suffers the consequences. Social reformers, all too many of whom wear clerical collars, proffer for the remediation of real and imagined social ills the snake-oil nostrums of yesteryear. The mistakes of the past are repeated in the present. It is tempting to ask with Bob Dylan, "When will they ever learn?" Dylan's assurance that "the answer, my friends, is blowin' in the wind" I do not presume to understand, but I do know that, in the words of Scripture, those who "have sown the wind" sooner or later "shall reap the whirlwind."[3]

Many today *have* "sown the wind." Many today act as though the laws of economics could be defied. Yet if we listen we can hear a soft footfall. If we look we can see the pale shadows of ghostly figures just behind us. For the avenging gods, shod with wool, are in pursuit.

The Creation of Wealth

First, we have ignored the process whereby wealth is created. We have acted as though wealth could be created by political edicts. For most of humanity's history men and women have so acted, hence examples of such behavior are legion. Let us consider, however, the cluster of writings, edicts and policies, usually known as mercantilism, which directed the economic life of most European nations during the seventeenth and eighteenth centuries.

Rigorous laws, designed to achieve the goal of an export surplus, controlled imports. Maximum wage laws allegedly kept the cost of production low. Governments dictated the cost of material goods. The children of the poor were trained so that they could labor in industries judged important by bureaucrats. In the France of Louis XIV state officials decided what industries were to be created and where in France or her colonies they were to be located. Self-styled experts dictated, to take but one example, what patterns were to be woven in the state-owned tapestry works at Aubusson, it taking some four years of intense negotiation between weavers and state officials before backwarp could be introduced into fabrics. Rules laid down between 1666 and 1830 for the textile industry filled in excess of two thousand pages.

The situation in the United States of America was only slightly less bizarre. The distant ruler who, in the words of the Declaration of Independence, had sent "hither swarms of Officers to harass [your] people" included among those officers not a few whose task it was to ensure that such commodities as tobacco, beaver pelts, pig and bar iron, and whale fins were traded only with Great Britain. Hats and woolen goods were not to be exported from one of your provinces to another. The story is well told by John Chamberlain in his volume,

The Roots of Capitalism.[4] As an unrepentant Anglophile I draw my only comfort from the knowledge that attacks on George III and his policies penned in your nation were exceeded in thoroughness only by an attack penned in Great Britain by Adam Smith.

Fruits of Mercantilism

But what were the fruits of the economic system coordinated by political edicts we call mercantilism? They were the same as the fruits of *any* economic system so coordinated. Life, for the masses, was poor, nasty, brutish and short. The United Kingdom, France and your country were cursed by recurrent famines. Life expectancy at birth was, in the France of 1800, twenty-four for males and twenty-seven for females. In 1780, over 80% of French families spent at least 90% of their income solely on bread. A few people, admittedly, prospered, but the many did not, and this unhappy situation was perpetuated by a plethora of brutally enforced laws establishing and maintaining a rigid system of caste, class and privilege.

The disastrous consequences of mercantilism were no accident—indeed, the disastrous consequences of any economic system coordinated by political edicts are no accident. For such economies ignore a simple but unalterable truth. *Human beings are not omniscient.* The knowledge of any person is fragmentary, imprecise, and imperfect.

The point is perhaps best made by considering first the situation of a small, primitive tribe. Its way of life has remained unchanged for generations. Members of the tribe know, by and large, what skills the tribe possesses, what needs the tribe has, and what material resources the tribe enjoys. *Given* this knowledge, tribal elders or all members of the tribe meeting together can lay down rules specifying how the tribe is to use what it has to acquire what it wants.

But consider the problem facing a large and complex society. Skills are dispersed through literally millions of people, and constantly change as new technologies evolve. People want many different things. The material resources available are distributed globally and are characterized by ever-altering relative scarcities. No individual or set of individuals, however wise or however benign, conceivably could collate and synthesize the totality of information so widely dispersed and so subject to change.

Yet this information, wondrously, is available, and economic decisions—decisions as to how a people can best use what they have to acquire what they want—can be made by reference to this information. Friedrich A. Hayek puts it succinctly and puts it well. "Each in-