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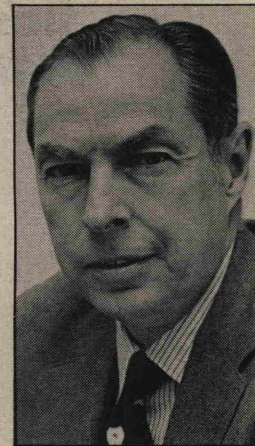
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Walter B. Wriston



An Economic Police State

Historically the American people have been both proud of their institutions and optimistic about the future. Nevertheless, when times are hard our mood is sometimes depressed to the extent that we feel that further progress is unlikely. A few years before we had to fight for our national existence in World War II, President Roosevelt declared: "Our industrial plant is built." The problem, he thought, was administering resources through national planning. Under leadership that forgot that freedom is indivisible, we set up centralized economic planning under the National Recovery Administration—a flat abandonment of free markets. From that folly we were rescued by the despised "nine old men" of the Supreme Court who remembered tyrannies of the past and would not let them be revived.

Like most attacks on individual freedom, the current proposals for economic planning—even though they are wrapped up in a package labeled "progress"—attract people who should know better. A new self-appointed group called the Initiative Committee for National Economic Planning is now pressing for a program designed to destroy the free-market system and with it our personal liberty.

THE GRAND ILLUSION

American life is a unique amalgam of political, religious and economic pragmatism. Each sector contributes to and indeed forms part of the other sectors. A concerted attack on one sector inevitably undermines the others. To think that the bell does not toll for academic freedom or for freedom of the press if the free market is shackled is an illusion. The American experiment, which is rooted in the individual's right to be himself, has produced the largest measure of freedom and the highest standard of living for more people than the world has ever known. As America continues to feed the world, it might be noted that no nation with centralized economic planning under whatever guise has been able to feed itself for long. That is no mere coincidence; it is cause and effect.

All proposals for a managed economy rest on a basic underestimation of the intelligence of the American people. It is asserted directly or by inference that you and I are just not smart enough to decide how to spend the money we earn. There-

fore the wise government through centralized economic planning will decide for us. The wonderful people who brought us price and wage controls, which so severely disrupted our economy, now wish to extend the chaos on a permanent basis. We would be told what we needed and who could make it.

THE AGONY OF CHOOSING

Centralized planning would come to the inevitable conclusion that it would be more efficient to allocate scarce resources on a national level by mandating university curriculums in a standardized fashion. It would soon become clear that if we had a standard history book, it could omit the fact that loss of economic liberty is always accompanied by the loss of individual liberty—this too would save money, time and thought. Paper could be conserved by leaving out, for example, Mussolini's boast that "we were the first to assert that the more complicated the forms assumed by civilization, the more restricted the freedom of the individual must become." The planners to whom the Congress would inevitably delegate the "planning" would find out without too much work that having only one television network would not only conserve energy, but would save the citizen from the agony of choosing which channel to watch. Those who advocate central planning always believe that they are smarter than the marketplace, and naturally that it is they themselves who will wind up in control of our country.

The collision course between centralized economic planning and personal liberty is inevitable because, in the end, government allocation of economic resources requires force. Dictatorship is the most effective way of applying force against the populace. Today we have advocates of the managed economy talking of "planned freedom" and the Initiative Committee for National Economic Planning speaks euphemistically of "plenary power" and about obtaining a "mandate." If proponents of centralized planning came out bluntly and said they were building an economic police state, their cause would never get off the ground. The application of force, once centralized planning is in motion, is foreordained because no plan that contains thousands of parts can possibly be agreed upon by a majority of the people.

Last fall, at the economic summit, it was

made obvious to all the world that experts do not agree. Anyone with even a passing knowledge of the American Congress knows that it would be impossible to get a majority vote on every item in the American economy that would have to be allocated, priced and assigned priority. National economic planning would be delegated to bureaucrats who like all regulators would then require arbitrary power to enforce each decision. Since, by definition, the elements of the plan cannot represent the will of the majority, it then follows that the people must be taught to understand that the will of the planner is for their own good. You must fasten your seat belt whether you want to or not. The law will prove ineffective if it does not have public support, in the same way that the seat-belt-buzzer law proved ineffective, or that the prohibition against drinking liquor proved to be a constitutional disaster.

NATIONALIZATION OF THOUGHT

Manifest failures must be explained. Argument will then be made that people in charge of our price and wage controls did not really believe in them, or that those in charge of Prohibition were alcoholics. The remedy of course is to get zealous teetotalers to explain that booze is bad, and Fabians to enforce arbitrary price and wage controls. The poverty of the concepts will be corrected by the strength of administration. It follows that public support must be generated by every means at hand. Doubts that "the plan" may not work must be suppressed and the official mythology, which inevitably grows up, must be sold. Long ago in the United Kingdom, Prof. Edward Carr put it this way: "It is significant that the nationalization of thought has proceeded everywhere *pari passu* with the nationalization of industry."

The founders of our country were distrustful of the concentration of power. An attempt to end-run this principle under the guise of national economic planning would succeed in destroying both our personal liberty and our productive power. We need to preserve both or we may find ourselves with neither.

Wriston is chairman of Citicorp.