

# The Real Revolution and You

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Clear thinking and straight answers can help you to win the real revolution which goes on in the minds of men.

WHO are the real revolutionaries in the world today?

Many would say, "The Communists, of course! Their day-and-night, around-the-world effort is the major revolutionary program of our times!"

Others would counter, "No! Revolution means a radical change — and communism is only a return to an age-old authoritarian tyranny, rooted in paganism and manifested in imperialism. What's new about that?"

Still others would suggest, "The revolution has happened here in the United States in the past 20 years! Almost overnight we reversed 'rugged individualism' and launched into a bold new era — with a prosperous planned economy and guaranteed security."

While it may come as a shock to some, there is nothing revolutionary or even new about America's quarter-century experiment in attempting to provide for "social welfare."

It has been tried on various oc-

casions in the last 6,000 years. To cite just one — Augustus Caesar planned meticulously for his people, and initiated various social reforms so they could live happily, free from want, and even without exerting much initiative. But Caesar's Roman Empire vanished into the centuries-long black-out of the Dark Ages.

## *The American Revolution*

No, the greatest of all socio-economic revolutions occurred some 180 years ago on the shores of colonial North America — and it is still going on today. This revolution seemed to some only a battle of Minute Men and muskets — fought on such bloody fields as Lexington and Concord and Bunker Hill. But more significantly it was a *revolution of ideas, fought in the battlefield of men's minds.*

The idea that triumphed was startling in its simplicity, but so powerful that it has long made America the mecca of the downtrodden and walked-over of the

world. The idea was simply this: You are an individual person — the equal of any other — not just in theory but in fact. You were created by God, given a mind with which to think, and plan, and learn, and do. Along with this you have a responsibility—to use your talents, and to be a responsible individual.

While this idea may seem obvious today, we must recall that it had never before been accepted as fact, and really practiced in societal life, in all the previous 6,000 years of recorded history! Always before, people had been weighted down with the tyrannous belief that some men are divinely endowed to lord it over others.

### ***The Declaration of Independence***

But on July 4, 1776, a long-germinating idea burst forth its rebellious message. The Declaration of Independence was more than an angry protest that old King George was a wretched scoundrel for all the abuses he had hurled at the American colonists. It was a declaration that no man is delegated by God to rule over his fellows: that individual persons have rights from their Creator; and that along with these rights, individuals are willing and able to look out for themselves and to recognize the rights of others.

Much of the old world laughed. "Such nonsense! This upstart nation cannot last. No such loose government has ever lasted—none ever will. Some are chosen to rule, others to fawn and give!"

More than once the old-world cynics were almost proved right. Some colonists wanted to make George Washington king and transplant an old-world monarchy in America; but Washington knew that Valley Forge and the whole Revolution stood for something else — for throwing off the yoke of servitude.

Again, behind the closed doors of the Constitutional Convention, some notions were propounded that might have wrecked the young nation; but despite mistakes, the delegates produced a remarkable document, wisely calculated to restrict the role of government and release the energies of free men.

### ***One Great Asset***

At the outset, the infant country was burdened with problems. Unemployment, high prices, unrest, and discouragement followed fast in the wake of the revolution. But the young United States also possessed an asset — one so great that it more than offset the liabilities. That asset was a magnificent individual freedom which permit-

ted an unprecedented release of human energy.

Human energy is an interesting thing. The individual person has energy. *You* have some; but *I* can't turn it on. Only *you* can! Magnify the turning on of this energy, full force, in 13 colonies and a few millions of people, and you can understand what happened to America.

There were no economic plans. No blueprints. And no limitations but the requirement that what one did or made must be useful either to himself or someone else — useful enough so that another person would willingly give what he already owned in exchange for it.

### ***Freedom in Action***

Encouraged by the freedom to do as they pleased, as long as they did not interfere with the rights of their neighbors, and urged on by the knowledge that they were allowed to keep the fruits of their own labors, the colonists displayed a remarkable industry and a keen inventiveness — ever seeking and finding better, faster, easier ways to do things.

Many saved enough to be able to invest in new ideas. Not all of these investments panned out; but when they did, they resulted in still more savings, which in turn

were converted into the tools that made possible still further advances in production.

There was little regulation of industry, and no government attempt to guarantee individual security. Men were on their own — free to work as they pleased but obliged to be self-reliant and provide for their own needs.

The result: The greatest prosperity the world has ever known! The most stupendous advance in material well-being — in new inventions and in the standard of living — that has ever been seen!

### ***Are We Forgetting Our Own Revolution?***

But strangely enough, in the past half-century Americans have been running away from their own revolution. They have forgotten — or failed to understand — what it was that gave them their unprecedented prosperity. They have returned to the Old World and imported an alien idea — the socialistic belief that government has the right to control productive activity, and that it is entitled to take from some persons in order to give to others!

This Marxian notion — catering as it does to the human impulse to get something for nothing — has, in many of its forms, been widely accepted. There re-

mains but a relatively small group which recognizes that these socialistic tendencies are contrary to all that has made America great. And it is a still smaller segment who actually understand the religion-rooted, politico-economic ideas on which this country was founded. It is this group who are America's true revolutionaries. And those who are best informed and most articulate among them are fighting the most genuine revolution in the world today — the revolt against the tyranny of the socialistic welfare state.

People sometimes say, "I believe in freedom. I thoroughly disbelieve in state socialism. What can I *do*? How can I help *change* things?"

The answer, as I see it, is: "First, do something to yourself; change yourself!" That is, develop your own understanding of the system you say you believe in. Until you thoroughly grasp the precious value of individual liberty, the immense productivity of the free economy, and the great necessity of strictly limited government, you can do little to aid the cause of freedom.

#### ***Ingredients for an Intellectual Revolution***

Each of us must begin by building up his own idea-arsenal. Let

me share with you elements of this again-revolutionary idea which I have found helpful in clarifying my own thinking:

1. A belief in the dignity and inherent worth of the individual.

2. The conviction, which follows naturally, that whatever an individual produces is rightly his own, to do with as he sees fit. To deny this is to deny his individual nature; unless his property is his own, he cannot be independent of those who would make a prior claim on his property. And so, no one has a right to tell a person what is a proper use for his property, so long as he does not employ it to damage others.

#### ***Every Nation Has Capitalism***

In sharpening my own understanding of the private property concept, and in discussing ideas with others, I find it helpful to recognize that "capitalism" is universal in the modern world. Every advanced economy uses machines and tools to augment production, and these are capital. The big question is who will decide how the capital is to be used — the bureaucratic power, or the individuals in the market?

While ours is a capitalistic system, the goal is not just any kind of capitalism, but an *individual* or *competitive* capitalism. Russia to

day is a capitalist country. Everyone has seen in the newsreels the Soviet copies of American farm machines crossing great fields at harvest. How did Russia get these tools? From savings. If there were no savings, there could be no tools. And the conversion of savings into capital — tools — is capitalism.

So we see that the schism that is splitting the world today is not between capitalism and noncapitalism. It is between state capitalism and individual or competitive capitalism; between state control of the means of production, and individual decisions in the market place; between *your* deciding what color and style of shirt you will wear, and someone else doling out his idea of what will satisfy your needs.

#### *What's Happening to Individuals?*

In my thought and conversation, I also find it helpful to consider the *individuals* involved in a situation, rather than vague groups such as "society" and "government."

One evening a young minister and his wife came to call at our home. He had never disguised his socialist leanings, and that night — as usual — we started to discuss politics and economics. The conversation soon ran to "social security," and he insisted that

government could guarantee such security. I tried to show him that government had no income but what it took from its citizens, so it couldn't guarantee any one of us something we didn't already have — unless it forcibly took it from *someone else*. And at the same time, I observed, we had to pay a high-priced middleman in Washington to do the arranging for us.

He finally accepted this as a correct description of our "social security" system, but proceeded to *endorse* the process of taking from one to give to another.

#### *Taking by Force To Do "Good"*

I could hardly believe that this young clergyman, who took his Sunday morning texts from the Ten Commandments, could deviate so far on a Wednesday night! So, I proposed a test of his good faith. I said I would like to act out with him, in a simple man-to-man situation, exactly the same kind of process he was endorsing in the "social security" system. He agreed.

"All right. Give me your wallet," I said.

"What do you mean?"

"Just this. You said it is proper for government to take from some, in order to give to others who are in need. I'm acting as 'govern-

ment,' and I know three families between here and town who need the contents of your wallet more than you do."

"This is different!" he protested.

But his wife, who hadn't said much so far, spoke up.

"Give it to him, dear. He's got you trapped in your own arguments!"

Actually, I wasn't trying to trap him — only to help him think about this problem clearly. Then I asked him to consider what would happen if I were to rob him every day of a sizeable part of the fruits of his labors — in order to provide "security" for others. I pointed out that he might soon lose the incentive for activity. Like the people who have lived under the Pharaohs, the Caesars, the Czars, Kings, Queens, Committees, and other forms of tyranny, he would probably do no more than he had to, just enough to sustain his own life.

Of course, no one article can ever begin to explain the ideas and thought-techniques which the individual must acquire if he is to be a successful expositor of the freedom philosophy, and thus aid in the revolt against statism. But this one thing is certain: if any one of us is to help win this idea-revolution, he must be able to an-

swer the questions that are on the minds of his fellow citizens — and answer them in the way that reveals the fallacies and dangers of socialism, and the inherent soundness of the free economy.

### *We Should Know The Answers*

Judging by conversations with business friends and other associates, here are ten of the many questions which thoughtful people are apt to ask:

1. *How does inflation come about?* How much inflation have we had in this country since 1940? What does inflation mean to the man who has insurance, savings, or an investment in stocks and bonds?

2. *What is the present average investment per worker in American industry?* What has happened to the rate at which savings are being accumulated to invest in the tools of production, in order that the level of living might be maintained or improved?

3. *What have compulsory pension systems by industry done to the value of equities in these industries?* What is the significance of the fact that the "social security" program of the federal government is not a funded program?

4. *What is really meant by production?* Why was Karl Marx wrong in his "surplus value" the-

ory? But what significance has the theory had in certain kinds of legislation in this country in recent years?

5. *What is meant by distribution?* What happens in the allocation of resources between different kinds of economic activity when this allocation is interrupted in its natural procedures and diverted by means of subsidies? Where do the funds come from with which subsidies must be paid?

6. *What is the significance of the Sixteenth Amendment,* and of other legislation that has been passed since 1913 to the concept of private property in this country? What is the meaning of private property? What is the basis for the idea that private property is important to a free market system? To a free political society?

7. *What is the function of exchange in a free market economy?* What is meant by a free market system? How can both parties to a transaction in a free market actually gain?

8. *What caused the depression that began in 1929 and extended through the thirties?* Is it correct to say that this was the breakdown of the free market system? Or was it rather the culmination of continued and regular intervention by government in our econ-

omy for a number of years prior to that time?

9. *In a free market system, how do we take care of the problem of concentration of "economic power"?* What is there to prevent continued concentration of economic power and domination of the whole society by a very limited number of persons?

10. *What is meant by competition?* What happens to an economy when it is curtailed or eliminated?

I would not pretend that I — or any other persons — have found fully satisfying answers to all of these questions. I have presented them simply as a challenge — an indication of how much understanding each of us must develop if he is to become a truly able expounder of the free economy.

So often it is a query — a simple, obvious question which we ought to be able to answer — that reveals to us how little we know.

Once I was at dinner with my family when an electric storm broke loose. With his back to the window, my five-year-old son did not see the lightning strike, but he heard the thunder. We all jumped.

"What makes lightning, Daddy?" he asked.

It was a natural question. But did you ever try to explain light-

ning to a five-year-old?

While fumbling for the answer to that question, I wondered how soon he might be asking about other things: "What is socialism? What is capitalism? Or — what is individualism? What is a free market?"

And I hoped in my heart I would be able to explain these things so well that he, too, would want to join the great idea-revolution of our time — a revolt started almost two centuries ago by men who loved freedom more than life itself.

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### *Imperatives for Survival*

**WE** MUST RECOGNIZE, of course, that it takes much more than pure intellect to answer social questions. Great problems involving many people are usually handled in an atmosphere of high emotion and the participants often show but little evidence of being rational human beings. But, even though it acts slowly, it is certainly true that intelligence can and does have some influence in shaping mass emotions. It is in this slow modification of mass emotional patterns that the average intelligent person can and should play a continuing role within his own sphere of influence.

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**MEN** ARE SO ENGAGED by the homely pressure of each day as it comes, and the natural solicitudes of common life are so instant, that a bad institution or a monstrous piece of misgovernment is always endured in patience for many years after the remedy has been urged on public attention.

JOHN MORLEY, *The Life of Richard Cobden*

# A Duty of Management

THESE IS a growing sense of responsibility on the part of businessmen for the support of education. There are, also, certain responsibilities of business management to its stockholders, those who have invested their savings in the business. Included among these are:

1. Recruiting and training a labor force
2. Procuring sources of raw materials
3. Acquiring efficient tools and equipment
4. Developing economical manufacturing processes
5. Locating profitable markets, and
6. Making a decent profit

*But more important than all these is the responsibility for preservation of the stockholders' property.*

When "government ownership of industry" ideas are on the rampage, as they are now, and when the only antidote to these are "private ownership ideas," it is the duty of management to aid educational efforts which *promote private ownership ideas*. By the same token, it is the duty of management to withhold aid from those educational efforts which *support government ownership ideas*.

BEN MOREELL

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*Admiral Moreell is Chairman of the Board of Jones and Laughlin Steel Corporation. The above statement is from an address, "The Role of American Business in Social Progress," before the Indiana State Chamber of Commerce at Indianapolis, December 9, 1955. Copies of the address are available through the Foundation at 10¢ each.*

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