely determines what shall be grown, how much, by whom, and at what price it may be sold. In other words, our national government directs our farm economy without either owning it or operating it. Such governmental interference the French call by its proper name, "dirigisme," i.e., a system in which the economy is directed by the government, but not owned or operated by it.

The rapid increase in the membership and power of trade unions is the most significant economic development in our time. Since the passage of the Wagner Act in 1935 employers have been compelled to "bargain collectively" with their employees. This requirement has resulted in a four or five fold increase in union membership, and for some of the big unions, an increase in power that enables them to halt production not only in individual plants but in entire industries. This is a concentration of private power for which our government is quite unprepared, and the general public seems reluctant to even think about the problem in any fundamental way.

As previously noted, all power, by definition, means an actual or potential restriction of the freedom of those against whom power is directed. That governments should wield power is too obvious for comment, but free peoples have always insisted that governments should have a monopoly of power and that no individuals or private agencies should exercise any compulsion or restraint on their fellows. Why then are we so timid and confused when faced with the greatest concentration of private power in our history?

One reason for our confusion is that our emotions are leading us astray. Most people are workers and consequently their sympathies are, and should be, with their fellow workers. What we forget is that not more than onefourth, or perhaps one-third, of all workers belong to unions. Moreover, the interests of the union workers are different from the interests of the non-union workers, and frequently their interests are directly opposed. But however their interests may differ, the sympathies of other workers — which means most of us — follow the pattern set when unions were few, weak and idealistic. In short, we bring to the problem of the big unions, the Becks, Hoffas, etc., the emotional baggage we accumulated in the age of the lovable Eugene V. Debs.

Intellectually, too, we are ill equipped. Few of us are socialists, but many have accepted the Marxian notion that wage increases mean only lower profits for the employers. This myth is fated for extinction as the evidence accumulates that wages, being part of the costs of production, are promptly passed on to the consumer as are other costs.

Inasmuch as the recent growth of unions has not lowered the profits of American industry, it follows that when unions force wages above the competitive level, the consumer — not the employer — pays the bill. As that truth spreads, the monopoly pricing of labour will become as offensive as the monopoly pricing of commodities — a practice long condemned by both ethics and the law.

### NEW GOALS FOR WORKERS

Most of us here, as in any other representative assembly, are, and always have been, workers. The percentage of employers in this, or any other country, is insignificant. If we would deny workers, or any other group among us, the use of power, it is certainly not from ill will. What we want for them and for all others, is the economic justice which only a free economy can provide.

We want them, for example, to be spared the billions now taken from them to subsidise and curtail agricultural production, and thus drive workers from farms into industrial centres. We want them and their wives to be free to buy foreign products, so that foreign workers in turn can buy the products of our factories — to the mutual advantage of all workers concerned. We also want to reduce the workers' tax burden by taking for public purposes the socially created value of land, and to that extent, relieve them of taxes on their wages and the products of their labour.

Most important, perhaps, we want the workers to set for themselves goals that will win the support of all men of good will. We deplore the decline of idealism in what was once called the "labour movement". Some decades ago that idealism appealed to those young Americans who were most distinguished for their progressive minds and generous sentiments. Young people of that sort are now in our colleges, and they are not attracted by a selfish "business unionism" whose leaders, too often, have an anti-intellectual bias that is poorly concealed. Among young collegians the fund of good will on which unions once could draw is running out, and the best friends of the unionised workers have the duty to tell them so.

Our wage and salary workers are now divided between the minority that is unionised and the majority that is not. There seems to be little chance that the percentage of unionised workers will increase, and in some industries such as auto-manufacturing and coal mining, union membership may continue to decline. As the percentage of unionised workers declines they cannot expect any programme to succeed if its benefits would be limited to their own numbers. It is unfortunate that they ever committed themselves to the use of power for their selfish purposes instead of supporting reforms which would assure to all workers their just share of the increased output of a free economy.

To sum it up, to use power is to restrict the freedom of others. By definition, power means the ability to coerce. In international affairs, reliance on state power has decreased the security of every nation in the world. It has produced only a precarious "balance of terror", a crushing tax burden, and may result in the extermination of our species. Warfare is trial by power, and an old adage tells us that "There are many things worse than war, and war is the cause of all of them."

In domestic affairs, the use of power by individuals or private organisations is intolerable. In recent years the use of private power has been largely restricted to the economic field, where monopolies have been created to extort prices above the level which would obtain in free markets. Monopolies designed to control the prices of commodities, in our country at least, have long been prohibited by law. The enforcement of such laws has not always been vigorous, but the principles on which they were based have never been abandoned, either by the people or their elected representatives.

The power now most feared is the power to exact a monopoly price for labour. To curb this power is not yet a task for legislators, for the public has not yet made up its mind. Thus far our distrust of union power has resulted only in demands for the punishment of racketeering union leaders who embezzle union funds, disregard the rights of union members, etc. These are peripheral matters which only distract us from fixing our attention on the power itself, however honestly and democratically the unions may be governed.

Our task then, is to continue in our efforts to create a wider understanding of the principles on which a free and just economy must rest. This is not a spectacular task, and those who would lead a thoughtless multitude down some short road to Utopia will not be at ease in our company. Without hope of recognition or reward we shall do our duty — the rest is in the lap of the gods.

However, as nothing is ever finally settled until it is settled right, we can be sure that Power will ultimately be banned, not only from the market-place, but from the international arena as well. It is only when no one has power to coerce another that "they shall sit every man under his vine and under his fig tree; and none shall make them afraid."