

figures whose personal lives are an eloquent alternative to liberal relativism (as is, again, Solzhenitsyn's). We need orators who can call the bluff, and decry the false plausibility, of the ideologists, positivists, and humanist moralists. We need lawgivers who can translate deep convictions into public rules.

Today we celebrate an initial victory. "After the victory, tighten your helmets!"

—GERHART NIEMEYER

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### *Is a Return to Sanity Possible?*

IN THIS ISSUE *Modern Age* celebrates its twentieth anniversary. The very survival of a scholarly quarterly of this quality is itself a cause for congratulations. During the past two decades it has published many a brilliant and profound article. But what has been its net effect on the ideological climate? Has it moved the country more in the direction of scholarly pursuits, of conservatism, limited government, of respect for personal liberty, than the country otherwise would have moved?

If we look at mass opinion, or developments in the world of action or politics, we can find no evidence of it. In almost every respect, we are worse off politically than we were twenty years ago. There has been an enormous growth in restrictive legislation, in government coercion, and in the redistributive state.

One measure of this is the increase both in the number of federal regulative agencies and in the powers assigned to them. Consider the dilemma of the average big corporation. Its officers dare not even raise their voices in protest against what is going on, because any one of a score of federal agencies can wield life-or-death powers over a corporation or an entire industry. To spell out some of these for those who cannot confidently remember what their re-

spective initials stand for, they include the Internal Revenue Service, the Federal Trade Commission, the Securities and Exchange Commission, the National Labor Relations Board, the Food and Drug Administration, and many more. Hardly a day passes when one of these agencies does not publicly accuse some prominent corporation of some legal violation or crime, and the accusation gets printed on the front pages of the newspapers. The result (whether the accusation is ultimately proved or not) is not only greatly to increase the hazards of doing business, and to put businessmen to the continuous expense of defending themselves, but steadily to discredit the business community in general in the eyes of the public.

Let us look, again, at the growth of the socialistic handouts. Total "social welfare expenditures under public programs," officially estimated at \$32.6 billions in 1955, reached \$215.2 billions in 1973, and were still growing. The cost of direct relief alone rose from \$3 billion in 1955 to \$28.3 billion in 1973—a ninefold increase. It is not merely that each redistributive program keeps growing, but that annually our politicians pile up new duplicating and overlapping handouts to the same people—direct relief, food stamps, rent subsidies, fare subsidies, and so on.

One way of measuring the growth of the redistributive state in the last twenty years is through the growth of budget deficits and of inflation. In the fiscal year 1956 federal expenditures totaled \$70 billion. There was an actual surplus of \$4 billion. In the present fiscal year federal expenditures will exceed \$350 billion. There will be an altogether unparalleled deficit—peacetime or wartime—probably in excess of \$80 billion. Consumer prices in 1975 were just twice as high as in 1956, and the rate of inflation had incomparably increased.

We get little satisfaction by turning from American to world political developments. Quite the contrary. For the first time in recorded history, practically every nation in the world is inflating. The gold standard

has been everywhere abandoned. The result is that there is no anchor, no fixed measuring rod, against which the daily fluctuating value of any paper currency can be ascertained. All monetary values drift in a shoreless sea. There is increasing disrespect everywhere for property rights. The countries where oil is located do not hesitate to seize back the properties or leasing rights that they themselves previously sold and were paid for. Governments systematically expropriate the incomes or wealth of their own subjects. Britain, for example, levies a tax of up to ninety-eight percent on the income its citizens receive from their security holdings.

I have concentrated on economic developments not only because I happen to know them best, but also because they best lend themselves to some sort of quantitative measurement. But if we look at the twenty-year trend of literature and the arts, of education, of sexual morality, of clothes and personal appearance, and of crime, we find common tendencies in all of them—toward greater laxness, loss of standards, indiscipline, slovenliness, and rebarbarization.

The outlook is surely dark. Present trends on the surface seem accelerative and irreversible. Are there any grounds for hope? Yes. We find them in the realm of ideas, particularly when we turn from masses and averages and look more closely at small groups and individuals.

It is almost impossible to set an exact year for any ideological beginning. We are compelled to pick our time arbitrarily. I prefer to start with the decade immediately following the inauguration of Franklin D. Roosevelt. The enactment of the series of socialistic measures that made up the so-called New Deal soon began to stimulate the growth of intellectual antibodies. "Orthodox" economists, who had previously taken capitalism, like the atmosphere, for granted, began to examine more closely its rationale and its justification, as well as the consequences of various efforts to "reform" it.

A challenge to the New Deal premises,

a counterrevolution in thinking, began to emerge. I remember following with mounting interest the volumes turned out in the 1930's and 1940's by Lionel Robbins in England, by Wilhelm Röpke in Switzerland, and above all by the Austrian exiles Ludwig von Mises and F. A. Hayek. Mises' brilliant analysis, *Socialism*, was translated into English in 1936, though it attracted little attention at the time. If we do want to put an arbitrary date on the emergence of the libertarian movement, we could hardly do better than set it in 1944, the year of the appearance of Hayek's *Road to Serfdom*. I had the privilege of reviewing and hailing that volume on the front page of *The New York Times* Sunday Book Review Section in September of that year, and recall vividly the sensation that it caused.

From then on the libertarian movement developed rapidly. Leonard Read set up The Foundation for Economic Education at Irvington-on-Hudson in March, 1946. In April, 1947, Professor Hayek himself brought together in Switzerland a conference of some thirty-six scholars and publicists from ten different nations. They decided to form the Mont Pelerin Society. Most of these scholars, already all libertarian in philosophy, there met each other for the first time, lost their sense of being isolated or alienated thinkers, and exchanged, clarified, and sharpened their ideas. The society grew through the years. Individually and collectively, its members deeply affected the stream of thought. Mises' great *Human Action* appeared in 1949, and Hayek's *Constitution of Liberty* in 1960. Murray Rothbard's *Man, Economy, and State*, and Milton Friedman's *Capitalism and Freedom* were both published in 1962. Other libertarian economists and their works deserve to be mentioned here, but the list would prove awkwardly long.

So much for developments in economics. But in the last two decades other writers—James Buchanan, Gottfried Dietze, Gordon Tullock, among others—have been reexamining the political foundations of liberty; and Henry Manne, Sylvester Petro, and, of

course, once more Hayek, the legal foundations. Russell Kirk has been steadily elaborating a general philosophy of conservatism. The late Frank Meyer devoted himself to trying to reconcile "conservative" and "libertarian" doctrine. Ayn Rand has scoffed at any such possibility, and has put forward a philosophy of radical libertarianism and unswerving pro-capitalism that a growing number of zealous disciples have embraced as a cult. Yet "conservative-libertarians" like Ernest van den Haag, Irving Kristol, and the incredibly prolific William F. Buckley, Jr. have ranged over the whole cultural field, and increasingly influenced the younger generation.

The launching of *Modern Age* was both a symptom of this renaissance of conservatism and libertarianism and a cause of its further flowering. The conservative weekly, *Human Events*, had long been on the scene. *National Review* had been launched in 1955. The quarterly *Intercollegiate Review* appeared. The last few years have witnessed the emergence of such lively libertarian publications as *The Alternative* and *Reason*. And now, incredibly, we have even seen the formation of an uncompromising Libertarian Party.

All this is full of promise. But in its explicit formulation this libertarianism is still the philosophy of a minuscule minority. Does it come too late? Are the trend and momentum of the redistributive and omnipotent state, of inflationism, destructionism, socialism, tyranny and rebarbarization such that they will overwhelm the forces of sanity before these have gathered strength to reassert themselves?

We do not know. But even here there are grounds for hope. A return to sanity may already be on its way. In a recent article (*The Wall Street Journal*, June 13, 1975) Irving Kristol thought he detected the signs:

There is little question that the ideological atmosphere as a whole has changed, and in a direction that can fairly be called conservative. . . . It [has become] less possible to talk glibly about "the revolution of rising expectations," as if perpetual fantasies of wish-fulfillment were natural and healthy. . . . Now the American people seem to be saying that it is a time for sobriety and self-discipline.

Even if this does not today prove to be so, we may fall back upon a broader consolation. As the late Ludwig von Mises once pointed out in the title of a heartening essay: "Trends Can Change." Bad governments, like good governments, have eventually been overthrown. The world's greatest past disasters have in time come to an end. The Black Death of the fourteenth century came to an end. The French Reign of Terror came to an end. The First and Second World Wars came to an end. In each case civilization went on.

In sum, the outlook is indeed dark, but not as dark as it has seemed many times in the past. And if in America we can tomorrow succeed in reversing the socialist and destructionist tide, the name of *Modern Age* will stand high on the Roll of Honor.

—HENRY HAZLITT