

Thinking About Government

ONCE upon a time most people believed the world was flat, but that did not make it so. There were times when learned men believed one might discover a way to turn lead into gold or to build a perpetual motion machine. When I was a child, Mother made me wait an hour after eating before going swimming lest I get stomach cramps.

We all know better today. But did you ever wonder how many things believed today will be absurd thoughts in the future, laughed at even by children? Just for instance, what do we think is the proper role of government in our lives?

The world is a wonderful place. Mankind is on an upward course. Progress, though not constant, seems to be part of the natural order of

things. Mother nature goes on unchanged, but people are able to improve their lot. They are able to build tools to increase their effectiveness. They are able to pass both tools and the knowledge to build tools on to future generations, who in turn can improve on the knowledge and build better tools, to pass on, to be again improved. These tools and this knowledge have permitted more and more people to live more comfortable lives with less effort and less pain and less cruelty toward others.

The progress has not been continuous or uninterrupted. It has faltered. Whole continents or areas have regressed for long periods. Who among us can forget the section from our grade school history books about the "dark ages"? But while the once great have gone backward, sooner or later other areas have become new

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centers of learning and development, always surpassing the best that was previously known. China, Egypt, Greece, Rome, Spain—all had periods of rapid progress and subsequent decline. And now in just two generations (the time of our grandparents and parents) the United States has experienced the most rapid development and accumulation of knowledge and tools ever known in the world—a growth that seems to be ending.

The fundamental thing to remember is that the accumulated tools, the accumulated knowledge, and the passing of this accumulation on to succeeding generations is what has permitted man to improve his lot in life.

The Rise and Fall of Nations

The Western world of Europe and the United States today is exhibiting some of the signs that were evident in China, Egypt, Greece, Rome, and Spain prior to their decline. What is the common thread of the ascendance and decline of great civilizations and nations? What can we learn from history? Why is there rapid progress in some areas and little in others? Climate, fertility of the soil, natural resources, intelligence of the people does not explain it. Why do some areas once blessed with rapid progress slow down and even decline? Natural catastrophe such as flood, earthquake, or even

war is not the cause. The common thread somehow seems to be the manner in which the people are motivated; how hard they work, not how smart they are; how they perceive opportunity.

What causes people to work, and to save part of what they produce in order to build a better tomorrow; and what causes a people, once they are working and saving and passing on their accumulated knowledge and tools, to stop or reduce their saving and thus bring an end to progress? This is the important question. And the answer is known. We know what causes men to work, study, produce, invest, save, and help succeeding generations continue the development and progress of man. It is no secret. Some men have known it for thousands of years. It's simple.

Before coming to that answer, we must face a second and more difficult question: "If the answer is so simple why don't we do it?"

What is involved here is a matter of human nature—the natural behavior of man. It is the natural desire of everyone to get the most he can with the least effort. We are all the same. You and I both desire to accomplish the most benefit with the least effort: and this includes the willingness to live off the labor of another without work if we can do so without shame or loss of pride. This is the answer to the second question. We have not yet learned a

way to restrain the temptation of man to enjoy a life of ease at someone else's expense.

The Destruction of Incentives

The Chinese civilization began its decline when the governing officials began to take more and more of the work product of the common man to support the privileged class. The man who produced the crops and clothing, shelter and transportation had less to spend on himself and his family, less incentive to work, and less property to pass on to the next generation.

Egypt declined for the same reason. The government grew and began to take a larger portion of the producer's efforts to support the non-productive. More and more people became privileged to live at the expense of another. The government built pyramids to put people to un-productive work. The pyramids were simply relief projects which expanded the number of people who were privileged to live off the productive work of others. The Bible tells of Joseph and the ever-normal granary to store grain in good years. This was simply a subsidy to the privileged at the expense of others. The privileged were the farmers whose grain was purchased by the government at higher than market prices. The rest of the population suffered the consequence of higher priced food.

History seems to repeat itself. People develop a government to guarantee protection of property, which causes prosperity; then government increases the tax burden to permit more and more people to live off the labor of others until the incentive to work and to save is reduced, less and less is passed on to the next generation, prosperity ebbs, and finally the government falls. In fact, the fall of government seems to be part of the natural order which permits man's progress to continue. The work and productivity of individuals were the keys to progress. Government, by protecting property, created a social condition conducive to such progress. But in granting privileges to particular persons and classes, instead of being an institution to protect property, government itself becomes the main threat to life and property.

Look at Rome. The number of people supported by taxes kept increasing and the number of people performing productive work kept falling. Even slavery could not support the large numbers of non-producers and that was the end of Rome.

Spain's period of development and progress ended similarly, but under the additional handicap of the large amounts of gold and treasure stolen from the Indians of the new world. The effect of the gold was to increase the powers of government, create inflation, and cause more and

more people to attempt to live off the productive labors of others until the decline became unstopplable.

The Principle of Least Effort

It is human nature to attempt to get the most we can for the least effort. This is an advantage so long as it makes us more efficient or productive in our own labors. But it is disastrous if it turns us to seeking benefits at the expense of *another's* productive labors.

If we can shell a bushel of corn in an hour by hand but can use a machine to shell 25 bushels in an hour everyone has benefited—the machine maker, those of us who use the machine, and the persons who buy our corn—all are able to share to some extent in the saving of effort. But assume that A and B who are in control of government put a tax of two pounds of corn for every bushel shelled by a mechanical sheller. The tax is a hindrance. It tends to reduce the number of machines that may be sold, the profit of the machine maker, and the profit of the farmer shelling the corn. It tends to reduce the supply of corn, the standard of living and the ability to pass on capital to future generations.

But this is only the beginning of the evil. What are A and B going to do with the corn tax? Suppose they use it for their own riotous living? Is this right or wrong? Is it beneficial to society? Suppose they take it for

distribution to the “needy”—surely a noble-sounding purpose. But who are the needy, what constitutes need, who is to decide? Does this change the effect on the farmer or society? Has any real good been done? In light of the natural human tendency to get the most one can with the least effort, will the recipient of the free corn be more inclined or less inclined to work for his own well-being?

The answer is obvious: He is going to be less inclined to work for his own well-being. While no one can say which particular individual will be “needy” as a result of the free corn dispensing, we can say with certainty that there will be more “needy” after free corn distribution is commenced than the number of “needy” before. A subsidy increases the size of the group being subsidized.

When the human trait to get the most with the least effort involves Needy N acquiring some of the work product (shelled corn) of Farmer F, it is to the questionable benefit of N and is to the detriment of Farmer F and everyone else in society. Needy N has simply obtained the benefit of the corn produced by Farmer F. It is easy to see that Farmer F is worse off. But it is also true that neighbors C and D who get no handouts of corn but pay a higher price—that these neighbors, as well as succeeding generations—are worse off as a re-

sult of the involuntary transfer of wealth from Farmer F to Needy N.

Confusing the Issue

Here it is that we cross from black and white to grey, from what every thinking person can see is good or evil to the hazy grey areas of where do you draw the line. Whether it is proper for government to take corn from Farmer F to give away is a matter of principle, it can be discussed intelligently and logically, and it is either right or wrong on its own merits. But the minute we inject the needy person N into the consideration the absolute and fundamental question of whether it is right or wrong for A and B to take from Farmer F becomes obscured with the consideration of how needy is N and the relative affluence of Farmer F. Do you give it to N if he is completely incapacitated and bedridden, deaf and blind, blind only, almost blind, has a serious limp, is somewhat of a clumsy fellow and people won't pay him much, has six children, is a drunkard, has slow blood, is lazy? And how do the above considerations become altered if Farmer F happens to be blind in one eye and has a crippled arm but is still able to farm and support a wife and eight children? How does one assess the relative merits of Farmer F and Needy N?

Even more important, who should determine those relative merits?

And who should pay the benefit? Does it make a difference if the one deciding the need is different from the one paying? Will A and B make the same decision as to who is needy if they are giving their own corn instead of giving the corn of Farmer F? In short, there are so many variables that no two people will agree. Once the basis of the decision shifts from the fundamental of right or wrong to whether you or others feel sorry for someone, society is thrown into turmoil, disagreement, dissension, and discord. Personal acts of charity and compassion are modified and government may become more hindrance than help to the needy.

In considering the impact of the relief payment on Needy N, we must bear in mind the many kinds and degrees of need. Needy N may be both mentally and physically incapacitated requiring confinement in an institution. This is the one extreme of an endless variety of "needy." Let us however take the case of Needy N who simply has no motivation or ambition and won't work—not that he can't work but that he won't work at a job he doesn't like or one that doesn't pay very much so long as he can get relief. Is the relief really helping this Needy N and his family? We seem to focus our attention on the material well-being of N and his family and to ignore the psychological and mental

well-being of N or the other family members. We also forget the way that relief will affect one's incentive and desire.

Killing Self-Respect

Most of us take some pride in fighting the battle of life and being able to support our family. It is a real accomplishment that makes us happy and gives a feeling of being in tune with life. Can the recipient of public aid have these feelings? What kind of lesson do the children learn in such a household? How will they feel about their father? How will the children mature and what kind of responsibilities will they have? Is putting the family of this able-bodied man on relief psychologically beneficial for either the father or the children? The point is that giving someone relief is not necessarily doing him a favor.

For another example, let us assume Needy N has broken his leg (at home). He has no savings, a wife several months pregnant, no relatives, four small children; he is living in a rented house, it is winter, the food closet is empty, and it will be three weeks before he can put weight on the cast to go back to work all day as a mechanic at the local Ford dealer.

Under the above circumstances, should Needy N be helped and by whom? Should A and B in control of government take from Farmer F and

give to N? How about letting people who know N do what they feel necessary? Does anyone really believe that N and his wife would go hungry, that the heat would be turned off, that the landlord would throw them out of the house, that the wife would have no one to deliver the baby, that no neighbor, friend, employer, fellow church member, or stranger would come to their aid?

Some Nagging Questions

Is the situation as bad as it sounds? Are we sure N really needs help to the extent that A, B, C, D, E, and F would agree? And how much of the predicament is of N's own making, from which he could learn something if left to his own resources? Why hasn't N laid a little money aside for a rainy day? Shouldn't people know that misfortunes are to be expected? Wouldn't this teach the lesson? Could he not have saved instead of spending for cigarettes and beer? Couldn't N borrow some money? Has he established a reputation of paying his bills—or of trying to avoid people to whom he owes money? Does he have a car or hunting dog or a boat or camera he could sell or a wedding ring he could hock? Shouldn't these things be done before forcing others to come to his aid?

Suppose A thinks N can get along on his own and won't do anything to help? Suppose that B, C, D, and E

think differently? What is to stop them from helping N on their own? Do they need A? And how much will B, C, D, and E help, and will they agree? Do they pay the rent, gas, electricity, groceries, and doctor bill—or only some of these things? Are cigarettes and beer to be included in the groceries? Do they pay N's rent even though the landlord wouldn't throw him out? Do they pay the bills now that could be postponed until N gets back to work? It gets complicated. People can and do have differences of opinion.

What it all boils down to is the trait of human nature to get the most for the least effort. As applied by an individual in his own productive work, it is proper and correct and works to the good of everyone. But when it comes to getting some of another's productive effort, it is not necessarily to the good of the recipient, or the giver, or a stranger to the transaction. We all have differences of opinion and no one can be sure he is doing more good than harm in giving someone something. The only thing certain is that once the privilege is conferred to receive a part of another's property, the number of people who enjoy this privilege grows and grows and peaceful production and trade are disrupted.

So the answer to the question of what causes progress, what causes man to work, study, produce, invest,

save, and pass on part to succeeding generations is simply the right of man to enjoy the benefits of his labor. Where government has thus protected and defended life and property, the conditions have been established for the great civilizations of the past. Man was encouraged to work to produce the most he could with the least effort, and by working hard to help himself and his family he also benefited all other people in the society and the future generations to come.

Government Perverted

And what caused these civilizations once great and prosperous to decline and fall? The answer was the failure of government to protect the working man in his right to the benefits of his work. Government in fact became the principal violator of the worker's rights to property. Instead of protecting the worker from theft, government in effect became a thief, taking part of his earnings or savings by taxation and inflation, in order to give it to the privileged. When the number of privileged was small and the taxes small, the effects were small. But when the number of privileged grew and the taxes grew, there was less incentive to work and the ability to save and pass on part to succeeding generations was diminished.

So it was an over-reliance on government which caused the downfall

of the great civilizations of the past. It made no difference whether the government was a monarchy or a dictatorship or a republic. The form of government was not important. The loss of a worker's property through taxation was the cause of the destruction of the civilization. It matters not that the purposes may have been noble-sounding or humanitarian and the privileged were thought to be needy and unfortunate. The loss of private property rights meant the destruction of the society.

In summary we can conclude:

1. Man attempts to work as little as possible to improve his condition in life as much as possible. If he must work to get what he wants he will work; if he can get what he wants without working he won't work.
2. A government that protects man's property from theft creates a social condition of incentive and reward, causing each man to work

and thereby creating prosperity and progress for society at large.

3. A government that permits man's property to be taken by others or by government itself (even though it be for relief to the needy) creates a social condition that reduces incentive, reduces the reward for working, and thereby retards prosperity and progress.

This is not the generally accepted belief today, but the world is progressing and learning.

My mother's generation thought eating before swimming would cause stomach cramps. My generation thinks government transfer payments are a social good. I hope the next generation learns as much about the proper role of government as my generation has learned about swimming and cramps. The progress, prosperity, and well-being to flow from this simple understanding would stagger the imagination of the supreme optimist. ☉

Thomas Babington Macaulay

EITHER some Caesar or Napoleon will seize the reins of government with a strong hand; or your republic will be as fearfully plundered and laid waste by barbarians in the twentieth Century as the Roman Empire was in the fifth;—with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and that your Huns and Vandals will have been engendered within your own country by your own institutions.

IDEAS ON



LIBERTY

Ingrid Rottinghuis

On Manipulating Others



If we believe that no man should live under the dominance of another, we must be able to recognize signs of subtle manipulation of human beings in ourselves and others. Sometimes as we manipulate or are being manipulated, we may vaguely sense what is going on, but do not consciously realize the implications.

Among our most important human relationships are those with our marriage partner, our children and our friends.

Aren't we all familiar with the situation where a person tries to leave a party early, for whatever personal reason, but meets ardent protests? "You can't be the first to go home and start breaking up the party! Come on, be a good sport, have another drink, stay with us!" Apparently, our host is warm and

hospitable. On second thought, we may be dealing with an overbearing person who manipulates others by vaguely suggesting that the leaving guest is more of a kill-joy or spoilsport than a friend.

When we are imposing extremely high standards on our child and expect excellent performance in all fields, we may think that we are encouraging him to unfold his potentiality. But we may be unknowingly brutal in our great expectations and we may be displaying a deep disrespect for him as a person. We have the power to manipulate a child, by giving love and approval, or by withholding it. We may, in the process, be directing his life into "serving his parents' desire" for his greatness, thus building a compulsive perfectionism into the child's character.

We also should learn to recognize the means by which our children try to manipulate us into catering to

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