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Editor
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Dear Sir:

The greatest, and in fact, the only revolution in human freedom, the era of capitalism may be coming to an end. In its place, is the rising spectre of material poverty, the total enslavement of the individual and the resurrection of mysticism.

The political-economic system of laissez-faire capitalism only existed in an almost -- fully-developed form in the nineteenth century United States. It never flourished in Europe where the attitude of feudal status never quite disappeared.

The rest of the world never even approached the level of civilization required to produce a genuine respect for individual rights.

In the ancient cradles of China, India and the Middle East, a seemingly endless historical procession of agrarian based despotisms have been succeeded by even more stringently authoritarian tyrants ruling under the guise of 'social revolution'. The same fate was in store for the long suffering peoples of the Tsarist empire.

For the tribal peoples of Africa, South America and Oceania barely emerged from stone age cultures, the brutal conquest and abusive rule by empire states of Europe has been mistaken for "capitalism". Centuries from now, the peoples of the so-called "Third World" may well rue the vicious intellectual fraud the Marxists are today committing against those least able to afford it.

Ironically enough, the people who have historically benefited the most from laissez-faire capitalism and stand to lose literally everything by its demise, are generally unaware of its basic premises and its workings.

The American revolution in political theory lay in the separation of government from economic activity. Centuries before, the stage had been set for this revolutionary change in the separation of Church and State in Europe. Although the divorce of Church and State was motivated by a desire for unchecked power by European rulers, the division of State and Economy was engendered by a basic distrust of government power by the Founding Fathers.

It was not the natural resources of the United States which produced the great wealth of the nineteenth century capitalist democracy (were this true, the USSR with its greater resource base would at least be able to feed itself). The respect for individual property rights and the lack of bureaucratic impediments and confiscatory taxation fostered a social climate of confidence and ambition.

This is borne out by the general economic performance of capitalism in the nineteenth century. During this period of enormous industrial growth, the wholesale price index dropped from 128 in 1800 to 87 in 1890.

However, since the inauguration of government attempts to control the free market commencing with such legislation as the Sherman Antitrust Act (1893) and the Federal Reserve Act (1913) the U.S. wholesale price index was more than quintupled (530%) between 1898 and 1973. This should tell us something about the effectiveness of government intervention in economic affairs as compared to that of private free market competition.

The blame for failing to recognize the wise intent of the constitution is diffuse. It can be placed, for instance, on unprincipled business interests in the nineteenth century which used government legislation to gain state-protected monopolies (cartels). This began in a big way with the enormous territorial grants to the transcontinental railways which almost guaranteed their eventual ineffectiveness as commercial carriers.

Today, the Penn Central Railroad which serves the industrial heart of this country, financially overloaded by union featherbedding and crippling regulation at the hands of the government, is bankrupt and in an advanced state of physical decay. Pan American and Lockheed, no longer able to operate without subsidies reflect a terminal stage of financial corrosion within a government controlled economic environment.

Healthy enterprises able to produce efficiently and market goods and services competively such as ALCOA, IBM and Xerox have been heavily penalized for their size and success. A proven record of cost-cutting efficiency and lower consumer prices has never served as a defense against antitrust suits.

If the antitrust actions ever had any moral or practical claims to legitimacy, the actual results of this form of government interference have become more transparent than ever in the farce of political grandstanding developing in the recent Justice Department suit against AT&T. The blind demand over the past century for government regulation, subsidy, protection and cartelization by every conceivable interest group in this country is bringing about the death of the world's greatest and most efficient economy. The list of demands and counter-demands not only touches every sector of this society but now includes aggressive lobbying by foreign nations.

What was once considered an expedient system for supporting a set of "basic" government services such as military defense, the courts, police, etc. has now become, both in tone as well as in practice, a blatant form of confiscation of all private proprietarian rights. Not only is this system totally immoral but it does not and will not work. It has been tried before in history in ancient China and in the contemporary USSR and every time with devastating results.

There is no way to replace the on-the-spot intelligence of hundreds of millions of individual decision-makers with a system of bureaucratized central planning. Economic centralization not only cannot work conceptually; it requires coercion which fosters counter violence or sullen malingering.

The stakes, however, are much higher today than ever before. The U.S. economy remains the Atlas of the world. True, Japan and Germany are great producers but their long term economic health, as well as their military security directly depend on the United States. The oil rich Arab states constitute, in historical terms, the proverbial flash in the pan. Present trends do not indicate any real development of long term productive capacities in those countries. In all probability, the majority of the local talent and wealth will gravitate to the advanced industrial nations before the end of the century.

In terms of productive capacity and sources of capital, the position of the United States remains of paramount importance, even to the socialist juggernaut whose own economic growth is evidently stagnant without western capital credits. The failure of the U.S.'s political and economic system would mean nothing less than eventual thermonuclear war and the extermination of most of humanity.

The conditions leading to this cataclysm already exist. At the fundamental level of morale, the people of the United States have not resolved the basic moral-philosophical contradiction between Christian altruism and free market capitalism.

Free enterprise and efficient market competition require absolute security of property rights and individual self-responsibility. This is contrary to the christian sponsored welfare-state and socialist planning and controls or the violent intervention in the affairs of other nations. The initiation of force and the imposition of involuntary servitude (taxation and the draft) are lethal to the requirements of justice. These violent contradictions have rotted the moral and intellectual roots of this society.

As a result, the productivity of the United States is declining and its wealth is being squandered. Its leaders do not have the moral courage even to maintain the requisite military strength to deter the Soviets. This tendency is severely aggravated by the growth of fiat money, deficit spending, wasteful bureaucratic growth, government protected labor union monopolies, regulatory agency prevention of competition, foreign aid, inefficient government cartels and confiscatory taxation.

Government policies are responsible for the present fuel crisis. Vast stores of petroleum, and gas are available in the continental shelf and Alaskan regions. The Trans Alaska Pipeline was held-up for over four years by government intervention and the environmentalist hysteria. Exploration and development of offshore wells is being held back by

federal agencies. Private development of vast stores of oil shale in western states have been prevented by the government real estate monopoly (which owns well over one third of the total land area) and is now being impeded by both state and federal agencies.

Decades of artificially low prices for domestic crude oil enforced by government policy not only led to the squandering of resources but accelerated the movement of capital investment to foreign oil fields. As a result of the increasingly hostile environment for capital investment, not a single oil refinery, or aluminum refining plant has been built in the United States in the past five years. Just as importantly, the high cost of debt servicing, driven up by government refinancing of its deficits, has made it financially unfeasible to build new steel plant capacity. No new mills are being built which should render the nation dependent on foreign suppliers of steel before the end of the decade.

Creative ingenuity and productive efficiency are being thwarted at all levels of our society by regulatory strangulation and economic redistribution. This has been accompanied by a violent intellectual attack on the moral basis of the very concepts of economic growth and technological innovation. This attack is led by the legions of young students aspiring to future positions of power in the bureaucracy. Their indoctrination in state institutions has turned them into dedicated crusaders against capitalism, industrialism, property, individualism and reason itself.

This rage against the creative and the intelligent is not a byproduct of capitalism or urbanization or some other intellectual scapegoat, but derives from the pervasive premises of Christian altruism and Socialist collectivism. There is no conceivable way for the American civilization to morally oppose the total despotisms of the Orient, if it ascribes to mystical, altruist and collectivist tenets.

These conditions are producing three overall effects: (1) weakening the internal coherence of U.S. society (2) weakening the military-strategic position of the U.S.; and (3) reducing the amount of real capital (plant, machinery, fertilizer, etc.) available for investment in undercapitalized regions.

The global side-effects, produced by the declining momentum of a once thriving capitalistic economy and society, ramify into disturbing long-range consequences. Most parts of the world, victims of centuries of despotism, and mysticism, still require enormous capital investment to achieve a level of productivity capable of meeting the expectations of their peoples.

However, the promise by laissez-faire capitalism of individual achievement and material prosperity will not be forthcoming in the contagious mood of socialist expropriation and post-colonial revanchism. The

economic ineptitude fostered by "democratic" socialist and military fascist states in Asia, Africa and South America, as well as the social-democratic bureaucracies in Europe, can only increase the outcry for "sharing" the wealth of the United States with the "under-privileged."

Global welfare programs will not solve the economic problems endemic to most of the world. It will lead to economic collapse of the more productive nations. Only shrewd entrepreneurs operating in a free market environment have shown themselves able to develop economic productivity. Government projects and international aid projects are inherently inefficient and will be a waste of capital.

The collapse of the capitalist Atlas of the world will bring down all of the so-called democracies permitting eventual military conquest by one of the Communist empires.



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