to light, so has ignorance no resistance to enlightenment. Ignorance is always upon us in the absence of enlightenment; it retreats naturally as enlightenment increases but stands ever ready to descend again upon the blind.

### Open Competition

About 200 years ago, a remarkable political and economic enlightenment substantially removed the barriers – temporarily at least – that had closed the road to wealth. The baby was born: the open road to wealth! And it has been named the Industrial Revolution.[1] Goods and services henceforth would be produced for the masses and not solely for the political elite.

While the order of the successive steps in this enlightenment might be debated, it is my view that the first step was and had to be a recognition of human dignity. This is to say that each individual is as much a human being as any other; the son of a cobbler is entitled to opportunity no less than is the Prince; everyone equal before the law as before God – each his own man with a fair field and no favor. Any person, regardless of ancestry, free to rise to any height his energies and talents might take him. The road open!

Implicit in this enlightened recognition is that each and every person has full and exclusive right to the fruits of his own labor. In a word, the acceptance of a moral principle – justice – led logically and positively to the economic tenet on which the open road to wealth is founded: *private ownership*. Not that private ownership displaced political ownership and special privilege entirely – far from it! But the barricades were broken; there was not only the prospect but, far more than ever before, the reality of the open road.

Specialization, as might be expected, became the next step. Individuals, as they were freed from the bondage which abject poverty imposes, began to engage in an infinite variety of activities, each according to his unique talents and abilities.

Then came the next flash of enlightenment: freedom in transactions. If a particular good or service is really mine and some other good or service is really yours, there follows logically from this private ownership the right to exchange with whomever one pleases.[2] It simply is nobody else's business. Freedom in transactions tended to become the rule rather than the exception.

[1] For a revisionist view of the Industrial Revolution, see *Capitalism and the Historians* by various authors, edited by F. A. Hayek (Chicago: University of Chicago Press, a Phoenix Book, 1963).

[2] To deny freedom to exchange is to deny private ownership. One owns only that which he controls.



### Trade Benefits Both Parties

Assuredly, the next most important enlightenment came about 1870 when some economists discovered how ordinary people behave when free from controls. In other words, they discovered or came to understand the subjective theory of value. Until this time, the value of a good or service had been reckoned by cost of production, that is, by the amount of exertion expended. This false measure of value had been a real hindrance to private ownership, specialization, and freedom in transactions. Following the discovery of the subjective theory, the value of any good or service, instead of being determined by cost of production or dictated by some cartel, was whatever could be obtained in willing exchange. It is that simple. The market value of my pen? Whatever you or some other customer will give for it. If there are no willing buyers, its value is zero; if the top bidder offers two dollars, that's its value.

There's the baby – this recent flash of light or understanding. Its significance is seen by contrasting what has happened in the U.S.A., where this wisdom reached its apex, with what otherwise might have been the situation. Without this economic enlightenment, most of us either would not have been born or would have died in early childhood. Adam Smith (1776) observed that the average mother in the Scottish Highlands had to bear twenty children for a reasonable prospect that two might reach adulthood, so great was the infant mortality rate. There simply wasn't production enough to sustain more than a relatively small population.

Next, had that closed road to wealth persisted, nearly all of us, including our millionaires, would still be in the class of servants, serfs, armed guards, and the like. Even the simple requirements for life–food, clothing, shelter–would be no more than the political hierarchy might see fit to allot to us. Slaves!

And last, born a cobbler, remain a cobbler! The unique potentialities of the individual dead on the vine! The destiny of man–growth, emergence – forever stifled!

Now, look around us: would-have-been slaves – millions upon millions of us – in that advanced state of affairs in which each may pursue his unique talent and can receive in willing exchange those goods and services required for well-being. Take, for example, one who specializes in the study and explanation of the freedom philos-