

Dangers of Planned Economy*

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In a commencement address at Carnegie Institute of Technology

In America, many well-meaning people ... are convinced that the process of social evolution in this country is inevitably toward a compulsory, planned economy. They welcome the ideal of collectivism but do not want to go the whole distance on the road to Moscow or Berlin. Actually they are reactionaries at heart because, without realizing it, they are advocating policies that will eventually destroy representative democracy, free private enterprise, and civil and religious liberty—the triune foundation on which human freedom rests.

As a great industrial nation, we have long been accustomed to plan ahead; hence the phrase, national economic planning, has something about it that appeals to almost everyone at first blush. Certainly we need all the mutual consultation and voluntary planning we can get from government, labor, capital, and management. However, compulsory national economic planning is quite a different thing. That sort of planning actually rests on a series of delusions.

Our national economic planners, in fact, are the modern prototypes of the medicine men of our barbaric ancestors. They actually believe that modern (physical) science, if only placed at the behest of all—power placed at the behest of all-powerful government, can make the springs of plenty flow for everyone with little work on anybody's part and without the sacrifice of political, intellectual and spiritual freedom.

The stagnation and loss of impetus under such a system, due to the dilution of personal responsibility and initiative, would be appalling. Furthermore, if government once starts to direct the economic affairs of our basic industries in times of peace, the process will inevitably have to be extended to every phase of our economic life. Our economic processes

are so closely interrelated that ultimately government would have to tell each one of us what we could buy, when and where we could buy it, and at what price; what we could produce, how much we could produce; where we could work and for what wages. Under a system of compulsory planning, there would be no stopping short of the bitter end.

In times of war we cannot avoid it, but in times of peace the road to compulsory planned economy is the road to State socialism. And once State socialism becomes a reality and free private enterprise disappears, what happens to representative democracy, and civil and religious liberty? Obviously if a group of men calling themselves government were planning ostensibly for the greatest good of the greatest number, they could not brook interference from any citizen, no matter how well intentioned that citizen might be.

Meanwhile, the economic planners, that is, the government, would have to mold public opinion so as to keep itself in power. Consequently, government would ultimately be compelled to control every opinion-forming agency—the radio, the press, the movies, the school and the church—at least in so far as anything advocated was at variance with the set plans of the State.

In Germany, Russia and Italy we witnessed the bitter fruits of compulsory economic planning in the fateful years before the war. It is your responsibility and mine to see that when peace comes, we avoid its pitfalls here in America. Free private enterprise—with reasonable umpiring by government to insure fair play—representative democracy, and civil and religious liberty, I repeat, are the three inseparable supports of personal freedom. They stand or fall together.

The individual who desires the intangible yet real blessings of political, intellectual and religious liberty must assume a very large por-

tion of the responsibility for his own economic well-being. If he is unwilling to do so and places that burden on the shoulders of government, he will soon find that he has reared a Frankenstein monster whose appetite for control is literally insatiable and which sooner or later will devour all his freedoms in the process of expanding.

Under the impact of the recent approach to the problem of government, "What can I get out of it, whether I am entitled to it or not?" we have drifted far from our ancient moorings and today every educated man and woman in the country has a peculiarly grave responsibility: to contribute, liberally and unselfishly, through the process of clear thinking as opposed to crowd emotions, to an intelligent solution of our pressing national problems.

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There is a square in New York—Stuyvesant Square—it is locked up at six o'clock every evening, even on the long summer evenings. Why is it locked up? . . .

Yet that is not any more absurd than our land titles. From whom do they come? Dead man after dead man. Suppose you get on the cars here going to Council Bluffs or Chicago. You find a passenger with his baggage strewn over the seats. You say, "Will you give me a seat, if you please, sir?" He replies, "No; I bought this seat." "Bought this seat? From whom did you buy it?" "I bought it from the man who got out at the last station." That is the way we manage this earth of ours.

Is it not a self-evident truth, as Thomas Jefferson said, that "the land belongs in usufruct to the living," and that they who have died have left it, and have no power to say how it shall be disposed of? Title to land! Where can a man get any title which makes the earth his property?

(from "The Crime of Poverty.")