

In Defense of Laissez-Faire

HUMAN ACTION: A Treatise on Economics. By Ludwig von Mises. 689 pp. New Haven: Yale University Press. \$10.

By J. K. GALBRAITH

ANYONE who has been yearning, if only from nostalgia, for a truly unvarnished and unconditional defense of laissez-faire should be well satisfied with this book. For nearly half a century, in Vienna, London and more recently in New York, Professor Mises has been battling socialists, planners, reformers and every other kind of sponsor, deliberate or unwitting, of government interference with economic process. As the reader will quickly discover, he has not surrendered an inch of ground.

Not that this book is entirely a polemic against interventionists although it is certainly that. Based on the author's *Nationalökonomie, Theorie des Handelns und Wirtschaftens*, published in Geneva in 1940, it is a subject-matter treatise in the grand manner.

At the heart of Professor Mises' economic system, a system that displays the impressive scholarship of its builder, is the market. If that market is completely free, which for Professor Mises means, above all, free of government interference, and if that freedom extends comprehensively to markets for labor, capital and natural factors of production, then man achieves the highest state of grace to which he can rise. He will be free, at peace and as prosperous as his natural endowment and the existing state of capital accumulation permit.

THE implacable and omnipresent enemy of the market is government. There must be no compromise whatever with this demon. If there is, not only economic but all other values are sacrificed. "Government is in the last resort the employment of armed men, of policemen, gendarmes, soldiers, prison guards and hangmen. The essential feature of government is the enforcement of its decrees by beating, killing and imprisoning."

It follows that all of man's economic and most of his other troubles are the result of government action and Professor Mises would have very little of it indeed. He opposes regulation of banks, by which, ultimately, he explains business fluctuations; he opposes all regulation of production, to which he attributes, along with other evils, the survival of most monopolies; not even the prohibition of the drug traffic is permissible—"once the principle is admitted that it is the duty of government to pro-

tect the individual against his own foolishness, no serious objection can be advanced against further encroachments." The ban extends, as a practical matter, to the regulation of utilities and, of course, to public ownership.

Indeed, in the field of public enterprise Professor Mises has grave doubts even about public schools. He concedes that "in countries which are not harassed by struggles between various linguistic groups public education can work very well if it is limited to reading, writing and arithmetic." For bright children he would even go a trifle further. But not much, for one soon finds that the schools have become an instrument for indoctrination by

commonplace servants of man. Professor Mises powerfully defends it against those who would subvert it to the service of selfish or shortsighted ends. But it is possible that the defense is stronger when in the hands of somewhat more moderate men. One is also bound to be puzzled over who is to vote in and support the economic and political order that Professor Mises demands. He is a vigorous foe of autocrats and dictators but he also has little respect for people at large. Defending advertising, to choose one example among many, he observes: "Like all things designed to suit the taste of the masses, it is repellent to people of delicate feeling." I wouldn't suppose that the people of delicate feeling are yet in the strength to take over.

COME now to the publisher. However much one may disagree with Professor Mises, he is a learned man and a famous teacher. The market, in spite of its virtues, does not pay for all the books that deserve publication and it is therefore both appropriate and good that a university press made this one available. But surely it should do so with some obligation to scholarly restraint.

The publisher's statement on the jacket of the book says that Professor Mises' approach bears little relation to what "is usually taught in classrooms or to the hopeful, revolutionary but bankrupt 'economics' that conquered the Western World in the last decades." It adverts to the "malignant" political consequences of actions during the last decade at variance with Professor Mises' views.

Does the Yale University Press stand on this comprehensive slur on present-day economics, including that taught in the classrooms at New Haven? What are the "malignant" consequences of not having followed Professor Mises' advice in the last decade?

Does the publisher believe with him, for example, that the war should have been fought without any allocation, priority, price or other controls apart from high taxes and inflation? Those controls were disagreeable—possibly one had to administer them to know how really disagreeable they were—but what of the alternatives and their risk? Surely someone associated with this publishing venture, if only in what seemed like innocent emulation, got sadly out of bounds.

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Means and Ends

ECONOMICS obtains from any judgment of value. It is not its task to tell people what ends they should aim at. It is a science of the means to be applied for the attainment of ends chosen, not, to be sure, a science of the choosing of ends. Ultimate decisions, the valuations and the choosing of ends, are beyond the scope of any science. Science never tells a man how he should act: it merely shows how a man must act if he wants to attain definite ends.—Ludwig von Mises in "Human Action."

the state. In the tax-supported universities, he observes, the party in power restricts appointments to those who agree with it, which means to professors who are committed to government intervention.

THE latter is one of many generalizations which the publisher, to whom I shall address a word presently, describes on the dust jacket as "stirring." Without qualification in the context, opponents of the gold standard are described as seeking "to substitute national autarky for free trade, war for peace, totalitarian government omnipotence for liberty"; labor unions "are deadly foes of every new machine"; the world has never known "such a cleverly contrived system of propaganda and oppression as that instituted by contemporary governments, parties and pressure groups." Professor Mises, however, also reminds his reader that man "can never be absolutely certain that his inquiries were not misled and that what he considers certain truth is not error." I found myself grasping at this straw.

The market, even more than the wheel, is one of the great

