This study of history convinced the founders of the American Republic that there were other dangers to liberty besides the royal arbitrariness against which they had rebelled. A mob could be a tyrant as well as a monarch. The people's tribune of today could become the dictator of tomorrow. They reached the conclusion that the best means of assuring "life, liberty and the pursuit of happiness" was to establish a government of limited and divided powers. The Constitution bristles with "Thou Shalt Nots," directed against possible abuses of power.

How completely opposed and contrasted is the Soviet conception of the state as an instrument for the suppression of one class by another. Lenin refers to the state as a machine or cudgel, with which the ruling class crushes other classes. And his absolutist utopianism finds expression in a phrase he borrowed from Engels: "While the state exists there is no freedom. When there is freedom there will be no state."

Promises vs. Prohibitions

It is profoundly instructive to compare the American and Soviet Constitutions. The former is conceived in terms of natural rights of individual citizens which the state may not touch. The latter is full of promises of material benefits which an all-powerful state will confer on obedient citizens. Says Article 125 of the Soviet Constitution:

> In accordance with the interests of the working people and in order to strengthen the socialist system, the citizens of the USSR are guaranteed by law: (a) Freedom of speech, (b) Freedom of the press, (c) Freedom of assembly and meetings, (d) Freedom of street processions and demonstrations. These rights of citizens are insured by placing at the disposal of the working people and their organizations printing shops, supplies of paper, public buildings, the streets, means of communication, and other material requisites for the exercise of these rights.

On paper this seems to suggest a paradise for libertarians. What makes a mockery of these assurances is the fact that the government, providing these facilities, inevitably decides who is to use them. Soviet civil liberties in practice amount to this: that the citizen may read what the government wants him to read, say publicly what the government thinks he should say, and demonstrate for what the government thinks he should demonstrate for. How infinitely surer as a genuine guarantee for the expression of varied viewpoints is the simple negative injunction in the American Constitution, instructing the government to keep its hands off freedom of speech and press!

The richest, most powerful and populous nation of the New World, the largest, most populous and powerful nation of the Old World have come to maturity as world powers at the same time. The Second World War has left as its political legacy a two-power world. More than a rivalry of two nations is involved. There is an antagonism of two camps.

The United States and the Soviet Union may lose their ascendancy in time, as other great powers have declined before them. But for the near future the predominant position of these two nations, "each marked out by the will of Heaven to sway the destinies of half the globe," seems solidly assured. Only in the United States and in the Soviet Union are to be found all the elements necessary to sustain very long the effort and sacrifice required to sustain modern war: population, resources, space, industrial and technological development, large stockpiles of modern weapons. At the present time the strength of the United States and of the Soviet Union is in precarious balance. Should either of these leviathans be greatly weakened, the scales of world power would tilt swiftly and heavily in favor of the other.

All-out war between the two camps, divided by the barricade of the Iron Curtain, is not inevitable. Both sides are conscious of the tremendous losses and risks involved in a final, irrevocable appeal to arms. But true peace, which has nothing to do with Soviet "peace offensive" maneuvers, is also impossible, unless there is some almost miraculous change in the Soviet Union. Barring such a change, strife and tension, struggle with all means short of all-out war, seems to be the destiny of the greater part of the human race in the second half of the twentieth century. The Great Confrontation is here and has already assumed many aspects of an irrepressible conflict.

WORTH HEARING AGAIN

Our Unintelligent Intelligentsia

Our intelligentsia [is] easily the most emotional and voluble, and, as I often think, so far as concerns the realities of international life, the most uninformed, the most injudicious, and the most susceptible to propaganda.

JOHN BASSETT MOORE, as quoted in C. P. Ives' column, *The Baltimore Sun*, February 2, 1953

As A Lawyer Sees It

The greatest change I've seen in law stems from the relationship between the citizen and his government. When I began in 1895 litigation was between one man or one concern and another. There was very little litigation in the federal courts except on the criminal side. Now the arguments are between a citizen and his government, and with an ever-widening field of government interference.

JOHN W. DAVIS, as quoted in *The New York Times*, April 14, 1953, on the occasion of his eightieth birthday

Socialism Grips Norway

By TRYGVE J. B. HOFF

With a new law for the permanent regulation of prices, the power of Norway's government over business and trade has become absolute.

Socialization has become a foggy term, and so has socialism. Most modern Socialists define socialism by pointing to conditions considered desirable by everybody. Such descriptions are useless as definitions. The following definition has been accepted by the advocates as well as by the opponents of socialism. Socialism means (1) the abolition of private ownership of the means of production; and (2) centralized State direction of trade and business. This definition is not as clear and unambigious as it might appear, because taxation and other devices may undermine, and even eliminate, the right of private ownership, even if such ownership still exists on paper.

Norwegian industry is not formally socialized or nationalized. It is true that the telegraph service and the railways are State-owned, but this has always been so in Norway. Few Europeans consider State ownership of telegraph lines and railways as socialization, though it is admittedly a step in that direction. Even before the war Norway had State monopolies for grain, wines and liquors. Since the war the Labor government has established two more monopolies—for medicines, and for fishing-gear, nets and tackle.

Some State-Owned Industries

The Norwegian telephone companies used to be partly State-owned and partly privately-owned. Since the war there has been a tendency for the State to buy the privately-owned telephone companies. The reason given is the necessity of coordination to attain higher efficiency.

Since the war the Labor government has also tried to acquire holdings of shares in other private companies. The opportunity presented itself very conveniently when German interests in Norwegian corporations, acquired during the occupation, were confiscated as part of the war indemnity. In this way the State has become the greatest stockholder in Norway's biggest corporation—the Norsk Hydro, a nitrate company.

The government has gone farther than taking over war indemnities. On June 1, 1952 the State owned stocks in seventy-seven corporations, and controlled a majority in forty-one of them. The total share capital of these seventy-seven corporations was 496,000,000 kroner, of which the State owned 344,000,000. As a comparison, the total share capital of all Norwegian stockholding companies is calculated to be 3,000,000,000 kroner.

The shareholding interest of the State is considerably greater than the above amounts indicate. The Vinmonopolet, for example, with its warehouses, stocks of wines and liquors, and retail outlets all over the country, is obviously worth much more than the share capital, a paltry 100,000 kroner.

With the unanimous consent of the Storting, Norway's Parliament, the government has started building a big iron-works, Statens Jernverk, which was calculated to cost 334,100,000 kroner but will in fact cost three times as much. This may be described as a socialist undertaking, not because it is State-owned but because it does not satisfy the private prerequisite that it should be profitable. Even according to the preliminary estimates it will only cover its expenses in boom years; it will lose money in normal as well as in depression years.

Limitation of Dividends

The Labor government has followed other practices which have brought Norway still nearer to socialism. One device is the limitation of dividends. The general rule is that no stockholding company may pay more than a 5 per cent dividend. The results are in some cases so absurd that dispensations are given. One effect of this limitation is that stocks actually are not equities any more, representing real values, but nominal values of the same category as bonds.

Considering the risky character of certain Norwegian industries, such as whaling, shipping, and fur-farming, a limitation of dividends must naturally reduce the supply of venture capital. It has already done so. The number of stock-listed corporations has fallen drastically.

A *permanent* limitation of dividends means of course the permanent abolition of the shareholders' right to private ownership of the means of production.

It may be added that most big enterprises in Norway are limited joint-stock companies. Some prominent lawyers assert that Norwegian joint-stock companies have already been socialized for all practical purposes. In addition to the limitation of dividends a ban has been imposed on the distribution of companies' funds, and on the dissolving