THE FREEMAN
IDEAS ON LIBERTY

Published by
The Foundation for Economic Education
Irvington-on-Hudson, NY 10533
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The Freeman is the monthly publication of The Foundation for Economic Education, Inc., Irvington-on-Hudson, NY 10533. FEE, established in 1946 by Leonard E. Read, is a non-political, educational champion of private property, the free market, and limited government. FEE is classified as a 26 USC 501(c)(3) tax-exempt organization.

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The costs of Foundation projects and services are met through donations, which are invited in any amount. Donors of $30.00 or more receive a subscription to *The Freeman*. For foreign delivery, a donation of $45.00 a year is suggested to cover mailing costs. Student subscriptions are $10.00 for the nine-month academic year; $5.00 per semester. Additional copies of this issue of *The Freeman* are $3.00 each.

Bound volumes of *The Freeman* are available from The Foundation for calendar years 1972 to date. *The Freeman* is available in microform from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, MI 48106.

Cover: Bill Gates of Microsoft.

Yale Brozen

Good economists do two things. First, they challenge people's intuitions. (Such as: social order requires design; more people mean fewer resources; high market share indicates a lack of competition.) Then they make people say, "Oh, that's simple; I should have thought of that."

By that standard, Yale Brozen, a former member of the University of Chicago Graduate School of Business faculty and the FEE Board of Trustees, qualifies as a very good economist.

Brozen died March 4 at the age of 80. The obituary in the *San Diego Union Tribune* paid him the highest compliment an economist can be paid. It said his "persuasive arguments and tenacious scholarship helped revive widespread acceptance of free-market economics." That aptly describes Yale Brozen. He was part of that revival precisely because he could do what too few economists can: he could write for the non-economist. He did it, among many venues, in the pages of *The Freeman*. In December 1966 he wrote his first *Freeman* article, "Welfare Without the Welfare State." Then in September 1967 he contributed "Rule by Markets Versus Rule by Men." That article was followed by "The Untruth of the Obvious" in June 1968, "The Attack on Concentration" in January 1979, and "The Mythology of Energy" in July 1979.

We are pleased to reprint "The Attack on Concentration" in the present issue. Some of Brozen's most important work was in the area of economics called "industrial organization." Theoretically and empirically, he showed that a high market share for a dominant firm, absent government barriers to entry, was consistent with vigorous competition. With the Department of Justice [sic] persecuting Microsoft for having too many customers for its computer operating system, Brozen's article is as important as ever. Clearly, the attorneys in the department need to learn some economics.

Brozen began teaching business economics in 1957 at the University of Chicago, where he was a colleague of future Nobel laureates

F.A. Hayek, Milton Friedman, and George Stigler. He was an editorial adviser to *New Individualist Review*, an important early journal of libertarian thought edited by Ralph Raico and Ronald Hamowy at the university. Brozen contributed two articles to *NIR*, "Wage Rates, Minimum Wage Laws, and Unemployment" (Spring 1966) and "The Revival of Traditional Liberalism" (Spring 1965).

In the latter he wrote, "A discussion of the revival of liberalism should begin with a description of what it is—particularly since our latter-day reactionaries have stolen the name. They have stolen the label for a good reason: it stands for the opposite of what they propose. . . . Literally, liberalism meant to liberalize or liberate—to make free—to permit men to do or say whatever they wished. Of course, there was a constraint implied in this. No man could do anything which affected the liberty of others. . . . The classical liberal was and is opposed to all forms of tyranny."

Yale Brozen will be missed.

* * *

David Henderson leads off the issue with a professional and personal appreciation of Yale Brozen, who did not have to be a household name to make a real impact on economic thinking.

Thomas DiLorenzo goes back to the nineteenth century to demonstrate Brozen's point that in a free market, a dominant firm, or "trust," signifies competition, falling prices, and expanded production. The implications for the antitrust laws and the Microsoft case are monumental.

Leonard Read, FEE's founder, liked to remind people that economics is not about numbers but about human action, choices, and values—which makes it a branch of moral philosophy. We reprint his classic article on the subject in our year-long observance of the one hundredth anniversary of his birth.

Civil society is the latest fad interest among academic writers who see a conflict between individual freedom and the "social good." Drawing on the wisdom of an earlier writer, Juliana Geran Pilon believes that resolving the alleged conflict lies in the insight that benevolence is a form of self-love.

Voltaire, that joyous figure of the Enlightenment, visited London early in the eighteenth century. Wandering into the Stock Exchange, writes Wendy McElroy, he beheld the key to England's peace and prosperity.

There is a place on earth where there is no central government, where law arises from custom based on respect for the individual, and where trade today flourishes. Spencer Heath MacCallum will be our tour guide.

Contemplating how the bureaucrats use statistics to justify their meddlesome work, John Wenders sees numbers as the key to government mischief-making. Since they conceal more than reveal, they are the perfect cover for intervention.

Lots of good theory has been penned to demonstrate that government should not build and operate public-works projects, such as railroads and canals. Burton Folsom makes the same point via history, using Stevens T. Mason, a governor of Michigan in the nineteenth century, as an example of a well-intentioned government official who learned that politics and entrepreneurship don't mix.

In "The Pursuit of Happiness," guest columnist Edward Younkins finds a surprising number of movies that portray business activity in a good light. Take this article with you next time you head for the video store. Doug Bandow talks about the budget surplus. Lawrence Reed counsels: In Government Don't You Trust. Dwight Lee looks at the role of incentives in economics. And Mark Skousen traces the intellectual odyssey of a prominent English economic historian.

Our book-review section examines the source of wealth, gun control, the connection between progress and freedom, environmental concerns, free trade, and subsidies to workers.

—SHELDON RICHMAN