INDIANA POLICY review

SPECIAL EDITION

The Meaning of Self-Government

A READING LIST FOR LEGISLATORS

"A future that works"

In Congress, July 4, 1776, the unanimous declaration of the thirteen United States of America:

When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes: and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security.

INDIANA POLICY review

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A FUTURE THAT WORKS

Our mission is to marshal the best thought on governmental, economic and educational issues at the state and municipal levels. We seek to accomplish this in ways that:

- Exalt the truths of the Declaration of Independence, especially as they apply to the interrelated freedoms of religion, property and speech.
- Emphasize the primacy of the individual in addressing public concerns.
- Recognize that equality of opportunity is sacrificed in pursuit of equality of results.

The foundation encourages research and discussion on the widest range of Indiana public-policy issues. Although the philosophical and economic prejudices inherent in its mission might prompt disagreement, the foundation strives to avoid political or social bias in its work. Those who believe they detect such bias are asked to provide details of a factual nature so that errors may be corrected.

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Joyce A. Preest, copy editor; Robert and Lisa Barnum, graphic design. The cover: "Occupy Indianapolis" supporters Oct. 8, 2011, at the War Memorial (Brian Christopher/Demotix).

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THE REALITY OF SELF-GOVERNMENT

It's not obvious and it's not given.

Some say the decline of Indiana politics began with air-conditioned meeting rooms and multi-issue legislation. You should doubt that; history is rarely so subtle.

But rulers, especially, find it comforting to think that way. It implies there is time for a gentle correction of course. They tell us we need only be patient for one or two more election cycles until certain small, reasonable and effortless turns can be executed — a gradual, perpetual steering of democracy toward a heavenly ideal.

In reality, liberty is lost all of a sudden — a ship wreck, a brick through the window, a financial failure, a declaration of independence, a declaration of war, an invasion somewhere you're not sure where.

It follows, then, that our freedom might be saved not in increments but by insight — that and dramatic, even heroic, action.

And it might be saved by us and not by a distant them, and by each of us and not by a chosen group of us. Your county chairman or district representative may have precious little to say on your behalf. The governor, your senator and congressman already will have packed their bags.

So with the disturbing "occupy" demonstrations spewing images and thoughts that challenge our very definition of ourselves, the topic for this issue of the journal was obvious.

It is civic education, the study of those ideas that have guided us to this point. We would secure a bit of wisdom that is in danger of being lost in what promises to be a heated discussion.

That bit is contained in this question: What did the Founders mean by self-government?

A hint: They didn't mean what we see happening at almost every statehouse or city hall — that is, the institutionalization of the privilege of being taxed to ruin by despots seated atop a democracy overrun by public-sector unions.

The question was raised several months ago as the foundation prepared a reading list on American civic virtue, one we titled "A Reading List for Legislators." The selections remind us that for the Founders self-government literally meant *governing one's self.*

Governing one's self. An amazing idea, a daunting task. How much more difficult than mere legislating, the passage of politically timed laws in dribs and drabs as assorted crises demand.

There is a cinematic explication of all this, a scene from the 1989 mini-series, "Lonesome Dove." Gus McCrae (Robert Duvall) is about to hang Jake Spoon (Robert Urich), his friend and fellow Texas Ranger. Spoon had fallen in with a frontier psychopath, Dan Suggs. The Suggs gang had massacred a group of "sod busters" (the temptation here is to refer to them as property owners):

> Gus: *"You know how it goes, Jake, you ride with an outlaw, you die with an outlaw. Sorry you crossed the line."*
>
> Jake: *"I never seen no line, Gus; I was just trying to get through the territory without gettin' scalped."*
>
> Gus: *"I don't doubt that's true, Jake."*

Remember that when the politician and his outriders, the crony capitalist and the crony unionist, try to deconstruct a core issue like private property or rule of law rather than of men.

You shouldn't doubt that they, like Jake, see no line. And you can understand if not appreciate that they are just reaching for sinecure, trying to get reelected, refinanced or retired without being scalped in some figurative way.

A line is crossed nonetheless, and the offender, despite the best of intentions, whether a beloved politician, teacher, firefighter or policeman, does not deserve your support.

For the line is not difficult to see for those in the habit of looking for it. Both the Indiana and U.S. Constitutions illuminate it in the plainest of language. And if you are in a real hurry, there's the Golden Rule; the line is quite bright there. No one can claim ignorance as to how we are to govern, how we are to govern ourselves.

The old way, *ante* United States of America, the way recommended by self-described progressives, puts our fortune back in the hands of a king; that is, the state, however the means of succession, be it democratic or hereditary.

And that means dependency on a fiction, as Bastiat famously described the state, a fiction where "everyone seeks to live at the expense of everyone else."

And so it goes at the Statehouse these days — gentle, reasonable and fictitious progress all pushed along with the help of the more affable Republicans.

Reality, though, will be a brick through the General Assembly's window. Watch for it. You'll have to clean it up. — *tcl*

THE ROLE OF CHURCH AND STATE IN CULTIVATING DEMOCRACY

There's a need to train young citizens in the people's business of government.

by ANDREA NEAL

A survey comes out every year on Constitution Day regarding the public's knowledge of our system of government.

Here's a sampling:

• 1998 — Sixty percent of teenagers could name all Three Stooges. Forty percent could name all three branches of government.[1]

• 2006 — Twenty-two percent of Americans could name all five members of TV's Simpson family. One in 1,000 — .01 percent — could name all five First Amendment freedoms.[2]

• 2011 — Twenty-seven percent could name Randy Jackson as a judge on American Idol. Fifteen percent could name John Roberts as Chief Justice of the United States.[3]

This is not what the Founding Fathers had in mind when they devised our democratic, constitutional republic. As envisioned by Washington, Madison and Franklin, people were to call the shots in our system of government. They were to vote for representatives who would be accountable to them and promote the common good. But how can we hold government accountable when so many are so disengaged?

There are signs the system is not functioning properly. In Washington, partisans are mired in gridlock over debts, deficits and the future of Social Security.

Public admiration for Congress and the president is at a historic low.

And too many people say their vote doesn't matter. In an index of civic health released in September, Indiana ranked 43rd in the rate of citizens who are registered to vote — 61.2 percent – and 48th in voter turnout at 39.4 percent. Perhaps more worrisome were signs we don't care. Nearly 45 percent of Hoosiers said they do not discuss politics at all.[4] In the 18th century, cultivating educated and thoughtful citizens was the responsibility of churches and schools, preachers and teachers. But it's not anymore.

"Occupy Indianapolis" supporters Oct. 8, 2011, at the War Memorial (Brian Christopher/Demotix)

It should be. A quick look at the data suggests that civic disengagement is a serious problem for our country with serious long-term consequences. Yet it's not too late to reverse course. A proposal from a diverse group of leaders, chaired by former Rep. Lee Hamilton of Indiana and retired Supreme Court Justice Sandra Day O'Connor, points the way.

First the problem: We are not training young citizens in the people's business of government.

Although this is true of all age groups and incomes, it is pronounced among the least educated, the poor and minorities. Families that make above $75,000 per year are twice as likely to vote – and six times as likely to be politically active — as the poor.[5] This civic achievement gap is a reflection of the overall education achievement gap we suffer in our schools. You can bet that a school where students can barely pass the ISTEP test has little time to debate the merits of natural-rights philosophy, limited government, or separation of church and state.

The problem is not limited to the least educated. At both K-12 and college levels, less and less time is spent on the liberal arts that prepare us to be intelligent members of political society. In Indiana, it's the rare exception for students to get more than a smattering of civics in the K-8 grades. In high school the requirement is a year of American history and one semester each of government and economics. At the post-secondary level, less than 20 percent of colleges require any American history or government and only five percent require a class in economics.[6] Yet these are the disciplines that prepare "We the People" to govern ourselves.

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The requirements we do have are clearly insufficient. Only 22 percent of eighth graders and 24 percent of 12th graders scored at or above the proficient level on the 2010 NAEP exam in civics.[7] A college education helps little. The Intercollegiate Studies Institute compared the civics knowledge of seniors to freshmen and found that scores improved over the course of four years by a mere 1.5 percent.[8]

What are the consequences of this lack of civic knowledge? Let's start with the worst-case scenario: Our democratic republic is no more.

Being a good citizen is a job, and if we are not well trained we will do the job poorly. Citizens don't just vote of course. We serve in the military and on school boards and liquor licensing commissions and police review boards and zoning bodies. Those folks in Washington we like to complain about: citizens. We citizens are the ones who can throw out our fellow citizens if they abuse their power, or we can go to court if government violates our rights. Citizens are front-line defenders of freedom.

Benjamin Franklin said, "This will be the best security for maintaining our liberties. A nation of well-informed men who have been taught to know and prize the rights which God has given them cannot be enslaved. It is in the religion of ignorance that tyranny begins."

Tyranny is obviously a worst-case scenario. There are other consequences if we don't give civic education the attention it deserves. One, our democracy simply becomes less representative. It is shocking how many candidates run for office in this country unopposed. Another consequence is a further widening of the gap between haves and have-nots. According to the report chaired by Mr. Hamilton and Justice O'Connor, "Guardian of Democracy, the Civic Mission of Schools":

"When young people have limited or no access to effective civic learning opportunities . . . (they) are essentially disenfranchised and disempowered. As political scientist Larry Bartels explains, 'political influence seems to be limited entirely to affluent and middle-class people. The opinions of millions of ordinary citizens in the bottom third of the income distribution have no discernible impact on the behavior of their elected representatives.'"[9]

This civic-empowerment gap leads to other bad consequences. When citizens feel disenfranchised, they may resort to inappropriate expressions of their frustration. Isn't that what happened in England this past summer when young people who didn't have jobs and hadn't learned much in school decided to become hoodlums and vandals?

We delude ourselves if we think it couldn't happen here. The Occupy Wall Street protests that began in New York and quickly spread to Boston, Jacksonville, Indianapolis and beyond are a harbinger of things to come. Hundreds have been arrested for disorderly conduct or blocking traffic while demonstrating against the

"This will be the best security for maintaining our liberties. A nation of well-informed men who have been taught to know and prize the rights which God has given them cannot be enslaved. It is in the religion of ignorance that tyranny begins."

— Benjamin Franklin

> What binds a large majority of the protesters together — regardless of age, socioeconomic status or education — is a deep commitment to left-wing policies: opposition to free-market capitalism and support for radical redistribution of wealth, intense regulation of the private sector, and protectionist policies to keep American jobs from going overseas. . . . Sixty-five percent say that government has a moral responsibility to guarantee all citizens access to affordable health care, a college education and a secure retirement — no matter the cost. By a large margin (77 percent-22 percent), they support raising taxes on the wealthiest Americans, but 58 percent oppose raising taxes for everybody, with only 36 percent in favor. And by a close margin, protesters are divided on whether the bank bailouts were necessary (49 percent) or unnecessary (51 percent).
>
> *— Report on a random sample poll of 200 protestors in Zuccotti Park, New York City, Douglas Shoen, Oct. 18, 2012, Wall Street Journal*

Occupy Wall Street: What's worrisome is that many of the people interviewed on television are unable to articulate what they're protesting. Their statements about wealth accumulation and living wage suggest a woeful misunderstanding of basic economics.

unfair practices of the financial services industry.

The protests themselves are not the problem. Demonstrations and civil disobedience are legitimate forms of political speech. What's worrisome is that many of the people interviewed on television are unable to articulate what they're protesting. Their statements about wealth accumulation and living wage suggest a woeful misunderstanding of basic economics. One wonders if they first tried writing a letter to the editor or to their congressman, or if they even know who their congressman is. Many are just caught up in our culture's increasingly inflammatory approach to public affairs. Or maybe they just see it as the closest thing to being on reality TV.

So what's the remedy? In this case, it really is to "go back to the good old days."

It is the job of the school and the church to cultivate well-informed men and women who will prize the rights God has given us, as Ben Franklin said. It is the school's job to coach students to read the newspaper, attend community meetings, write their representatives so they can vote wisely when they turn 18. It is the school's job to give them opportunities to practice self-governance – so that when their time comes, they will have the ability and the desire to run for office or hold government jobs to serve the public good.

Unfortunately, it isn't happening. President Obama has said, "The loss of quality civic education from so many of our classrooms has left too many young Americans without the most basic knowledge of who our forefathers are. . . . Of the significance of the founding documents. . . . Or the risks and sacrifices made by previous generations . . . of the great struggles for civil and social and workers' rights."[10]

The Guardian of Democracy report recommends proven practices that all schools should implement: high-quality instruction in government, history, economics, law and democracy; integrating discussion of current events into the school day; providing opportunities for community service and extracurricular activities; giving students the chance to practice democracy through student government associations; and simulating democratic processes in programs such as We the People and debate club and Model United Nations.

How about the church's role? Is it to preach a gospel of civic responsibility?

Politics entered into my life in my late teens in an unusual and exciting way. Coming out of the club one evening in the early 1950s I was surprised to find myself surrounded by a bevy of very attractive . . . older women, about 20 or 22 years old. They were offering leaflets. I took one and one of the girls said mysteriously: "Read it and let us know if you're interested. We'll be back tomorrow night." What exciting proposition could this be, I thought as I walked home reading the leaflet.

From what I could make out I was being asked to join something called Young Communists. I knew it was a political party, I also knew that they were very keen on it in Russia and that it had been invented by someone called Marx. I knew the Marx Brothers from the movies so at least, I thought, it might be amusing. The leaflet went on to something really interesting: there was going to be a redistribution of wealth. I could not believe my luck. If they were going to do that, my family and I would have to come out ahead. The clincher for me, was that Communists believed in free love. I couldn't credit that I'd found a political party that offered wealth and love: my two absorbing passions.

I couldn't wait to get out of the club the next evening to meet the group of girls. I had a good look at them and picked the one that I wanted to have free love with the most. "I want to join," I said. "Wonderful," she replied and dragged me off to a small dingy office a couple of streets away. "He wants to join," she announced and then she disappeared. I was left standing in a room with four men, all doing smile impersonations.

I was instantly suspicious. Remembering what my father had told me about spotting untrustworthy men, I had hit the jackpot here. Two of them had beards, one was wearing sandals and another one had a bow tie. The only thing missing were the two-toned shoes. The object of my free love had disappeared and here I was with a group of guys who obviously so far had not done very well in the redistribution of wealth by the look of them. One of them put a form on the desk in front of me and told me to sign it and pay over my subscription of five shillings. I saw at once what a mistake I had made: the distribution of wealth was to be mine to them, not the other way around. I fled — and a lingering suspicion of Communism has remained planted in my mind forever.

— From the actor Michael Caine's autobiography, "What's It All About?" (1992)

Jesus, who had no hesitation preaching against the moneylenders in the town square, probably would have said so. Suggestions for the church can be found in Parker Palmer's new book, Healing the Heart of Democracy – the Courage to Create a Politics Worthy of the Human Spirit. In this book Palmer does for citizens what he did for teachers in Courage to Teach.[11]

"When I think about politics in a democracy I do not think about 'those people' in Washington D.C. on Capitol Hill or even in the state capitals on whom we like to blame all our problems and at whom we throw all the barbs or all the bouquets," Parker said in an interview. "I like to remind myself that this democracy began with the words, 'We the people.' We the people called this democracy into being and if we want to call this democracy back to its highest values and deepest purpose, it's got to be we the people doing that calling, and that's not going to happen if we the people don't know how to talk to each other."[12]

Healing the Heart of Democracy names several "habits of the heart" we can develop that Parker believes will revitalize our politics and give us the will to solve the many problems bearing down on us. The role of the church is to cultivate these habits.

Whether school or church or family, we all have an obligation to promote civic knowledge and civility. "Guardian of Democracy" states:

"Even a brief look at cable news or political blogs makes clear that many Americans are talking past rather than to each other, and they often do so with a fundamental lack of respect for the other's perspectives . . . Worse yet, these divisions and dysfunction come at a horribly inopportune time . . . Our national debt will soon exceed our GDP for only the second time in American history, every child born today comes into the world owing at least $45,000, and the 'balance due' grows each and every day."[13]

Health care, crumbling infrastructure, failing schools, bankrupt Social Security and Medicare, a cumbersome tax code. These are the problems that we are handing off to the next generation of leaders. It will take extraordinary civics skills to debate and solve them.

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Health care, crumbling infrastructure, failing schools, bankrupt Social Security and Medicare, a cumbersome tax code. These are the problems that we are handing off to the next generation of leaders. It will take extraordinary civics skills to debate and solve them.

A LIMITED VISION FOR STATE AND LOCAL FINANCING IN INDIANA

We need to relearn and iterate the eternal verities of limited government, the fallibility of human nature and personal responsibility.

Only by analyzing state and local expenditures, can we assess the degree to which government ensures liberty through law and minimizes the human propensity to seek personal advantage at the expense of others.

by MARYANN O. KEATING

In "Capitalism and Freedom" (1962), Milton Friedman argues for limited government. Government's purpose is to protect our freedom both from enemies outside and from fellow-residents. Therefore, major functions of the state are to preserve law and order, to enforce private contracts and to foster competitive markets. Beyond these primary roles, citizens vote at times to jointly provide certain public goods. Friedman suggests government power to do this be dispersed — better Elkhart County than Indianapolis, better Indianapolis than Washington.

Federal government has the means to effectively regulate and standardize. By centralizing, however, great advances in civilization are forfeited. With the imposition of uniform standards, government replaces progress with stagnation and uniform mediocrity. Local control and experimentation advance one area above today's mean. Do residents in Indiana really wish to approximate the legal and economic environment of Illinois and Michigan?

First principles guiding a free society are necessary but insufficient. Thoughtful citizens exercising liberty should be aware about how on one hand government takes and on the other hand bestows. Residents need to evaluate for themselves the sources and amount of dollars transferred from households to local government. Only by analyzing state and local expenditures, can we assess the degree to which government ensures liberty through law and minimizes the human propensity to seek personal advantage at the expense of others.

A Look at State and Local Tax Revenue per Hoosier Resident

State and local government collected an average of $3,499 from each Hoosier man, woman and child in 2010. Data provided by the Indiana University Public Policy Institute (*Policy Choices,* September 2011) indicates that although taxes, like death, are inevitable, the actual amount collected fluctuates and is somewhat resistant to rate changes.

Indiana's combined state and local revenue collected as a percentage of

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personal income averaged 11.3 percent (2000-2010). However, this average fell from a high of 12 percent (2007) to a low of 10 percent (2010). We would expect total state revenue to decline as personal income falls, but, during the recent recession, Indiana revenue fell more precipitously than personal income. Per capita personal income in Indiana recovered somewhat between 2009 and 2010, but income recovery thus far has not translated into more tax revenue.

Economists warn of unintended consequences such as higher tax rates actually resulting in lower tax revenue. State and local taxes collected per Indiana resident declined from a high of $4,300 (inflation adjusted) to a record low of about $3,500 in 2010. There is undoubtedly a lag in taxes collected as income increases, but this alone does not explain the overall pattern of tax revenues in Indiana between 2000 and 2010.

The Legislature's changes to Indiana's tax structure between 2000 and 2010 certainly affect tax revenue. Property taxes averaged a negative annualized rate of 1.4 percent due in part to the imposition of property tax caps followed by a decline in market assessment due to foreclosures and recession. Corporate income taxes also experienced an annualized rate of decline averaging 7.2 percent. Before corporate income taxes could fully adjust given the significant increase on adjusted earnings from 3.4 percent to 8.5 percent, the recession reduced or made profits nonexistent. These reductions were to some extent anticipated.

Counter intuitive but no surprise to economists are the per capita real declines in income and sales taxes generated. Even adjusting for the Great Recession, tax collections appear to have declined as personal income and sales-tax rates increased. Total local income taxes collected increased, but the per-capita inflation adjusted amount declined from $128 to 2000 to $92 in 2010. Part of this decline is due to an administrative lag whereby collections of local option taxes (COIT) are based on income earned two years ago. We cannot ignore the fact that households and businesses respond in unintended ways to any change in tax regimes.

Individual income taxes declined from 41 percent of state revenue to 31 percent (2000-2010). Revenue from personal income declined as well on a per-person adjusted basis from $780 to $598. A primary reason for this decline is that total personal income from four major sources (wage and salary income, small business/farmers' income, plus dividends, interest and rental income) is not increasing in real terms. Of serious concern are Hoosiers aged 18-64 reporting income from wages or salaries; this percentage dropped precipitously between 2000 and 2010.

As earned income in Indiana drops, the growth of transfer income as a share of personal income exceeds the national average (John Ottensmann, *Policy Choices,* July 2011, Indiana University Public Policy Institute, Number 11-C21). Transfers represent income derived from welfare, social security, unemployment compensation, etc. In an effort by the state to capture tax revenue from transfers, individuals in 2012 are permitted to have state and local taxes withheld weekly from unemployment benefits. Maintaining average per-person revenue collected through state and local income taxes is challenging if the base on which most of these taxes are paid is shrinking. Lower tax rates on a wider base could potentially generate more tax revenue. This would definitely be the case if Hoosiers experience a growth in earned income relative to transfer income.

By 2002, sales taxes exceeded individual income taxes as a source of revenue for Indiana. In that year, the rate was increased from five to six percent on sales. In 2008, the sales tax rate was again increased from six to seven percent. Nevertheless, in 2010, state sales taxes averaged $912 per resident down from $974 in 2009. It is too early to know if this reduction in spending represents a long-term change in spending in Indiana.

Suppose that Hoosiers have fundamentally changed their behavior and are now thriftier. They spend less and save more. Such behavior should actually begin to produce greater tax revenue on dividends and interest. That is, unless the tax rate on personal income is raised, and households respond by reducing their participation in the formal economy. Taxes

Lower tax rates on a wider base could potentially generate more tax revenue. This would definitely be the case if Hoosiers experience a growth in earned income relative to transfer income.

The Legislature in Indianapolis distains Washington's federal mandates on Medicaid, and the South Bend School Corporation resents Indianapolis' intrusion into school management. At the bottom of this bureaucratic pyramid are individual Hoosiers, the ultimate providers of $3,500 per capita in state and local taxes.

are certain, but the amount collected from a single source is not.

A Look at State and Local Spending in Indiana

Many of us engage in the futile exercise of creating utopias in our minds for addressing all the ills of mankind. Citizens, by their unwillingness to fund or approve such schemes, restrain the state from making these visions operational. Thomas Sowell in his book, "A Conflict of Visions," warns against vain attempts to reach unattainable goals. With this in mind, we view state and local spending in Indiana in terms of Sowell's constrained vision of what is possible, prudent and viable. Indiana's state and local tax revenue was about $3,500 per Hoosier man, woman and child in 2010. Government spending in Indiana must necessarily approximate tax income. Otherwise, future generations will be placed in bondage to public expenditure on debt interest and repayments.

Any analysis of state and local expenditures is complicated by fiscal federalism. Fiscal federalism implies that higher government units are more efficient at collecting tax revenue but lower units are better at allocating funds to meet local needs. Hence, Indiana state government receives revenue from the federal government to supplement programs such as Medicaid. Similarly, tax revenue collected at the state level is passed through to local districts for primary and secondary education.

It is logical to expect government distributing funds to be held accountable for how effectively tax revenue is spent. However, fiscal federalism suggests that state and local government require a degree of autonomy in spending returned revenue. Consequently, the Legislature in Indianapolis disdains Washington's federal mandates on Medicaid, and the South Bend School Corporation resents Indianapolis' intrusion into school management.

At the bottom of this bureaucratic pyramid are individual Hoosiers, the ultimate providers of $3,500 per capita in state and local taxes. Obviously, everyone seeks his or her share. The present generation needs to be well instructed in the clear distinction between private and public interest. Ben Rogge, late professor at Wabash College, carefully distinguishes society from state in his book, "Can Capitalism Survive?" American society permits and encourages individuals to act in the best interest of themselves and their families. However, as citizens we should be unwilling to let the sheriff or Legislature realize whatever outcomes particular individuals, industries or interest groups propose.

Rogge suggests that right rules promote right outcomes, and liberty under law fosters dynamic societies. The outcomes that flow from right rules cannot be predicted in advance. Given the subjective nature of value, Rogge argues that a single meaningful definition or description of a good city or state is impossible. Therefore, Indiana state and local spending, presented in Table 1, cannot be judged good or bad. It can only be evaluated in terms of its goals and in terms of the rightness of the rules within it.

Do state and local expenditures presented in Table 1 reflect the philosophy of limited government and essential duties? If the Indiana Legislature could exchange lump sums for matching federal funds, would the safety net for those in economic distress function more like a trampoline than one leading to chronic poverty? Would local control of schools and vouchers improve education? Would constraining local government's attempts at economic development induce private initiatives to create a yet unimaginable variety of outcomes?

State spending for K-12 education exceeds $9,000 per student. This accounts for 47 percent of all Indiana state expenditures and grew yearly at a 4.8 percent rate in inflation-adjusted dollars (2000-2010). Over the same period, higher-education spending, over which the state has immediate fiduciary responsibility, remained constant. Discretionary spending on basic infrastructure is but a small percentage of state expenditures. At the margin, the Legislature shuffles funds between accounts and holds the line on deficit spending. The Legislature's financial role at this time appears not to be focused on public expenditures but rather on raising tax revenue and creating the legal environment needed for a free and prosperous Indiana.

Table 1: Indiana State Spending and Local Government Budget Allocations Per Capita in 2010

State Government Expenditures

Category	*per capita*	*%*
K-12	943.12	47
Higher Ed	260.80	13
Other Ed	157.47	8
Medicaid	174.13	9
Social Services	143.90	7
Other Health	64.62	3
Corrections	101.79	5
State Property Tax Relief	9.25	0
All Other	166.10	8
State Total Expenditures	*2,021.18*	*100*

Local Government Budget Allocations

General Operating	*per capita*	*%*
Capital Projects	1,543.85	62
Debt Service	118.47	5
Transportation	265.12	11
Airport/Highway	99.17	4
Police/Fire	88.22	4
Pensions	36.24	1
County Welfare	—	0
All Other	223.02	9
Local Total Expenditures	*2,485.29*	*100*

Tables are based on data provided by the Indiana Public Policy Institute "Assessing Indiana's Tax, Fiscal and Economic Condition," Policy Choices, September 2011.

The expenditure role of local government units in Indiana is large, even though revenue derived from county income, property and other local taxes accounts for just about half of the amount budgeted. State and federal grants, consequently, make up about 50 percent of all local government spending. Local budget data presented in Table 1 is highly aggregated, including some but not all state and federal sources of revenue. School Corporation, Economic Development and Tax Incremental Funds vary significantly from community to community, such that it is impossible to make broad generalizations. For example, the proposed City of South Bend's General Spending Budget (2012) is $64.4 million but this amount accounts only for general government and public-safety functions. General Spending represents just about one-fourth of six segregated sections of an overall budget including pensions, road projects, capital investment and user-funded accounts like utilities. Local governments are subject as well to federal mandates; thus, increased utility rates and bond issues are justified in terms of a federal sewer-control plan.

The primary function of state and local government is to protect the personal safety and property of every resident. Although police- and fire-protection spending has grown significantly throughout Indiana (4.4 percent annually, 2000-2010), police and fire protection represents merely four percent of local government budgets. Compare this with interest on local debt accounting for 11 cents on every dollar budgeted or approximately 22 cents on dollars collected locally.

Furthermore, these debt payments are increasing (4.3 percent annually in inflation-adjusted dollars). If interest rates increase, which is most likely, local government bonds will be reissued at higher rates taking an even larger bite out of local budgets.

Segregated government budgets and sources of revenue complicate attempts by the ordinary taxpayer to get a handle on understanding state and local expenditures. However, Indiana residents are not free to abstain from participating in financing local public investment, whereas in the private sector, individuals flee from investing in firms offering chaotic incoherent statements with no clear metric of performance.

Our times do not call for state and local officials who consider themselves endowed with exceptional leadership skills expecting taxpayers to finance their "unconstrained visions," in the words of Thomas Sowell. In getting back to the basic function of government, we need to relearn and iterate the eternal verities of limited government, the fallibility of human nature and personal responsibility. Our safety and well-being will improve. However appealing the unconstrained vision of government seems, it inevitably leads to stagnation and the institutionalization of privilege for the few.

Our times do not call for state and local officials who consider themselves endowed with exceptional leadership skills expecting taxpayers to finance their "unconstrained visions," in the words of Thomas Sowell.

A READING LIST FOR LEGISLATORS

What Indiana lawmakers (and the rest of us) need to read while there's still time.

"(Members of the assembly) should look forward to a time, and that not a distant one, when a corruption in this, as in the country from which we derive our origin, will have seized the heads of government, and be spread by them through the body of the people; when they will purchase the voices of the people, and make them pay the price."

— Jefferson

Thomas Jefferson, "Notes on the State of Virginia, Query XIII, The Constitution of the State and its Several Charters, Part 4" (1781-1782)

All the powers of government, legislative, executive and judiciary, result to the legislative body. The concentrating these in the same hands is precisely the definition of despotic government. It will be no alleviation that these powers will be exercised by a plurality of hands, and not by a single one. One hunded and seventy-three despots would surely be as oppressive as one. Let those who doubt it turn their eyes on the republic of Venice. As little will it avail us that they are chosen by ourselves. An elective despotism was not the government we fought for, but one which should not only be founded on free principles, but in which the powers of government should be so divided and balanced among several bodies of magistracy, as that no one could transcend their legal limits, without being effectually checked and restrained by the others. For this reason that convention, which passed the ordinance of government laid its foundation on this basis, that the legislative, executive and judiciary departments should be separate and distinct, so that no person should exercise the powers of more than one of them at the same time. But no barrier was provided between these several powers.

Thomas Jefferson (1743-1826) was the principal author of the U.S. Declaration of Independence and the Statute of Virginia for Religious Freedom, the third President of the United States and founder of the University of Virginia.

Editor's Note: Hans Eicholz and David Hart of the Liberty Fund helped compile this reading list for state legislators and others wrestling with the issues of 2012. We encourage the serious reader to visit the Fund's Online Library of Liberty (OLL) at http://oll.libertyfund.org/. There he will find a treasure of related links and references. The OLL, a virtual university, is where electronic versions of classic books are stored by the Fund. These texts go back some 4,000 years and cover the disciplines of economics, history, law, literature, philosophy, political theory, religion, war and peace. They are in a variety of formats — facsimile PDFs so scholars can view the original text, HTML for ease of searching and attractive layout, and text-based PDF eBooks for personal use. The OLL also contains bibliographic information about the books as well as other "metadata" about the authors and editors.

Our selection here begins with an unbroken paragraph from Jefferson's "Notes on the State of Virginia" where he anticipates James Madison and critiques Virginia's revolutionary constitution, warning that it has concentrated too much power in one branch. Jefferson gives us a useful definition of tyranny and the need for checks and balances. The selection goes on to include Benjamin Constant's essay on the "Liberty of Ancients Compared to that of Moderns" followed by Thomas Paine's "Common Sense." Finally, there is Bastiat's "On the State" and "On the Broken Window Fallacy or the Seen and the Unseen." This last is particularly good at explaining unintended consequences — perhaps the core conceptual difficulty in the current legislative mindset. — *tcl*

The judiciary and executive members were left dependent on the legislative, for their subsistence in office, and some of them for their continuance in it. If therefore the legislature assumes executive and judiciary powers, no opposition is likely to be made; nor, if made, can it be effectual; because in that case they may put their proceedings into the form of an act of assembly, which will render them obligatory on the other branches. They have accordingly in many instances, decided rights which should have been left to judiciary controversy: and the direction of the executive, during the whole time of their session, is becoming habitual and familiar. And this is done with no ill intention. The views of the present members are perfectly upright. When they are led out of their regular province, it is by art in others, and inadvertence in themselves. And this will probably be the case for some time to come. But it will not be a very long time. Mankind soon learn to make interested uses of every right and power which they possess, or may assume. The public money and public liberty, intended to have been deposited with three branches of magistracy, but found inadvertently to be in the hands of one only, will soon be discovered to be sources of wealth and dominion to those who hold them; distinguished, too, by this tempting circumstance, that they are the instrument, as well as the object, of acquisition. With money we will get men, said Cæsar, and with men we will get money. Nor should our assembly be deluded by the integrity of their own purposes, and conclude that these unlimited powers will never be abused, because themselves are not disposed to abuse them. They should look forward to a time, and that not a distant one, when a corruption in this, as in the country from which we derive our origin, will have seized the heads of government, and be spread by them through the body of the people; when they will purchase the voices of the people, and make them pay the price. Human nature is the same on every side of the Atlantic, and will be alike influenced by the same causes. The time to guard against corruption and tyranny, is before they shall have gotten into the fold.

Benjamin Constant, "The Liberty of Ancients Compared with that of Moderns" (1819)

I wish to submit for your attention a few distinctions, still rather new, between two kinds of liberty: these differences have thus far remained unnoticed, or at least insufficiently remarked. The first is the liberty the exercise of which was so dear to the ancient peoples; the second the one the enjoyment of which is especially precious to the modern nations. If I am right, this investigation will prove interesting from two different angles.

Firstly, the confusion of these two kinds of liberty has been amongst us, in the all too famous days of our revolution, the cause of many an evil. France was exhausted by useless experiments, the authors of which, irritated by their poor success, sought to force her to enjoy the good she did not want, and denied her the good which she did want. Secondly, called as we are by our happy revolution (I call it happy, despite its excesses, because I concentrate my attention on its results) to enjoy the benefits of representative government, it is curious and interesting to discover why this form of government, the only one in the shelter of which we could find some freedom and peace today, was totally unknown to the free nations of antiquity.

I know that there are writers who have claimed to distinguish traces of it among some ancient peoples, in the Lacedaemonian republic for example, or amongst our ancestors the Gauls; but they are mistaken. The Lacedaemonian government was a monastic aristocracy, and in no way a representative government. The power of the kings was limited, but it was limited by the ephors, and not by men invested with a mission similar to that which election confers today on the defenders of our liberties.

The ephors, no doubt, though originally created by the kings, were elected by the people. But there were only five of them. Their authority was as much

Henri-Benjamin Constant de Rebecque (1767-1830) was a Swiss-born French nobleman, thinker, writer and politician.

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— Constant

"The right to choose one's own religious affiliation, a right which we regard as one of the most precious, would have seemed to the ancients a crime and a sacrilege."

— Constant

religious as political; they even shared in the administration of government, that is, in the executive power. Thus their prerogative, like that of almost all popular magistrates in the ancient republics, far from being simply a barrier against tyranny became sometimes itself an insufferable tyranny.

The regime of the Gauls, which quite resembled the one that a certain party would like to restore to us, was at the same time theocratic and warlike. The priests enjoyed unlimited power. The military class or nobility had markedly insolent and oppressive privileges; the people had no rights and no safeguards.

In Rome the tribunes had, up to a point, a representative mission. They were the organs of those plebeians whom the oligarchy — which is the same in all ages — had submitted, in overthrowing the kings, to so harsh a slavery. The people, however, exercised a large part of the political rights directly. They met to vote on the laws and to judge the patricians against whom charges had been leveled: thus there were, in Rome, only feeble traces of a representative system.

This system is a discovery of the moderns, and you will see, Gentlemen, that the condition of the human race in antiquity did not allow for the introduction or establishment of an institution of this nature. The ancient peoples could neither feel the need for it, nor appreciate its advantages. Their social organization led them to desire an entirely different freedom from the one which this system grants to us. Tonight's lecture will be devoted to demonstrating this truth to you.

First ask yourselves, Gentlemen, what an Englishman, a Frenchman and a citizen of the United States of America understand today by the word "liberty." For each of them it is the right to be subjected only to the laws, and to be neither arrested, detained, put to death or maltreated in any way by the arbitrary will of one or more individuals. It is the right of everyone to express his opinion, choose a profession and practice it, to dispose of property, and even to abuse it; to come and go without permission, and without having to account for his motives or undertakings. It is everyone's right to associate with other individuals, either to discuss his interests, or to profess the religion which he and his associates prefer, or even simply to occupy his days or hours in a way which is most compatible with his inclinations or whims. Finally it is everyone's right to exercise some influence on the administration of the government, either by electing all or particular officials, or through representations, petitions, demands to which the authorities are more or less compelled to pay heed. Now compare this liberty with that of the ancients.

The latter consisted in exercising collectively, but directly, several parts of the complete sovereignty; in deliberating, in the public square, over war and peace; in forming alliances with foreign governments; in voting laws, in pronouncing judgments; in examining the accounts, the acts, the stewardship of the magistrates; in calling them to appear in front of the assembled people, in accusing, condemning or absolving them. But if this was what the ancients called liberty, they admitted as compatible with this collective freedom the complete subjection of the individual to the authority of the community. You find among them almost none of the enjoyments which we have just seen form part of the liberty of the moderns. All private actions were submitted to a severe surveillance. No importance was given to individual independence, neither in relation to opinions, nor to labor, nor, above all, to religion. The right to choose one's own religious affiliation, a right which we regard as one of the most precious, would have seemed to the ancients a crime and a sacrilege. In the domains which seem to us the most useful, the authority of the social body interposed itself and obstructed the will of individuals. Among the Spartans, Therpandrus could not add a string to his lyre without causing offense to the ephors. In the most domestic of relations the public authority again intervened. The young Lacedaemonian could not visit his new bride freely. In Rome, the censors cast a searching eye over family life. The laws regulated customs, and as customs touch on everything, there was hardly anything that the laws did not regulate.

Thus among the ancients the individual, almost always sovereign in public affairs, was a slave in all his private relations.

As a citizen, he decided on peace and war; as a private individual, he was constrained, watched and repressed in all his movements; as a member of the collective body, he interrogated, dismissed, condemned, beggared, exiled or sentenced to death his magistrates and superiors; as a subject of the collective body he could himself be deprived of his status, stripped of his privileges, banished, put to death, by the discretionary will of the whole to which he belonged. Among the moderns, on the contrary, the individual, independent in his private life, is, even in the freest of states, sovereign only in appearance. His sovereignty is restricted and almost always suspended. If, at fixed and rare intervals, in which he is again surrounded by precautions and obstacles, he exercises this sovereignty, it is always only to renounce it.

I must at this point, Gentlemen, pause for a moment to anticipate an objection which may be addressed to me. There was in antiquity a republic where the enslavement of individual existence to the collective body was not as complete as I have described it. This republic was the most famous of all: you will guess that I am speaking of Athens. I shall return to it later, and in subscribing to the truth of this fact, I shall also indicate its cause. We shall see why, of all the ancient states, Athens was the one which most resembles the modern ones. Everywhere else social jurisdiction was unlimited. The ancients, as Condorcet says, had no notion of individual rights. Men were, so to speak, merely machines, whose gears and cog-wheels were regulated by the law. The same subjection characterized the golden centuries of the Roman republic; the individual was in some way lost in the nation, the citizen in the city. We shall now trace this essential difference between the ancients and ourselves back to its source.

All ancient republics were restricted to a narrow territory. The most populous, the most powerful, the most substantial among them, was not equal in extension to the smallest of modern states. As an inevitable consequence of their narrow territory, the spirit of these republics was bellicose; each people incessantly attacked their neighbors or was attacked by them. Thus driven by necessity against one another, they fought or threatened each other constantly. Those who had no ambition to be conquerors, could still not lay down their weapons, lest they should themselves be conquered. All had to buy their security, their independence, their whole existence at the price of war. This was the constant interest, the almost habitual occupation of the free states of antiquity. Finally, by an equally necessary result of this way of being, all these states had slaves. The mechanical professions and even, among some nations, the industrial ones, were committed to people in chains.

The modern world offers us a completely opposing view. The smallest states of our day are incomparably larger than Sparta or than Rome was over five centuries. Even the division of Europe into several states is, thanks to the progress of enlightenment, more apparent than real. While each people, in the past, formed an isolated family, the born enemy of other families, a mass of human beings now exists, that under different names and under different forms of social organization are essentially homogeneous in their nature.

This mass is strong enough to have nothing to fear from barbarian hordes. It is sufficiently civilized to find war a burden. Its uniform tendency is toward peace.

This difference leads to another one. War precedes commerce. War and commerce are only two different means of achieving the same end, that of getting what one wants. Commerce is simply a tribute paid to the strength of the possessor by the aspirant to possession.

It is an attempt to conquer, by mutual agreement, what one can no longer hope to obtain through violence. A man who was always the stronger would never conceive the idea of commerce. It is experience, by proving to him that war, that is the use of his strength against the strength of others, exposes him to a variety of obstacles and defeats, that leads him to resort to commerce, that is to a milder and surer means of engaging the interest of others to agree to what suits his own.

War is all impulse, commerce, calculation. Hence it follows that an age must come in which commerce replaces war. We have reached this age.

"War is all impulse, commerce (is all) calculation. Hence it follows that an age must come in which commerce replaces war. We have reached this age."

— Constant

"Every time collective power wishes to meddle with private speculations, it harasses the speculators. Every time governments pretend to do our own business, they do it more incompetently and expensively than we would."

— Constant

I do not mean that amongst the ancients there were no trading peoples. But these peoples were to some degree an exception to the general rule. The limits of this lecture do not allow me to illustrate all the obstacles which then opposed the progress of commerce; you know them as well as I do; I shall only mention one of them.

Their ignorance of the compass meant that the sailors of antiquity always had to keep close to the coast. To pass through the pillars of Hercules, that is, the straits of Gibraltar, was considered the most daring of enterprises. The Phoenicians and the Carthaginians, the most able of navigators, did not risk it until very late, and their example for long remained without imitators. In Athens, of which we shall talk soon, the interest on maritime enterprises was around 60 percent, while current interest was only I2 percent: that was how dangerous the idea of distant navigation seemed.

Moreover, if I could permit myself a digression which would unfortunately prove too long, I would show you, Gentlemen, through the details of the customs, habits, way of trading with others of the trading peoples of antiquity, that their commerce was itself impregnated by the spirit of the age, by the atmosphere of war and hostility which surrounded it. Commerce then was a lucky accident, today it is the normal state of things, the only aim, the universal tendency, the true life of nations. They want repose, and with repose comfort, and as a source of comfort, industry. Every day war becomes a more ineffective means of satisfying their wishes. Its hazards no longer offer to individuals benefits that match the results of peaceful work and regular exchanges.

Among the ancients, a successful war increased both private and public wealth in slaves, tributes and lands shared out. For the moderns, even a successful war costs infallibly more than it is worth. Finally, thanks to commerce, to religion, to the moral and intellectual progress of the human race, there are no longer slaves among the European nations. Free men must exercise all professions, provide for all the needs of society.

It is easy to see, Gentlemen, the inevitable outcome of these differences. Firstly, the size of a country causes a corresponding decrease of the political importance allotted to each individual. The most obscure republican of Sparta or Rome had power. The same is not true of the simple citizen of Britain or of the United States. His personal influence is an imperceptible part of the social will which impresses on the government its direction.

Secondly, the abolition of slavery has deprived the free population of all the leisure which resulted from the fact that slaves took care of most of the work. Without the slave population of Athens, 20,000 Athenians could never have spent every day at the public square in discussions. Thirdly, commerce does not, like war, leave in men's lives intervals of inactivity. The constant exercise of political rights, the daily discussion of the affairs of the state, disagreements, confabulations, the whole entourage and movement of factions, necessary agitations, the compulsory filling, if I may use the term, of the life of the peoples of antiquity, who, without this resource would have languished under the weight of painful inaction, would only cause trouble and fatigue to modern nations, where each individual, occupied with his speculations, his enterprises, the pleasures he obtains or hopes for, does not wish to be distracted from them other than momentarily, and as little as possible.

Finally, commerce inspires in men a vivid love of individual independence. Commerce supplies their needs, satisfies their desires, without the intervention of the authorities. This intervention is almost always — and I do not know why I say almost — this intervention is indeed always a trouble and an embarrassment. Every time collective power wishes to meddle with private speculations, it harasses the speculators. Every time governments pretend to do our own business, they do it more incompetently and expensively than we would.

I said, Gentlemen, that I would return to Athens, whose example might be opposed to some of my assertions, but which will in fact confirm all of them. Athens, as I have already pointed out, was of all the Greek republics the most closely engaged in trade, thus it allowed to

its citizens an infinitely greater individual liberty than Sparta or Rome. If I could enter into historical details, I would show you that, among the Athenians, commerce had removed several of the differences which distinguished the ancient from the modern peoples. The spirit of the Athenian merchants was similar to that of the merchants of our days. Xenophon tells us that during the Peloponesian war, they moved their capitals from the continent of Attica to place them on the islands of the archipelago. Commerce had created among them the circulation of money. In Isocrates there are signs that bills of exchange were used. Observe how their customs resemble our own. In their relations with women, you will see, again I cite Xenophon, husbands, satisfied when peace and a decorous friendship reigned in their households, make allowances for the wife who is too vulnerable before the tyranny of nature, close their eyes to the irresistible power of passions, forgive the first weakness and forget the second. In their relations with strangers, we shall see them extending the rights of citizenship to whoever would, by moving among them with his family, establish some trade or industry.

Finally, we shall be struck by their excessive love of individual independence. In Sparta, says a philosopher, the citizens quicken their step when they are called by a magistrate; but an Athenian would be desperate if he were thought to be dependent on a magistrate. However, as several of the other circumstances which determined the character of ancient nations existed in Athens as well; as there was a slave population and the territory was very restricted; we find there too the traces of the liberty proper to the ancients.

The people made the laws, examined the behavior of the magistrates, called Pericles to account for his conduct, sentenced to death the generals who had commanded the battle of the Arginusae. Similarly ostracism, that legal arbitrariness, extolled by all the legislators of the age; ostracism, which appears to us, and rightly so, a revolting iniquity, proves that the individual was much more subservient to the supremacy of the social body in Athens, than he is in any of the free states of Europe today.

It follows from what I have just indicated that we can no longer enjoy the liberty of the ancients, which consisted in an active and constant participation in collective power. Our freedom must consist of peaceful enjoyment and private independence. The share which in antiquity everyone held in national sovereignty was by no means an abstract presumption as it is in our own day. The will of each individual had real influence: the exercise of this will was a vivid and repeated pleasure. Consequently the ancients were ready to make many a sacrifice to preserve their political rights and their share in the administration of the state. Everybody, feeling with pride all that his suffrage was worth, found in this awareness of his personal importance a great compensation.

This compensation no longer exists for us today. Lost in the multitude, the individual can almost never perceive the influence he exercises. Never does his will impress itself upon the whole; nothing confirms in his eyes his own cooperation. The exercise of political rights, therefore, offers us but a part of the pleasures that the ancients found in it, while at the same time the progress of civilization, the commercial tendency of the age, the communication amongst peoples, have infinitely multiplied and varied the means of personal happiness.

It follows that we must be far more attached than the ancients to our individual independence. For the ancients, when they sacrificed that independence to their political rights, sacrificed less to obtain more; while in making the same sacrifice, we would give more to obtain less. The aim of the ancients was the sharing of social power among the citizens of the same fatherland: this is what they called liberty. The aim of the moderns is the enjoyment of security in private pleasures; and they call liberty the guarantees accorded by institutions to these pleasures.

I said at the beginning that, through their failure to perceive these differences, otherwise well-intentioned men caused infinite evils during our long and stormy revolution. God forbid that I should reproach them too harshly. Their error itself was excusable. One could not read the beautiful pages of antiquity, one

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"I shall show that, by transposing into our modern age an extent of social power, of collective sovereignty, which belonged to other centuries, this sublime genius (Jean-Jacques Rousseau), animated by the purest love of liberty, has nevertheless furnished deadly pretexts for more than one kind of tyranny."

— Constant

could not recall the actions of its great men, without feeling an indefinable and special emotion, which nothing modern can possibly arouse. The old elements of a nature, one could almost say, earlier than our own, seem to awaken in us in the face of these memories. It is difficult not to regret the time when the faculties of man developed along an already trodden path, but in so wide a career, so strong in their own powers, with such a feeling of energy and dignity. Once we abandon ourselves to this regret, it is impossible not to wish to imitate what we regret. This impression was very deep, especially when we lived under vicious governments, which, without being strong, were repressive in their effects; absurd in their principles; wretched in action; governments which had as their strength arbitrary power; for their purpose the belittling of mankind; and which some individuals still dare to praise to us today, as if we could ever forget that we have been the witnesses and the victims of their obstinacy, of their impotence and of their overthrow. The aim of our reformers was noble and generous. Who among us did not feel his heart beat with hope at the outset of the course which they seemed to open up? And shame, even today, on whoever does not feel the need to declare that acknowledging a few errors committed by our first guides does not mean blighting their memory or disowning the opinions which the friends of mankind have professed throughout the ages.

But those men had derived several of their theories from the works of two philosophers who had themselves failed to recognize the changes brought by 2,000 years in the dispositions of mankind. I shall perhaps at some point examine the system of the most illustrious of these philosophers, of Jean-Jacques Rousseau, and I shall show that, by transposing into our modern age an extent of social power, of collective sovereignty, which belonged to other centuries, this sublime genius, animated by the purest love of liberty, has nevertheless furnished deadly pretexts for more than one kind of tyranny. No doubt, in pointing out what I regard as a misunderstanding which it is important to uncover, I shall be careful in my refutation, and respectful in my criticism. I shall certainly refrain from joining myself to the detractors of a great man. When chance has it that I find myself apparently in agreement with them on some one particular point, I suspect myself; and to console myself for appearing for a moment in agreement with them on a single partial question, I need to disown and denounce with all my energies these pretended allies.

Nevertheless, the interests of truth must prevail over considerations which make the glory of a prodigious talent and the authority of an immense reputation so powerful. Moreover, as we shall see, it is not to Rousseau that we must chiefly attribute the error against which I am going to argue; this is to be imputed much more to one of his successors, less eloquent but no less austere and a hundred times more exaggerated. The latter, the abbe de Mably, can be regarded as the representative of the system which, according to the maxims of ancient liberty, demands that the citizens should be entirely subjected in order for the nation to be sovereign, and that the individual should be enslaved for the people to be free.

The abbe de Mably, like Rousseau and many others, had mistaken, just as the ancients did, the authority of the social body for liberty; and to him any means seemed good if it extended his area of authority over that recalcitrant part of human existence whose independence he deplored. The regret he expresses everywhere in his works is that the law can only cover actions. He would have liked it to cover the most fleeting thoughts and impressions; to pursue man relentlessly, leaving him no refuge in which he might escape from its power. No sooner did he learn, among no matter what people, of some oppressive measure, than he thought he had made a discovery and proposed it as a model. He detested individual liberty like a personal enemy; and whenever in history he came across a nation totally deprived of it, even if it had no political liberty, he could not help admiring it. He went into ecstasies over the Egyptians, because, as he said, among them everything was prescribed by the law, down to relaxations and needs: everything was subjected to the empire of the legislator. Every moment of the day was filled by some duty; love itself was the object of this respected intervention,

and it was the law that in turn opened and closed the curtains of the nuptial bed. Sparta, which combined republican forms with the same enslavement of individuals, aroused in the spirit of that philosopher an even more vivid enthusiasm. That vast monastic barracks to him seemed the ideal of a perfect republic. He had a profound contempt for Athens, and would gladly have said of this nation, the first of Greece, what an academician and great nobleman said of the French Academy: What an appalling despotism. Everyone does what he likes there. I must add that this great nobleman was talking of the Academy as it was 30 years ago.

Montesquieu, who had a less excitable and therefore more observant mind, did not fall into quite the same errors. He was struck by the differences which I have related; but he did not discover their true cause. The Greek politicians who lived under the popular government did not recognize, he argues, any other power but virtue. Politicians of today talk only of manufactures, of commerce, of finances, of wealth and even of luxury. He attributes this difference to the republic and the monarchy. It ought instead to be attributed to the opposed spirit of ancient and modern times. Citizens of republics, subjects of monarchies, all want pleasures, and indeed no one, in the present condition of societies can help wanting them. The people most attached to their liberty in our own days, before the emancipation of France, were also the most attached to all the pleasures of life; and it valued its liberty especially because it saw in this the guarantee of the pleasures which it cherished. In the past, where there was liberty, people could bear hardship. Now, wherever there is hardship, despotism is necessary for people to resign themselves to it. It would be easier today to make Spartans of an enslaved people than to turn free men into Spartans.

The men who were brought by events to the head of our revolution were, by a necessary consequence of the education they had received, steeped in ancient views which are no longer valid, which the philosophers whom I mentioned above had made fashionable. The metaphysics of Rousseau, in the midst of which flashed the occasional sublime thought and passages of stirring eloquence; the austerity of Mably, his intolerance, his hatred of all human passions, his eagerness to enslave them all, his exaggerated principles on the competence of the law, the difference between what he recommended and what had ever previously existed, his declamations against wealth and even against property; all these things were bound to charm men heated by their recent victory, and who, having won power over the law, were only too keen to extend this power to all things. It was a source of invaluable support that two disinterested writers anathematizing human despotism, should have drawn up the text of the law in axioms. They wished to exercise public power as they had learnt from their guides it had once been exercised in the free states. They believed that everything should give way before collective will, and that all restrictions on individual rights would be amply compensated by participation in social power.

We all know, Gentlemen, what has come of it. Free institutions, resting upon the knowledge of the spirit of the age, could have survived. The restored edifice of the ancients collapsed, notwithstanding many efforts and many heroic acts which call for our admiration. The fact is that social power injured individual independence in every possible war, without destroying the need for it. The nation did not find that an ideal share in an abstract sovereignty was worth the sacrifices required from her. She was vainly assured, on Rousseau's authority, that the laws of liberty are a thousand times more austere than the yoke of tyrants. She had no desire for those austere laws, and believed sometimes that the yoke of tyrants would be preferable to them. Experience has come to undeceive her. She has seen that the arbitrary power of men was even worse than the worst of laws. But laws too must have their limits.

If I have succeeded, Gentlemen, in making you share the persuasion which in my opinion these facts must produce, you will acknowledge with me the truth of the following principles. Individual independence is the first need of the moderns: consequently one must never require from them any sacrifices to establish political liberty. It follows that

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— Constant

"No one has the right to exile a citizen, if he is not condemned by a regular tribunal, according to a formal law which attaches the penalty of exile to the action of which he is guilty. No one has the right to tear the citizen from his country, the owner away from his possessions, the merchant away from his trade, the husband from his wife, the father from his children, the writer from his studious meditations, the old man from his accustomed way of life."

— Constant

none of the numerous and too highly praised institutions which in the ancient republics hindered individual liberty is any longer admissible in the modern times. You may, in the first place, think, Gentlemen, that it is superfluous to establish this truth. Several governments of our days do not seem in the least inclined to imitate the republics of antiquity. However, little as they may like republican institutions, there are certain republican usages for which they feel a certain affection. It is disturbing that they should be precisely those which allow them to banish, to exile, or to despoil. I remember that in 1802, they slipped into the law on special tribunals an article which introduced into France Greek ostracism; and God knows how many eloquent speakers, in order to have this article approved, talked to us about the freedom of Athens and all the sacrifices that individuals must make to preserve this freedom. Similarly, in much more recent times, when fearful authorities attempted, with a timid hand, to rig the elections, a journal which can hardly be suspected of republicanism proposed to revive Roman censorship to eliminate all dangerous candidates.

I do not think therefore that I am engaging in a useless discussion if, to support my assertion, I say a few words about these two much-vaunted institutions. Ostracism in Athens rested upon the assumption that society had complete authority over its members. On this assumption it could be justified; and in a small state, where the influence of a single individual, strong in his credit, his clients, his glory, often balanced the power of the mass, ostracism may appear useful. But amongst us individuals have rights which society must respect, and individual interests are, as I have already observed, so lost in a multitude of equal or superior influences, that any oppression motivated by the need to diminish this influence is useless and consequently unjust. No one has the right to exile a citizen, if he is not condemned by a regular tribunal, according to a formal law which attaches the penalty of exile to the action of which he is guilty. No one has the right to tear the citizen from his country, the owner away from his possessions, the merchant away from his trade, the husband from his wife, the father from his children, the writer from his studious meditations, the old man from his accustomed way of life. All political exile is a political abuse. All exile pronounced by an assembly for alleged reasons of public safety is a crime which the assembly itself commits against public safety, which resides only in respect for the laws, in the observance of forms, and in the maintenance of safeguards.

Roman censorship implied, like ostracism, a discretionary power. In a republic where all the citizens, kept by poverty to an extremely simple moral code, lived in the same town, exercised no profession which might distract their attention from the affairs of the state, and thus constantly found themselves the spectators and judges of the usage of public power, censorship could on the one hand have greater influence: while on the other, the arbitrary power of the censors was restrained by a kind of moral surveillance exercised over them. But as soon as the size of the republic, the complexity of social relations and the refinements of civilization deprived this institution of what at the same time served as its basis and its limit, censorship degenerated even in Rome. It was not censorship which had created good morals; it was the simplicity of those morals which constituted the power and efficacy of censorship.

In France, an institution as arbitrary as censorship would be at once ineffective and intolerable. In the present conditions of society, morals are formed by subtle, fluctuating, elusive nuances, which would be distorted in a thousand ways if one attempted to define them more precisely. Public opinion alone can reach them; public opinion alone can judge them, because it is of the same nature. It would rebel against any positive authority which wanted to give it greater precision. If the government of a modern people wanted, like the censors in Rome, to censure a citizen arbitrarily, the entire nation would protest against this arrest by refusing to ratify the decisions of the authority.

What I have just said of the revival of censorship in modern times applies also to many other aspects of social organization, in relation to which antiquity is cited even more frequently and with greater emphasis. As for example, education; what

do we not hear of the need to allow the government to take possession of new generations to shape them to its pleasure, and how many erudite quotations are employed to support this theory. The Persians, the Egyptians, Gaul, Greece and Italy are one after another set before us. Yet, Gentlemen, we are neither Persians subjected to a despot, nor Egyptians subjugated by priests, nor Gauls who can be sacrificed by their druids, nor, finally, Greeks or Romans, whose share in social authority consoled them for their private enslavement. We are modern men, who wish each to enjoy our own rights, each to develop our own faculties as we like best, without harming anyone; to watch over the development of these faculties in the children whom nature entrusts to our affection, the more enlightened as it is more vivid; and needing the authorities only to give us the general means of instruction which they can supply, as travelers accept from them the main roads without being told by them which route to take.

Religion is also exposed to these memories of bygone ages. Some brave defenders of the unity of doctrine cite the laws of the ancients against foreign gods, and sustain the rights of the Catholic church by the example of the Athenians, who killed Socrates for having undermined polytheism, and that of Augustus, who wanted the people to remain faithful to the cult of their fathers; with the result, shortly afterwards, that the first Christians were delivered to the lions. Let us mistrust, Gentlemen, this admiration for certain ancient memories. Since we live in modern times, I want a liberty suited to modern times; and since we live under monarchies, I humbly beg these monarchies not to borrow from the ancient republics the means to oppress us.

Individual liberty, I repeat, is the true modern liberty. Political liberty is its guarantee, consequently political liberty is indispensable. But to ask the peoples of our day to sacrifice, like those of the past, the whole of their individual liberty to political liberty, is the surest means of detaching them from the former and, once this result has been achieved, it would be only too easy to deprive them of the latter.

As you see, Gentlemen, my observations do not in the least tend to diminish the value of political liberty. I do not draw from the evidence I have put before your eyes the same conclusions that some others have. From the fact that the ancients were free, and that we cannot any longer be free like them, they conclude that we are destined to be slaves. They would like to reconstitute the new social state with a small number of elements which, they say, are alone appropriate to the situation of the world today. These elements are prejudices to frighten men, egoism to corrupt them, frivolity to stupefy them, gross pleasures to degrade them, despotism to lead them; and, indispensably, constructive knowledge and exact sciences to serve despotism the more adroitly. It would be odd indeed if this were the outcome of 40 centuries during which mankind has acquired greater moral and physical means: I cannot believe it. I derive from the differences which distinguish us from antiquity totally different conclusions. It is not security which we must weaken; it is enjoyment which we must extend. It is not political liberty which I wish to renounce; it is civil liberty which I claim, along with other forms of political liberty. Governments, no more than they did before, have the right to arrogate to themselves an illegitimate power.

But the governments which emanate from a legitimate source have even less right than before to exercise an arbitrary supremacy over individuals. We still possess today the rights we have always had, those eternal rights to assent to the laws, to deliberate on our interests, to be an integral part of the social body of which we are members. But governments have new duties; the progress of civilization, the changes brought by the centuries require from the authorities greater respect for customs, for affections, for the independence of individuals. They must handle all these issues with a lighter and more prudent hand.

This reserve on the part of authority, which is one of its strictest duties, equally represents its well-conceived interest; since, if the liberty that suits the moderns is different from that which suited the ancients, the despotism which was possible amongst the ancients is no longer possible amongst the moderns. Because we are often less concerned with political

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— Constant

"Power threatens; wealth rewards: one eludes power by deceiving it; to obtain the favors of wealth one must serve it: the latter is therefore bound to win."

— Constant

liberty than they could be, and in ordinary circumstances less passionate about it, it may follow that we neglect, sometimes too much and always wrongly, the guarantees which this assures us. But at the same time, as we are much more preoccupied with individual liberty than the ancients, we shall defend it, if it is attacked, with much more skill and persistence; and we have means to defend it which the ancients did not.

Commerce makes the action of arbitrary power over our existence more oppressive than in the past, because, as our speculations are more varied, arbitrary power must multiply itself to reach them. But commerce also makes the action of arbitrary power easier to elude, because it changes the nature of property, which becomes, in virtue of this change, almost impossible to seize.

Commerce confers a new quality on property, circulation. Without circulation, property is merely a usufruct; political authority can always affect usufruct, because it can prevent its enjoyment; but circulation creates an invisible and invincible obstacle to the actions of social power.

The effects of commerce extend even further: not only does it emancipate individuals, but, by creating credit, it places authority itself in a position of dependence. Money, says a French writer, "is the most dangerous weapon of despotism; yet it is at the same time its most powerful restraint; credit is subject to opinion; force is useless; money hides itself or flees; all the operations of the state are suspended." Credit did not have the same influence amongst the ancients; their governments were stronger than individuals, while in our time individuals are stronger than the political powers. Wealth is a power which is more readily available in all circumstances, more readily applicable to all interests, and consequently more real and better obeyed. Power threatens; wealth rewards: one eludes power by deceiving it; to obtain the favors of wealth one must serve it: the latter is therefore bound to win.

As a result, individual existence is less absorbed in political existence. Individuals carry their treasures far away; they take with them all the enjoyments of private life. Commerce has brought nations closer, it has given them customs and habits which are almost identical; the heads of states may be enemies: the peoples are compatriots. Let power therefore resign itself: we must have liberty and we shall have it. But since the liberty we need is different from that of the ancients, it needs a different organization from the one which would suit ancient liberty. In the latter, the more time and energy man dedicated to the exercise of his political rights, the freer he thought himself; on the other hand, in the kind of liberty of which we are capable, the more the exercise of political rights leaves us the time for our private interests, the more precious will liberty be to us.

Hence, Sirs, the need for the representative system. The representative system is nothing but an organization by means of which a nation charges a few individuals to do what it cannot or does not wish to do herself. Poor men look after their own business; rich men hire stewards. This is the history of ancient and modern nations. The representative system is a proxy given to a certain number of men by the mass of the people who wish their interests to be defended and who nevertheless do not have the time to defend them themselves. But, unless they are idiots, rich men who employ stewards keep a close watch on whether these stewards are doing their duty, lest they should prove negligent, corruptible or incapable; and, in order to judge the management of these proxies, the landowners, if they are prudent, keep themselves well-informed about affairs, the management of which they entrust to them. Similarly, the people who, in order to enjoy the liberty which suits them, resort to the representative system, must exercise an active and constant surveillance over their representatives, and reserve for themselves, at times which should not be separated by too lengthy intervals, the right to discard them if they betray their trust, and to revoke the powers which they might have abused.

For from the fact that modern liberty differs from ancient liberty, it follows that it is also threatened by a different sort of danger. The danger of ancient liberty was that men, exclusively concerned with securing their share of social power, might

attach too little value to individual rights and enjoyments. The danger of modern liberty is that, absorbed in the enjoyment of our private independence, and in the pursuit of our particular interests, we should surrender our right to share in political power too easily. The holders of authority are only too anxious to encourage us to do so. They are so ready to spare us all sort of troubles, except those of obeying and paying. They will say to us: what, in the end, is the aim of your efforts, the motive of your labors, the object of all your hopes? Is it not happiness? Well, leave this happiness to us and we shall give it to you. No, Sirs, we must not leave it to them. No matter how touching such a tender commitment may be, let us ask the authorities to keep within their limits. Let them confine themselves to being just. We shall assume the responsibility of being happy for ourselves.

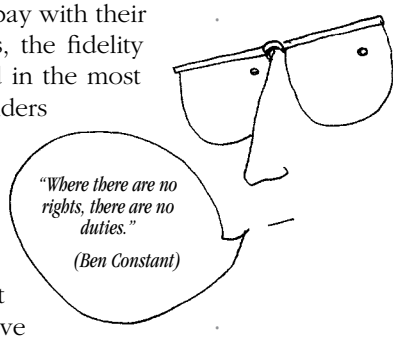
Could we be made happy by diversions, if these diversions were without guarantees? And where should we find guarantees, without political liberty? To renounce it, Gentlemen, would be a folly like that of a man who, because he only lives on the first floor, does not care if the house itself is built on sand.

Moreover, Gentlemen, is it so evident that happiness, of whatever kind, is the only aim of mankind? If it were so, our course would be narrow indeed, and our destination far from elevated. There is not one single one of us who, if he wished to abase himself, restrain his moral faculties, lower his desires, abjure activity, glory, deep and generous emotions, could not demean himself and be happy. No, Sirs, I bear witness to the better part of our nature, that noble disquiet which pursues and torments us, that desire to broaden our knowledge and develop our faculties. It is not to happiness alone, it is to self-development that our destiny calls us; and political liberty is the most powerful, the most effective means of self-development that heaven has given us.

Political liberty, by submitting to all the citizens, without exception, the care and assessment of their most-sacred interests, enlarges their spirit, ennobles their thoughts, and establishes among them a kind of intellectual equality which forms the glory and power of a people.

Thus, see how a nation grows with the first institution which restores to her the regular exercise of political liberty. See our countrymen of all classes, of all professions, emerge from the sphere of their usual labors and private industry, find themselves suddenly at the level of important functions which the constitutions confer upon them, choose with discernment, resist with energy, brave threats, nobly withstand seduction.

See a pure, deep and sincere patriotism triumph in our towns, revive even our smallest villages, permeate our workshops, enliven our countryside, penetrate the just and honest spirits of the useful farmer and the industrious tradesman with a sense of our rights and the need for safeguards; they, learned in the history of the evils they have suffered, and no less enlightened as to the remedies which these evils demand, take in with a glance the whole of France and, bestowing a national gratitude, repay with their suffrage, after 30 years, the fidelity to principles embodied in the most illustrious of the defenders of liberty.



Therefore, Sirs, far from renouncing either of the two sorts of freedom which I have described to you, it is necessary, as I have shown, to learn to combine the two together. Institutions, says the famous author of the history of the republics in the Middle Ages, must accomplish the destiny of the human race; they can best achieve their aim if they elevate the largest possible number of citizens to the highest moral position. The work of the legislator is not complete when he has simply brought peace to the people. Even when the people are satisfied, there is much left to do. Institutions must achieve the moral education of the citizens. By respecting their individual rights, securing their independence, refraining from troubling their work, they must nevertheless consecrate their influence over public affairs, call them to contribute by their votes to the exercise of power, grant them a right of control and supervision by expressing their opinions; and, by forming them through practice for these elevated

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— Paine

"It will be found best to divide the whole into convenient parts, each part sending its proper number: and that the elected might never form to themselves an interest separate from the electors, prudence will point out the propriety of having elections often: because as the elected might by that means return and mix again with the general body of the electors in a few months, their fidelity to the public will be secured by the prudent reflection of not making a rod for themselves."

— Paine

functions, give them both the desire and the right to discharge these.

Thomas Paine, "Common Sense: On the Origin and Design of Government in General, with Concise Remarks on the English Constitution." (1774)

Some writers have so confounded society with government, as to leave little or no distinction between them; whereas they are not only different, but have different origins. Society is produced by our wants, and government by our wickedness; the former promotes our happiness possitively by uniting our affections, the latter negatively by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher.

Society in every state is a blessing, but Government, even in its best state, is but a necessary evil; in its worst state an intolerable one: for when we suffer, or are exposed to the same miseries by a Government, which we might expect in a country without Government, our calamity is heightened by reflecting that we furnish the means by which we suffer. Government, like dress, is the badge of lost innocence; the palaces of kings are built upon the ruins of the bowers of paradise. For were the impulses of conscience clear, uniform and irresistibly obeyed, man would need no other law-giver; but that not being the case, he finds it necessary to surrender up a part of his property to furnish means for the protection of the rest; and this he is induced to do by the same prudence which in every other case advises him, out of two evils to choose the least. Wherefore, security being the true design and end of government, it unanswerably follows that whatever form thereof appears most likely to ensure it to us, with the least expense and greatest benefit, is preferable to all others.

In order to gain a clear and just idea of the design and end of government, let us suppose a small number of persons settled in some sequestered part of the earth, unconnected with the rest; they will then represent the first peopling of any country, or of the world. In this state of natural liberty, society will be their first thought. A thousand motives will excite them thereto; the strength of one man is so unequal to his wants, and his mind so unfitted for perpetual solitude, that he is soon obliged to seek assistance and relief of another, who in his turn requires the same. Four or five united would be able to raise a tolerable dwelling in the midst of a wilderness, but one man might labour out the common period of life without accomplishing any thing; when he had felled his timber he could not remove it, nor erect it after it was removed; hunger in the meantime would urge him to quit his work, and every different want would call him a different way. Disease, nay even misfortune, would be death; for though neither might be mortal, yet either would disable him from living, and reduce him to a state in which he might rather be said to perish than to die.

Thus necessity, like a gravitating power, would soon form our newly arrived emigrants into society, the reciprocal blessings of which would supercede, and render the obligations of law and government unnecessary while they remained perfectly just to each other; but as nothing but Heaven is impregnable to vice, it will unavoidably happen that in proportion as they surmount the first difficulties of emigration, which bound them together in a common cause, they will begin to relax in their duty and attachment to each other: and this remissness will point out the necessity of establishing some form of government to supply the defect of moral virtue.

Some convenient tree will afford them a State House, under the branches of which the whole Colony may assemble to deliberate on public matters. It is more than probable that their first laws will have the title only of Regulations and be enforced by no other penalty than public disesteem. In this first parliament every man by natural right will have a seat.

But as the Colony increases, the public concerns will increase likewise, and the distance at which the members may be separated, will render it

Thomas Paine (1737-1809) was an English author, pamphleteer, radical, inventor, intellectual and revolutionary.

too inconvenient for all of them to meet on every occasion as at first, when their number was small, their habitations near, and the public concerns few and trifling. This will point out the convenience of their consenting to leave the legislative part to be managed by a select number chosen from the whole body, who are supposed to have the same concerns at stake which those have who appointed them, and who will act in the same manner as the whole body would act were they present. If the colony continues increasing, it will become necessary to augment the number of representatives, and that the interest of every part of the colony may be attended to, it will be found best to divide the whole into convenient parts, each part sending its proper number: and that the elected might never form to themselves an interest separate from the electors, prudence will point out the propriety of having elections often: because as the elected might by that means return and mix again with the general body of the electors in a few months, their fidelity to the public will be secured by the prudent reflection of not making a rod for themselves. And as this frequent interchange will establish a common interest with every part of the community, they will mutually and naturally support each other, and on this, (not on the unmeaning name of king) depends the strength of government, and the happiness of the governed.

Here then is the origin and rise of government; namely, a mode rendered necessary by the inability of moral virtue to govern the world; here too is the design and end of government, *i.e.,* freedom and security. And however our eyes may be dazzled with show, or our ears deceived by sound; however prejudice may warp our wills, or interest darken our understanding, the simple voice of nature and reason will say, 'tis right.

I draw my idea of the form of government from a principle in nature which no art can overturn, *i.e.,* that the more simple any thing is, the less liable it is to be disordered, and the easier repaired when disordered; and with this maxim in view I offer a few remarks on the so-much boasted constitution of England. That it was noble for the dark and slavish times in which it was erected, is granted. When the world was overrun with tyranny the least remove therefrom was a glorious rescue. But that it is imperfect, subject to convulsions, and incapable of producing what it seems to promise, is easily demonstrated.

Absolute governments (though the disgrace of human nature) have this advantage with them, they are simple; if the people suffer, they know the head from which their suffering springs; know likewise the remedy; and are not bewildered by a variety of causes and cures. But the constitution of England is so exceedingly complex, that the nation may suffer for years together without being able to discover in which part the fault lies; some will say in one and some in another, and every political physician will advise a different medicine.

I know it is difficult to get over local or long-standing prejudices, yet if we will suffer ourselves to examine the component parts of the English constitution, we shall find them to be the base remains of two ancient tyrannies, compounded with some new Republican materials.

First — The remains of Monarchical tyranny in the person of the King.

Second — The remains of Aristocratical tyranny in the persons of the Peers.

Third — The new Republican materials, in the persons of the Commons, on whose virtue depends the freedom of England.

The two first, by being hereditary, are independent of the People; wherefore in a constitutional sense they contribute nothing toward the freedom of the State.

To say that the constitution of England is a union of three powers, reciprocally checking each other, is farcical; either the words have no meaning, or they are flat contradictions.

To say that the Commons is a check upon the King, presupposes two things.

First — That the King is not to be trusted without being looked after, or in other words, that a thirst for absolute power is the natural disease of monarchy.

Second — That the Commons, by being appointed for that purpose, are either wiser or more worthy of confidence than the Crown.

But as the same constitution which gives the Commons a power to check the

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— Paine

"Though we have been wise enough to shut and lock a door against absolute Monarchy, we at the same time have been foolish enough to put the Crown in possession of the key."

— Paine

King by withholding the supplies, gives afterwards the King a power to check the Commons, by empowering him to reject their other bills; it again supposes that the King is wiser than those whom it has already supposed to be wiser than him. A mere absurdity.

There is something exceedingly ridiculous in the composition of Monarchy; it first excludes a man from the means of information, yet empowers him to act in cases where the highest judgment is required. The state of a king shuts him from the World, yet the business of a king requires him to know it thoroughly; wherefore the different parts, by unnaturally opposing and destroying each other, prove the whole character to be absurd and useless.

Some writers have explained the English constitution thus: the King, say they, is one, the people another; the Peers are a house in behalf of the King, the commons in behalf of the people; but this has all the distinctions of a house divided against itself; and though the expressions be pleasantly arranged, yet when examined they appear idle and ambiguous; and it will always happen, that the nicest construction that words are capable of, when applied to the description of something which either cannot exist, or is too incomprehensible to be within the compass of description, will be words of sound only, and though they may amuse the ear, they cannot inform the mind: for this explanation includes a previous question, *i.e.,* how came the king by a power which the people are afraid to trust, and always obliged to check? Such a power could not be the gift of a wise people, neither can any power, which needs checking, be from God; yet the provision which the constitution makes supposes such a power to exist.

But the provision is unequal to the task; the means either cannot or will not accomplish the end, and the whole affair is a *Felo de se:* for as the greater weight will always carry up the less, and as all the wheels of a machine are put in motion by one, it only remains to know which power in the constitution has the most weight, for that will govern: and though the others, or a part of them, may clog, or, as the phrase is, check the rapidity of its motion, yet so long as they cannot stop it, their endeavors will be ineffectual: The first moving power will at last have its way, and what it wants in speed is supplied by time.

That the crown is this overbearing part in the English constitution needs not be mentioned, and that it derives its whole consequence merely from being the giver of places and pensions is self-evident; wherefore, though we have been wise enough to shut and lock a door against absolute Monarchy, we at the same time have been foolish enough to put the Crown in possession of the key.

The prejudice of Englishmen, in favor of their own government, by King, Lords and Commons, arises as much or more from national pride than reason. Individuals are undoubtedly safer in England than in some other countries: but the will of the king is as much the law of the land in Britain as in France, with this difference, that instead of proceeding directly from his mouth, it is handed to the people under the formidable shape of an act of parliament. For the fate of Charles the First has only made kings more subtle — not more just.

Wherefore, laying aside all national pride and prejudice in favor of modes and forms, the plain truth is that it is wholly owing to the constitution of the people, and not to the constitution of the government that the crown is not as oppressive in England as in Turkey.

An inquiry into the constitutional errors in the English form of government, is at this time highly necessary; for as we are never in a proper condition of doing justice to others, while we continue under the influence of some leading partiality, so neither are we capable of doing it to ourselves while we remain fettered by any obstinate prejudice. And as a man who is attached to a prostitute is unfitted to choose or judge of a wife, so any prepossession in favor of a rotten constitution of government will disable us from discerning a good one.

Frédéric Bastiat, "On the State," Selected Essays on Political Economy (1848)

I wish that someone would offer a prize, not of 500 francs, but of a million, with crosses, crowns and ribbons,

to whoever would give a good, simple and intelligible definition of this term: the state.

What an immense service he would render to society.

The state? What is it? Where is it? What does it do? What should it do?

All that we know about it is that it is a mysterious personage, and certainly the most solicited, the most tormented, the busiest, the most advised, the most blamed, the most invoked and the most provoked in the world.

For, sir, I do not have the honor of knowing you, but I wager 10 to one that for six months you have been making utopias; and if you have been making them, I wager 10 to one that you place upon the state the responsibility of realizing them.

And you, madame, I am sure that you desire from the bottom of your heart to cure all the ills of mankind, and that you would be in no wise embarrassed if the state would only lend a hand.

But alas. The unfortunate state, like Figaro, knows neither to whom to listen nor where to turn. The hundred thousand tongues of press and rostrum all cry out to it at once:

"Organize labor and the workers."

"Root out selfishness."

"Repress the insolence and tyranny of capital."

"Make experiments with manure and with eggs."

"Furrow the countryside with railroads."

"Irrigate the plains."

"Plant forests on the mountains."

"Establish model farms."

"Establish harmonious workshops."

"Colonize Algeria."

"Feed the babies."

"Instruct the young."

"Relieve the aged."

"Send the city folk into the country."

"Equalize the profits of all industries."

"Lend money, without interest, to those who desire it."

"Liberate Italy, Poland and Hungary."

"Improve the breed of saddle horses."

"Encourage art; train musicians and dancers."

"Restrict trade, and at the same time create a merchant marine."

"Discover truth and knock a bit of sense into our heads."

"The function of the state is to enlighten, to develop, to increase, to fortify, to spiritualize, and to sanctify the soul of a nation."

"Oh, sirs, a little patience," replies the state with a piteous air. "I shall try to satisfy you, but for that I shall need some resources. I have prepared proposals for five or six taxes, brand new and the mildest in the world. You will see how glad people will be to pay them."

But then a great cry is raised: "Shame. Shame. Anybody can do a thing if he has the resources. Then you would not be worthy of being called the state. Far from hitting us with new taxes, we demand that you eliminate the old ones. Abolish:

"The tax on salt;

"The tax on beverages;

"The tax on letters;

"The *octroi;*[1]

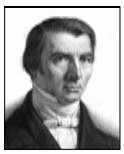
"Licenses;

"Prestations."

In the midst of this tumult, and after the country had changed its state two or three times for not having satisfied all these demands, I tried to point out that they were contradictory. Good Lord. What was I thinking of? Could I not keep this unfortunate remark to myself?

So here I am, discredited forever; and it is now an accepted fact that I am a heartless, pitiless man, a dry philosopher, an individualist, a bourgeois — in a word, an economist of the English or American school.

Oh, pardon me, sublime writers, whom nothing stops, not even contradictions. I am wrong, no doubt, and I retract my error with all my heart. I demand nothing better, you may be sure, than that you should really have discovered outside of us a benevolent and inexhaustible being, calling itself the state, which has bread for all mouths, work for all hands, capital for all enterprises,



Claude Frédéric Bastiat (1801–1850) was a French classical liberal theorist, political economist and member of the French assembly.

1. A tax on various goods brought into a town.

The state — All that we know about it is that it is a mysterious personage, and certainly the most solicited, the most tormented, the busiest, the most advised, the most blamed, the most invoked and the most provoked in the world."

— Bastiat

"The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else."

— Bastiat

credit for all projects, ointment for all wounds, balm for all suffering, advice for all perplexities, solutions for all problems, truths for all minds, distractions for all varieties of boredom, milk for children and wine for old age, which provides for all our needs, foresees all our desires, satisfies all our curiosity, corrects all our errors, amends all our faults, and exempts us all henceforth from the need for foresight, prudence, judgment, sagacity, experience, order, economy, temperance and industry.

And why should I not desire it? Heaven forgive me. The more I reflect on it, the more I find how easy the whole thing is; and I, too, long to have at hand that inexhaustible source of riches and enlightenment, that universal physician, that limitless treasure, that infallible counselor, that you call the state.

Hence, I insist that it be shown to me, that it be defined, and that is why I propose that a prize be offered to the first to discover this rare bird. For, after all, it will have to be admitted that this precious discovery has not yet been made, since the people have up to now overthrown immediately everything that has presented itself under the name of the state, precisely because it has failed to fulfill the somewhat contradictory conditions of the program.

Need it be said that we may have been, in this respect, duped by one of the most bizarre illusions that has ever taken possession of the human mind?

Man is averse to pain and suffering. And yet he is condemned by nature to the suffering of privation if he does not take the pains to work for a living. He has, then, only the choice between these two evils. How to arrange matters so that both may be avoided? He has found up to now and will ever find only one means: that is, to enjoy the fruits of other men's labor; that is, to arrange matters in such a way that the pains and the satisfactions, instead of falling to each according to their natural proportion, are divided between the exploited and their exploiters, with all the pain going to the former, and all the satisfactions to the latter. This is the principle on which slavery is based, as well as plunder of any and every form: wars, acts of violence, restraints of trade, frauds, misrepresentations, etc. — monstrous abuses, but consistent with the idea that gave rise to them. One should hate and combat oppressors, but one cannot say that they are absurd.

Slavery is on its way out, thank Heaven, and our natural inclination to defend our property makes direct and outright plunder difficult. One thing, however, has remained. It is the unfortunate primitive tendency which all men have to divide their complex lot in life into two parts, shifting the pains to others and keeping the satisfactions for themselves. It remains to be seen under what new form this deplorable tendency is manifested.

The oppressor no longer acts directly by his own force on the oppressed. No, our conscience has become too fastidious for that. There are still, to be sure, the oppressor and his victim, but between them is placed an intermediary, the state, that is, the law itself. What is better fitted to silence our scruples and — what is perhaps considered even more important — to overcome all resistance? Hence, all of us, with whatever claim, under one pretext or another, address the state. We say to it: "I do not find that there is a satisfactory proportion between my enjoyments and my labor. I should like very much to take a little from the property of others to establish the desired equilibrium. But that is dangerous. Could you not make it a little easier? Could you not find me a good job in the civil service or hinder the industry of my competitors or, still better, give me an interest-free loan of the capital you have taken from its rightful owners or educate my children at the public expense or grant me incentive subsidies or assure my well-being when I shall be 50 years old? By this means I shall reach my goal in all good conscience, for the law itself will have acted for me, and I shall have all the advantages of plunder without enduring either the risks or the odium."

As, on the one hand, it is certain that we all address some such request to the state, and, on the other hand, it is a well-established fact that the state cannot procure satisfaction for some without adding to the labor of others, while awaiting another definition of the state, I believe myself entitled to give my own here. Who knows if it will not carry off the prize? Here it is:

The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else. For, today as in the past, each of us, more or less, would like to profit from the labor of others. One does not dare to proclaim this feeling publicly, one conceals it from oneself, and then what does one do? One imagines an intermediary; one addresses the state, and each class proceeds in turn to say to it: "You, who can take fairly and honorably, take from the public and share with us." Alas. The state is only too ready to follow such diabolical advice; for it is composed of cabinet ministers, of bureaucrats, of men, in short, who, like all men, carry in their hearts the desire, and always enthusiastically seize the opportunity, to see their wealth and influence grow. The state understands, then, very quickly the use it can make of the role the public entrusts to it. It will be the arbiter, the master, of all destinies. It will take a great deal; hence, a great deal will remain for itself. It will multiply the number of its agents; it will enlarge the scope of its prerogatives; it will end by acquiring overwhelming proportions.

But what is most noteworthy is the astonishing blindness of the public to all this. When victorious soldiers reduced the vanquished to slavery, they were barbarous, but they were not absurd. Their object was, as ours is, to live at the expense of others; but, unlike us, they attained it. What are we to think of a people who apparently do not suspect that reciprocal pillage is no less pillage because it is reciprocal; that it is no less criminal because it is carried out legally and in an orderly manner; that it adds nothing to the public welfare; that, on the contrary, it diminishes it by all that this spendthrift intermediary that we call the state costs?

And we have placed this great myth, for the edification of the people, in the Preamble of the Constitution. Here are the first words of the Preamble:

"France has been constituted as a republic in order to . . . raise all its citizens to an ever-higher standard of morality, enlightenment and well-being."

Thus, it is France, or the abstraction, which is to raise Frenchmen, or the realities, to a higher standard of morality, well-being, etc. Is this not to be possessed by the bizarre illusion that leads us to expect everything from another power than our own? Is this not to imply that there is, above and beyond the French people, a virtuous, enlightened, rich being who can and ought to bestow his benefits on them? Is this not to assume, and certainly most gratuitously, that there exists between France and the people of France, that is, between the synoptic, abstract term used to designate all these individuals and the individuals themselves, a father-son, guardian-ward, teacher-pupil relationship? I am well aware of the fact that we sometimes speak metaphorically of "the fatherland" or of France as a "tender mother." But in order to expose in its full flagrance the inanity of the proposition inserted into our Constitution, it suffices to show that it can be reversed, I will not say without disadvantage, but even to advantage. Would exactness suffer if the Preamble had said:

"The French have been constituted as a republic in order to raise France to an ever-higher standard of morality, enlightenment and well-being"?

Now, what is the value of an axiom of which the subject and the object can be interchanged without disadvantage? Everyone understands the statement: "The mother will nurse the baby." But it would be ridiculous to say: "The baby will nurse the mother."

The Americans formed another idea of the relations of citizens to the state when they placed at the head of their Constitution these simple words:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity, do ordain, etc."

There is no mythical creation here, no abstraction from which the citizens demand everything. They expect nothing save from themselves and their own efforts.

If I have permitted myself to criticize the first words of our Constitution, it is not, as one might think, in order to deal with a mere metaphysical subtlety. I contend that this personification of the state has been in the past, and will be in

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— Bastiat

"The new state then takes a firm stand against its critics: it regroups its forces to maintain itself, it stifles opinion, it has recourse to arbitrary decrees, it ridicules its former maxims, it declares that one can govern only on condition of being unpopular; in short, it proclaims itself the government."

— Bastiat

the future, a fertile source of calamities and of revolutions.

Here the public, on the one side, the state on the other, are considered as two distinct entities, the latter intent on pouring down upon the former, the former having the right to claim from the latter, a veritable shower of human felicities. What must be the inevitable result?

The fact is, the state does not and cannot have one hand only. It has two hands, one to take and the other to give — in other words, the rough hand and the gentle hand. The activity of the second is necessarily subordinated to the activity of the first. Strictly speaking, the state can take and not give. We have seen this happen, and it is to be explained by the porous and absorbent nature of its hands, which always retain a part, and sometimes the whole, of what they touch. But what has never been seen, what will never be seen and cannot even be conceived, is the state giving the public more than it has taken from it. It is therefore foolish for us to take the humble attitude of beggars when we ask anything of the state. It is fundamentally impossible for it to confer a particular advantage on some of the individuals who constitute the community without inflicting a greater damage on the entire community.

It finds itself, then, placed by our demands in an obviously vicious circle.

If it withholds the boon that is demanded of it, it is accused of impotence, of ill will, of incapacity. If it tries to meet the demand, it is reduced to levying increased taxes on the people, to doing more harm than good, and to incurring, on another account, general disaffection.

Thus, we find two expectations on the part of the public, two promises on the part of the government: many benefits and no taxes. Such expectations and promises, being contradictory, are never fulfilled.

Is this not the cause of all our revolutions? For between the state, which is lavish with impossible promises, and the public, which has conceived unrealizable expectations, two classes of men intervene: the ambitious and the utopian. Their role is completely prescribed for them by the situation. It suffices for these demagogues to cry into the ears of the people: "Those in power are deceiving you; if we were in their place, we would overwhelm you with benefits and free you from taxes." And the people believe, and the people hope, and the people make a revolution.

Its friends are no sooner in charge of things than they are called on to make good their promises: "Give me a job, then, bread, relief, credit, education and colonies," say the people, "and at the same time, in keeping with your promises, deliver me from the burden of taxation."

The new state is no less embarrassed than the old, for, when it comes to the impossible, one can, indeed, make promises, but one cannot keep them. It tries to gain time, which it needs to bring its vast projects to fruition. At first it makes a few timid attempts; on the one hand, it extends primary education a little; on the other, it reduces somewhat the tax on beverages (1830). But it is always confronted with the same contradiction: if it wishes to be philanthropic, it must continue to levy taxes; and if it renounces taxation, it must also renounce philanthropy.

These two promises always and necessarily conflict with each other. To have recourse to borrowing, that is, to eat into the future, is indeed a means of reconciling them in the present; one tries to do a little good in the present at the expense of a great deal of harm in the future. But this procedure raises the specter of bankruptcy, which destroys credit. What is to be done, then? The new state then takes a firm stand against its critics: it regroups its forces to maintain itself, it stifles opinion, it has recourse to arbitrary decrees, it ridicules its former maxims, it declares that one can govern only on condition of being unpopular; in short, it proclaims itself the government.

And this is precisely what other demagogues are waiting for. They exploit the same illusion, take the same road, obtain the same success, and soon come to be engulfed in the same abyss.

This is the way we came to the February Revolution. At that time the illusion that is the subject of this article had made its way further than ever into popular thought, along with socialist doctrines. More than ever before, people expected that the state, in a republican form, would open wide the floodgates of its bounty and close off the stream of taxes. "I have often been

deceived," said the people, "but this time I myself will stand guard to see that I am not again deceived." What could the provisional government do? Alas. What is always done in such a circumstance: promise and gain time. It did not fail to do this, and, to add solemnity to its promises, it gave them definitive form in its decrees. "Increased welfare, shorter working hours, relief, credit, gratuitous education, agricultural settlements, land clearance, and, at the same time, reductions in the taxes on salt, beverages, letters, meat, all will be granted . . . when the National Assembly meets."

The National Assembly met, and, as two contradictory ideas cannot both be realized, its task, its sad task, was confined to retracting, as gently as possible, one after another, all the decrees of the provisional government.

Still, in order not to make the disappointment too cruel, it had to compromise a little. Certain commitments were kept; others were fulfilled in token form. Hence, the present administration is trying to devise new taxes.

Now, looking ahead a few months, I ask myself sadly what will happen when the newly created civil servants go out into the country to collect the new taxes on inheritances, incomes and the profits of agriculture. May Heaven give the lie to my presentiments, but here again I see a role for the demagogues to play.

Read the last Manifesto of the Montagnards which they issued in connection with the presidential election. It is rather long, but can be summed up in a few words:

The state should give a great deal to the citizens and take little from them. It is always the same tactic, or, if you will, the same error.

The state owes instruction and education free of charge to all citizens.

It owes:

A general and professional education, appropriate as nearly as possible to the needs, vocations and capacities of each citizen.

It should:

Teach each citizen his duties toward God, toward men and toward himself; develop his feelings, his aptitudes and his faculties; give him, in short, proficiency in his work, understanding of his best interests and knowledge of his rights.

It should:

Put within everyone's reach literature and the arts, the heritage of human thought, the treasures of the mind, all the intellectual enjoyments which elevate and strengthen the soul.

It should:

Insure against every disaster, fire, flood, *etc.* (how great are the implications of this little *etc.*), suffered by a citizen.

It should:

Intervene in the relations between capital and labor and make itself the regulator of credit.

It owes:

Practical encouragement and efficacious protection to agriculture.

It should:

Buy up the railroads, the canals, the mines, and undoubtedly also administer them with that industrial expertise which is so characteristic of it.

It should:

Stimulate laudable enterprises, and encourage and aid them with all the resources capable of making them succeed. As regulator of credit, it will largely control the industrial and agricultural associations, in order to assure their success.

The state is to do all this without prejudice to the services that it performs today; and, for example, it must always adopt a threatening attitude toward foreign nations; for, say the signers of the program, linked by that holy solidarity and by the precedents of republican France, we extend our commitments and our hopes, beyond the barriers that despotism has raised between nations, on behalf of all those whom the yoke of tyranny oppresses; we desire that our glorious army be again, if it must, the army of liberty.

You see that the gentle hand of the state, that good hand which gives and which bestows, will be very busy under the government of the Montagnards. Perhaps you believe that the same will be true of the rough hand, of the hand that reaches into our pockets and empties them?

The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else.Will it not be a happy day when, in order to load us with

"In order not to make the disappointment too cruel, it had to compromise a little. Certain commitments were kept; others were fulfilled in token form. Hence, the present administration is trying to devise new taxes."

— Bastiat

"It's an ill wind that blows nobody some good. Such accidents keep industry going. Everybody has to make a living. What would become of the glaziers if no one ever broke a window?"

— Bastiat

benefits, the public treasury is content to take from us just our superfluous funds?Nor is this all. The Montagnards intend that "taxation should lose its oppressive character and should henceforth be no more than an act of fraternity." Heavenly days. I am well aware of the fact that it is the vogue to get fraternity in everywhere, but I did not suspect that it could be put into the receipt of the tax collector.

Getting down to details, the signers of the manifesto say:

- *We demand the immediate abolition of taxes that fall on objects of primary necessity, such as salt, drinks, etc.*
- *Reform of the real-estate tax, the octroi and license fees.*
- *Justice free of charge, that is, the simplification of forms and the reduction of expenses. (This no doubt has to do with official stamps.)*

Thus, real-estate taxes, the *octroi,* license fees, taxes on stamps, salt, beverages, mail — all are to be done away with. These gentlemen have found the secret of keeping the gentle hand of the state energetic and active, while paralyzing its rough hand.

Indeed. I ask the impartial reader, is this not childish and, what is more, dangerously childish? Why would people not make one revolution after another, once they had made up their minds not to stop until this contradiction had been made a reality: "Give nothing to the state, and receive a great deal from it"?

Does anyone believe that if the Montagnards came to power, they would not themselves become the victims of the very means that they employed to seize it?

Citizens, throughout history two political systems have confronted each other, and both of them can be supported by good arguments. According to one, the state should do a great deal, but also it should take a great deal. According to the other, its double action should be barely perceptible. Between these two systems, one must choose. But as for the third system, which is a mixture of the two others, and which consists in requiring everything from the state without giving anything to it, it is chimerical, absurd, childish, contradictory and dangerous. Those who advance it in order to give themselves the pleasure of accusing all governments of impotence and exposing them thus to your violent attacks, flatter and deceive you, or at least they deceive themselves.

As for us, we think that the state is not and should not be anything else than the common police force instituted, not to be an instrument of oppression and reciprocal plunder, but, on the contrary, to guarantee to each his own and to make justice and security prevail.

Frédéric Bastiat, Selected Essays on Political Economy, trans. Seymour Cain, ed. George B. de Huszar, introduction by F.A. Hayek (Irvington-on-Hudson: Foundation for Economic Education, 1995). Chapter: 1. The Broken Window

Have you ever been witness to the fury of that solid citizen, James Goodfellow,[2] when his incorrigible son has happened to break a pane of glass? If you have been present at this spectacle, certainly you must also have observed that the onlookers, even if there are as many as 30 of them, seem with one accord to offer the unfortunate owner the selfsame consolation: "It's an ill wind that blows nobody some good. Such accidents keep industry going. Everybody has to make a living. What would become of the glaziers if no one ever broke a window?"

Now, this formula of condolence contains a whole theory that it is a good idea for us to expose, *flagrante delicto,* in this very simple case, since it is exactly the same as that which, unfortunately, underlies most of our economic institutions.

Suppose that it will cost six francs to repair the damage. If you mean that the accident gives six francs' worth of encouragement to the aforesaid industry, I agree. I do not contest it in any way; your reasoning is correct. The glazier will come, do his job, receive six francs, congratulate himself, and bless in his heart the careless child. That is what is seen.

But if, by way of deduction, you conclude, as happens only too often, that it is good to break windows, that it helps to circulate money, that it results in encouraging industry in general, I am

obliged to cry out: That will never do. Your theory stops at what is seen. It does not take account of what is not seen. It is not seen that, since our citizen has spent six francs for one thing, he will not be able to spend them for another. It is not seen that if he had not had a windowpane to replace, he would have replaced, for example, his worn-out shoes or added another book to his library. In brief, he would have put his six francs to some use or other for which he will not now have them.

Let us next consider industry in general. The window having been broken, the glass industry gets six francs' worth of encouragement; that is what is seen.

If the window had not been broken, the shoe industry (or some other) would have received six francs' worth of encouragement; that is what is not seen.

And if we were to take into consideration what is not seen, because it is a negative factor, as well as what is seen, because it is a positive factor, we should understand that there is no benefit to industry in general or to national employment as a whole, whether windows are broken or not broken.

Now let us consider James Goodfellow.

On the first hypothesis, that of the broken window, he spends six francs and has, neither more nor less than before, the enjoyment of one window.

On the second, that in which the accident did not happen, he would have spent six francs for new shoes and would have had the enjoyment of a pair of shoes as well as of a window.

Now, if James Goodfellow is part of society, we must conclude that society, considering its labors and its enjoyments, has lost the value of the broken window.

From which, by generalizing, we arrive at this unexpected conclusion: "Society loses the value of objects unnecessarily destroyed," and at this aphorism, which will make the hair of the protectionists stand on end: "To break, to destroy, to dissipate is not to encourage national employment," or more briefly: "Destruction is not profitable."

What will *the Moniteur industriel*[3] say to this, or the disciples of the estimable M. de Saint-Chamans,[4] who has calculated with such precision what industry would gain from the burning of Paris, because of the houses that would have to be rebuilt?

I am sorry to upset his ingenious calculations, especially since their spirit has passed into our legislation. But I beg him to begin them again, entering what is not seen in the ledger beside what is seen.

The reader must apply himself to observe that there are not only two people, but three, in the little drama that I have presented. The one, James Goodfellow, represents the consumer, reduced by destruction to one enjoyment instead of two. The other, under the figure of the glazier, shows us the producer whose industry the accident encourages. The third is the shoemaker (or any other manufacturer) whose industry is correspondingly discouraged by the same cause.

It is this third person who is always in the shadow, and who, personifying what is not seen, is an essential element of the problem. It is he who makes us understand how absurd it is to see a profit in destruction. It is he who will soon teach us that it is equally absurd to see a profit in trade restriction, which is, after all, nothing more nor less than partial destruction.

So, if you get to the bottom of all the arguments advanced in favor of restrictionist measures, you will find only a paraphrase of that common cliché: "What would become of the glaziers if no one ever broke any windows?"

"It is this third person who is always in the shadow, and who, personifying what is not seen, is an essential element of the problem. It is he who makes us understand how absurd it is to see a profit in destruction. It is he who will soon teach us that it is equally absurd to see a profit in trade restriction, which is, after all, nothing more nor less than partial destruction"

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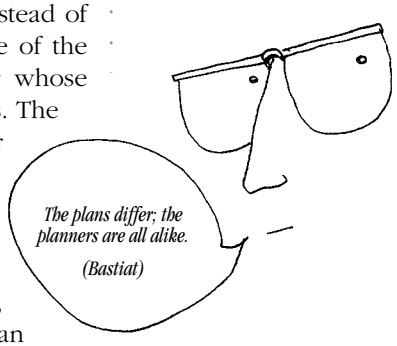

2. In French, Jacques Bonhomme, used like "John Bull" in English to represent the practical, responsible, unassuming average man.

3. Newspaper of the Committee for the Defense of Domestic Industry, a protectionist organization.

4. Auguste, Vicomte de Saint-Chamans (1777–1861), Deputy and Councillor of State under the Restoration, protectionist and upholder of the balance of trade. His celebrated stand on the "obstacle" here quoted by Bastiat comes from his Nouvel essai sur la richesse des nations, 1824. This work was later (1852) incorporated in his Traité d'économie politique.

Q. If you could give three books to your legislator, which would they be?

THE MEMBERSHIP dived into this survey with knowledge and passion. One offered savvy good wishes:"Good luck with this; I've found most legislators' attention spans end when the check reaches their campaign treasurer."

And two comments on the question drew a chuckle here:

"They should begin by at least reading every bill they pass into law" and "If only they would (read), dear God, if only they would (read)."

Others challenged us to think deeper.

Among the suggestions was Russell Kirk's last tome wherein he spells out how British language, law, government and mores are the foundation of America's unmatched successes."In this age of multicultural rot and romantic notions of America as a melting pot, it is good to recall and defend that which is good and proven," the friend concludes.

We were reminded that P.J. O'Rourke, as only he is capable, takes Adam Smith's dense work and brings it to life for our neo-mercantile age."Any regulator, Chamber of Commerce cheerleader, corporate rent-seeker, fundamentalist lawgiver, community activist, etc., would be well-served to spend time with O'Rourke," our friend offers.

"De Tocqueville told us what might come," another began,"but we didn't listen.""Barry Goldwater stood true to his beliefs, no matter how unpopular — an attribute for which the American people long; Richard Dunlop illustrated the effectiveness of the SOS (CIA) before the politicians took over there, before political correctness became more important than national security."

Finally, a respondent who might be a Monopoly-ist had this advice:"Let's get them back to basics; whenever I have a question playing a board game, I go to the rules booklet."

The IPR List

(in no particular order)

» "Economics in One Lesson" by Henry Hazlitt
» "The Devil at My Doorstep" by David Bego
» "Atlas Shrugged" by Ayn Rand
» The Holy Bible
» "The Decline and Fall of the Roman Empire" by Edward Gibbon
» "Frugal Cool" by John Gaski
» "A Conflict of Visions" by Thomas Sowell
» "The Federalist" by Hamilton/Madison/Jay et al."The Grapes of Wrath" by John Steinbeck
» "Economics in One Lesson" by Henry Hazlitt
» "The Road to Serfdom" by F.A. Hayek
» "Individualism and Economic Order" by F.A. Hayek
» "Crisis and Leviathan" by Robert Higgs
» "No Thank You, Mr. President: How Real Businesses From Elkhart County, Indiana, Stood Up to Fight and Thrive on Their Own in Spite of the Economic Turmoil" by John Cohoat
» "Team of Rivals: The Political Genius of Abraham Lincoln" by Doris Goodwin
» "My Utmost for His Highest" by Oswald Chambers
» "We the Living" by Ayn Rand
» "Whatever Happened to Penny Candy? A Fast, Clear, and Fun Explanation of the Economics You Need For Success in Your Career, Business and Investments" by Richard Maybury
» "Competition and Entrepreneurship" by Israel Kirzner
» "The Great American Jobs Scam" by Greg LeRoy
» "For a New Liberty" by Murray Rothbard
» "Keeping the Republic: Saving America by Trusting Americans" by Mitch Daniels
» "The Bill Cook Story: Ready, Fire, Aim" by Bob Hammel
» "The 5,000-Year Leap" by W. Cleon Skousen
» "Good to be King" by Michael Badnarik
» "Getting Things Done: The Art of Stress-Free Productivity" by David Allen
» "The Rhythm of Life: Living Every Day with Passion and Purpose" by Matthew Kelly
» The U.S. Constitution by Jefferson et al.
» "The Black Swan: The Impact of the Highly Improbable" by Nassim Taleb
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THE DESTINIES OF THOSE WHO SIGNED

Emanuel Gottlieb Leutze, oil on canvas, 1851

Thomas Hoepker, photograph, Sept. 11, 2001

From an essay on the signers of the Declaration of Independence by Rush H. Limbaugh Jr., distributed by the Federalist Magazine

• **Francis Lewis** — A New York delegate saw his home plundered and his estates, in what is now Harlem, completely destroyed by British soldiers. Mrs. Lewis was captured and treated with great brutality. She died from the effects of her abuse. • **William Floyd** — Another New York delegate, he was able to escape with his wife and children across Long Island Sound to Connecticut, where they lived as refugees without income for seven years. When they came home, they found a devastated ruin. • **Phillips Livingstone** — Had all his great holdings in New York confiscated and his family driven out of their home. Livingstone died in 1778 still working in Congress for the cause. • **Louis Morris** — The fourth New York delegate saw all his timber, crops and livestock taken. For seven years he was barred from his home and family. • **John Hart** — From New Jersey, he risked his life to return home to see his dying wife. Hessian soldiers rode after him, and he escaped in the woods. While his wife lay on her deathbed, the soldiers ruined his farm and wrecked his homestead. Hart, 65, slept in caves and woods as he was hunted across the countryside. • **Dr. John Witherspoon** — He was president of the College of New Jersey, later called Princeton. The British occupied the town of Princeton, and billeted troops in the college. They trampled and burned the finest college library in the country. • **Judge Richard Stockton** — Another New Jersey delegate signer, he had rushed back to his estate in an effort to evacuate his wife and children. The family found refuge with friends, but a sympathizer betrayed them. Judge Stockton was pulled from bed in the night and brutally beaten by the arresting soldiers. Thrown into a common jail, he was deliberately starved. • **Robert Morris** — A merchant prince of Philadelphia, delegate and signer, raised arms and provisions which made it possible for Washington to cross the Delaware at Trenton. In the process he lost 150 ships at sea, bleeding his own fortune and credit dry. • **George Clymer** — A Pennsylvania signer, he escaped with his family from their home, but their property was completely destroyed by the British in the Germantown and Brandywine campaigns. • **Dr. Benjamin Rush** — Also from Pennsylvania, he was forced to flee to Maryland. As a heroic surgeon with the army, Rush had several narrow escapes. • **William Ellery** — A Rhode Island delegate, he saw his property and home burned to the ground. • **Edward Rutledge •Arthur Middleton • Thomas Heyward Jr.** — These three South Carolina signers were taken by the British in the siege of Charleston and carried as prisoners of war to St. Augustine, Fla. • **Thomas Nelson** — A signer of Virginia, he was at the front in command of the Virginia military forces. With British General Charles Cornwallis in Yorktown, fire from 70 heavy American guns began to destroy Yorktown piece by piece. Lord Cornwallis and his staff moved their headquarters into Nelson's palatial home. While American cannonballs were making a shambles of the town, the house of Governor Nelson remained untouched. Nelson turned in rage to the American gunners and asked, "Why do you spare my home?" They replied, "Sir, out of respect to you." Nelson cried, "Give me the cannon!" and fired on his magnificent home himself, smashing it to bits. But Nelson's sacrifice was not quite over. He had raised $2 million for the Revolutionary cause by pledging his own estates. When the loans came due, a newer peacetime Congress refused to honor them, and Nelson's property was forfeited. He was never reimbursed. He died, impoverished, a few years later at the age of 50. • **Abraham Clark —** He gave two sons to the officer corps in the Revolutionary Army. They were captured and sent to the infamous British prison hulk afloat in New York harbor known as the hell ship "Jersey," where 11,000 American captives were to die. The younger Clarks were treated with a special brutality because of their father. One was put in solitary and given no food. With the end almost in sight, with the war almost won, no one could have blamed Abraham Clark for acceding to the British request when they offered him his sons' lives if he would recant and come out for the king and parliament. The utter despair in this man's heart, the anguish in his very soul, must reach out to each one of us down through 200 years with his answer: "No."

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The Battle of Cowpens: Painted by William Ranney in 1845, this depiction shows an unnamed soldier (left) firing his pistol and saving the life of Col. William Washington.

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