Joe Stalin, Franklin Roosevelt, President Eisenhower, or yourself —are one and the same. Somehow it must be decided what and how much of each good or service we plan to produce, how resources and effort are going to be allocated and used in the productive process, and how the resulting product will be divided up. Nor is there any way to side-step the necessity of making these decisions. In practice this means that someone must decide how many acres should be devoted to onions, how many turkeys will be wanted next Thanksgiving, how many TV sets and red convertibles should be produced, what resources should be available to each of these several productive efforts, and who should work at what. At the end of the line the onions and convertibles have to be parceled out to somebody.

The Price Indicator

Once upon a time the price system was supposed to make these decisions for all of us. The farmer planned to have fewer pigs to turn off in the fall because he anticipated they wouldn't bring very much. This tended to reduce output and improve the price. If the cost of eggs soared in the winter, farmers raised more chickens in the spring and the price was lower next year. This didn't please the farmer a bit, but the consumer didn't worry about it. He ate more eggs because they were cheaper, and helped to restore the former price level.

Men tended, subject to the limitations of their training and ability, to go into that line of work which paid them best, and investors risked their capital on the same basis. In other words, the economy ran itself as the consequence of the decisions of millions of people. They made mistakes, plenty of them, but their individual errors tended to cancel each other out. The system worked so well that the agricultural "planners" of our time chose the pre-World War I period as their golden age, the basis of the parity formula. Also, the industrialist and financier are a bit nostalgic about the Horatio Alger era when a man could make a million and keep it, and if he played the game fairly, he was regarded as no "robber baron" but a benefactor of humanity.

Regulation and Control

Now, of course, there's another way to make all those necessary decisions about production. A board of planners in the Kremlin — or in Washington for that matter — can decide how many tons of pig iron, bushels of wheat, gallons of gasoline, and pairs of

shoes will be needed next year, and can allocate the resources and manpower to the several productive agencies charged with the task of filling quotas. It involves a fantastic amount of labor in trying to assemble the necessary data and arrive at something like the right conclusions as to proper and possible production goals, and requires a vast and all-powerful bureaucracy to get it done. It is perfectly possible to operate that way if you choose to, but there are some consequences of this policy.

In the first place, the swarm of functionaries necessary to run it, who get in each other's way as well as everybody else's, are no better than locusts, if a free economy will run itself at least as well without them. Their record to date isn't impressive. In the second place, the loss of freedom inherent in such "planning" is so great that many of us would vote against it if it worked twice as well as the most enthusiastic utopian dreamer ever claimed it would.

I'm tired of listening to those folks who say that the "Good Old Free Enterprise System" was all right but if it can't supply us with the luxuries and security we want, we, in this "modern age," will trade it off for a totalitarian model which will. They are dreaming of a choice that doesn't exist. On the basis of the world's history to this hour it would be hard to prove that one could barter his freedom for prosperity except, perhaps, as a short-run delusion. The Rich Man in Hell chose the world at the price of his soul, but ended up losing both.

The System Won't Work

The oppressive nature of a planned economy has little to do with the fact that the planners grew up east of the Iron Curtain, drink vodka, or even are evil and ruthless men. Plus or minus a little, our benevolent bureaucrats would have to operate the same way or go out of business. It is inherent to the system. Free enterprise has controls, too, and they are pretty rugged. The free system has generally wrung more work out of people than a slave driver could with his whip. If you guess wrong, you may lose your shirt. If you don't work, neither shall you eat.

Actually, Americans don't want either system; they shy away from the terror of totalitarianism but refuse to accept the verdict of demand and supply.

The consequences of thus tampering with the workings of natural forces may perhaps best be illustrated by analogy. The first steam engine, the one invented by