



The Day Welfare Hit the Classroom

I HAVE OFTEN HEARD it expressed that the classroom should be a small window upon life and prepare students for the world they will soon enter as adults. I accept this idea, and introduced a magnificent scheme of marking that would alert students to economic factors they should appreciate. When I gave back a major assignment, the students noted some peculiar entries on their papers.

"Sir, what does it mean, minus six marks for the Student Pension Plan?"

"Well, Bob, the Student Pension Plan is one that I invented similar to a government pension plan. You

put aside some of your marks each week into a fund which will be available should you decide to retire toward the end of the school year."

"Do I get them back?"

"Yes, but in the meantime inflation will have eroded the marks terribly, so you will probably get back only a small part of what you set aside. Yes, Mary?"

"Sir, what does it mean, minus four marks for Unemployed Student Insurance?"

"Ah, good question. Suppose you are absent or for some reason fail to hand in your assignment? Then, you are authorized to draw marks from the Unemployed Student Insurance Fund to make sure you don't suffer a drop in marks."

"But what happens to my marks if

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I do all my assignments—do I get my marks back?”

“Certainly not. The marks are needed by the less fortunate.”

“Sir . . . Fred got a 55% on his assignment and he didn’t even do it!”

“Yes, I know. You see how the Unemployed Insurance works? Fred didn’t do anything, but we can’t let him fail, so I authorized him to draw 55 marks from the Insurance Fund.”

“But the reason he didn’t do it was he went to the hockey game. He said to --- with your assignment and . . .”

“It doesn’t matter. Each of us owes a duty to our neighbors to see that they encounter no hardships. It’s their birthright.”

“Even if they don’t do anything?”

“Perhaps he was unable to do it.”

“Sir, what would happen if we all didn’t do the assignment? I mean, suppose we all just asked for 55 marks, what would happen?”

“Tsk, tsk, Tom. I assume that each of you wants to work, that you seek work and savor it. I know none of you would deliberately turn down the opportunity to work.”

“Sir, what does it mean, minus 5 marks for Student Health Plan?”

“That is in case you are ill for a prolonged period of time. The Plan will pay you 60 marks a week while you are convalescing.”

“Why didn’t you deduct any marks from Hilda for the Student Health Plan?”

“She comes from a low-income

family. Can’t expect her to pay anything, can you?”

“Sir, you took fifteen marks from me for Student Income Tax, but you only took four from Ralph.”

“Well, you are in a higher bracket than Ralph. You had a mark of 86% while Ralph only had a 57%. You should pay more than he.”

“Why?”

“Just because it always works that way.”

“Sir, I had a mark of 58%. After you deducted Student Income Tax, Student Health Plan, Student Pension Plan, and Unemployed Student Insurance I ended up with only 39%. I passed the assignment but all your deductions made me fail. I would have been better off if I hadn’t done it at all like Fred. He didn’t do anything but got a higher mark than I did.”

“Yes, unfortunately there are a few cases where it does work out like that. Some people are financially better off not working than working.”

“You mean it’s better to refuse to work rather than work and get a low passing mark?”

“Yes, but again I want to emphasize that I know each of you would not want to take advantage of such an idea. The thrill of the job alone should drive you onward even though you end up with fewer marks. Besides, you wouldn’t feel morally right knowing you were drawing marks

from your fellow students when you were perfectly capable of getting them yourself.”

“*Sir, do people really live like this?*”

“Certainly, it’s part of the great social scheme of life.”

As the bell rang, I knew I had succeeded beyond my utmost dreams. The students were actively talking about incorporating so they could defer taxes, bringing in large numbers of immigrant students to do their assignments at a low pay scale while they collected from the Unemployed Student Fund year around,

applying for government assistance to pay their Student Health Plan premiums because they came from low-income families, and had started a Strike Fund to keep their marks up while they were busy picketing the school for higher marks, a four-day week, and a student drinking lounge.

As I watched them happily thinking of ways to obtain extra marks from the Unemployed Student Insurance Fund by enrolling in the plan under more than one name, I recalled the words from the musical, *My Fair Lady*: “By George, she’s got it!”

Market Pricing

IN a market economy of private ownership, the most desirable use for the land (and other means of production) can be, and is, quickly decided by the highest bidder. If the beet grower outbids the office builder, the land is used for beets. If he has miscalculated and can’t at least cover his total costs by the sale of his product to willing buyers who have freedom of choice, he goes broke—and some other person who is searching for profit-making opportunities replaces him and produces whatever product *he* thinks the consumers will buy. Thus the consumers, by their buying or abstention from buying, will make sure that the land is used for a purpose that pleases them.

But under total socialism, there is no price and no market for any capital good, including land. No person is free to produce what he thinks the consumers would prefer. Thus all land, all natural resources, all building materials, and all capital of any description must be arbitrarily assigned to whatever purpose happens to please the planner. Literally, there is no other alternative in a command economy.

IDEAS ON



LIBERTY

DEAN RUSSELL, “Play Store Economics”

THE RELICS OF INTERVENTION:



2. Progressivism



SOME of the major relics of government intervention are still with us today as a result of the Progressive movement of the early twentieth century. The Progressives promoted and brought about intervention in three distinct ways. (1) They made the fateful link between the idea of progress and positive government action. (2) They adapted socialistic reform to the American framework as gradual and mounting government intervention. (3) They succeeded in getting some of their reforms enacted into law either as particular programs or constitutional amendments.

The Progressive movement began to make its political impact in the first years of the twentieth century and had largely spent itself by 1920. Some would date the beginning of that impact from 1901, when Theo-

dore Roosevelt became President after the assassination of McKinley.¹ The end of its thrust as a national movement can be dated from two events which occurred in 1920: the election of Warren Harding as President vowing to oversee a "Return to Normalcy," and the adoption of the 19th Amendment, which was the last of the Progressive amendments to the Constitution.

The peak of the movement was reached in 1912 when Woodrow Wilson, an avowed progressive, was elected President as a Democrat, when Theodore Roosevelt came in second to him as the nominee of the Progressive Party, and when William Howard Taft, whom Roosevelt had chosen to succeed him in 1908 because of his progressive tendencies, came in third as the Republican candidate. Most of the legislative triumphs which can be attributed to the Progressive movement came during the years 1913-1916.

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