Commentary

LAW, GOVERNMENT & SOCIETY

Capitalism, Socialism, and Democracy

A Symposium.

WILLIAM BARRETT / APR. 1, 1978

Earlier this year, the editors of COMMENTARY *addressed the following statement and questions to a group of intellectuals of varying political views:*

Kenneth J. Arrow:

Some thirty-five years ago, Joseph Schumpeter wrote a well-known book with the title, *Capitalism, Socialism, and Democracy*. Schumpeter was an economist, but one with unusually wide interests in and knowledge of political and social systems. Schumpeter did not like socialism; it represented the bureaucratized antithesis of the creative energies best unleashed under capitalism. Yet he went out of his way to emphasize that political democracy was thoroughly compatible with socialism in its fullest sense. I would indeed venture the guess that it is only relatively recently in the history of the great debate between socialism and capitalism that an allegation of a peculiar association between capitalism and democracy has become a staple of the pro-capitalist argument. On the contrary, the need for dictatorial and authoritarian politics in the achievement of socialism has rather been a Marxist position. Marx held that, in general, the resistance of capitalist interests to the coming of socialism would be itself subversive of democracy, and the transition would require the "dictatorship of the proletariat"—a notoriously ambiguous concept. This or similar rationalizations for antidemocratic activities have remained a constant in some Marxist thinking, though repudiated by other Marxists and by non-Marxist socialists. The relation between socialism, once achieved,

and democracy was left rather in abeyance. Few socialists of any persuasion would, indeed, subscribe to a defense of permanent authoritarianism, but many might argue that the political issues which democratic government was supposed to resolve would disappear.

The association by anti-socialists of capitalism and democracy perhaps dates from Friedrich von Hayek's *The Road to Serfdom*, a virtual contemporary of Schumpeter's work. The argument has been given in one version by Milton Friedman in *Capitalism and Freedom*. But the force of the argument comes not from books but from one overwhelming and very ugly fact: the totalitarianism of the Soviet Union. If the Soviet experience were in fact representative of socialism, there could be no dispute that democracy is incompatible with socialism.

But of course one example does not suffice. It is all too easy to find alternative explanations for Soviet tyranny. Indeed, the question as posed by this symposium has, in a curious way, a Marxist or at least Marxoid ring to it: it suggests that the political "superstructure" is basically determined by the "relations of production." One could at least raise the alternative possibility: that the categories of socialism and capitalism are irrelevant to democracy, that historical and cultural factors are the key determinants, and in particular that the detailed evolution of Russian political, social, and economic history has more explanatory power than the economic system which has emerged only recently in historical terms. One might well ask why it was that Russia, and not some other more likely-seeming country, turned socialist first, and why it was the Bolsheviks, and not any of their socialist rivals, who took over; surely, the special characteristics of the Russian polity have something to do with that.

It is therefore necessary, as indeed both Hayek and Friedman have done, to seek to adduce plausible causes, to give a theoretical model, so to speak, which offers some explanation of the relation, if any, between economic and political systems. Some understanding must also be given of the terms of our discourse, if only to prevent the genuine issues from being avoided by semantic stipulation. In particular, the definition of "democracy" must not include private property. Democracy is a form of government in which political decisions are ultimately governed by the bulk of the adult population, though, of course, usually indirectly through election of representatives. It is fair to say that *political* liberties, freedom of speech and of the press, are so

closely inherent in meaningful democracy as to constitute part of the definition. But one can perfectly well imagine democracy without freedom of religion or in a society where every move is reported and internal passports are needed. Whether or not these restrictions are incompatible with the persistence of democracy is a contingent question, not a tautologous consequence of a definition.

Similarly, we must define socialism in a relatively narrow way to avoid making the case too easy on the other side. Socialism is an economic system in which the bulk of economic decisions are made in units which are controlled by parts of the state structure or by the workers. (The last phrase is designed to include the Yugoslav workers'-control system and similar possibilities elsewhere.) If we were to extend the definition of socialism to include Labor Britain or socialist Sweden, there would be no difficulty in refuting the connection between capitalism and democracy. Capitalism means the economic system in which the rules of fully alienable private property are observed, with production taking place in units with private owners who purchase inputs and sell outputs and hire labor through contracts freely arrived at.

The question formulated by the editors of COMMENTARY raises the possibility of "an inescapable connection between capitalism and democracy." Thus, it is asserted not only that socialism has totalitarian implications but that capitalism leads to democracy. Indeed, the first part of the assertion without the second would have little force. But there is unfortunately no lack of historical refutations to this proposition. Nazi Germany fully matches and in certain ways overmatches the Soviet Union in its totalitarian excesses. Fascist Italy, Franco Spain, Salazar's Portugal, and the recurrent dictatorships of Latin America stand as strong counter-examples to the proposition that capitalism implies democracy. Clearly, any model of the interrelation between political and economic systems must take account of this evidence.

As I have already suggested, there are two models which imply that, to some extent at least, capitalism is associated with democracy and socialism is not. We may refer to them as the "Marxist" and "conservative" models, the quotation marks

indicating that neither is necessarily held by most Marxists or conservatives, respectively. The "Marxist" model tends to hold that democracy is a form appropriate to capitalism, at least in its ascending phases, forming a political counterpart to the ideals of free contract. Because economic power is so preponderant in political affairs, the democracy does not offer any threat to bourgeois control, at least as long as the "contradictions" of the system are not too intense. However, when the conflicts are sharpened, and the demand for socialism emerges, or other serious threats to the capitalist system develop, the democratic system will be destroyed by some form of counterrevolution. Hence, the "Marxist" model implies that the transition to socialism is not likely to be compatible with democracy. The experience of Chile, which was perhaps the one stable democracy of South America, can certainly be regarded as some verification of this model.

To be sure, the "Marxist" model, unlike the "conservative" model, does not imply the long-run incompatibility of socialism and democracy. But both the experience and the official analyses of such leading Marxist countries as China and Cuba imply that the transition does not stop as soon as a socialist economic system is established. "Bourgeois" ways of thought and the individuals who bear them must disappear first.

But most of those who associate capitalism with democracy would hardly be happy with the "Marxist" model, which suggests that democracy under capitalism is not much of an ideal: it is viable only when there is little need for it. The "conservative" model is based on contrasting the dispersion of power under capitalist democracy with its concentration under socialism. When the state also controls the economy, it is argued, then there is no protected space for dissent. Political opposition requires economic resources (a curious Marxist echo). In a capitalist society, the multiplicity of capital means that any dissenting voice can find some support. Under socialism, the political faction that controls the state at any moment can use its power over the economy to eliminate its opponents—to fire the leaders from employment and deny them the resources needed for their publications and other forms of diffusion of their opinions.

This argument does not have much merit to it. As recent events in the United States have shown, even the existing political machinery is not at the disposal of the current political leadership. The bureaucracy or, better yet, the many conflicting bureaucracies, are not so easily controlled. If the democratic, legal tradition is strong, there are many sources of power in a

modern state. Adding functions of economic control to the present range may indeed only increase the diversity of interests and therefore alternative power sources. It is becoming notorious, both in the United States and the United Kingdom, that government agencies are harder for the government to regulate than private firms. The nationalized enterprises of the United Kingdom have some of the characteristics of feudal baronies; coordinated investment planning has been notoriously difficult. This failure of coordination is not an unmixed blessing. But it certainly suggests that a modern state, no matter how all-encompassing, is likely to have a fully adequate range of alternative power centers, if that is an adequate protection for democracy.

Further evidence can be drawn from the increasing role of the state in guiding economic activity. The United States, Sweden, and the United Kingdom are certainly not socialist, as that term is properly used. But in different ways and to different extents, the intervention of the state in guiding the economy is markedly greater than it was before World War II, both in detailed regulation of individual industries for a variety of social purposes and in overall attempts to stabilize the economy. If the "conservative" model were correct, then it would be reasonable to infer that increasing government intervention would be marked by decreasing democracy. Yet nothing of the sort has happened. Both the formal and the informal aspects of democracy have never been stronger in the United States, Japan, or Western Europe. Indeed, Samuel Huntington has argued that an excess of democracy makes it difficult to meet the current political problems of the United States.

What can be concluded? We cannot be sure that the principles of democracy and socialism are compatible until we can observe a viable society following both principles. But there is no convincing evidence or reasoning which would argue that a democratic-socialist movement is inherently self-contradictory. Nor need we fear that gradual moves in the direction of increasing government intervention will lead to an irreversible move to "serfdom."

Social theories are also social facts. Whatever explanatory value the "Marxist" or "conservative" models may have, they surely cannot be regarded as established with any degree of firmness. Yet excessive confidence in one or the other may have serious consequences. If "conservatives" believe too strongly that any move to socialism undermines democracy, then they may indeed

act in accordance with the "Marxist" model, and vice versa. (Robert Merton long ago alerted us to "self-confirming" and "self-denying" social theories; here we have a pair of rival theories which are "other-confirming.")

The editors of COMMENTARY have posed an additional, more personal question: how has my thinking about capitalism and socialism changed when I consider their relations to democracy? The implication that there is anything new in this question amazes me. Speaking for myself, the problem was posed forty years ago, when the Moscow Trials made clear to those who did not choose to blind themselves that a socialist regime could be not merely undemocratic but tyrannical. In response, advocacy of a socialist world, for reasons that I still think valid in essence, was put on ice. So long as guided capitalism showed economic and social progress, the issue could remain moot. The present difficult conjuncture may make the risks of democratic socialism more tolerable.

William Barrett:

I grew up a Marxist and a socialist, like a good many people of my generation. The long slow stages of disintoxication need be cited here only as they bear upon the issues of the present symposium. Thus from Marxism, in its more or less standard and simple form, I retreated to something more theoretical and complex, which might be called, for lack of any other name, liberal Marxism, until at long last it became quite clear that these two were incompatible notions. The final stage in that particular development was a residual belief in democratic socialism, which seemed so reasonable and encompassing an ideal that one's spirit might hope to find permanent rest there. I now perceive that this was the underlying illusion that fathered all the others.

For this bit of autobiography I plead two excuses. First, in the present general climate of discussion, it seems worth emphasizing that one's political ideas, however unsatisfactory to some tastes, are nevertheless the outcome of time and reflection, and not the momentary prompting of some shift in the intellectual wind—a "swing to the Right," which our journalists suppose to be taking place in our country just now. So long as our political thinking proceeds by such tags, we are bound to imitate them in fact, and go on decade after decade ineptly swinging from Left to Right and back again, without learning anything in the process. And if anything is to be learned from the experience of our century, it is that we cannot hold the same views of socialism that we once did. Secondly, the experience of departing from views long held may leave some significant insight on the motives that prompted one, and other people like oneself, to hold those views in the first place.

And indeed, now that I am quit of it, what strikes me as strange is why I should have held on so long and tenaciously to this faith in "democratic socialism." How could we ever have believed that you could deprive human beings of the fundamental right to initiate and engage in their own economic activity without putting every other human right in jeopardy? And to pass from questions of rights to those of fact: everything we observe about the behavior of human beings in groups, everything we know about that behavior from history, should tell us that you cannot unite political and economic power in one center without opening the door to tyranny. Plural centers of power are the only reliable barriers to dictatorship. Labor unions are notoriously not the most democratic organizations in modern society; and were a so-called socialist country like Britain to lose its 50 percent remnant of capitalism, the traditions of British liberty would disappear into a dictatorship of the unions. There is also the point of efficiency. Imagine the most utopian future you please; imagine a humanity shorn of its competitive drives to status and power, with every selfish motive replaced by one of pure social idealism; and then picture to yourself all those angelic creatures fluttering around in the mazes of their own red tape, like flies trapped in a spider's web, trying to get something done. Whatever government does, we have learned to our bitter experience, it does ineptly and expensively.

We are left, then, with capitalism. It permits freedom, and it is productive. We are not required to worship it. (And, in fact, that would be one of its advantages over a socialist system.) A great deal of the antagonism toward capitalism historically has come out of the unrecognized need to satisfy other and more obscure gropings. I think I can say, with some degree of assurance, of every intellectual I have known personally who was a committed socialist, that the socialist ideal represented a displacement of

moral and religious values which had not found their outlet elsewhere and here came to distorted expression. Was not the socialist position as invulnerable as any religious over-belief? You did not have to defend the imperfections of any existing regime. As one more intolerable socialism after another came into existence, you could simply shrug each off as not being "real socialism." You had your justification and your redemption thus in another world—that world of the future beyond any realized fact. As for the gritty personal problem of finding a meaning for one's own life in the face of death—that too was something to be left to the future, the truly humane future of socialism when mankind would discover the real meaning of its existence. The outcry against alienation was another misplaced yearning. The alienation of modern man is indeed a real thing, but its sources lie elsewhere than in the specific economic arrangements of society. The workman cannot be expected to enter the factory as a cathedral, despite those early Soviet movies we saw as kids. In the socialist tradition you can scarcely disentangle specific social protest from a metaphysical rebellion against, or evasion of, the human condition itself. The inner history of the last twenty-two years is best described for us not by any sociologist, economist, or political historian, but by the novelist Dostoevsky in *The Possessed*, which in the light of present-day terrorism becomes even more startlingly accurate. The violent dissatisfaction with the prosaic and workable arrangements of society (from the family on upward) that permit liberty, is part of the general spiritual sickness of modernity. There lie the real questions behind this symposium.

Capitalism, of course, has its own very serious problems, among which structural unemployment now seems to be particularly pressing. The more efficient the economy becomes through capital-intensive investment, the fewer people are needed to produce the same goods. In principle, however, if the system is healthy, it should have momentum enough to initiate new enterprises and jobs. It is up to us not to interfere with this health. Since the welfare state is going to be with us for the foreseeable future, it would be advisable if the economy were left otherwise free and productive enough to pay the cost of welfare. This is obviously a problem of delicate management, and it remains to be seen whether it can be brought off without our sliding into a form of *de facto* bureaucratic socialism.

And precisely here, the problems of democratic politics become crucial. The title, as well as the opening statement, of this symposium suggests that democracy is somehow a synonym of liberty. In some aspects, however, democracy is not always a friend of liberty. While capitalism essentially entails liberty, democracy does not. In its demagogic possibilities, for example, democracy may become the enemy of liberty, as the experience of ancient Greece and Rome bears witness. In our society, these demagogic tendencies often take a violently anti-capitalist turn. In a tight situation, the political orator can always take a swipe at the corporations. A politician is someone intent primarily on his own reelection, and will therefore do anything to satisfy the immediate clamor of his constituents without considering for a moment whether the new burden he creates for the economy will in the long run confer no lasting benefits upon those same constituents, but indeed the very opposite. Government often acts as if, no matter what it does, the abundant American economy will always be there, like Mother, to provide her blessings. In this witless fashion we could drift into becoming an economically second-rate nation.

In that case, the cause of liberty throughout the world would have suffered a very grave defeat. Only the power of our nation now stands as a barrier before totalitarian imperialism. And as the viability of our economy, with its productivity vastly superior to their own systems, is the sharpest thorn in the side of the totalitarians, so it has to be reckoned also as our most powerful weapon against them.

Peter L. Berger:

Intellectuals have kept busy for well over a century defining and redefining the three entities under discussion here. This is confusing enough when it is done, at least with a modicum of detachment, by economists and social scientists. When the business of definition involves such creedal constructions as “true” socialism and “true” democracy, the confusion becomes hopeless. (By the way, the only reason there has been little effort expended in defining “true” capitalism is that few intellectuals have felt the need to make that part of their creed.) Here is a modest suggestion for cutting through this Gordian welter of

conceptualizations; it is, as it were, a statistical suggestion: despite the great variety of societal arrangements in other areas (say, that of family institutions), mankind has shown remarkably little imagination in arranging the distribution of scarce commodities and services. When all is said and done, only three mechanisms have been invented. The distribution has been governed by tradition, or by the dynamics of the market, or by acts of political allocation. Tradition has been in pretty bad shape since the advent of the modern era, which has left the other two mechanisms by way of options. "True" capitalism would be a situation in which all distribution is governed by market forces, "true" socialism one in which market forces have been completely replaced by a design of political allocation. It is safe to say that neither exists in empirical reality; both, to use Weberian terminology, are ideal types. Empirically, different societies are closer to one or the other type. In this way, it makes sense to speak of the United States and Brazil as capitalist societies, and of the Soviet Union and China as socialist ones, without getting bogged down in scholastic argument as to the nature of "truth." As far as democracy is concerned, suffice it to say that it involves at least the following characteristics—institutional provisions for political opposition and for a change of government by popular franchise, and a body of civil rights and liberties protected from the whims of the government in power at any moment.

A great simplification? Yes, certainly, but a useful one. It opens the eye to an essentially simple fact: in the empirical reality of the contemporary world, *all* democracies cluster in that part of the ideal-typical scale that is much closer to the capitalist than the socialist pole. This fact can be put in a number of different propositions: there is not a single democracy that is not part of the international network of capitalist economies. There is not a single socialist society that is democratic. Put differently: there is a high positive correlation between capitalism and democracy; the correlation between socialism and democracy is altogether negative. Once again, a statistical manner of looking at this is useful. There are, to be sure, capitalist societies that are *not* democratic, yet all societies that *are* democratic are also capitalist. This statistical scrutiny of the world map becomes even more interesting when one makes the important distinction between two types of *non*-democratic societies that Hannah Arendt has taught well (though the lesson has not been learned by many)—the totalitarian and authoritarian types. There are both capitalist and socialist societies with authoritarian political systems; since the demise of Nazi Germany (assuming that it could be described as capitalist—a not altogether convincing assumption), *all* totalitarian societies have been socialist. It is this

distinction that is crucial when comparing, say, North and South Korea, mainland China and Taiwan—or, for that matter, present-day Vietnam with South Vietnam under the Thieu regime. Put differently: not only does socialism have a high negative correlation with democracy, but it also has a high positive correlation with totalitarianism.

These facts are simple. The explanation is no great mystery, either. Whatever else capitalism may be or do, it maintains in a society forces and institutions that are at least relatively detached from the organisms of the state. The modern state is the most massive concentration of power in human history. Whatever socialism may be as an ideal, its empirical realization removes from the scene yet another limiting factor to the power of the modem state. Needless to say, socialist theoreticians have agonized over this and thought of ways in which this unhappy consequence could be avoided; to anyone not driven by what Antonio Gramsci so accurately called "fideistic" motives, the failure to avoid this consequence in even one empirical instance suggests the likelihood that this is not just due to the accidents of history. Let there be no misunderstanding: to say these things in no way implies the sort of faith in the necessary beneficence of market forces that is still so characteristic of the American business community. Let it be stipulated, then, that capitalism can be rapacious and exploitative, and that there should be political remedies to limit these manifestations. Also let it be stipulated that there is no ironclad logic disproving the proposition that, under different historical circumstances, socialism might take on a new face (in Italy or France, say, as against Russia or China). Jean-Paul Sartre said that, since man is free, one must take seriously the drunkard's proposition that as of tomorrow he will stop drinking. But the empirically-minded observer will be forgiven if he refuses to bet on this—and even if he suspects that there is something in the constitution of the drunkard that leads to drinking.

The major cognitive function of Marxism and its derivative theories is to obfuscate the empirical reality just described. It is therefore unreasonable to expect that those still under the sway of these theories will reassess their view of the contemporary world in terms of a less pejorative perception of capitalism. There is, of course, the democratic Left, or that section of it which holds to a non-messianic, pragmatic vision of the future and which seeks to control rather than abolish market forces. With individuals in this camp one may differ as to just where one would like to place one's society on the ideal-typical scale between socialism and capitalism, but this difference will be one of degree. There will be no difference in the opposition to totalitarianism—indeed, especially in Europe, many of the staunchest anti-totalitarians are to be found in this camp—and there

may even be a good deal of agreement on the foregoing understanding of the relation between democracy and a market economy.

It is difficult, however, to be overly optimistic about the prospects of this variety of pragmatic socialism among intellectuals, least of all in Western Europe, where a messianic and doctrinaire Marxism has become massively institutionalized. Both the class interests and the cultural proclivities of the European intelligentsia make it tend toward this or that version of Marxist messianism rather than toward the sober perspective of social democrats like, say, Helmut Schmidt or Bruno Kreisky. To be sure, it is cheering that some erstwhile Marxists, like the "new philosophers" in France, have freed themselves from at least some of the prevailing mystifications. Even in their case, though, one must wonder why it needed the publication of *The Gulag Archipelago* to make them take note of the realities of Soviet socialism; it is as if someone suddenly discovered that something was wrong about Nazism because of the Eichmann trial in 1962. Even so, one must be grateful for small favors, and the "new philosophers" may be put in that category.

For the greater number of committed socialists, in Europe and elsewhere, the more likely option is to follow disillusionment in one type of socialism with new illusions about another. Those disappointed by the Soviet Union have turned to China. As more and more disappointing news keeps coming out of China, many are already turning elsewhere; Mozambique seems to be a current favorite. And then there is always the option of saying that "true" socialism is yet to appear. This option (which has a long tradition in Judeo-Christian eschatology) has the great advantage of being immune to falsification—the future is empirically inaccessible—while leaving in place all the negative perceptions of the capitalist status quo. Thus, while present-day France may not look so bad when compared with Mozambique, it cannot help looking awful when compared with an eschatological kingdom of perfect justice.

In sum: those who understand the intrinsic linkage between capitalism and democracy should be open to alliances with all those who abhor totalitarianism—even if some of them still call themselves Marxists or *gauchistes* of some other denomination. Politically and morally, indeed, one will ten times prefer the socialist who opposes totalitarianism to the capitalist who thinks of nothing but doing business with totalitarian regimes. But one should not have the unrealistic expectation that an espousal of capitalism in the name of democracy is the coming wave in the intellectual community.

William F. Buckley, Jr.:

When I was a boy at Yale, along about the time they were superannuating God, they were enshrining something called economic democracy. Many of my classmates, by the time they had gone through the typical ration of introductory courses in economics and allied fields, were ready to live and die, if necessary, to bring economic democracy to America. In those days anything attached to democracy was osmotically desirable, democracy having been postulated as the highest civic good. We had, then, not only economic democracy as a social desideratum, but its cousin, industrial democracy. Educational democracy enjoyed morganatic privileges, and of course social democracy was tantamount to eudemonia. Henry Wallace could not give a speech without a dozen references to economic democracy, and of course it transpired that what was meant by the term was a progressive socialization of the economy. That which was capitalistic in form was disparaged quite consistently, especially by those who thought themselves progressive, as in the Progressive party which fielded Henry Wallace as its candidate during my sophomore year.

But like executive supremacy, which was good when exercised by FDR and Truman, bad when attempted by Richard Nixon, the term democracy began to suffer and, *pari passu*, economic democracy. I like to think that the bubble burst when some scholar, who flogged himself through John Dewey's *Democracy and Education*, carefully annotated twenty-two distinct uses to which Mr. Dewey had put the words democracy and democratic. There was, of course, the postwar confusion caused by the

establishment of such states as the German Democratic Republic, and the endless encomiums in the Communist and fellow-traveling press to the democratic arrangements in Stalin's Russia, which of course was what the Webbs and Harold Laski had hailed as the fountainhead of economic democracy. There were the noble dissenters—I think Sidney Hook was the most vociferous, not to say encephalophonic—who kept stressing the differences between true economic democracy and the kind of thing practiced in Russia. But doubts had begun to set in, reinforced during the 1960's by the advent of democracy in Africa. Democracy had been used, along with "independence," as an antonym for colonialism. And when it became clear that the expulsion of the colonizers in Africa would bring not democracy but merely an end to white rule, many Americans, rather than sort out their frustrations, simply stopped reading about Africa, even as one stops counting Bolivian coups. And I think it correct to say that the term economic democracy tiptoed out of the workaday rhetoric of progressive politicians who although generally the last group to recognize the uselessness of shibboleths, are sensitive to public ennui. Economic democracy was increasingly understood to be the progressive transfer of power from the private to the public sector. There is continuing enthusiasm for this, but it tends to be inertial and dogmatic. Looking again for symbols, I think of Peter F. Drucker who in his *The Age of Discontinuity* dropped the line that modern experience has demonstrated that the only thing the state can do better than society is inflate the currency and wage war. The experience of Vietnam brings one of those two claims for the state into question.

With the demythologization of the state as the agent of universal well-being came also a revived curiosity about what it is in democracy that is desirable. Begin by admitting that the democracy that brought us Perón and Hitler is an imperfect cathedral in which to worship, and you have come a long way. If democracy can substantially diminish human freedom, it is only casually interesting that that diminution of freedom was affected by political due process. Which brought to the attention of the curious, particularly among libertarians, the startling insight that it is altogether conceivable that in a given situation one might be faced with freedom and democracy as mutually exclusive alternatives. Not entirely so, because if you surrender democracy on the grounds that democracy is heading you toward a totalitarian abyss, you have indeed given up something. But that something which you give up is not necessarily more valuable than that which by giving it up you stand to retain. Burke said it most simply when he remarked that the end of political freedom is human freedom.

It is best, I think, to ruminate on these matters by reasoning *a posteriori*. Freedom *can* be quantified. Freedom is not, in an imperfect world, indefeasible. If, let us say, a society acknowledges (1) the freedom to write, (2) the freedom to own property, and (3) the freedom to practice one's religion, it is a better state than the state that grants only two of those freedoms. But the state that grants two of those freedoms is better than the state that grants only one of them. By extension, the republic with a vigorous public sector that protects the right of property and the attendant right of economic enterprise is one which understands democracy as primarily a procedural commitment—instructing us how to make such changes in public policy as are desired by the majority, but warning us that the use of that procedural authority for the purpose of limiting substantial freedoms is intolerable. It is plain that an increasing number of intellectuals, dismayed by contemporary experience, have stopped super-ordinating democracy to all other specified and specifiable freedoms. Having done that, it is easier to arrive at the conclusion that a vigorous private sector is necessary for the validation of democracy. Democratic socialism, as the venerable insight tells us, is all about A meeting with B for the purpose of deciding what C will give to X. To say that democratic socialism "works" in Scandinavia is merely to say that the individual who makes that statement would rather exchange those freedoms absent in Scandinavia for those social perquisites offered in Scandinavia. If democracy is to be the servant of human freedom rather than the instrument by which to afflict the minority, then it must acknowledge the great self-denying ordinances which reasonably limit all other freedoms.

Alert intellectuals are in increasing numbers interested by what the lawyers anxious to preserve constitutional guarantees call the "slippery-slope" theory, the generic statement of which is, Give them an inch and they'll take a mile. The appetite of the socialist to govern tends to insatiability. Thus Freedom House, in the latest of its annual tables of political rights and civil rights, is instructive. The nations of the world are divided into three categories: the capitalist, the mixed, and the socialist. Only a single state is both socialist and politically free. For those interested in purple cows, that state is Guyana.

Theodore Draper:

Questions sometimes reveal as much as answers. This is such a question.

The basic assumption behind the question is that democracy has no *raison d'être* of its own. It is said to be ineluctably tied up with a kind of economic order—capitalism or socialism as the case may be. The implication is that there cannot be a democratic *and* an anti-democratic capitalism or a democratic *and* an anti-democratic socialism. What is governing, then, is the economic order; it decides the fate of democracy.

So we now learn that there are intellectuals who think there is an "inescapable connection" between capitalism and democracy just as there were—and are—intellectuals who think there is an "inescapable connection" between socialism and democracy. Formerly, capitalism was ineluctably exposed to the "totalitarian temptation"; now it is socialism's turn.

The odd thing is that these two schools of thought are not as far apart as they imagine. They are expressions of the same democratic heresy.

The heresy makes democracy a political "superstructure," to use the Marxist term. According to that tradition, one did not have to worry about democracy; it came naturally and inevitably out of socialism. The capitalist branch of this family merely substitutes capitalism for socialism. If democracy is inescapably connected with capitalism, we need not worry about democracy; it will come naturally and inevitably out of capitalism.

As a result, the choice is between capitalism and socialism; it is not between democracy and despotism. The issue is shifted from politics to economics or from democratic politics to capitalist and socialist economics. One way or the other, politics is made to follow economics in an "inescapable connection."

Curiously, intellectuals who have nothing but contempt for socialist determinism are quite willing to accept capitalist determinism. These capitalist determinists profess to have a holy horror of Marxism, and especially of its alleged economic determinism, only to smuggle it into their own ideology in order to make capitalism necessarily democratic and democracy necessarily capitalistic. This question makes no sense without the assumption of determinism which, whether it is socialist or capitalist, is the death of democracy.

Historically, the inescapable connection between capitalism and democracy is extremely dubious. The Founding Fathers of American democracy would certainly not bear out the connection. The most democratic of them, to the point of mawkishness, was Thomas Jefferson, the least sympathetic to the future course of capitalism. The most far-sighted, from a capitalist standpoint, was Alexander Hamilton, the least democratic in his political persuasion.

This apparent paradox suggests that the democratic tradition has much older and deeper roots than either capitalism or socialism. Much of the democratic credo—the Bill of Rights, for example—was the distillation of centuries of precapitalist struggles for all sorts of freedoms—religious, civil, social, economic. Once the struggle for freedom, which is the essence of democracy, is made to culminate in any particular economic order, that struggle is sure to come to an end. On the contrary, it must go on in any conceivable economic order, and endlessly.

So far, we have been content to use these large and abstract terms, capitalism and socialism. But therein lurks more trouble with the question.

There has never been capitalism pure and simple. It has taken different forms in different countries. Define it as you will—private property, free enterprise, the market system—it has operated within the most varied political, social, and cultural environments. Whether capitalism will be democratic or how democratic it will be has depended largely on those environments. To look for democracy in capitalism *per se* is to look in the wrong place.

There was plenty of capitalism in pre-Nazi Germany. There was no inescapable connection between that capitalism and democracy. An important group of German capitalists cooperated in the destruction of German democracy and adapted

themselves to the best of their ability to the Nazi political order. Capitalism, as in the case of the late Weimar regime, has different states as well as stages; a capitalism in a state of crisis is hardly capable of sustaining an inescapable connection with democracy. The German experience might even tell us how escapable capitalism can be from both democracy and fascism.

I suspect that those intellectuals who now see an inescapable connection between capitalism and democracy are really thinking of a particular form of capitalism in a particular place at a particular time—in the United States, let us say, rather than in Italy. Even in the United States, however, the capitalism of today, controlled, underwritten, and salvaged by the ubiquitous state, would have been unthinkable a generation or two ago. The Roosevelt reforms were a case of democracy saving capitalism, not of capitalism saving democracy. Thus, the question of capitalism and democracy cannot be dealt with in the abstract; it always raises other questions—What capitalism? Where? When? In what political culture and tradition?

As for socialism, I suspect that the same intellectuals have accepted the Communist usurpation of the term socialism. For socialism has also meant different things at different times and places. Socialism once meant the economic fulfillment of political democracy; it was commonly referred to as economic democracy. Socialism without democracy was—and to some intellectuals, still is—considered a terminological contradiction. This tradition was so strong that even Lenin originally had to argue that Russia was exceptional and could not make its revolution in the same democratic way as the Western socialist parties.

I am not saying that socialists are not susceptible to the "totalitarian temptation." The old socialist faith that socialists were necessarily democratic was credulous and simplistic. I am saying that they are not ineluctably vulnerable any more than capitalists are inescapably immune. I know of no political group which has resisted totalitarianism in all its guises more steadfastly than democratic socialists. Were the Russian Mensheviks ineluctably tempted by totalitarianism? Or the German social democrats? If they were so easily tempted, why was it necessary to destroy them? And in what country did any

substantial group of capitalists, presumably the standard-bearers of capitalism, hold out against totalitarianism or fill its concentration camps?

How significant is the development posed by the question? Quite significant but not for the reason implied by the question. It is significant because a number of intellectuals—if the question represents them correctly—have unlearned about capitalism all that they think they have learned about socialism. They have unlearned the lesson that democracy is something to cherish for its own sake and not because it is inescapably connected with socialism or capitalism. Do I feel impelled to rethink my own ideas about the relation of capitalism and socialism to democracy? I felt impelled to rethink my ideas on that relationship quite some time ago. If I agreed with these intellectuals, I would not have to rethink at all; I could merely substitute capitalism for socialism and retread all my old thoughts.

Charles Frankel:

Intellectuals, in relation to society and politics, have a notable capacity to delay the recognition of the obvious, and when they get around to recognizing it they tend to convert their moment of illumination into a new Copernican Revolution. The excitement generated by the "new philosophers" is an index to the strangely abstracted way in which philosophical and literary circles of the Western world have been discussing capitalism and socialism for lo! these many years. It has not been a discussion of realistic economic alternatives but an exercise in eschatology, a musing on final things—on the death of the flesh (capitalism), the resurrection of the spirit (socialism), the ultimate judgment of history (revolution).

It is not a fresh insight—one can find it, after all, in *The Communist Manifesto*—that there is a close connection between capitalism and democracy. The triumph of the business entrepreneur fortified the idea that there should be a sphere of private conduct and initiative which is off-limits to the state, and established presumptions in society favorable to intellectual freedom,

open political competition, and the whole fabric of voluntary association which is the hallmark of liberal society. To be sure, members of the bourgeoisie, even like ministers of the gospel and professors of philosophy, have sometimes sought to throttle those whom they have thought dangerous to truth and morality, but there has nevertheless been more respect for the rights of dissent and eccentricity in the capitalist era than in any other. On the whole, the most vicious attacks on such rights have come from those, on the Right and the Left, who have used bourgeois as a term of abuse, and have espoused values opposed to what they have deemed the materialism, egoism, and permissiveness of capitalist culture.

Capitalism's stress on growth and productivity, further, has created a climate congenial to ordered political competition. Compromise within a mutually acceptable framework of rules becomes easier when most of the parties to the struggle over the distribution of wealth believe that their positions are going to improve in any case. Further, private corporations, free trade unions, and a press with its own means of support fuel the political competition. I first knew that I could not believe in the centralized ownership of the means of production when, in my college days, I became persuaded that Marx, allowances made for his Hegelianisms, was essentially right: property was power. It followed, it seemed to me, that plural centers of economic power were necessary for the defense of liberty.

Indeed, a competitive economy and a relatively free market perform an invaluable service for a democratic government. Eliminate them, and the burden of deciding what a "fair" distribution of the social product entails falls entirely on the political system. That is an awesome burden, and a government that undertakes sole or major responsibility for it will be subjected to pressures and grievances that will put its commitment to democratic modes of procedure under fearful strain.

In contrast, socialism (assuming we can give a recognizable content to this increasingly elusive word), which implicitly or explicitly proposes the notion of measuring all human activities by their supposed contribution to a central social plan, puts individuality, eccentricity, and private affections and ambitions inevitably on the defensive. In place of a society with many different hierarchies of prestige, utility, and achievement, each controlled by groups with their own independent standards, there tends to be introduced—and in the name, of all things, of equality!—the ideal of a society with a single system of rankings. Far from reducing the amount of competition in society or encouraging more genial feelings of brotherhood, this is likely,

except in highly homogeneous or deferential societies, to constrict competition, to inflame it, and to reduce the reserves of good humor and mutual forbearance on which democratic government depends.

Moreover, once a bias in favor of centralized and detailed regulation of the life of society is given official legitimacy, that bias tends to grow stronger even as this ambitious task of regulation becomes more difficult to fulfill. In such circumstances, to bend a metaphor of Friedrich Dürrenmatt's to my purposes, Creon may not order Antigone to be put to death, but his secretaries are likely to nibble her to death. Liberty, as no less a liberal reformer than Louis D. Brandeis observed, is peculiarly threatened by zealous people of good intentions and diminished imaginations.

One of the dangers of the socialist idea, indeed, lies precisely in its powers of moral intoxication. It speaks for undeniable human values: compassion for suffering, a fair and equal sharing of common burdens, a cooperative effort to lift everyone up together to new levels of enlightenment and virtue. Wrapped in their higher values—the values of the Prophets, the values of Jesus—it is easy for socialists to think of those who disagree with them as falling outside the moral pale. One of the working rules of democracy is that one should think of one's opponents, or at least treat them, as fundamentally sane and sincere. But socialists of the ideological stripe have always had difficulty abiding by this rule, and they have therefore regularly removed themselves to the periphery of democratic politics. And when genuinely democratic socialists have appeared, the true believers have dismissed them as defectors from the cause.

Nevertheless, to return to the exact language of the question which has been put before this symposium, the relation between capitalism and democracy is not "inescapable." Nor is socialism peculiarly the source of the "totalitarian temptation." The mistake is to treat them simply as abstract intellectual systems. Socialism and capitalism are words of a rough-and-ready utility designating social institutions in specific historical and anthropological settings. Capitalism has existed in illiberal environments. Further, when it has encountered prolonged crises of inflation or unemployment it has put democratic

government in peril. Even in good times, indeed, capitalism has given its own kind of encouragement to the "totalitarian temptation." It creates an illusion of limitless abundance which encourages expectations of perfect unfrustrated self-fulfillment, and inflates the entitlements to which people lay claim.

But perhaps the greatest problem faced by contemporary capitalism is that, as a result of its long-term achievements, it has to some extent undermined the motives for passionate commitment to it. The conquest of poverty, the taming of a continent, the breaking down of ancient barriers to ambition and talent, the fulfillment through science and invention of the Promethean image of man—all these once generated excitement and allegiance to capitalism. But capitalism in its mature phase has not shown the same capacity to create in society at large, and particularly in the children of the more fortunate, the same sense of a higher civic enterprise. Ownership has become more abstract, enterprise wears a bureaucratic face, and it is the weight of the system, its sheer inertial force, which bears upon the consciousness of people, not its thrust or powers, and not the room it has given to human energies and imagination.

It is this void in contemporary capitalism which explains more than anything else, I think, the attraction of socialist ideas. They have not dropped from the skies simply as an expression of the interventionist mentality or the dream of remaking human life by plan. They are responses to the trauma of insecurity—to the experience of unemployment, war, and inflation, and to the psychic insecurities created by capitalism's steady assault on inherited ways of life. They are responses, too, to a central idea in capitalism—the idea that birth and social class should not place rigid limits on anyone's possibilities—and to the failure (inevitable in part, but also unnecessary in part) to realize that idea in many places. But they are responses most of all to the thirst for meaning.

Can socialism solve the problems which lead people to turn to it? No one who looks at the actual performance of governments that call themselves socialist will ascribe unusual problem-solving powers to them. As for the socialism that is never really put into practice—the socialism that is always betrayed by those who succeed in actually taking and holding power—well, that is a socialism whose utility does not consist in its capacity to solve practical social problems. In countries in which the fear of economic disarray and political indiscipline is powerful, or in which family and class, either in fact or in people's belief, are still

major sources of irrational inequalities, something that will be called socialism will have a residual pull on the allegiance of a large part of the population. This socialism is probably compatible, in some of these countries, with the preservation of fundamental liberties, provided a large sector of private economic activity remains, provided the legal, scholarly, and journalistic professions retain their autonomy, and provided the ideal of equality is not converted into the ideal of uniformity of tastes and condition.

But these are large provisos, and the risks will grow as the thirst for meaning grows. In the end, the preventive medicine against the "totalitarian temptation" lies, I think, in what democratic governments, conservative, centrist, or left-oriented, can do with respect to two matters: first, the strengthening of the institutions of social self-regulation that lie outside government; and, second, the bringing to the foreground of the common purposes and still unfulfilled possibilities of liberal society. And neither of these tasks falls on governments alone. They are tasks for the private sector, and not least for the clerisy, the intellectuals, if they are up to the job.

Milton Friedman:

"It is widely believed that politics and economics are separate and largely unconnected; that individual freedom is a political problem and material welfare an economic problem; and that any kind of political arrangements can be combined with any kind of economic arrangements. The chief contemporary manifestation of this idea is the advocacy of 'democratic socialism' by many who condemn out of hand the restrictions on individual freedom imposed by 'totalitarian socialism' in Russia, and who are persuaded that it is possible for a country to adopt the essential features of Russian economic arrangements and yet to

insure individual freedom through political arrangements. [My] thesis . . . is that such a view is a delusion, that there is an intimate connection between economics and politics, that only certain combinations of political and economic arrangements are possible, and that in particular, a society which is socialist cannot also be democratic, in the sense of guaranteeing individual freedom.

"Economic arrangements play a dual role in the promotion of a free society. On the one hand, freedom in economic arrangements is itself a component of freedom broadly understood, so economic freedom is an end in itself. In the second place, economic freedom is also an indispensable means toward the achievement of political freedom.

"The first of these roles of economic freedom needs special emphasis because intellectuals in particular have a strong bias against regarding this aspect of freedom as important. They tend to express contempt for what they regard as material aspects of life, and to regard their own pursuit of allegedly higher values as on a different plane of significance and as deserving of special attention. For most citizens of the country, however, if not for the intellectual, the direct importance of economic freedom is at least comparable in significance to the indirect importance of economic freedom as a means to political freedom. . . .

"Historical evidence speaks with a single voice on the relation between political freedom and a free market. I know of no example in time or place of a society that had been marked by a large measure of political freedom, and that has not also used something comparable to a free market to organize the bulk of economic activity. . . .

"History suggests only that capitalism is a necessary condition for political freedom. Clearly it is not a sufficient condition. . . .

"The relation between political and economic freedom is complex and by no means unilateral. In the early 19th century, Bentham and the Philosophical Radicals were inclined to regard political freedom as a means to economic freedom. . . .

"The triumph of Benthamite liberalism in 19th-century England was followed by a reaction toward increasing intervention in economic affairs. . . . Recognizing the implicit threat to individualism, the intellectual descendants of the Philosophical

Radicals—Dicey, Mises, Hayek, and Simons, to mention only a few—feared that a continued movement toward centralized control of economic activity would prove *The Road to Serfdom*, as Hayek entitled his penetrating analysis of the process. Their emphasis was on economic freedom as a means toward political freedom. . . .

"Fundamentally, there are only two ways of coordinating the economic activities of millions. One is central direction involving the use of coercion—the technique of the army and of the modern totalitarian state. The other is voluntary cooperation of individuals—the technique of the marketplace. . . .

"So long as effective freedom of exchange is maintained, the central feature of the market organization of economic activity is that it prevents one person from interfering with another. . . .

"Indeed, a major source of objection to a free economy is precisely that it does this task so well. It gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself.

"The existence of a free market does not of course eliminate the need for government. . . . What the market does is to reduce greatly the range of issues that must be decided through political means, and thereby to minimize the extent to which government need participate directly in the game. . . .

". . . Political freedom means the absence of coercion of a man by his fellow men. The fundamental threat to freedom is power to coerce, be it in the hands of a monarch, a dictator, an oligarchy, or a momentary majority. The preservation of freedom requires the elimination of such concentration of power to the fullest possible extent and the dispersal and distribution of whatever power cannot be eliminated—a system of checks and balances. By removing the organization of economic activity from the control of political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement.

"Economic power can be widely dispersed. . . . Political power, on the other hand, is more difficult to decentralize. . . . There seems to be something like a fixed total of political power to be distributed. Consequently, if economic power is joined to political power, concentration seems almost inevitable. . . .

"The force of this abstract argument can perhaps best be demonstrated by . . . a hypothetical example. . . .

"One feature of a free society is surely the freedom of individuals to advocate and propagandize openly for a radical change in the structure of the society—so long as the advocacy is restricted to persuasion and does not include . . . coercion. . . . How could the freedom to advocate capitalism be preserved and protected in a socialist society?

"In order for men to advocate anything, they must in the first place be able to earn a living. This already raises a problem in a socialist society, since all jobs are under the direct control of political authorities. . . .

". . . For advocacy of capitalism to mean anything, the proponents must be able to finance their cause—to hold public meetings, publish pamphlets, buy radio time, issue newspapers and magazines, and so on. How could they raise the funds? There might and probably would be men in the socialist society with large incomes, perhaps even large capital sums in the form of government bonds and the like, but these would of necessity be high public officials. It is possible to conceive of a minor socialist official retaining his job although openly advocating capitalism. It strains credulity to imagine the socialist top brass financing such 'subversive' activities.

"The only recourse for funds would be to raise small amounts from a large number of minor officials. But this is no real answer. To tap these sources, many people would already have to be persuaded, and our whole problem is how to initiate and finance a campaign to do so. Radical movements in capitalist societies have never been financed this way. They have typically been supported by a few wealthy individuals who have become persuaded—by a Frederick Vanderbilt Field, or an Anita McCormick Blaine, or a Corliss Lamont, to mention a few names recently prominent, or by a Friedrich Engels, to go farther back. This is a role of inequality of wealth in preserving political freedom that is seldom noted—the role of a patron.

"In a capitalist society; it is only necessary to convince a few wealthy people to get funds to launch any idea, however strange, and there are many such persons, many independent foci of support. And, indeed, it is not even necessary to persuade people or financial institutions with available funds of the soundness of the ideas to be propagated. It is only necessary to persuade them that the propagation can be financially successful; that the newspaper or book or other venture will be profitable. The competitive publisher, for example, cannot afford to publish only writing with which he personally agrees; his touchstone must be the likelihood that the market will be large enough to yield a satisfactory return on his investment. . . .

"Let us stretch our imagination and suppose that a socialist government is aware of this problem and is composed of people anxious to preserve freedom. Could it provide the funds? Perhaps, but it is difficult to see how. It could establish a bureau for subsidizing subversive propaganda. But how could it choose whom to support? If it gave to all who asked, it would shortly find itself out of funds, for socialism cannot repeal the elementary economic law that a sufficiently high price will call forth a large supply. Make the advocacy of radical causes sufficiently remunerative, and the supply of advocates will be unlimited. . . .

"But we are not yet through. In a free market society, it is enough to have the funds. The suppliers of paper are as willing to sell it to the *Daily Worker* as to the *Wall Street Journal*. In a socialist society it would not be enough to have the funds. The hypothetical supporter of capitalism would have to persuade a government factory making paper to sell to him, the government printing press to print his pamphlets, a government post office to distribute them among the people, a government agency to rent him a hall in which to talk, and so on.

"Perhaps there is some way in which one could overcome these difficulties and preserve freedom in a socialist society. One cannot say it is utterly impossible. What is clear, however, is that there are very real difficulties in establishing institutions that will effectively preserve the possibility of dissent. So far as I know, none of the people who have been in favor of socialism and also in favor of freedom have really faced up to this issue, or made even a respectable start at developing the institutional arrangements that would permit freedom under socialism. By contrast, it is clear how a free market capitalist society fosters freedom."

—Milton Friedman, *Capitalism and Freedom*, University of Chicago Press, 1962, pp. 7-19 (book based on lectures delivered in 1956).

These views have been a commonplace of the liberal tradition—in the original sense of the term—for at least two hundred years. Witness the succinct and powerful statement by the father of liberal economics:

"The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it."

—Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), Cannan edition, vol. 1, p. 421.

Welcome aboard.

Eugene D. Genovese:

COMMENTARY asks marvelous questions; they express perfectly the manner in which the Right would like to discuss serious matters during a period in which the American Left finds itself temporarily in disarray: (a) confuse the categories; (b) introduce the latest Madison Avenue philosophers or, better, some Parisian equivalents; and (c) solemnly ask whether socialists are ready to reconsider their "totalitarian" tendencies. Not bad. Whatever our political differences, I happily confess my admiration for ideological shucking-and-jiving executed with such *panache*.

What exactly is the proposition to be debated? That capitalism generates democracy? Or that socialism cannot sustain democracy? Or both? No matter. Most capitalist countries have been undemocratic, even if we put aside the small matter of fascism, with which capitalism has periodically graced us. And if socialism cannot sustain democracy, then what a pity that Comrade Brezhnev risked his good name by sending tanks into Prague. After all, Dubcek's regime would no doubt have realized the totalitarian tendencies inherent in its socialism—unless, of course, the editors of COMMENTARY agree with Brezhnev that the restoration of capitalism is what Dubcek and his comrades had in mind all along.

Yes, we know that socialism has come into the world in backward countries without democratic traditions and amidst bloody civil wars and foreign intervention not conducive to genteel politics. And we know that the political outcome has been what any sane person might have predicted. Which raises the question of the failure of socialism in the West. I have no wish to reduce this complex problem to a formula or a series of easy explanations. But surely, part of the answer may be found in the "democratic" robbery of the rest of the world through an imperialism which has proven a worthy successor to the African slave trade and similar accouterments of the bourgeoisie's democratic rise to world power. But then, why waste time on the niceties? We all know that democracy is Western and that socialism, in fact if not theory, is Eastern; and we know that Western means white and Eastern colored (even Lenin, the good books tell us, had Asiatic eyes). So, with Western being good, and Eastern being bad, and niggers being expendable, there should be no more need to cry over the spilled blood of the slave trade than over what the world's foremost democracies did to Asia, Africa, and Latin America. I would not dwell on this trifle were we not once again hearing that certain countries must be supported against others because they are "democratic"—and so much for the fate of the millions on the short end, especially since, with a little stretching, they qualify as colored anyway.

I respectfully suggest that the editors of COMMENTARY should be more careful about the questions they raise for discussion, even during a period in which they are riding high in the provinces. In fact, if they had their druthers—if they had the experience of such time-tested conservatives as their colleagues at *National Review*—they would have quickly hustled the question of democracy over to the sidelines and chosen instead to worry us about freedom.

For a real question does exist here. Can a regime that socializes the economy avoid the total centralization of political power? How, under such political centralization, do you provide a material basis for a free press, trade unions, churches, and other institutions? And without autonomous institutions, how can the freedom of the individual be protected? For that matter, how can it even be defined? Freedom cannot be absolute: every society must define its notion of the proper balance between the claims of the individual and those of the community as a whole. Thus, a free society is one that places the burden of proof on those who would restrict the individual. It remains to be proven that a socialist society can be a free society. But then, it remains to be proven, notwithstanding the experience of the United States and a precious few European countries, that democracy can sustain a meaningful freedom for more than the elite.

Capitalism did introduce free society into the world, but only in a few countries within which a minority attained unprecedented opportunities to accumulate wealth and power at the expense of many others. Capitalism also introduced the "social question" at home as well as abroad—that unspeakable misery and degradation of the laboring classes which gave rise to the socialist challenge in the first place. The bourgeois apologists have been right: all these "excesses," which in time, place, and number of corpses provided a memorable model for Comrade Stalin, have been inseparable from the development of the one freedom at the base of all the others—freedom of private property and the market. The appropriate term, I believe, is "overhead social cost."

Capitalism's expansion of individual freedom, in fact as well as theory, nonetheless remains its greatest historic achievement. Thus, the founders of the socialist movement and the best of their revolutionary successors never doubted that the expansion, not the suppression, of freedom was the only goal worthy of their cause. And admittedly, the failure of the socialist countries to equal, much less transcend, this performance remains their greatest shame.

Where, however, do we now stand? Capitalism as a world system is palpably bankrupt and fighting a rear-guard action. Socialism, however much the present lull may give a brief respite to its enemies, is almost everywhere ascendant. I doubt that even the editors of COMMENTARY expect their grandchildren to live in a capitalist world. To put it another way, the future of freedom will be settled on socialist terrain. The political nature of the Western socialism that emerges—and eventually of the Eastern socialism as well—has not been fated by God or the anti-utopian dialectics now being peddled by those erstwhile New Left philosophers who are rushing to embrace Giscard d'Estaing on their way to embracing Jacques Chirac. It will be settled in the course of national and international struggles, including, indeed especially, the struggles within the socialist and Communist parties of the West.

That capitalism ushered freedom into the world does not mean that it can sustain, much less expand, it to include the many. Who today doubts that the strongest suit capitalism has going for it is precisely the negative example of the socialist dictatorships? That the fear of losing freedom separates the middle classes as well as much of the working class from the socialist movement? Capitalism has also enjoyed the compelling attraction of its economic performance: at its very dawn, Adam Smith happily reminded his readers that the least of the English working population lived better than the most spectacular African chieftain. That enviable standard of living with which capitalism provided its working classes did much to cement their commitment to the genuine political advantages and individual incentives it also offered. That capitalist societies actually cultivated one or another form of imperialist propaganda that served to remind their peoples of the advantages of civilized life has become something of a commonplace. W.H. Auden and Christopher Isherwood merely gave that perception a particularly dramatic formulation in *The Ascent of F-6*. The intertwining of ideological vision and economic success thus strengthened the commitment of working people. But the present economic crisis, that stagflation characterized by rising energy costs and stagnating production, is gradually eroding the capitalist dream. Moreover, the widening gap between organized and unorganized labor is straining the social representation of personal advancement through thrift and work. The political consequences of this situation are far from clear, and the American working class may easily fail to embrace socialism. The alternatives, however, will not necessarily buttress democracy, much less our preferred notion of individual freedom.

These issues are being fought out within the socialist and Communist parties of the West, which are today analyzing the legacy of Stalinism, seeking ways of decentralizing and democratizing political power, experimenting with cooperative methods of economic organization to check statist abuses, and, in short, reshaping their ideology and programs to effect a historic reconciliation of democracy, freedom, and socialism.

I do not, however, wish to be understood as dismissing the "philosophic" aspect of the question. Quite the contrary. The problem with those "new philosophers" now receiving so much free advertising from the French state, not to mention from the editors of certain American journals, is that they have yet to add a single worthwhile idea to what conservative critics of socialism have already taught us. Socialists, especially those associated with Eurocommunism, have not needed the French Right's new propaganda machine to tell them that socialism cannot sustain democracy unless it curbs its own statist tendencies; or that it cannot offer a vision of a free society unless it guarantees democracy. Capitalism did not need democracy to provide freedom, for it was concerned with the freedom of the few. Only late and badly outside the United States did it come to accept democracy as a necessity, and then only under hard blows from the Left. Socialism must solve the problem of democracy or lose freedom as well. But where outside the socialist and Communist movements are these questions being fought out in a manner that promises a future worth having?

Conservative philosophers—the great ones, not their trite present-day Parisian imitators—have long pointed to another and deeper problem: the utopian "philosophy of man" projected in the work of Marx and most of his followers has indeed contained powerful totalitarian tendencies. This criticism, which has long deserved a respect it has rarely received from the Left, raises the big question we ought to be debating. (Who knows, maybe the editors of COMMENTARY will consider it for their next symposium.) For the moment, let it suffice that the challenge is being met by Marxists throughout the West. How sad that at the very moment at which the Left is purging itself of its most dangerous illusions and reshaping its program and, more

important, its ideals, so many of its honest and humane opponents, having panicked, are still wallowing in the arid debates of the 1930's.

Carl Gershman:

What troubles me about the trend described in the COMMENTARY questions is that too many people seem willing to give up too much too quickly. I am referring specifically to a tendency to reject social democracy or to deny its very existence. If the world is divided between capitalism (meaning democracy) and socialism (meaning totalitarianism), what place can there be for social democracy? It is viewed as either indistinct from capitalism (Michael Novak and other "democratic capitalists" have taken this view, along with countless Left socialists and Communists), or as tending ineluctably toward totalitarianism (Irving Kristol is a leading proponent of this view). Poor social democracy. It is damned for being capitalist and socialist, democratic and totalitarian, and it is not even granted the courtesy of having its existence recognized.

Not all intellectuals have been so quick to damn or deny social democracy. Jean-François Revel, responding to the Left socialist "excommunication" of social democracy, has described it as "a political-economic system that has rather effectively reconciled socialism, freedom, and self-government; that has substantial achievements in both the economy and social justice to its credit; a system that offers the added advantage of existing." Raymond Aron has written that all Western European societies and their institutions

> will probably develop in the direction of a certain type of socialism (in the broad, vague sense of the term). This, reduced to a minimum imposed by political democracy, involves: state intervention to ensure an overall balance, to manage the business cycle, and minimize the impact on particular social groups of unexpected fluctuations; social

> legislation guaranteeing fundamental rights, especially in the fields of education and health; a direct, progressive (not proportional) system of taxation; and a more-or-less extensive public sector. . . .

The social-democratic system described by Revel and Aron is not totalitarian. It is anti-totalitarian. And it is not capitalist, though it includes capitalism within it. The relationship of capitalism to social democracy is similar to that of a motor to a car. The motor generates the power, but it does not determine where the car will go. "The capitalist system of production," Revel has written, is "socially neutral. Its calling is *purely economic*" (emphasis added). It is concerned with "production, profit, and investment," but as a "purely economic system has no social purpose." Social democracy provides it with a social purpose by using the wealth produced by capitalism to advance social goals.

The social-democratic state, in countries such as Sweden and West Germany, has encouraged investment and economic growth through tax policies that make it possible for efficient private firms to survive and prosper; and it has tried to maintain production and employment during economic slowdowns with counter-cyclical policies that stimulate investment and the accumulation of inventories. The social-democratic state has "appropriated" a sufficient part of the wealth generated by the economic system to provide extensive benefits for the citizenry, taking care to leave enough of the surplus for reinvestment so that industry can remain productive. If too much of the surplus is diverted to the welfare state, industry declines and eventually there is not enough wealth produced to provide "welfare." This is what happened in Britain (a case, as Aron points out, of social democracy "wrongly understood"), but the system is now in the process of being brought back into balance by a social-democratic government.

The policies described above have been adopted in one way or another by all the social-democratic parties of Europe. (They have also been extensively applied in this country in the name of liberalism.) The French party has taken a different view, but only because "the hard facts of electoral arithmetic," in Aron's words, forced an alliance (now highly tentative) with the

Communists. In a word, the social-democratic pragmatism of Eduard Bernstein has triumphed over the utopianism and dogmatism of his "socialist" opponents.

Leszek Kolakowski recently offered a helpful definition of socialism: it is not "a state of perfection but rather a movement trying to satisfy demands for equality, freedom, and efficiency, a movement that is worth the trouble only as far as it is aware not only of the complexity of problems hidden in each of these values separately, but also of the fact that they limit each other and can be implemented only through compromises." Critics to the Right and Left of social democracy will charge that this is not really socialism. But to turn around a phrase of Irving Kristol's (who was equating socialism with totalitarianism), "Socialism is what socialism does." Perhaps we can agree to call the phenomenon social democracy, a term which clearly conveys the spirit of democratic reform that guides modern democratic socialism.

Significantly, the Left-socialist and capitalist opponents of social democracy have no alternative to offer to it. Some Left socialists propose worker management of industry as an alternative. But industrial democracy has already been introduced to a large extent (and in different forms) by social democrats and trade unionists, and its future application will be determined according to the desires of workers and the needs of society. Left socialists have little use for the market system based upon the price mechanism. But so far no one has indicated an alternative to this that does not involve centralized command planning where all decisions are made by an omnipotent bureaucracy—a system that is demonstrably undemocratic and inefficient. The capitalist opponents of social democracy resist all social-democratic reforms, but generally speaking, they do nothing when they are in power to roll back these reforms. They seem to know that the repeal of the welfare state would be neither feasible nor politically popular.

Social democracy has proven its ability to manage Western economy and society, and I think it will even weather the current economic storm. If it is in crisis today, as I think it is, the reasons have more to do with politics than with social and economic

policy. The main challenge facing social democracy is whether it can provide leadership for the democratic world in the political and ideological rivalry with Communism. Its response to this challenge has been inadequate, owing largely to the continuing division and political weakness of Europe, where social democracy is based, and to the deteriorating balance of power which has strengthened tendencies toward neutralism within social democracy.

It hardly follows from this, though, that one must look to the anti-social-democratic advocates of capitalism for a revival of democratic political will. What must be remembered about capitalism is that, in Revel's words, it is "a purely economic system" that is simply incapable of engaging in sustained political and ideological struggle. Joseph Schumpeter applauded the economic achievements of the capitalist class but accurately perceived that it was "politically helpless and unable not only to lead its nation but even to take care of its particular class interest." The bourgeois, he wrote, may be "a genius in the business office," but he is "utterly unable outside of it to say boo to a goose—both in the drawing room and on the platform." Schumpeter even foresaw, as the final irony, that the bourgeois, whatever his convictions, would sell his valuable wares to the Russian totalitarians. "This is the way the bourgeois mind works," he wrote, "—always will work even in sight of the hangman's rope." Perhaps Schumpeter had read the famous memorandum wherein Lenin had predicted that the capitalists would "open up credits for us, which will serve us for the purpose of supporting Communist parties in their countries. They will supply us with the materials and technology which we lack and will restore our military industry, which we need for our future victorious attacks upon our suppliers. In other words, they will work hard in order to prepare their own suicide."

No wonder there is today a mood of defeatism in the ranks of Western conservatives who have nothing to throw into the political battle against Communists schooled in Leninist tactics and the art of "ideological struggle." Indeed, how can they be expected to throw up an adequate defense, let alone launch a counteroffensive, when the class to which they have pledged their loyalty determines its attitude toward Communism by the same yardstick that it judges everything else: profitability? And on this basis it is quite willing to collude with the devil.

This is why the Communists have always believed that they can coexist with and use capitalism, even as they look toward the moment when they will ultimately defeat it. At the same time, they have never for a moment doubted that social democracy is a

mortal enemy. Communists may often seek tactical alliances with socialists—and socialists may sometimes acquiesce out of weakness, illusion, or for tactical reasons—but the rivalry persists between political parties, in trade unions, among intellectuals, and at the level of ideology where there can never be a compromise between social democracy and totalitarianism.

Viewing the world contest as a struggle between capitalism and socialism is self-defeating in that it assigns capitalism a political task it cannot fulfill. (Just defining the struggle in these terms involves a crucial political concession to the totalitarians, who should not be allowed to lay claim to *any* aspect, socialist or non-socialist, of the Western humanitarian tradition.) It is also inaccurate, for it assumes that the struggle is economic when it is really a political contest between democracy and totalitarianism. The West has already decisively won the economic rivalry with the Communist world. By any criterion—economic growth, technological advancement, worker productivity—the closed, oppressive societies of the East are no match for the dynamic societies of the West. But the basic question, posed by Aron, remains: do these criteria "determine the destiny of states? Does not *virtu*, in Machiavelli's sense of the term, still consist in the capacity for collective action and historic vitality, and do not these qualities remain the ultimate cause of the fortune of nations, of their ascent and their fall? Suddenly, the perspectives are transformed, overturned."

The trend in the West is toward greater democracy, and the future lies with movements for democratic reform. It is therefore to these movements that we must look for a revival of the democratic political will. Only out of the genuine motivation to reform, improve, and strengthen democratic society can there emerge that political will to defend it and to apply democratic values internationally. This revival will not occur unless social democracy (defined broadly as the fundamental movement for democratic reform) is guided by the view that Communism, not capitalism, is the main obstacle. It will be less likely to occur if the defenders of capitalism persist in portraying social democracy as totalitarianism's unconscious agent. It is, rather, the conscious agent of democracy—not its enemy, but its main hope.

Nathan Glazer:

I believe there is an inevitable connection between pluralism—the existence of different sources and centers of power—and democracy, but I do not see that this connection permits us to favor either capitalism or socialism as providing a more favorable environment for democracy. We must first clear one confusion out of the way, and this is the use of the word socialism to describe states governed by Communist parties. No state governed by a Communist party is democratic; every state governed by social-democratic parties is. No ruling social-democratic party has "evolved" into an undemocratic party, or into a Communist party. In no state ruled by a social-democratic party has that party suddenly or gradually become undemocratic and seized all sources of power, information, and education, the universal pattern of ruling Communist parties.

I waver somewhat in considering the situation in the developing world, which is so complex; I believe every state governed by a Communist party is not democratic, but among these multifarious new polities there may be some in which a social-democratic party governs, and in which nevertheless there is no democracy. I would still insist on the distinction between Communism and social democracy—which is as legitimate an heir to socialism, historically considered, as is Communism—in their relations to democracy. For whereas the Communist parties of the developing world are truly Communist, in that they take their origin from authentically Communist parties and are linked fraternally with other Communist parties, some of the so-called socialist parties of the developing world have simply appropriated this very popular political term, and maintain no relations with the Socialist International.

There has always been a good deal of confusion between socialism and Communism, inevitable, in part, because Communism sprang from socialism, but also in part consciously spread by those who wished to pin the sins of Communism on socialism. I am afraid something of this heritage of calculated confusion is still with us. But there are other, and newer, elements that contribute to the present confusion and to the spreading idea that socialism leads to the end of democracy.

The first is the theme put forward by Friedrich von Hayek and by the economists of the Austrian school, that capitalism is a necessary support of freedom because freedom includes economic freedom, and the more the state limits economic freedom, the more it limits freedom. Thus, if the state takes a high proportion of earnings in taxes (a characteristic certainly of all welfare states, and of social-democratic regimes—though they take only marginally more than other welfare states ruled by non-social-democratic parties), it is limiting freedom. If it limits the freedom to invest, through zoning regulations, heavy taxation, environmental restrictions, and the like, it is limiting freedom. If it limits the freedom to consume, as it does by pure-food-and-health laws, consumer-protection laws, special taxation of special items of consumption, etc., it is reducing the freedom of the consumer. If children under sixteen, or women, or other people are prevented from working at certain jobs, or at certain wages, that is an interference with freedom.

All this is clearly true, but not very relevant. Once one defines freedom to mean the freedom to retain all one's earnings, to invest freely, and to consume freely, clearly freedom is being reduced. But more has been made of this than should be. The increasing proportion of taxes taken by government, the increasing interference of government in the freedom to work, to hire, to invest, and to consume are all actions taken by democratic governments, democratically. I do not see how one can argue that, all other things being equal, a person is freer in a polity in which 20 per cent of his earnings are taken by government than in one in which 40 per cent are taken, or 60 per cent, unless one defines freedom in a way in which most of us do not define it. When we think of the relationship between freedom and capitalism and freedom and socialism, we are thinking basically of political freedom, and an act taken in a politically free and democratic society to tax a higher proportion of earnings, or to restrict investment in certain areas and of certain types, or to limit employers' freedom to hire, does not restrict this kind of freedom.

In time, the reasoning goes, such decisions may. If democracy is based on pluralism, and more and more earnings and investment and economic decisions come from, or are determined by, government, does that not reduce pluralism, and thereby democracy? But are England and Sweden less democratic or less free than the United States or Japan? Hardly. Even when government engrosses a very high proportion of the earnings of the well-off, there always seems to be enough left over to support opposition newspapers and journals, publish and buy opposition books, support opposition parties. Indeed, the

tendency of advanced welfare states is for government itself to support the opposition parties, something we in this country are beginning to do; this does create problems, but not of the sort that makes our polity less democratic.

It is very hard to envisage developments in England, Sweden, or the Netherlands in which the opposition becomes truly feeble, and the government, through its taxing and investment control, approaches the condition of the Communist states, in which there is a direct governmental interest in the radical elimination of opposition, organizational and intellectual, as well as full power to do so.

Recently we have heard a good deal about the overbearing bureaucracy as a threat to freedom—the Ingmar Bergman case in Sweden, for example. But while the bureaucrats may have abused Bergman in their search for taxes, no one has even hinted that they were motivated in any way by the content of his movies, or by a desire to get him to be more enthusiastic about the welfare state and a social-democratic Sweden. And indeed, another part of the bureaucracy supported Bergman's movies. (In West Germany, a government bureaucracy provides money to radical young film-makers so that they can flay the bourgeois state, bourgeois society, and bourgeois democracy.)

I do not see how the social-democratic state turns into an anti-democratic or repressive state as it grows. Control over money is different from political freedom, and while government certainly takes a very large share of the money, it is impossible to see how this in itself has any impact on democracy.

Nor, on the other hand, do I take very seriously the argument that capitalism is inimical to democracy. We now hear a good deal about the lack of civil rights and democracy in business, how the big corporation is an anti-democratic and anomalous institution in the womb of a democratic society. I think this argument confuses the different functions different kinds of institutions play. The fact that the family is undemocratic—that children are ordered to do things, and do not vote on a one-

child-one-vote basis—that schools and universities may be undemocratic, in that teachers can prescribe work and judge it without appeal, or that an unelected body appoints presidents and administrators, has nothing to do with the level of democracy in the state. Similarly, while corporations could be managed more or less democratically, it is very hard to see the connection with political democracy. The function of corporations is to produce and market goods, and, in capitalist (and in some Communist) societies, to make a profit. This may be done more or less autocratically; but if political democracy is intact (as it is in all advanced capitalist societies), the workers, if they feel this is improper, can pass laws—as they have in most European states—requiring co-participation in administrations, or giving the unions power to prevent changes in work rules or working conditions, and in other ways change the autocratic structure of industry. But one will not make an undemocratic state democratic by fiddling with workers' control in the enterprise; note Yugoslavia.

One problem does trouble me. If indeed pluralism is the basis of democracy, what is it that provides the health of pluralism? What made it possible for German political pluralism (or Italian, or Russian) to be wiped away and a totalitarian state to take power? I have no general answer, but it is hard to see in these disasters to democracy any relationship to socialism as such—or, I would add, in the case of Spain and Greece, Brazil and Argentina, and many other countries, to capitalism as such. The susceptibility of democratic societies to failure seems to me to lie in the political and cultural realm—and to be closely tied to their distinctive histories.

If it is politics and culture—history—that give democracy its health and strength, what virtue is there in speaking about socialism and capitalism when one considers democracy's future? Not much, I am afraid.

To my mind, the terms are hardly useful any more, since capitalist nations are as various as Japan and France; socialist, as various as Sweden and England. Only one term of this type still preserves a stark and clear meaning for democracy: Communism, which in every case means a monopoly of power in all spheres by a single party, ruled by a small elite. And Communism, with its sixty-year history of state rule, does not yet give us any examples of a return to democracy.

Robert L. Heilbroner:

I think we should begin by facing some historical facts that are discomfiting to Left and Right alike. First, freedom in the sense that we use the word to describe our political, economic, and social liberties is a bourgeois idea, indissolubly linked to the celebration of the individual that underpins the culture of capitalism. Second, the institutions in which freedom is realized, above all the mantle of laws that sets a protective cloak around each person, are historically founded on notions of property, not least the inviolable private ownership by each individual of his or her labor power. Third, freedom in a bourgeois society-is an ideology as well as an idea, an institution that has been used to procure immense privileges for a few as well as generalized liberation for many.

The question, however, is not to examine the nature or limits of freedom under capitalism, but to inquire whether the kinds of freedom represented by the rights of political opposition, intellectual dissent, and economic refusal, are likely to be preserved under "socialism." I put the word in quotation marks because it seems to me that the answer depends directly on the definition that we accord to socialism, a question on which little agreement exists.

One definition of socialism is a society which seeks the openest possible association of individuals in political and social life; the greatest possible democratization and humanization of work; the highest possible cultivation of personal talents and creativities. There is, of course, no conflict between such a socialism and freedom as we have described it; indeed, this conception of socialism is the very epitome of these freedoms. The problem, however, is that socialism defined in these terms is nothing but the fullest flowering of *bourgeois* ideas and institutions. It is, so to speak, bourgeois society released from its cruel contradictions in which economic imperatives deform and stunt political and social potentialities. It is bourgeois society without capitalism, a utopia if ever there was one.

This does not mean that such a society is beyond all striving for—medieval societies were also built on utopian and contradictory bases. It may well be that social democracies like Sweden and Denmark are precisely such an amalgam of

capitalist economic constraints with bourgeois aspirations toward freedom and "socialism." How these social democracies will fare in the future cannot be foreseen. Perhaps, despite their uneasy tensions, they will persist for a long time, representing the closest approach to truly free societies that are attainable from our historical starting point. Perhaps they will fail, the victims of a hopeless mixture of incompatible ideals and realities.

But socialism may also be differently defined. We can think of it as a society that wishes to "transcend" the limitations of capitalism, indeed whose hallmark is its decisive separation from the institutions of capitalism. I would think that socialism, so defined, must evidence two characteristics, whatever else it may embody. The first is an economic structure whose purpose is to avoid the carelessness, social disregard, avoidable evils, and outright malfunctions of capitalism—the collection of ills that Marx designated as the "anarchy" of capitalism.

Second, I should think that socialism as we have pictured it—a socialism that deliberately wishes to go beyond capitalism—must seek to replace the ethos of capitalism with another atmosphere. In place of the self-centered, privatistic, expedient, and socially indifferent spirit of capitalism, it would try to instill an other-oriented, "socialistic," morally self-conscious, and highly charged community spirit. If capitalism is first and foremost a materialist society, I would think that "transcendent" socialism would be first and foremost a religious society, using the word only to describe a state of mind, not a kind of belief.

Would freedom, as we know it, survive in such a milieu? I would think not. Certainly the transition from one economic arrangement to another could not be carried out without a very great narrowing of *economic* freedom (defined as the right to dispose of one's property, including labor power, as one wishes). One may applaud this or deplore it, but one cannot deny that it *is* a constriction of a given kind of freedom. Perhaps one can hope that *after* the transition, when (we hope) a mindless and expansive economic system has given way to a thoughtfully ordered and conserving one, the coercions could be largely removed, and the reproduction of socialist society entrusted to the "free" movements of its participants who would

spontaneously perform the tasks that society required of them. Why not? The idea is no more fantastic than that of the invisible hand might have seemed to the medieval schoolmen.

More oppressive is the prognosis for *political* and *intellectual* freedom. Here I do not dwell on the possibilities for repression that may stem from simple (and inexplicable) social pathology. After all, we have had Hitlerite capitalism, and we have South African capitalism, to place in the scales against Stalinist Russia and Maoist China. The deeper question is whether a socialism that achieved its goals of transforming society *without yielding to the corruptions that accompany power* would easily tolerate or harbor the kinds of freedoms we can enjoy in capitalist political and intellectual life.

There are strong reasons for doubting this. First, I do not think that the citizens of a socialist society will accept the legitimacy of the very *idea* of freedom, with its anxiety-producing criticisms and its potentially dangerous subversions, with the relative equanimity and stoic forbearance that is the ideal, if not always the realty, of bourgeois life. The reason is that bourgeois life begins with a secular rather than a sacred view of its political actions. Bourgeois politics is dedicated to pragmatism rather than to principle, to expediency and compromise rather than to moral absolutism. It therefore regards political or intellectual dissent as a nuisance, perhaps as a danger to be combated, *but not as an apostasy. Per contra*, to the extent that socialism means a morally committed and spiritually dedicated society, it is likely to view as impieties the actions or beliefs that a less religious society would accept as mere disagreements. No doubt both societies can treat their opponents ferociously, but a religious socialism, unlike an "amoral" bourgeois society, is less easily able to imagine that its opponents might be right.

Thus I see a latent tendency in socialism to constrict those freedoms that bourgeois society nurtures, however inadequately. But I must end on a cautionary note. Tendencies are one thing; actualities another. There may be more freedoms under some forms of socialism—especially under the "bourgeois" form of social democracy—than in some kinds of capitalism. We must never forget, in speaking of the outlook for freedom under different organizations of society, that freedom can be an ideology as well

as an idea, and that in its name, the development of human capabilities has been systematically denied to some while given to others. I do not think, therefore, that one should confidently use the argument of freedom to attack or defend the status quo or the envisioned future. All that we can know is that different societies define their terms and values differently. Socialism may one day boast of its freedoms, but if socialism is not to be a bourgeois civilization, these freedoms will not be those of bourgeois life. To imagine otherwise is to think that history permits the structure of one period to be built with the ideas and institutions of another.

Sidney Hook:

The questions asked about socialism, capitalism, and freedom were widely discussed long before the socialist dream of a community in which all are "free and equal" was transformed into a totalitarian nightmare in the Soviet Union and its satellites. But these questions became especially acute for those among the intellectual classes who had been drawn to socialism not so much because it seemed a feasible means of abolishing poverty as because of its promise to liberate human energies and expand freedom.

The logic of the arguments was explored in depth in my second series of debates with Max Eastman almost thirty-five years ago, after he had been converted by Friedrich von Hayek to ardent support of an unregulated free-enterprise system.[1] I was struck at that time by an odd feature of the discussion that has often reappeared in subsequent exchanges on the theme. Staunch critics of Marxism, in their effort to show that socialism necessarily spells the end of political and cultural freedom, seem to rely on the central dogma of orthodox Marxism, namely, the theory of historical materialism. The orthodox Marxists maintain that the mode of economic production determines the dominant character of the culture of capitalist society, as of all class societies, and that its politics, education, art, philosophy, and religion "reflect" the basic economic structure. The critics of Marxism contend that the mode of economic production would be no less decisive in determining the culture of a socialist

society, but that its socialized economy, far from providing the sound basis for a leap from the kingdom of necessity into the kingdom of freedom, would inescapably destroy the political and cultural freedoms that were ushered into the world in the wake of capitalism.

Both views suffer from the simplicities and inadequacies of every historical monism. The economy of a society excludes certain options and always limits alternatives of action, just as the foundation of a building excludes certain types of superstructure. But on the same foundation one can erect either a prison or a luxurious retirement home. And no knowledge of the foundation alone will enable us to predict the precise number of stories that will be built on it, the materials and style of its construction, its interior decorative design, and a multiplicity of other important details.

The influence of economic organization on human ideas, ideals, and behaviors is a matter of degree, and its strength varies from time to time. Whatever may have been the case in the past, in our own era, since the end of World War I, the mode of political decision seems to me to have had at least as much influence on our culture as the mode of economic production. This is not a matter that can be established by conceptual analysis but by empirical, social, and historical inquiry.

Those who contend that any significant intervention of the state in economic affairs either by way of ownership or control ineluctably leads to political tyranny and cultural despotism must meet some obvious difficulties:

1. Capitalism as an economic order has functioned under political systems that have had varied character, either more or less democratic or authoritarian, and even in some countries like Italy, Japan, and Germany that abandoned democratic political forms entirely. If the economic system of capitalism did not uniquely determine the political and cultural institution of the societies in which it functioned, why should we assume that a regulated or socialized economy, regardless of the degree and extent of the regulation or socialization, *must* sooner or later result in totalitarianism?

2. Granted that every completely or predominantly socialized economy today is characterized by a despotism more pervasive and oppressive than any that existed in the past. Nonetheless, the historical record is clear and incontestable: in every such case, political democracy was destroyed *before* the economy was socialized. There is not a single democratic country where the public sector of the economy has grown substantially over the years, either through socialization or through governmental controls and subsidies (whether it be England, Sweden, Norway, Holland, or the U.S.), in which the dire predictions concerning the extinction or even the radical restrictions of democratic freedoms have been realized.
3. Compare the economies of the United States and Great Britain and the state of their political and cultural life as they were at the turn of the 20th century, and as they are today. In the past, their economies, although not completely free because of the tariff system, were certainly far freer from state intervention or control than they are at present. Yet with respect to freedom of expression in politics and all fields of art, freedom of "life styles," openness to heresies within the academy and without, tolerance of dissent, acceptance of unconventional sexual behavior, current practices are so free that in some areas they border on license, as in the violent disruption of public debate. The increasing state control of the economy in democratic countries has not resulted in the progressive diminution of freedoms in political and cultural life.
4. Compare the American economy during and shortly after World Wars I and II. In World War I, business was conducted almost as usual, with very little state control over the economy. During this same period, however, we experienced the worst political terror in American history. During World War II, the government practically took over the control of the American economy with price controls and rationing. Yet the political climate was such that representatives of both the Socialist and Socialist Labor parties—neither of which supported the war—were permitted to address the armed forces. The one great lapse was the cruel and needless internment of the Japanese population in California, engineered by the then Governor, Earl Warren. What made the difference? In part the nature of the enemy we were combating, but even more, an awareness of the excesses of World War I and a desire to avoid them. The only call for the arrest of Norman Thomas, who defended the right to strike in war industries, came from the leaders of the Communist party.

This is not to deny in the least the profound ways in which the economic relations of any society influence its political institutions and behavior, but the latter can, as the emergence of the welfare state itself shows, have a far-reaching reciprocal influence on the development of the economy and the redistribution of wealth within it. It is significant that in none of the welfare states has government control of the economy—regardless of the wisdom and feasibility of the regulatory measures—prevented the electorate from voting the governing political party out of power. Here and there extra-parliamentary efforts have been made to throttle the political opposition, but they have been no more frequent than comparable episodes when the economy was unregulated, and they have rarely succeeded when courageously resisted.

In the United States, the bureaucratic usurpation of academic functions by the Department of Health, Education, and Welfare (HEW) through the imposition of a disguised quota system, under penalty of forfeiting all federal subsidies, has sometimes been cited as evidence of the erosion of traditional freedoms in consequence of economic intervention by the state. It is more persuasive evidence of the absence of moral courage on the part of our major universities. Had they made a *concerted* effort to defy the HEW guidelines and taken their case to Congress and the courts, since the defense capacity of the nation depended on them, they could have stopped the bureaucrats of HEW in their tracks. Sometimes it may be economically costly to defy a government decree, even if it is legally mandated by Congress and the courts. But fidelity to the academic mission of the university may require it. Those who cite this unhappy chapter in recent academic history as evidence that encroachment on basic freedoms must necessarily follow on government grants, would interpret even graver capitulations to the power of capital in an unregulated economy not as a violation of basic human rights but as a deplorable weakness of moral fiber. Unpopularity and even genteel poverty may be the costs of defending freedom against bureaucrats in a democratic welfare state, but such defense does not require the courage of a Sakharov or a Bukovsky.

Nonetheless, in the light of historical experience—which only a fanatic or a fool can ignore—we must recast the idea of socialism, whatever the terms used to designate the revision. The emphasis must be placed not so much on the *legal form* of property relations but on the moral ideals of democracy as a way of life, conceived as an equality of concern for all citizens of the community to develop themselves as persons to their full growth. The economy should be considered a means to that end.

As far as the quality of human life is concerned, this approach is more radical than mere measures of nationalization in which, in the absence of free trade unions, workers can be exploited more than in the private sector of democratic welfare states.

If we do not place too great a stress on efficiency, I believe that it is still *formally* possible to provide for freedom of choice in occupations and in consumption even in an economy whose major industries have been collectivized. But the totalitarian potential in such a setup makes it too dangerous. The loss of political freedom would transform the economy into a most powerful engine of human repression. Therefore, in the interests of freedom, it is wiser and safer to limit carefully the extent of socialization, relying on some regulated industries, considerable private enterprise, public corporations, cooperatives, increased worker participation in the operation of plants as well as in the directing boards of large corporations, and other means of multiplying centers of economic power.

It is significant that although in some fascist nations political democracy has been restored without civil war, not a single, country in which Communists have seized power has been permitted to revert to democracy. The absolute control of the economy by the Communist party has enabled it to reinforce a kind of terror beyond anything previously known in human history, and to use the bread-card and the work-card to enforce conformity.

An additional reason for preserving a private sector is that it can help provide greater incentives to productivity and innovation without which a minimum decent standard of living cannot be sustained—a standard below which human beings should not be permitted to sink in a civilized society, and which could be raised with technological advances. It is significant how little technological and industrial innovation exists in current collectivist societies whose economies from the very outset borrowed, bought, or stole the techniques, know-how, and discoveries of the free Western economies.

If we declare that "we put freedom first," is it more likely to be furthered in the world today by a return to an uncontrolled free-enterprise economy than by the judicious development of the democratic welfare state pruned of its bureaucratic excrescences? By freedom here I do not mean the right to do anything one pleases, which would result in a Hobbesian war of all against all, but the strategic freedoms of speech, press, assembly, independent trade unions and judiciary, and the cluster of rights associated with democracy in its widest sense. Although they are interrelated, there is an order of priority in freedoms to guide us when they conflict. All but anarchists understand that since every freedom logically entails the curtailment of an opposite freedom—if I am to be free to speak, others are not free to prevent me from speaking—the state must exist to enforce the exercise of these civic and political freedoms. Any other functions we entrust to it must be limited by the scrupulous adherence to the strategic freedoms. In a democracy, the state should be considered as a protector of human rights, not its necessary enemy.

Some who say that they put freedom first mean primarily the freedom to buy and sell, which is tantamount to putting profit first. The capitalist *pur sang* is not out of character when he does this. But it is to be hoped that in the defense of the democratic world against the totalitarian assault, the capitalist will be a little less pure, giving political freedom priority. However, when we see the eagerness with which certain groups of financiers, industrialists, and farmers fall all over themselves to expand trade with Communist countries and contrast it with the consistent and principled struggle of the organized American labor movement, the AFL-CIO, against the denial of human rights anywhere in the world, we encounter a different order of priorities. The fact that it was George Meany who gave a public platform to Solzhenitsyn and Bukovsky and not Ford or Carter is of more than symbolic significance in the global struggle for human freedom.

Penn Kemble:

Is there an "inescapable connection between capitalism and democracy"?

Today many social democrats would agree that certain freedoms of the marketplace and of entrepreneurship should be accepted as valuable elements of a democratic society. But to acknowledge a place for these particular kinds of freedom is a far cry from granting that democracy grows directly, inevitably, and exclusively out of capitalism.

In the United States and Western Europe, the scope and authority of capitalist economic institutions have been checked significantly in recent decades, while the size and importance of the public sector have grown. But there is no evidence that as a result of this changing balance the peoples of these societies have suffered any loss of rights or liberties. On the contrary, their liberties have flourished—in some cases, like the green bay tree.

Has *capitalism* been immune to the "totalitarian temptation"? Surely not. In Germany, aid from the proprietors of heavy industry—Krupp, Thyssen, Kirdorff—was essential to the eventual success of the Nazis. As World War II came to a close, capitalists and American statesmen with sterling capitalist credentials were so carried along by the spirit of the Popular Front and Russo-American wartime cooperation that they gave way to highly optimistic hopes about postwar Soviet intentions. American troops stopped at the west bank of the Elbe, and further concessions were yielded at Yalta and Potsdam.

A similar tendency appeared in the last Republican administration. Its policy of détente was perhaps the most politically damaging concession to the "totalitarian temptation" by the leaders of the democratic world since the days of the Popular Front. It gave the highest American sanction to the belief that the cold war might be ended through one-sided concessions by the democracies, and to the notion that the Soviet Union could be a responsible partner for peace. (One need not excuse Western European socialists to point out that the inclination of some of them today toward electoral cooperation with Communists owes something to this recent American diplomatic example.)

The Republican policy of détente had support from several quarters, but those whose support was decisive were not socialists, but capitalists, whose eagerness to share in the exploitation of the workers, markets, and raw materials of the Soviet bloc opened the way for a momentous shift in international politics. This same business constituency fights against the Jackson Amendment, and is the chief influence at work when such Republican leaders as former President Ford, Senate Minority

Leader Baker, and House Minority Leader Rhodes belittle the Carter administration's cautious criticisms of Soviet human-rights abuses. This is the constituency represented by the delegations of American widget makers at the old Havana Hilton, toasting Castro while gasping on their Upmann Churchills.

From such evidence as this, one can argue that there is something intrinsic to capitalism rather than to socialism that exposes it to the "totalitarian temptation." A capitalist is for the free market up to a point—the point at which he discovers some method for bringing the market under control in order to enhance his own position. The same general rule applies to his concern for the siutation of the "free world." He may be a staunch cold warrior, but when his company is offered a grain-export contract, a Siberian natural-gas concession, or a bid on its new model computer, in all likelihood he will experience a "conceptual breakthrough." Suddenly he will realize that trade is the cornerstone of peace, and that support for Soviet dissidents and a concern for our military "sufficiency" cannot be allowed to interfere with the higher purposes of commerce. Such is the view of the American Committee on U.S.-Soviet Relations, whose sponsors include Donald Kendall, Chairman, Pepsico; George Prill, President, Lockheed International; Thomas Watson, Jr., of IBM; and, inevitably, Professor Fred Warner Neal.

The impulse of capitalists to flout their own long-term class interests in the pursuit of immediate profits is but one of their vulnerabilities to the "totalitarian temptation." The others are more subtle, but in the long run perhaps more influential. One is the tendency of capitalism, through its emphasis on "value-free" rationalist education, to create an intellectual class that is disposed to turn against not only capitalism, but against all democratic culture, with loathing and ridicule. Joseph Schumpeter's elegiac study of capitalism, from which the title of this symposium is taken, spoke of:

> The extent to which the bourgeoisie, besides educating its own enemies, allows itself to be educated by them. It absorbs the slogans of current radicalism, and seems quite willing to undergo a process of conversion to a creed hostile to its very existence.

Daniel Bell has developed another of Schumpeter's insights into an equally powerful thesis. By the mid-1960's, Bell argues, capitalism had created a cultural milieu which was hostile to the values which are necessary to a productive capitalist economy:

> American capitalism . . . has lost its traditional legitimacy which was based on a moral system of reward, rooted in the Protestant sanctification of work. It has substituted in its place a hedonism which promises a material ease and luxury.
>
> . . .

In sum, there are strong grounds for arguing that capitalism, not socialism, created both Tom Hayden and Timothy Leary: two figures who embody certain of our chief difficulties in meeting the "totalitarian temptation."

Is there "something intrinsic to socialism which exposes it ineluctably to the 'totalitarian temptation'"? Exposes, yes; causes it inevitably to yield, no.

Like every other political current of our times, socialism is vulnerable. The socialist fathers took democracy too much for granted. They scorned the utopians' "blueprints" for a socialist society out of the belief that such a society would have to be created by the living actors of socialist reconstruction, but their romantic faith in spontaneity left their tradition poorly defended against the engineers of the Gulag Archipelago. They acknowledged the great advance embodied in the capitalist mode of industrial production, but underestimated the momentous gain for civilization embodied in "bourgeois democracy." They indulged themselves in some dangerous rhetoric—the "dictatorship of the proletariat"—which not even the most painstaking exegesis has convicingly explained away. This inattention to democracy left the socialist movement ill-equipped to understand the totalitarian nature of the Soviet state. Was it not anti-capitalist? Was industry not nationalized? Was there not a planned economy? Yes—but the question of who owned the state, and for whom and for what the economy was planned, did not thrust itself strongly enough upon the socialist mind.

To concede this is not to acknowledge that the Soviet barracks state is the inevitable product of the Marxian tradition; it is only to concede that the socialist tradition is vulnerable to Marxist-Leninist sophistries. The Soviet state, it should be recalled, was

brought into being by a bloody revolution against a government in which socialists participated. That Communists have imprisoned or destroyed socialists whenever it has been within their means is familiar history, but its significance is not widely appreciated, either by socialists or by others. The late Max Schachtman developed the idea that the Stalinist terror was neither the Jacobin phase of a socialist revolution—a traumatic cleansing of the old order which would precede an era of progress—nor the bloody "excess" of a demented dictator. It was something far more meaningful: the rise to power of a new bureaucratic class through the extermination of what remained of its socialist, working-class, and democratic heritage. In this way the Stalinists, the supreme realists of our time, have given their brutal opinion of the proposition that socialists can ineluctably be tempted into Communism.

Socialists cannot claim to be blameless for the rise of Soviet totalitarianism, or for its strength today. But, as Alexander Solzhenitsyn told the AFL-CIO:

> For all these fifty years, we see continuous and steady support by the businessmen of the West for the Soviet Communist leaders. The clumsy and awkward Soviet economy, which could never cope with its difficulties on its own, is continually getting material and technological assistance. The major construction projects in the initial five-year plan were built exclusively with American technology and materials. Even Stalin recognized that two-thirds of what was needed was obtained from the West. And if today the Soviet Union has powerful military and police forces—in a country which is poor by contemporary standards—forces which are used to crush our movement for freedom in the Soviet Union—we have Western capital to thank for this as well.

Despite all this, Communists still employ a rhetoric pirated from the socialist tradition. This deserves the same contempt that should be shown toward their fraudulent use of the rhetoric of peace, or the human-rights proclamations of the Soviet constitution. Is there any conceivable way in which a Communist state can be said to represent a government of the working class? Yet those who scoff at most Communist duplicities often overlook this one, and in so doing make their own important concession to the "totalitarian temptation."

The appeal of Communist ideas is still felt in some quarters of the socialist world, and in some it succeeds. But in others it is resisted, and in still others it is combatively rejected. The Portuguese socialists, aided by some Western European socialist parties, turned back the Communist challenge in Portugal—the gravest challenge to the security of the European democracies in more than a decade. (It has been reported that the American Secretary of State in the administration of the party of business grumbled about the futility of these socialist efforts.) The social-democratic governments in West Germany, the Netherlands, and Britain have been responsible supporters of NATO—far more so than their more conservative counterparts in France and Italy. The Israeli Labor party shows few pro-Communist inclinations. Our own American social-democratic movement, despite wounds from without and within, has been the only American political organization on the liberal Left to hold out for a decade and a half against the assaults of the revisionists. Nor, it might be added, is it a mere aberration that the author of the phrase, the "totalitarian temptation"—Jean-François Revel—is himself an unabashed socialist.

What might account for a revival of these charges against democratic socialism, and a celebration of the democratic properties of capitalism? It seems likely that some pro-democratic intellectuals, in panic over the weakness of democracy, have grasped at what appears to be a simple, sturdy ideology with which to mount a defense. They look to capitalism for a "materialist" foundation for democracy that can be set against the materialism professed by their adversaries.

This imitation is partly born of fear, and in part represents a strain of economic determinism that is an American habit of thought. (Lionel Trilling has written of "the chronic American belief that there exists an opposition between reality and mind, and that one must enlist oneself in the party of reality.") It is suggested that the "totalitarian temptation" can best be resisted by purifying the economic substructure that underlies our politics and ideas: provide the right economic soil, and a host of democratic myrmidons will spring up to protect us.

This is the sheerest fantasy. While there may be some complaints today against "big government," there is not going to be any return to the petit-bourgeois utopia of the Hayeks and Friedmans. The capitalists themselves do not want any such thing. Both capitalists and social democrats today are wedded to a mixed economy—our differences are over the nature of the mix, and the goals and interests that such a mix should serve.

But even if our economic clocks could be turned back to the Gilded Age, and even if a generation of rugged business leaders were to arise in consequence, such a change in our economic life would be of little use in meeting our international challenge. The "totalitarian temptation" is not something that creeps out of the economic woodwork—it inhabits the realms of mind, the realms of politics, culture, intellect, and morality. Both fascism and Communism always have reached first for political power and have then sought to use this political power to reshape the economic order. For them, as Sidney Hook has argued, politics determines economics: totalitarianism is indeed a "triumph of the will."

If democracy must be defended on the field of politics, the ideas described by COMMENTARY can only be harmful. They turn the confrontation between democracy and totalitarianism into a conflict between capitalism and socialism. They make the main issue economics, not human rights. They invite us back to that period in American public life when it was thought that anti-Communism was the property of conservatives, and that liberalism required one to accept the American version of the slogan "*pas d'ennemis à gauche*." That experience does not deserve to be repeated—in no small part because of the difficulty it has imposed on the most effective leaders of the resistance to the "totalitarian temptation": liberals like Henry M. Jackson, George Meany, and Daniel P. Moynihan.

If it is repeated, much harm will be done to our discussions of domestic economic issues as well as to our posture in international politics. The Keynesian era provided a pause in the great debate between pro-capitalist and pro-socialist economists, but today there is again the need and the possibility of resuming this debate within the democratic family. That can be done constructively only when we can agree that the "totalitarian temptation" comes from without, that we are all vulnerable to it—and that we must unite to resist it.

Irving Kristol:

The relation between political freedom and economic freedom is not quite as intimate as some defenders of capitalism claim it to be. On the other hand, it is real enough and of no little significance.

Thus, it is simply not true, as one sometimes hears it said, that a market economy generates—as if by parthenogenesis—a system of political liberty, with the individual having rights both against government and in government. The Physiocrats of the 18th century, who invented the motto *laisser-faire, laisser-passer*, were themselves advocates of absolute monarchy—though they thought this despotism would be more stable, more prosperous, and on the whole more benevolent if it did not meddle in economic affairs, which were governed by their own laws, laws whose power and sovereignty not even an absolute monarch could dispute. And in our own time, we have many instances where nations combine authoritarian political regimes with predominantly free-market economies.

That which is not simply true, however, is not always simply false. Though a liberal society must have a favorable political tradition to sustain it, a market-oriented economy does have something to contribute toward the forming of such a tradition. One thing it contributes is economic growth, as the history of all capitalist nations testifies. So long as the majority of the people live lives of miserable degradation, liberty cannot be of major concern to them. More important, there can be little opportunity for them to develop those traits of character—above all, self-reliance and mutual trust—which are indispensable to any kind of liberal regime. (Yes, mutual trust: if contracts were not honored and every contract had to be litigated, the system would collapse.) And the mode of economic growth under capitalism is peculiarly suitable to liberal purposes. It does not so much lift people out of misery as it allows them to lift themselves out of misery, and thereby helps prepare them, individually and collectively, to move from dependency to self-government.

This is why a market economy, with its economic freedoms, so often ends up posing problems for authoritarian regimes. Where those regimes are totalitarian, the problems are permanent, acute, and organic: a market economy permits people to prosper while being indifferent to politics—and this is intolerable to a totalitarian state. In non-totalitarian but authoritarian regimes, the tension between the political system and a market economy is less acute and may be sustained for a long time. But because a market economy tends to generate a spirit of self-reliance rather than of dependency, and also because it diffuses wealth (and the influence which always accompanies wealth) in utterly unpredictable ways, while providing a social "space" in which dissenters can not only live but thrive, an authoritarian regime will never have more than a tentative and pragmatic commitment to economic freedom.

Still, it is clear that one can have a considerable degree of economic freedom with very little political liberty—at least for a while. But the converse is not true. Economic freedom may not be a sufficient condition for such liberty, but it is an absolutely necessary condition. Never in human history has one seen a society of political liberty that was not based on a free economic system—i.e., a system based on private property, where normal economic activity consisted of commercial transactions between consenting adults. Never, never, never. No exceptions.

Why is that? Well, to have a liberal political regime without a system of economic freedom one would need a very special kind of citizenry with a very special conception of liberty. These citizens would have to be special in at least two crucial respects:

1. They would not regard economic growth—or, to be more precise, the economic prosperity of the individual—as a very important good. For individuals do not prosper in economies where they possess no economic freedoms. The state may prosper—it may become strong militarily, or be able to build wonderful cathedrals or pyramids. But only where individuals actually prefer such prosperity of the state to a prosperity of their own can political liberty exist without economic freedom.

2. They would have to share such a powerful consensus of beliefs and values that the political authorities would perfectly incarnate the collective will, and would thus meet no resistance (but only approval) in their operations—which would, of course, include the distribution of offices, of wealth, of employment, etc.

Can such a citizenry exist? Yes—to a point. One finds it in monasteries, in some Israeli kibbutzim, in some other religious colonies here and there. In all such small, integrated communities, an ideal of virtue—both individual and social—is so dominant that being a loyal member of the community exhausts the very meaning of freedom.

But note that these are all artificial social entities, consisting of a small number of self-selected individuals who intensely share a predetermined set of values. Such communities exist only on the margins of societies, and are utterly inappropriate models for larger societies. For when one is dealing with larger numbers of people, most of whom have no desire whatsoever to purge themselves of self-interest, and whose values and beliefs are neither homogeneous nor even entirely coherent—then it would be absurd to think that the communal ideal is relevant. If one is nevertheless seduced by this absurdity, one is then in the position of enticing people into such a collective life (by appealing to their self-interest), or of coercing them into it, and in either case one ends up only with a vicious parody of the original.

Yet that is exactly the strategy of modern socialism. It aims to establish a cooperative commonwealth, on a national basis, either through an appeal to people's appetites (promises of untroubled abundance) or through coercion. In short, it aims to create a socialist community populated by citizens who are not, in any significant sense of the term, socialists.

If these socialist activists are of the democratic-socialist variety, they are convinced that once their government is planning the economy, everyone will so quickly perceive the benefits of this new condition that there will be a mass conversion to socialist ideals. To put it crudely (but fairly), they believe in political magic—in the transformation of economic reality and of humanity itself by a few idealists having the power to enact a few simple reforms, as prescribed by their theories. All that happens, of course, as the experience of Sweden and the United Kingdom clearly shows, is that they create versions of state capitalism in which massive bureaucracies gradually encroach ever further on the individual's liberty—with none of the presumed benefits of

socialism. Disillusionment is the inescapable fate of social democracy, a disillusionment which engenders internecine strife between those dogmatic socialist idealists who wish to dispense with constitutional restraints altogether and those right-wing socialists who remain faithful to some liberal ideals. Democratic socialism turns out to be an inherently unstable compound, a contradiction in terms. Every social-democratic party, once in power, soon finds itself choosing, at one point after another, between the socialist society it aspires to and the liberal society that lathered it.

As for non-democratic socialists—Communists of one kind or another—theirs is a perverted Platonic dream, of all-wise, absolute rulers who will transform the human condition by indoctrinating new generations into the virtues of a new way of life. But indoctrinating people is hard, as any rabbi will tell you, and even new generations do not indoctrinate that easily, as every parent soon discovers. Communism, always and everywhere, ends up as a pseudo-orthodoxy, with only a pretense of consensus—a pretense sustained by perpetual coercion. Which is why if you want seriously to study Marxism, you would be wasting your time going to the Soviet Union, where—after sixty years of Communist rule—no one even pretends to be interested in Marxism, and where no serious books on Marxism are written or published.

Socialism is a more or less extreme specimen of political romanticism which proposes to replace a complex, liberal society with a highly simplified but more "humanly authentic" community. In and of itself, the ideal is not a contemptible one. What is contemptible is the bland assertion that the ideal and the means of achieving it are consistent with the meaning of individual liberty as we in the West have understood it for many centuries now.

True, in the United States today, not many people proclaim themselves socialists. But what passes for liberalism now closely approximates what passes for social democracy (or democratic socialism) in Europe. As George Will has acutely pointed out, whereas the older liberalism of the New-Deal-welfare-state variety aimed to help people lead the kinds of lives they wished to lead, the newer liberalism is far more interested in prescribing—through bureaucratic directive—the kinds of lives they ought

to live. This species of liberalism can only end up in the same place that more candidly socialist movements end up: a society where liberty is the property of the state, and is (or is not) doled out to its citizens along with other contingent "benefits."

Robert Lekachman:

For democratic socialists like myself, the historical association between Western parliamentary democracy and market capitalism raises initial questions of causation and coincidence. To trace the origins of English popular representation back at least to Runnymede and, according to taste, to the rude customs of Saxon tribes seems to imply that if anything beyond mere coincidence is at work, the lines of causation run less from capitalism to democracy than the other way about. As some historians have interpreted the English Industrial Revolution of the 18th century, it was at minimum facilitated by the comparative weakness of central monarchical government, the absence of a repressive standing army, the growing power of parliament as counterpoise to kings who ever more implausibly declared their divine right to rule, and a tradition of popular riot and revolt which in the 17th century eventuated in revolution and regicide.

The mercantilism against which Adam Smith inveighed in *The Wealth of Nations* was already in 1776 weakly administered and almost universally ignored. Smuggling was a growth industry, the foundation of a good many respectable fortunes. Guilds were powerless, and the Laws of Settlement casually disobeyed. England never developed the regulatory apparatus which effective mercantilism required and in France very nearly secured. The efflorescence of entrepreneurial energy in 18th-century Britain no doubt cannot be fully explained by the quasi-anarchy of the society's political institutions, but they appear to have been a necessary if less than sufficient condition of an epidemic of originality which reached far beyond steam engines, power looms, and their commercial exploitation to literature, pottery, philosophy, furniture, art, music, and architecture.

But assertion of democracy as cause rather than consequence of modern capitalism only slightly weakens the position of those who insist that in 20th-century circumstances some version of competitive capitalism is essential to the survival of ideological diversity, meaningful political choice, and the array of civil liberties which shelter citizens of heterodox opinions from the reprisals of an otherwise dominant state. When that state is the only employer and the only landlord, it need not imprison its opponents, it may simply deprive them of their livelihood, evict them from their homes, deport them to remote villages, or harry them into exile. By contrast, in America one can make an excellent living as an opponent of any national administration. Moreover, Western democracy can fairly claim to have extended the franchise to new interests and new groups to the point where the principle of one man, one vote is enshrined in Supreme Court decisions.

Thus runs the powerful case of free marketeers from Milton Friedman and Friedrich von Hayek downward to the William Simons and Ronald Reagans. Yet in the end I find the free-market case less than persuasive, and not only because there seems to be an embarrassing shortage of the free markets cherished by their celebrants. The legitimacy of market capitalism inheres in the degree of its success as a provider of jobs, rising material standards of life for the modal family, and pleasing diversity of goods and services. As Joseph Schumpeter memorably pointed out more than a generation ago, businessmen lack the glamor and charisma which might equip them for successful political leadership. The pollsters report declining confidence in big business. The current chairman of the Securities and Exchange Commission, Harold Williams, sometime head of Norton Simon and dean of the UCLA business school, warns that the "public is convinced that big business is ripping everybody off to get what it wants for itself."

This dour public sentiment poses a painful dilemma for partisans of capitalism. To allow matters to drift in their current direction is to assure further erosions of legitimacy for our global giants which are visibly busier exporting jobs to Latin America and Southeast Asia, where unions are weak or illegal and wages are delightfully low, than generating them in the United States. Without the intervention of national government, this tendency will no doubt continue. On the other hand,

acceptance of corporate-style national planning, *à la Français* or *Japonais*, opens the door to other varieties of planning less friendly to the primacy of large-scale private enterprise among domestic interest groups.

There is a further and still more damaging criticism of the viability of the association between democracy and capitalism that deserves to be made. In any community where income is unequally divided and wealth still more concentrated in relatively few hands, the play of political discourse is inevitably skewed in favor of the wealthy. Although both major parties are friendly to corporate interests, Democrats, who are rather more open to the concerns of other groups and interests than their Republican opponents, invariably receive smaller financial contributions and fewer editorial endorsements than their rivals. As Charles E. Lindblom, a reformed pluralist, has recently argued in his powerful work, *Politics and Markets*, business predominance shapes and usually controls the agenda of public debate and severely curtails the range of acceptable choices. One might cite the sudden disappearance of proposals like Senator Adlai Stevenson's bill to establish a TVA-like Federal Oil and Gas Corporation or the late Senator Philip Hart's industrial-divestiture measure as examples of the manner in which "radical" propositions sink without trace to reappear, if at all, in obscure leftist journals of safely small circulation.

The hegira to nowhere of tax reform is a third case in point. On issues of importance, the business community unites and gets its way. But so to say comes unpleasantly close also to asserting that democracy in the United States, much of Western Europe, and Japan resembles plutocracy, a set of arrangements in which opinion, like most other things, is for sale. It is only fair to note that quite a few individuals of variegated views own presses and thus enjoy A.J. Liebling's access to meaningful exercise of the First Amendment's right to free speech, but equally accurate to repeat that only a very few, very rich persons and corporations control the presses that count—the TV network channels that each evening serve up a gamut of opinion which ranges all the way from Walter Cronkite to Barbara Walters. Nor is the gamut of news and views daily furnished by major newspapers much more varied than that of television.

Just as the logical relation between democracy and capitalism is more complex and problematic than perhaps it was before giant corporations achieved their primacy, so also is the "totalitarian temptation" of which in assorted ways Paul Johnson and Max Beloff in England and Raymond Aron and Jean-François Revel in France have warned. Even skeptical students of Eurocommunism must be impressed by the greater strength of French Socialists than their erstwhile Communist allies and by the strong line in favor of parliamentary institutions taken by Italian and Spanish Communists. The dismal history of Stalinism in the West enjoins salutary prudence about the lasting significance of such events.

Democracy is more than parliamentary arrangement. I am not inclined to cite Yugoslavia as my *beau idéal* of civil liberties. It is nevertheless startling to remind ourselves that Yugoslav experiments in worker self-management offer considerably more scope for individual choice and influence than does the hierarchically organized command structure of American factories and offices. Our version of market capitalism is subject to the legitimate criticism that it excludes from the norms of personal freedom and the reach of the Constitution the forty hours of each week which constitute for most Americans their central connection with the economy.

I am equally attached to adjective and noun in the rubric democratic socialism. As a result, my concerns are double. The viability of our present arrangements is in serious question. It is bad news when a bare majority of eligible voters takes the trouble to cast a ballot in a presidential election and worse news still that opinion researchers record pervading skepticism about the performance of most major American institutions and elites, by no means excluding major corporations. If I am correct that the probable political consequence of continuing failure on the part of private employers to deliver the jobs and the goods will be a drift toward some variety of planning, this prognosis is not by my lights entirely inspiriting. Planning, of course, reflects existing distributions of political and economic power. Much as alert corporate types like Felix Rohatyn and W. Michael

Blumenthal have already realized, national economic planning administered by corporate agents and their political allies amounts to the pursuit of profit by, in American terms, somewhat novel means.

The persistence of private capitalism and the constricted version of democracy that now parallels it probably depend upon the outcome of the struggle between sophisticated corporate opinion and the dinosaur wing of the business establishment which cherishes the myth of free markets, however matters actually are arranged industry by industry in the clutch of the oligopolies and shared monopolies which are commonplace. Some years ago, Senators Humphrey and Javits, mainstream politicians, jointly sponsored a measure boldly entitled the National Economic Planning Act of 1976. The Initiatives Committee for National Economic Planning which formulated early versions of the bill included not only academics like Wassily Leontieff, John Kenneth Galbraith, Robert L. Heilbroner, and myself, but also prominent businessmen like W. Michael Blumenthal, Robert Roosa, and J. Irwin Miller.

The central economic fact of our day is the declining vitality and elan of capitalism and capitalists. That decline progressively nibbles at the legitimacy of the large corporation and the political institutions within which it has flourished. Different outcomes will no doubt come to pass in different countries. Here my tentative conclusions are these. Persistent unemployment and inflation, coupled with the slowing of real growth in average income, are bound to have political consequences. I find it hard to discern in the near future tendencies toward the strengthening of our flawed version of political democracy. If business reactionaries outmaneuver their more intelligent confreres, the economy is sure further to deteriorate. A drift to the authoritarian Right cannot be excluded. If the business planners have their way, improved economic performance is still possible.

Corporate planning will simply render explicit the quiet domination of American life by private and corporate wealth. I have just enough confidence in the strength of American traditions and the good sense of my fellow citizens to entertain the hope

that corporate planning just might be a way station en route to socialist dispersion of income, wealth, and power.

We shall see.

Charles E. Lindblom:

Liberty is a—perhaps the—big issue in the relation of capitalism to democracy. But just what is the connection?

Two people cannot both be free to build their houses on the same single building lot or to hold precisely the same job unless there exists some constraining or coordinating mechanism so that in fact only one actually wins the lot or the job. If the coordinator is a governmental authority, then—as most people use the term "free"—we say that neither person is free, for choice has passed from the two to government. So the coordinating mechanism must be something other than government.

For a large category of liberties, the market system provides the necessary constraint or coordination. No broad mechanism other than the market has yet been discovered for the purpose. You and I can both be free to live where we wish only because a landlord will decide, in the event that we both want the same apartment, which of us will get it. And only because, if both of us want the same job, an employer will decide which of us will get it. Similarly, we are free to use buses and airplanes only on condition that we have the consent of those who provide them in the market. We are free to choose between work or play only because in the market we are constrained to work in order to get the money with which to induce the landlord, grocer, and bus company to let us do what we choose to do. People can be free only if many of the things they want are not free.

Not all freedoms or liberties, however, require a system of constraint or coordination. Thinking and speaking as one pleases presumably do not. Yet effective and legal freedom to reach very large audiences cannot be established unless people are

constrained, since newspaper space and broadcast time cannot be made available to all who wish it. For these larger civil liberties, consequently, the market is again indispensable.

At this point, however, the line of argument takes a sharp turn. Familiar market systems are made up of three sets of markets: markets in which consumers buy goods and services, markets in which people sell their labor, and the vast network of markets in which businesses buy from and sell to each other. But the markets that are required for liberty are only the first two of the three. It is consumer markets through which our options for food, clothing, housing, and transportation are constrained (by the prices we must pay) so that we can be "free" to choose them. It is labor markets that draw us into jobs in such a way that, although the labor force is allocated to the work that needs to be done, we are "free" to choose our jobs.

Two sets of markets do not mean capitalism. The Soviet Union and other non-capitalist nations operate the two (though not, as in capitalism, also the third). Although I do not mean to say that the Soviet Union is a free society (since it lacks other freedoms available only in the liberal democracies), for the freedoms just outlined, Soviet-style markets will do just as well. And so the conclusion at this juncture is that, although markets are necessary to these liberties, capitalism is not necessary—at least by this argument. If there is any surprise in that conclusion, it is only because of a long-established bad habit of equating capitalism with market systems in our minds.

But democracy is more than these liberties. Let us probe along a different line. Historically, the energies first thrown into the drive against absolutism were for the most part indistinguishable from the energies thrown into the drive to liberate trade from royal monopoly and to open up profit opportunities. Out of that combination of political zeal and avarice, constitutionalism first developed, to be followed by political democracy. Somehow only in capitalist systems have national democratic systems arisen. That is one of the great still valid generalizations about the world's political and economic systems. Historical origins aside, must that close relationship continue indefinitely into the future?

One answer is that capitalism is now a barrier to a more fully developed democracy because it is a system of inequality in the distribution of power. A distinguishing characteristic of capitalism is that many of the most important functions to be

performed in the society—feeding and housing the population and providing it with power for its machines, among others—are assigned not to government officials but to a category of major functionaries called businessmen. If they do not perform well, unemployment or other economic instability can bring down a government. But by the rules of capitalism, government cannot command businessmen to perform their assigned functions. Instead, businessmen must be induced to do so. How? By granting them a privileged position—by granting them whatever benefits are necessary to elicit the required performance. The benefits include protected markets, tax advantages, the provision of many government services to business, easier consultation with government officials than is granted to others, and even some assignment of governmental authority to businessmen such as is not granted to others. At peril to their own positions, political officials know that they must do everything in their power to meet whatever level of business demands will produce economic stability and growth. The conclusion is that a high level of democracy can hardly be attained when government officials are subjected to so disproportionate an influence from business.

Capitalism shows another antagonism to further growth of democracy. The fabled "competition of ideas" long held necessary to democracy is a grossly lopsided competition when the media are largely controlled by corporate business. Although dissident voices make themselves heard, the flow of messages is overwhelmingly of much the same voice. To be sure, the media take pride in offering a conventional "two sides to every question." But two is hardly enough for a rigorous competition of ideas, and all the less satisfactory when the two are no further apart than, say, the positions of the two American political parties.

But might capitalism be necessary in order to maintain such democracy as we have already achieved, even if it is an obstacle to further democratization?

One possibility is that new demands for further democratization such as are represented, for example, in agitation for democratization of the workplace and in a rising skepticism about the genuineness of existing democracy mean that existing democracy is not stable. Democracy has to go either forward or backward. That is, either it must advance into further

democratization; or frustration, divisiveness, and consequent repression will undercut it. But we have just argued that capitalism is a barrier to further democratization. The conclusion, then, is that capitalism will compel us to go backward.

Leave that complex possibility aside. Assume that it is possible to stabilize democracy at the level it has reached in Western Europe and North America. Is capitalism then necessary to its stabilization at that level?

Capitalism appears on certain counts to be a great bulwark of such democracy as we have achieved. It disperses power, compared to the distribution of power in a socialist state. It removes many divisive big issues of economic policy from the agenda of government, leaving them to be settled in the market. It provides a foundation for an ideology that, teaching that inequality is fair, persuades the public to moderate its demands on government. And it highly motivates at least one powerful group of citizens, businessmen, to resist governmental encroachments on liberty—specifically on their liberties—simply because their liberties are so profitable to them in capitalism.

Yet there are two ways in which a government might maintain democracy in the absence of capitalism. They constitute two forms of socialism.

One is through a heavy use of the market system, though not private enterprise—in short, a socialist market system. A full panoply of government-owned and -operated corporations, each given a high degree of autonomy subject to conventional market controls rather than detailed political control, might provide a sufficiently pluralistic dispersion of power, if in fact such a dispersion is necessary. A socialist market system could also keep many big issues of economic policy off the central government's agenda, leaving much of the critical decision-making on resource allocation, growth, and income distribution to be settled, as in a capitalist system, in the market.

Suppose, however, that the demands on a government drive it toward more centralized authority and away from reliance on the market—thus toward a non-market socialism. If so, a second way to maintain democracy is a possibility. The second is that society *learns*—learns both to control more centralized authority and to moderate its potentially divisive demands on government.

Societies do indeed learn. And governments learn. The most impressive evidence is democracy itself. Societies have learned—and it is a phenomenal accomplishment—to create large and enormously powerful multipurpose national governments whose rulers are chosen and removed by a process as peaceful as a casting of ballots. If 18th- and 19th-century man could learn to do this, it is not out of the question that 21st-century man can learn some equivalently remarkable additional lessons in the control of authority.

Among the obstacles to learning is capitalism itself, with its imperfect competition of ideas.

Seymour Martin Lipset:

Some time before Hitler's attack on the Soviet Union on June 22, 1941, Winston Churchill noted the striking fact that the complaints which came to him about the alleged mistreatment of Oswald Mosley and other British fascists derived from Conservative MP's, while Labor MP's were the source of concern over the civil liberties of Communist party members. Both groups, fascists and Communists, suffered from governmental restriction since they were opposed to the war, yet, as Churchill went on to comment, Laborites never voiced any concern over the maltreatment of fascists, while no Tory showed any interest in the rights of Communists.

These observations, dating from the 1940-41 period, have a great deal of bearing on the issue raised by the editors, namely, whether there is "something intrinsic to socialism which exposes it ineluctably to the 'totalitarian temptation,'" and which makes socialists, social democrats, and liberals soft on Communism. The answer is yes. Socialists are more reluctant than others to oppose Communists, or, to put it a different way, are more open to the possibilities of cooperating with them. But it must also be noted that conservatives have been equally vulnerable to the fascist temptation. More conservatives than others

have found justification for cooperating with fascist regimes, or, more commonly, for not favoring vigorous efforts to topple such governments.

The Chilean situation is the most recent example of the way ideology affects the response of democrats to extremism. Democratic leftists found reason to see good in the activities of the Allende regime, blamed its downfall on the machinations of the CIA, and essentially ignored all evidence that it was basically Allende's policies which destroyed the basis of support for his regime. On the other hand, some conservatives have found reason to justify the policies of the present Pinochet junta and to ignore its violations of human rights. No matter that we may all want true democrats, whether of the Left or of the Right, to apply universal criteria in evaluating political systems; it is obvious a correlation exists between political orientations, described in conventional Left-Right terms, and attitudes to government actions. Those predisposed to the Left are more outraged by events in the Philippines, Indonesia, Iran, Brazil, Chile, and a variety of other right-wing dictatorships than they are by repression in the Communist world or in various African countries like Guinea, Ethiopia, or Angola, while people predisposed to the conservative side of politics are more offended by what goes on in Uganda than in South Africa, by repression in Cuba than in Uruguay or Chile.

These orientations also have had an impact on attitudes toward foreign policy. During the Nazi-fascist time, conservatives were more likely to be isolationists or neutralists than were liberals and socialists. The former found good reason to believe that a military struggle against the fascists would either not be successful or would result in the destruction of democracy at home. Then, once the fascist international menace was finished with, and Communist regimes became the main source of expansionist policies, the ideological sides switched direction with respect to foreign policy. The democratic Left moved increasingly toward an isolationist and neutralist posture, while conservative rightists became internationalists and hawks.

It should be obvious that my description of the relationship between ideology and the attitudes people take toward fascism, Communism, and foreign policy in general does not explain much of the behavior of *particular* individuals or groups. Strong-minded liberals and social democrats like Helmut Schmidt, the late Anthony Crosland, Henry Jackson, George Meany, Sidney Hook, and the French "new philosophers" have been as vigorously anti-Communist in their international politics as any hard-line conservative. During the 1930's, no one took a stronger position with respect to the need for a Western Alliance against the Nazis than the Tories Winston Churchill and Anthony Eden in Britain or the Republicans Wendell Willkie and William Allen White in the United States. But these persons and their followers have been the exceptions, or the minority, in statistical terms. It remains unfortunate but true that the democratic Left is softer on the totalitarian Left than is the Right, while the democratic Right is more susceptible to the blandishments of the authoritarian, even the racist, Right, than are people on the Left. Each side chooses to emphasize the hypocrisies of the other. The fact remains that these categories of Left and Right continue somehow to affect how we view the extremes. Hence, during a period like the present one, in which the totalitarian Left is on the upswing internationally, the democratic Left is inadequate to the job of resistance, much as the democratic Right was inadequate to the job of resisting the totalitarian Right of the pre-World War II epoch.

The so-called phenomenon of neoconservatism may be explained by these developments. The neoconservatives are largely liberals and social democrats who view Communism in the same threatening terms as do most conservatives. Sensing, rationally or emotionally, that their liberal co-ideologists on economic and domestic issues are undermining the defense of democracy abroad, they find bases for alliance with conservatives on issues of foreign and defense policy and human rights. But on the level of political activism, these concerns do not appear to have produced new coalitions. Most American neoconservatives remain Democrats, in alliance electorally with those whom they regard as soft on Communist expansionism. The same pattern holds true for most "right-wing" social democrats in countries like France or Britain.

Whether the international conflict will produce changes in party coalitions such as occurred before 1940 remains to be seen. As of now, they have not.

Eugen Loebl:

I hesitate to use the terms capitalism and socialism because they do not reflect reality. The concept of capitalism is based on Marx's perception and analysis of an economic structure that existed over one hundred years ago but that exists no longer. The concept of socialism, or more precisely, Communism, as developed by Marx, also does not exist in reality. What we have in fact are socioeconomic theories based, on the one hand, on the ideas of Adam Smith, David Ricardo, and their adherents, and, on the other, on the ideas of Marx, Engels, and their adherents. The fact that economic theory is still based on the concepts and assumptions of these great thinkers reveals the backwardness of economics in particular and the power of inertia in thinking in general.

Classical economic theory and all its refinements and modulations to the present have reduced human beings to the sole dimensions of greed and egotism; according to these theories, the economy as a whole is governed by an "invisible hand" or economic laws. Economy is not perceived to be the result of human creativity, or as a system of thinking, creative human beings, but rather merely as the allocation of scarce resources controlled by quantifiable economic laws. Classical economic theory and its followers to the present are "scientific," i.e., value-free and value-neutral. Since, however, any economic system is a human system which by its very nature cannot be value-free, economic theory has become not only dehumanizing but also more and more divorced from reality. An economic system based on these theories becomes value-free in the sense that it neglects or even rejects human values. It is thus anti-human and anti-democratic.

Our political system, of which the economy is one aspect, is nevertheless democratic. The Magna Carta, human rights, the call for liberty, equality, fraternity, the era of enlightenment all preceded the emergence of the economic system described and theoretically justified by Adam Smith. In the so-called capitalist countries, we see the existence of a political democracy that has developed remarkably since Smith's day. However, the basis of that capitalist economy is not liberty, equality, fraternity, or any other humane or democratic philosophy. One man, one vote has no application whatever in the economy. Furthermore, there is

no economic mechanism sensitive to a plebiscite. For example, although the Employment Act of 1946 expressed the consensus of a democratic nation, we still have unemployment and inflation: the economy, unlike the political sector, is unaffected by the ballot box.

The issue, consequently, is not whether democracy exists and develops in the Western world, but the nonexistence and lack of development of a concomitant economic democracy. We have no economic theory to guide us in establishing an economic system that would embrace the human dimension and thus lead to economic democracy. Whatever human dimensions exist in our economic system are the result of conflict with political democracy and have been imposed by political forces.

Marx's theory—although his point of departure is humanistic—views the economy as a system governed by universal dialectical laws and thus (despite his dialectical method) through the prism of a Newtonian world view. Thus the basic assumptions of the founders of capitalism and of Communism are essentially identical. For both schools of thought, the economy is a system governed by economic laws. While classical economics assumes that these laws are harmonious and justify private ownership, Marx assumes the opposite and believes that the abolition of private ownership is historically determined and is a precondition of the end of the prehistory of mankind.

Another difference between classical and Marxist philosophy is that the classical theory deals only with the economy while Marx assumes that society as a whole is governed by laws: the development of human society is a natural historical process and the history of mankind is the determined history of class struggle. Consequently, according to Marx, not only the economic process but also the political and ideological components, i.e., the entire superstructure, are perceived as a determined system.

Marx evaluates capitalist society as bad and inhumane. He does not see this badness as the consequence of human failings (the capitalists in fact are highly praised in *The Communist Manifesto*) but as an inherent condition governed by historical laws and unchangeable unless changes in the forms of ownership are imposed externally upon the system. Despite explicit claims to the contrary, his constructs are as scientific, and thus as dehumanizing, as the theories and philosophy of Smith and Ricardo and their diverse followers.

Apart from this general philosophical bent toward the non-human and consequently the anti-democratic, there are certain specific Marxist concepts that, in application, regardless of motive, are anti-human and anti-democratic. Let me demonstrate this phenomenon with an anecdote.

The Czechoslovak Communist party, of which I was a member, was actually the first Eurocommunist party. We created a government of which the Communists were one of four parties; we nationalized only a part of the land and some of the factories. Our program was nearly identical with that of the Eurocommunists. We emphasized our introduction of a "specifically Czechoslovak road to socialism" and our reluctance to follow the Soviet method in toto. The party leadership accepted this policy wholeheartedly. Nearly all of us were honestly attempting to apply a new method, but we were unaware that so long as we thought in Marxist terms, we would necessarily slip onto the Stalinist road.

Thus, we did not give up on the concept of the proletariat in the leading role. But the proletariat was a minority, and the idea of a leading role played by any particular social stratum is contradictory to the concept of democracy. Apart from this, the proletariat cannot take the leading role by democratic means since it cannot lead the nation through intellectual influence. Consequently, the proletariat can reach and maintain the leading role only by some form of dictatorship. Thus the concept of the proletariat in the leading role boils down to the dictatorship of the Communist party, or to be more precise, of the party leadership.

Although private ownership had been recognized in the constitution, we as Marxists supported nationalized industry and agriculture. We found ways and means to persecute private ownership and we thus polarized society and destroyed the unity of our "special road" to socialism.

As Marxists, again, we believed that socialism and Communism must emerge as a natural and historical necessity. And since this development would serve the interests of the majority of the nation, we opposed any view or political action that might hinder and delay the achievement of socialist goals, be it religion, liberal ideas, or, especially, democratic opposition.

We accepted the ideas of the proletariat in the leading role, the decisive importance of the form of ownership, the wealth-producing function of manual labor, the labor theory of value, the role of surplus value, that economic laws govern the motion of the economic and social system. But we must have been aware that "theories will acquire material force as soon as they capture the masses," to quote the early Marx. However, theories can only capture the masses and create a mass movement when their proofs and values are clear and evident. Since the goal of Marxism, according to Marx himself, is not to interpret the world in various ways but to alter it, the needs and character of a revolutionary mass movement create a specific selection from among the body of available concepts. Any Marxist movement will inevitably select specific concepts, and consequently its program, on the basis of accessibility to the masses; this pattern is visible wherever Marxism has been applied, be it a Stalinist, Maoist, Titoist, Khrushchevite, or Brezhnev-type dictatorship.

Even the idea of "socialism with a human face" is pregnant with the internal conflict of whether to emphasize "socialism" (i.e., applied Marxism) or the "human face" (i.e., human rights and democratic values). The Soviets, aware of the reality of this problem, invaded Czechoslovakia and ended the experiment.

I differ from the classicists of both capitalism and socialism in my perception of labor production and economy. Production, like any purposeful economic activity, is in my view achieved by the transformation of natural forces into useful forces, and natural values into useful values. This transformation is made possible—even on the lowest level of economic activity—only by our ability to think. The more developed the ability and application, the more developed is the economy: more will be produced.

A whole epoch of history was based essentially on the application of empirical thinking, developed through the long process of work experience. Inventors and entrepreneurs brought about a revolution with the introduction of division of labor and machines. Ultimately, their creativity took natural forces, embodied in the form of coal, and transformed them into productive forces with the steam engine. This is the essence of the Industrial Revolution, which the development of science and the application of technology have evolved even further. A revolution in science at the turn of the 20th century created new levels of intellectual understanding and consequently a fundamentally new economic system. This system is characterized by tremendous growth in quality, quantity, and structure.

With this new economic system came a characteristic integration of the socioeconomic system. All products became the result of the combined efforts of the entire working population. Even so simple a product as grain, raised by agrotechnical and agrochemical resources, harvested with tractors, integrates the mining industry, machine-tool industries, banking and transportation systems, and educational systems—nearly all branches of human activity have become organically integrated in a single kernel of corn.

We can, therefore, no longer disregard the economy as a gigantic transformer, an integrated system of thinking human beings, a system *sui generis*. It cannot be treated as a natural historical phenomenon. We are the creators of our economic system. The genius of human creativity is responsible for this development, not Newtonian or dialectical economic laws. But concomitantly, we are also responsible for all the failings of the system—the unemployment, the inflation, the destruction of the environment, and ultimately for the general disintegrataion of our civilization.

To perceive our economy as a gigantic transformer of natural forces and natural wealth into productive forces and human wealth is a repudiation of the philosophy of Smith, Ricardo, Marx, Engels, and all of their adherents. Indeed, this perception is another expression of the philosophy out of which our civilization emerged—i.e., the Judeo-Christian tradition—which views nature as created for man's dominion, and man, created in God's image, as endowed with the genius of creativity, which will transform subservient nature into "heaven on earth." The history of our civilization is also the history of man mastering nature.

The development of science and technology is one of the most impressive manifestations of that mastery. But we are as yet unable to project this philosophy of man into our thinking about economics.

The issue is not whether "an inescapable connection between capitalism and democracy has recently begun to seem plausible to a number of intellectuals." Rather, what has become apparent is the discordance between political democracy and the lack of economic democracy, and the question is whether this discrepancy will lead to the destruction of political democracy. Further, wherever and whenever Marxism has been applied, the essence of that philosophy has necessarily led to an absolute political and economic monopoly and dictatorship.

The alternatives, consequently, are not capitalism vs. socialism or the theories of Smith-Ricardo vs. Marx-Engels. There is only one alternative, and that is an economic system based on theories derived from reality: the reality is that our economy is a system of thinking human beings and we need a theory to guide us into an economy embracing human dimensions.

Robert Nisbet:

I doubt that there are many intellectuals left who seriously identify themselves as socialist. It is probably true, as Friedrich von Hayek argued two decades ago in *The Constitution of Liberty*, that for all practical purposes socialism as a creed is dead. The spectacle of a totalitarian Soviet Union began the process of disillusionment, though, looking back, it was a glacially slow process in the West. The Great Lie could be believed for so long by so many. I mean the Lie that went as follows: yes, there are repressions in the Soviet Union, but these are the product of Russia's political past and have nothing to do with socialism as

such, and, in any event, the people are better off than they were prior to World War I or would be had the Revolution not taken place in 1917. But the spell of the Great Lie has manifestly diminished considerably; certainly so far as the Soviet Union is concerned (beginning no doubt with its own intellectuals), and if there are a few slightly demented Hollywood actors, journalists, and college professors who today cast China in the same role the Soviet Union once had in the Great Lie, their number is not likely to increase.

Until the full reality of the Soviet Union became visible, it was possible to argue the merits of socialism not only in terms of its prospective abolition of poverty and other social ills, but also of its gifts to freedom and individuality. There were many, down through the 1930's, who believed as Oscar Wilde had in his 1891 essay, "The Soul of Man Under Socialism," that, far above the material benefits which would flow from socialism were those of a spiritual and moral kind. Abolish the present chains of private property and competition for gain, Wilde declared, and, for the first time in history, man would know himself as an individual. "What is needed is Individualism. . . . With the abolition of private property, then, we shall have true, beautiful, healthy Individualism."

Oscar Wilde, for all his idealism, was no innocent, as the following words suggest: "If the Socialism is Authoritarian; if there are governments armed with economic power as they are now with political power; if, in a word, we are to have Industrial Tyrannies, then the last state of man will be worse than the first."

As the record makes plain enough, the socialisms of the 20th century are indeed "industrial tyrannies," are all too clearly "governments armed with economic power as they are . . . with political power." But it has required a large part of the last half-century for intellectuals to see the point, that Soviet totalitarianism from the beginning had less to do with its "semi-Asiatic past" than with the creed of socialism united with the power of the modern political state and its military forces. Why should anyone pretend otherwise? Where socialism has been given effect, wherever the conversion of private ownership of land, production, and services into so-called public ownership has taken place—that is, in full-blown, unchecked fashion—the results have been the same.

Totalitarianism is inherent in the modern doctrine of socialism simply because it is impossible, and has been from the beginning, to separate it from the kind of power that inheres in the national state. Socialization becomes necessarily nationalization. Those "steps" toward socialism which Marx and Engels listed in *The Communist Manifesto* ("centralization," "industrial armies," "all production . . . concentrated in the hands of a vast association of the whole nation," etc.) have proved to be not steps at all but building blocks of the finished product. I know of no exception. What socialism would be, how it would even be conceived, in the absence of the national state, we can only speculate on. The reality has been, in our century, a fusion of the Wilsonian ideal of nationalism and the Leninist strategy of dictatorship by party, or, rather, by leadership of party. In this fusion we have witnessed a degree of power over the individual that no pre-modern despot could have even dreamed of achieving.

What is too little realized is the fact that socialism has proved to be more a political than an economic or social reality. That is, it is much more a relation between the state and an aggregate of individuals than a relation among those individuals. To speak of political reality is really to understate it. Better to say *military* reality. For who can summon up a picture in his mind of the Soviet Union, China, or Cuba without the leader in military tunic looking down on marching soldiers? After all, as Max Weber reminded us, the origins of Communism lie in primeval military associations. In any event, with not a single *free* socialism to be found anywhere in the world, either now or in the past, it is not hard to understand why the creed of socialism has died.

But, unhappily, it left offspring: chief among them the whole welfare state. The fundamental aim of the welfare state is nothing as abstract and mystical as socialism. It is, quite simply, redistribution of wealth. Marx thought egalitarianism rather nonsensical, at least as an objective to be gained in bourgeois society where the means of production remain in private hands. But our welfare-state liberals, custodial and collectivist in mentality, are not as astute as Marx. They wish it both ways. Production will remain in private hands, thus insuring a magnitude of production that no socialism has come close to matching, but then equality will be brought about through relentless *taxing* of the producers, and everyone else, for that matter. It is politely called taxing the rich. The great failing of redistribution, however, is, first, that politicians and bureaucrats are forced constantly to expand the dimensions of "the rich" in their calculations, and, second, that the revenue collected is transferred in practice less to the poor than to the bureacracy or to politically favored elements of the wealthy.

What Bertrand de Jouvenel wrote a quarter of a century ago still holds: "The more one considers the matter, the clearer it becomes that redistribution is in effect far less a redistribution of free income from the richer to the poorer, as we imagined, than a redistribution of power from the individual to the state." In other words, what proceeds from egalitarian measures is not equality at all, but replacement of one set of "unequals" by another. So intimately linked are redistribution of wealth and political centralization in our society that it is a matter for speculation right now as to which is the dominant motive: equality or power? In any event, whatever may be the generating impulses, we come closer all the time to Hilaire Belloc's Servile State, the state in which "a number of families and individuals are constrained by positive law to labor for the advantage of other families and individuals. . . ."

The chief value of capitalism is not really its unequaled record of production and distribution of goods, but rather its guarantee of a private sector, a sector of society based upon property and income that is clearly distinguishable, if not always separable, from the power of the national state. Capitalist economy is, by its nature, a power, and a very important one. It takes a power, Montesquieu wrote, to check a power. Bills of rights in constitutions are not enough. Within capitalism I of course include labor unions, cooperatives, and other associations, each of which is at once a power itself and a component power of the larger capitalist sector. There are no powers of any consequence in socialist countries to check the power of state or party. Religion may be tolerated, but it is only that: toleration for convenience. Religion presents no threat to the Politburo.

I grant that there are unfree states with capitalist economies. Usually these are marked by military governments, as in Greece for a time and currently in Chile. But I know of no free society that is not capitalist in its economy. The record indicates that it is easier for an unfree capitalist state to regain freedom than it would be for any nation where socialism has existed for a long time. In Greece, all that was necessary was the expulsion of the military. I doubt whether anyone alive has the slightest idea

how a Soviet Union could be made, under the best of circumstances, into a free society. What Oscar Wilde called "Industrial Tyranny" is sunk too deep, has been the only reality for too many decades.

Michael Novak:

The world has now seen some fourscore regimes that have named themselves socialist and put themselves forward as followers of Marx. Since World War II, socialism has quit the ethereal world of books and theory, and assumed the weight of historical embodiment. In discussing socialism today, we are no longer talking merely about hopeful visions, but about actual experiments, whose successes and failures may be observed. Socialism has been incarnated. Flesh sags upon its bones.

An empirical survey of what has been learned from this incarnation would be immensely useful; the task awaits its Tocqueville. Meanwhile, those who no longer quite believe in socialism, having examined it in practice, commonly conclude that socialism in daily operation has certain systematic defects; and that these systematic defects flow directly from unexamined assumptions in its fundamental theory.

Thus, for example, democratic socialism has come to seem like a euphemism for wanting things both ways: wanting both rational planning, capable of being enforced upon recalcitrants, and also the familiar messy democracy of conflicting interest groups and popular veto power by region, industry, and circumstance. The more democratic it is, the less rational a real society seems to be; the more rational, the less democratic. To put the matter another way, the form of rationality embodied in actual democratic practice is more like that of the marketplace than like that of a reasonable consensus of like-minded experts.

Thinkers of the Left have seldom, if ever, thought clearly about the possibility that democratic capitalism might, paradoxically, fulfill their ideals better than democratic socialism. Most intellectuals inherit without examination an adversary posture toward

capitalism. Tycoons, fat cats, profits—these are conventional symbols of sin and evil. The deficiencies of the concrete system around us are blamed on capitalism; its attractions are not credited to capitalism. Heads, capitalism loses; tails, it fails to win.

The terms for discussing our system intelligently scarcely exist. The Left prefers categories hoary with the socialist debates of the last one hundred and fifty years. But the fault lies, as well, in the categories capitalists inherit from a long tradition of British economists. The accepted language for the defense of capitalism is outmoded, narrow, and dismal, while the accepted language for criticizing it is adversarial and dependent upon dreams that do not work.

Is it not possible to criticize the system under which we now live from a perspective that is not socialist? Is it not possible to articulate our social, political, and economic ideals in a framework that is not socialist? This important and obvious task has seldom been attempted.

Our American system has three dimensions: political, economic, and cultural. The system under which we live is not capitalist merely. It is also democratic in politics. And liberal (in, say, Lionel Trilling's meaning of the term) in culture. The vocabulary preferred by conservatives for the discussion of our system ignores two of these three dimensions. Terms like free enterprise look too much to the economic system. Terms like individualism blind us to the social dimensions of human life (including the social prerequisites of individualism) and to social justice. Terms like patriotism and the American way do not sufficiently bring out—may even consciously slight—the importance to our way of life of dissent, intellectual conflict, and the drive to raise questions. Those theorists most likely to defend our system have the habit of discussing its economic component chiefly, as if mesmerized by Economic Man, and ignoring the full range of our actual working purposes and practices.

Although my own inclinations have run along the lines of democratic socialism, out of a lifelong attachment to the labor wing of the Democratic party, I have noted in recent years that there are aspects of capitalist economics which seem superior to those of socialist economics; that there are certain recurrent contradictions in socialism at least as serious as the much storied contradictions in capitalism; and that there are many tacit values in our way of life that go unnoticed (and uncelebrated) both in socialist and in capitalist writings. I have felt restless, and have wished it were possible to try to start fresh in thinking about our system. A merely socialist or capitalist way of thinking has felt like a straitjacket. Both traditions seem intellectually out of touch. Each brings to light certain facets of our way of life. Both seem to miss too many vitalities of daily experience.

Some of these facets, more to be observed in our actual working practices than in any existing theory about ourselves, are, for example, the tremendous sense of cooperativeness and spontaneous collaboration found in our culture. Even perfect strangers sometimes (as in a political campaign) find themselves cooperating at high efficiency upon certain urgent social tasks, without any need for the heavy presence of authority or an elaborate list of instructions. There is a very high order of sociality—of sympathy, of cooperation—in our form of individualism. One notes everywhere, as well, the force and power of voluntarism. Many individuals nourish the habit of looking for better ways to do things, take the initiative in doing them, and learn how to do new things they never did before by developing the necessary techniques and crafts as they go along. These are spiritual qualities of enormous value. The propaganda that asserts that we are merely selfish, individualistic, and competitive deflects our attention from some important dynamic factors in our social structure. There is more fraternity in our system than ideologies of Left or Right have noticed.

In addition, many so-called private initiatives are full of public spirit and social grace. Many efforts in the so-called public sector are vitiated by self-aggrandizement, authoritarianism, and arrogance. The easy contrast between private selfishness and public virtue, so beloved by socialist thinkers, does not accord with daily experience.

We are, these days, in a position to look at our society, and at the world in which it functions, in a new light. We have an opportunity to break out of an ideological bind. Social theory that is merely capitalist or merely socialist is tired. Much has happened in the world since our inherited terms of discussion (now mindlessly employed) were first invented. A little

originality will not hurt us. And if, indeed, America is some sort of "new world," it is time we had a new theory to express who we are, where we have been, and where it is that we would yet like to go, in terms not forged for other places, other times. Some socialists I know, condemning multinational corporations, drive foreign cars. They enjoy their capitalist freedoms and successes. Some capitalists do not exemplify the full range of values our tripartite system depends upon. Others do so, but without being able to articulate or to defend what the better instincts of their nature make them practice. All these are signs of theory out of tune with fact. A search for better theory is now in order.

William Pfaff:

I wonder if this really can be a serious issue. The Leninist-Trotskyite Left, ambitious to form the revolutionary vanguard, has scarcely ever pretended to be other than hostile to "bourgeois" democracy. Democratic socialists publicly and deliberately set out to limit entrepreneurial freedom so as to achieve economic democracy; surely no intelligent socialist thinks that more egalitarian distribution of wealth will be obtained without interfering with the freedom of those now in possession of it. His answer is that poverty also limits freedom, as does maldistribution of wealth and of economic power in a society. Does this amount to an "ineluctable" socialist tendency toward authoritarianism (not to speak of totalitarianism)?

As a practical matter, nearly every Western European country, whether it avows socialism or not, has found it perfectly possible to combine socialist policies of state planning and state economic intervention, welfare measures, and the redistribution of wealth with the preservation of civil liberties and parliamentary democracy. There seems little reason to think they will not go on doing so. Such problems as those which Italy confronts today have nothing to do with creeping socialism or a lack of capitalism.

It might be argued that socialism ineluctably breeds state bureaucracy, which then imposes its own kinds of restrictions upon individual liberties. This is what the Scandinavians complain about. But Italy's champion bureaucracy owes nothing to socialism. American bureaucracy grows as luxuriantly and behaves as officiously as any other. For prying governmental interference with private liberty, what Western socialist measure can compare with America's decade of prohibition? We need not go on to arguments about the illegal practices of American security and intelligence services, carried on for a number of years.

On the reverse proposition, the supposed inescapable connection between capitalism and democracy, I would ask if Chile today is capitalist? Or Brazil? Or South Korea? Or the Philippines? Was Greece of the colonels? The answer would seem to depend on how you define capitalism. But I wonder if that is not the best short answer to this whole inquiry.

France's "new philosophers" and the writings of Jean-François Revel occur in the context of a literary and philosophical intelligentsia heavily influenced by Marxism and Communism. The United States does not suffer from a fellow-traveling intelligentsia for whom news of the Gulag comes as a thunderclap. Quite the contrary. Much of the American intelligentsia over most of the last thirty years has been distinguished for its uncritical acceptance of the received ideas of American political society.

Richard Pipes:

Capitalism is not a felicitous term because over time it has acquired a pejorative meaning that conveys mindless accumulation of wealth by greed-driven individuals accomplished at the expense of the laboring population and society at large. Coined a century and a half ago by the French socialist, Louis Blanc, it has always had much greater utility as a political slogan than as a scholarly concept in the discipline of political economy.

It is easy, of course, to reject capitalism and accept socialism if by the one is meant the unrestricted ability of the individual entrepreneur to pursue his selfish gain, and by the other, the rational and humane distribution of the resources and products of human labor. But the matter assumes a very different aspect if under capitalism we emphasize the right of citizens to acquire, hold, and dispose of private property, and under socialism the denial of that right. For the majority of mankind, the right to economic liberty is the most precious of all human rights: the peasant deprived of his land and its produce, the artisan transformed into a salaried laborer, the shopkeeper made into a salesperson, have all been assaulted in their most fundamental prerogatives. Their lot is far worse than that of a disenfranchised politician or the writer whom censorship prevents from publishing, insofar as they not only cannot do the things they want to do, but must ply their trade in a manner that closely resembles bondage. It seems to me that bad as the condition of the Soviet intellectual dissident may be, that of the Russian *muzhik* who in 1928 had been robbed of his land is more pitiful yet.

But the harm which the expropriation of private property, implicit in all socialist doctrines, carries with it does not stop with the violation of basic human rights. It also has the most pernicious political consequences by creating conditions that almost inevitably lead to the most extreme forms of authoritarianism, whether or not its theorists desire such an outcome (usually they do not, of course).

In an ordinary kind of authoritarian system—such as prevailed in Spain until the death of Franco, or presently exists in Brazil, for example—the elite in power insists on monopolizing political authority. But because it does not lay claim to private property, its power has certain natural and very definite bounds placed on it. Under such a system, the state's political authority may indeed be absolute, but the purview of what constitutes the sphere of political authority itself is limited: the state does not allow the citizen to participate in the legislative process, but neither does it, on the whole, interfere with the way he pursues his living. It may arrest him for seditious activity, but it cannot fire him from his job (unless he happens to be a state servant) or otherwise deprive him of his livelihood. It was because of this respect for private property that 19th-century czarism, though constitutionally unlimited, allowed vast pockets of resistance to emerge in Russia.

Where political authority is in control of the nation's resources, it is also in control of labor. The merger of political and economic power implicit in socialism greatly strengthens the ability of the state and its bureaucracy to control the population. Theoretically, this capacity need not be exercised and need not lead to growing domination of the population by the state. In practice, such a tendency is virtually inevitable. For one thing, the socialization of the economy must lead to a numerical growth of the bureaucracy required to administer it, and this process cannot fail to augment the power of the state. For another, socialism leads to a tug of war between the state, bent on enforcing its economic monopoly, and the ordinary citizen, equally determined to evade it; the result is repression and the creation of specialized repressive organs.

Historically speaking, the emergence of private property as an institution separate from and counter to political sovereignty has always been conducive to the growth of human liberties and democracy. Conversely, the control by the state of economic resources, whether in its primitive "despotic" or modern "socialist" form, has always resulted in a great diminution of liberties and the restriction of democratic rights. It may be noted that private property and the placing of economic restraints on the power of the state (sovereign) have been rare in human experience, the dominant pattern being that he (or they) who holds sovereignty also owns (or own) the resources.

The true problem of our time is not the resolution of the rather artificial conflict between capitalism and socialism. To me, it seems to be how to preserve the right to private property and all that flows from it under economic and political conditions that tend toward the concentration of resources and the "expropriation" of the small proprietor, be he farmer, artisan, or shopkeeper. This presents a choice not between two conflicting ideologies but between two things most of us want: freedom and prosperity—the right to be ourselves and at the same time to benefit from a level of productivity that prefers us to become automatons.

David Riesman:

When I was a student at the Harvard Law School, I thought that there was one provision in the Bill of Rights which should be eliminated, namely, the Fifth Amendment. I knew that countries more civilized than ours allowed judges to examine parties to litigation and criminal defendants; our inhibiting of judges and lawyers because of memories of the Star Chamber appeared ridiculous to me; I did not see why people should not be called on to give an account of themselves; and enduring the Joseph McCarthy era, I felt that "taking the Fifth" made a mystery out of Communism, surrounded it with the aura of non-Communist liberals and fellow-travelers who had Communist or Communist-leaning lawyers, and supported McCarthy by this obfuscation.

And there was one provision that I thought ought to be added to the Bill of Rights, namely, the right to start a small business. Of course, in the 18th century, no one would have thought of putting this in the Bill of Rights, for it was taken for granted. When Tocqueville was here in 1831, he was impressed by the fact that priests did not have parishes given to them by the contours of the landscape; they had to be entrepreneurs to build a congregation; and he differed from most visitors from Catholic countries in regarding this as an advantage, keeping the Church and its clerics, so to speak, on their entrepreneurial toes.

Again, this judgment was confirmed by what happened to people who were blacklisted or otherwise lost their jobs during the period of McCarthyism: many of them ended up, as did Alger Hiss and other less famous people, taking jobs in small business. Had there been but a single employer in a socialist commonwealth, they would have been denied such an opportunity.

I have seen, in quite a different context, how rare is the understanding of this freedom to start a small business or nonprofit enterprise. I have sat with college and university presidents in the presence of federal officials, and watched the former ask the latter to simplify the sources of funding provided for higher education, on the ground that multiform sources of support create difficulties in fund raising and record keeping. I have heard them complain that they get money from dozens of different federal agencies, ranging from the Atomic Energy Commission to the Veterans Administration—in the latter case, via students bringing GI Bill of Rights money to help pay tuition. These academic statesmen have had wide political experience; yet I have had to point out what seems obvious: namely, that if there were a single pipeline of funding, it would be a jugular that could be cut by a single influential legislator who might be irritated by what he thought, *à la* Senator Proxmire, was a foolish bit of

esoteric research, i.e., sounded foolish to a populist audience, or by some professor who was regarded as subversive to whatever was the prevailing piety of the land. If, however, sources of support are so complex that it takes the full time of academic officials and of researchers even to list them all, institutions are safer, since there are decentralized sources of funding. Here I would include the "small business" of the philanthropic foundations whose fate hangs on the maintenance of the charitable deduction which certainly would not be permitted, or is most unlikely to be permitted, in a wholly socialist commonwealth which would not allow such privileges, or loopholes.

Whereas the great book of Joseph Schumpeter which has the same title as this symposium dealt with the deliquescence of esprit among the scions of affluence created by capitalism, I am here discussing something a bit tangential, namely, not so much the guilt (or decadence) of the possessors of inherited wealth in taken-for-granted entitlement as the political misjudgments among the stewards of wealth and of academic institutions.

The right to start a small business sustains democracy by freeing people from the fear of offending a single regime which controls both the economy and the polity. Private wealth has been important in the independence of mind of many great thinkers, whether one has in mind Jeremy Bentham or Friedrich Engels (and, through him, Karl Marx), or artists who could afford to take risks, as Mark Twain did with some of his sardonic writings, because of money earned in the private economy.

In some respects, there is no clear-cut line here which separates a fully pluralistic capitalism from a fully totalitarian socialism. In an essay many years ago entitled "Some Observations on the Limits of Totalitarian Power," I argued that even in the most totalistic milieus there were always apertures of freedom, if only in the form of sabotage or Good Soldier Schweik-type behavior; and the supposedly socialist state capitalism of Eastern Europe has produced its critical court jesters, its brave known martyrs, its *samizdat*, and countless nameless martyrs, as did the concentration camps. But most of us are not Sakharovs or Solzhenitsyns; we may have a modest amount of civic courage, but we are not prepared to sacrifice ourselves, and, even more

poignantly, our families and friends, as martyrs to what may be a quixotic ideal—one that will rarely be heard of in a sealed or semi-sealed society. But, as Nathan Glazer makes clear, it does not follow from this that there is a continuum between a social-welfare democracy which regards itself as socialist, and an avowedly totalitarian Communism which may prefer to term itself socialist: in the latter, totalitarian control is built into the regime's organization in principle, even if it is not always successful in achieving totalistic aims in practice.

If democracy is not to become its own kind of tyranny, not of the majority, but of those who speak in its name or who can organize demonstrations or orchestrate opinion among influential groups, a certain amount of civic courage is required, in addition to private means and the right to start a private enterprise. Capitalism does not insure democracy, and public opinion manifests itself in all sorts of ways in societies that appear totalitarian, or at least succumbing to the "totalitarian temptation," when looked at from the outside. In other words, democracy is not necessarily assured by freedom of opinion, nor destroyed by its apparent absence; freedom of opinion and diversity of opinion are useful supports for democracy, helping it adapt to changing circumstance and bringing it into closer touch with world reality, but providing no guarantee.

What socialism offers to many intellectuals who would suffer from the absence of the privilege of entrepreneurship is a vision of cooperation and compassion in our oft anarchic, even solipsistically individualistic, segments of what goes by the name of capitalism. But I have also observed enclaves that might be called socialist within the United States, including small, homogeneous, often denominational colleges, and, seemingly different but also premised on cooperation and on lack of overt competition or salary differentials, experiments in communal living. People in these enclaves often make heroic efforts to minimize envy and competitiveness. But the anarchy of desire and what George Foster, the Berkeley anthropologist, years ago termed the anatomy of envy stand revealed precisely in such settings, all the more oppressive because of their somewhat claustrophobic quality. Devout socialists would say that this is because the whole society is non-socialist or anti-socialist, hence a handicap to enclaves that would operate on different principles. I remain skeptical of such contentions.

As my collaborators and I argued in *The Lonely Crowd*, a society is safer in which some individuals pursue power and some pursue wealth. While each can be translated into the other in some degree, and some people can pursue both simultaneously, nevertheless there is some division among individuals in this respect; as I regard the pursuit of money as less dangerous, even if at times no less fanatical, than the pursuit of power, it seems to me wise to maintain a society in which such strivers for domination and preeminence can engage in competitive coexistence rather than joining in a monolithic struggle. In other words, Hobbes's war of all against all is muted when there is more than a single pinnacle for which to fight.

To return again to Schumpeter, such a society is not glamorous. Our movies praise cowboys, not chartered accountants; our mass media are obsessed, when they look at businessmen at all, with lone "jungle-fighters" (to use Michael Maccoby's term from *The Gamesman*), such as Howard Hughes, rather than with the often modest and retiring civil servants of corporate organizations whose names hardly anyone knows—they are not celebrities. The rising call for protectionism makes it evident that many large enterprises, and the labor unions with which they are linked, cannot compete on the world market in the terms of the market, but demand state aid and appeal to xenophobia to get it. Lacking real dedication, religious or otherwise, these civil servants are scarcely true believers in capitalism, but only its temporary beneficiaries. Schumpeter's question as to whether such a system can sustain itself has never been more pertinent.

Bayard Rustin:

The reasons for the reemergence of the debate about the relationship among socialism, capitalism, and freedom are somewhat mysterious, but the debate clearly exists as a serious intellectual phenomenon. For certain purposes, one can even identify a new anti-socialist school of thought, though its adherents have diverse beliefs, ranging from semi-anarchism to liberalism, from conservatism to religious mysticism.

The new anti-socialism shows every sign of becoming a counter-dogma, an ersatz faith every bit as rigid and extreme as the stereotyped version of socialism it criticizes. As such, it trivializes important and complex issues by reducing them to an

abstract and one-dimensional framework that misleads by presenting deceptive and unrealistic alternatives. The new anti-socialism may well evolve into a positive social philosophy, but it also could become little more than a vehicle for a broader cynicism about democracy, the possibilities of reform, and the ideals of equality and social justice. Rather than illuminating the issues between totalitarianism and democracy or clarifying the challenges facing democratic societies, this current of thought may turn out to be a dogma that obscures the problem of how to strive for the general goals of the community consciously and freely, in the most rational way possible.

A serious barrier to evaluating the judgments that socialism contains a totalitarian flaw and that capitalism and democracy are inherently connected is the great variety of socialisms or, more accurately, the numerous and diverse movements and philosophies which claim the label. Unless we agree on which socialism is being discussed, we will have no prospect of determining the validity of these anti-socialist and pro-capitalist propositions. For me, socialism has meaning only if it is democratic. Of the many claimants to socialism only one has a valid title—that socialism which views democracy as valuable *per se*, which stands for democracy unequivocally, and which continually modifies socialist ideas and programs in the light of democratic experience. This is the socialism of the labor, social-democratic, and socialist parties of Western Europe. To emphasize that socialism is democratic by conviction and not from mere expediency, I find it helpful to identify this philosophy as social democracy. This has the virtue of stressing that socialism or social democracy is a variant of democracy while simultaneously rejecting the false notion that democratic socialism is only one among many socialisms.

In their more charitable moods, some critics of socialism recognize the democratic character of social democracy, but suggest that there is an incompatibility, a contradiction between that movement's socialist ideas and its democratic practice that either renders its avowed socialism mere decoration or makes its democratic credentials ultimately suspect. Although this argument is sometimes developed with a certain subtlety and sophistication, at bottom it takes the form of a crude economic determinism. There is no question that a *totally* collectivized and centrally planned economy contains the seeds of totalitarian domination. Conservatives and liberals are not alone in recognizing this danger. Contemporary socialists acknowledge this risk, in both their governmental actions and in their programs. This danger, however, cannot form the basis for economic policy or the substance of a responsible social philosophy.

The other argument, that there is an inescapable connection between capitalism and democracy, often begins more as a rejection of totalitarianism than as a positive endorsement of capitalism. There is, however, a decided tendency for this line of thought to become little more than an apology for the status quo, an idealization of capitalism, sometimes even in its most destructive manifestations. Historically, the relationship between capitalism and democracy has been indirect, uneasy, and uncertain. It is often forgotten that political terror can be systematic under free enterprise. Capitalism, unless counteracted by other forces, restricts and stifles democracy. There is ample reason to be skeptical of the frequent assertions, whether explicit or implicit, that only the existing structure of capitalism is compatible with democracy. Socialism's critics claim that social reforms of the welfare-state type are the road to serfdom, a charge that is demonstrably untrue. Far from diminishing human freedoms, greater public intervention in the economy, the expansion of social legislation, and the introduction of significant redistributive programs have very often enhanced them. By alleviating deprivation and increasingly replacing hardship and uncertainty with security and opportunity, the welfare state helped democracy flourish. It is no accident that democracy is most secure, and extremist groups weakest, in the welfare societies.

Nonetheless, it must be admitted that the pro-capitalist argument does contain an important kernel of truth. It cannot be dismissed as an ideological smokescreen, for it is possible to hold that there is an important relationship between capitalism and democracy while at the same time being critical of corporate power, the existing distribution of wealth and income, and other features of capitalist societies. What would seem to be crucial to the existence of democracy is not that there be a system that would conventionally be identified as capitalist, but that there be a diversity of institutions, widely distributed economic and political power, and a democratic spirit anchored by constitutional and institutional guarantees of political and associational freedoms.

The fears and concerns which have led some to reject socialism and embrace capitalism are genuine, but they are not uniquely related to socialism. Rather, the problems and tendencies which those fears reflect seem almost inherent in the nature of modern industrialized societies. There are, to cite only one aspect of this problem, powerful pressures moving these systems in the direction of greater public control. Negatively, the task is to prevent democratic society from being engulfed by the concentration of undue, arbitrary, and socially irresponsible power. The possibility of a mutually enlightening dialogue among all who recognize this problem—conservatives, liberals, and socialists—exists and should be encouraged. Within this dialogue, however, the perspective of social democracy differs from that of conservatives and some liberals in taking a broader, and, I believe, more accurate, view of the need to make power responsible. It locates the danger of concentrated and unanswerable power as existing both in the hands of the state bureaucracy and in the hands of industrial ownership and management. Given this opposition to excessive governmental power, the social-democratic conviction, shared by many liberals, that the expansion of freedom and the achievement of a fuller democracy require economic decisions to be subjected to greater public control does tend to present a dilemma. This dilemma, however, is not unresolvable. It does not necessitate the abandonment of socialist ideas and ideals, but their modification and further development. Practically, this entails, among other things, an opposition to governmental intervention that is obtrusive or meddlesome and to policies which are socially or economically inefficient or counterproductive. It is a recognition that not only is the welfare state an instrument of social control, but an institution that must itself be socially and democratically controlled.

Socialism cannot be reduced to an economic formula, a structure of ownership. It must be viewed in social, political, and ethical as well as in economic terms. Social democracy is a pragmatic faith rooted in the aspirations and needs of working people. It is idealistic but not messianic. In the most meaningful sense, social democracy is a continuation and further development of liberal values. This is sometimes overlooked in the United States, where for complex historical and sociological reasons we lack an explicitly social-democratic mass movement. Nonetheless, in this country, as in Europe, social democracy

has fully incorporated liberal aspirations: the liberation of repressed groups, individual autonomy, intellectual freedom, tolerance of dissent, and self-government through representative institutions. Not only do liberals and social democrats frequently find themselves working side by side on the tasks of immediate social reform, but there is also broad agreement about what constitutes a good society and how to achieve it.

The complex relationship between social democracy and contemporary capitalism undoubtedly confuses many of its critics. Social democracy is assailed from the Left as a junior partner in the capitalist system, and from the Right as anti-capitalist. There is an element of truth in both views. The current program of social democracy is far less concerned with abolishing capitalism than with initiating a process of reform that will transform its injustices and inequities. This distinction is crucial and should be recognized by all democrats, regardless of their attitudes toward socialism. As it strives to transform society, social democracy seeks to preserve and broaden the two great positive features of liberal capitalism: political freedoms and the capacity to produce. Thus social democracy is neither pro-capitalist nor, for the present, rigidly anti-capitalist. Indeed, social democracy (and in the United States, a roughly analogous coalition of labor, liberals, and minorities) has already greatly transformed capitalism. Social democracy adopts a flexible approach to institutional arrangements and social reforms; it has no unalterable blueprint to impose on society. Every social-democratic proposal is motivated and tested by its probable consequences for the democratic life of the community. Social democracy is more a method of social change than a definition of what society should look like.

Within the industrialized democracies, the political decisions of the future will largely be over how to make the mixed economy work. Political debate, if it is to be productive, will be framed in terms of the proper synthesis of freedom and control, individualism and collectivism, planning and the market, rather than on the choice between pure systems. The fundamental division between Left and Right will continue to be, as it has always been, a division over the distribution of wealth, power, and class status.

The value and promise of social democracy, the political philosophy that seeks to extend democracy into all spheres of life, has not been diminished; if anything, it has grown. We will need more than a technocratic pragmatism to solve the complex

problems of today and those that have already begun to appear on the horizon. We need a philosophy that is thoroughly grounded in democratic values. I am convinced that social democracy, though certainly capable of enrichment, refinement, and further development, is such a philosophy. The concerns of social democracy—how to achieve more security, more welfare, more justice, more freedom, and more participation in economic decisions—are as relevant as ever.

Arthur Schlesinger, Jr.:

If democracy be defined in Schumpeterian terms as a system in which people choose their own rulers through a competitive political process, then the democratic system must guarantee, within very wide limits, freedoms of expression and opposition. Such a guarantee implies unimpelled access to (1) economic resources and (2) a system of law, both at some protected distance from the state. When property and justice are at the mercy of the state, the ruling class will inevitably withhold them from its opponents.

The enemy of democracy is obviously the monopoly of power, whether by a political or economic class. Democracy therefore requires a dispersion of power. It requires both a public sector strong enough to check the abuses of private economic power and a private sector strong enough to check the abuses of state political power. Whether this order be called regulated capitalism or social democracy or democratic socialism seems to me a minor terminological issue. All these terms strike me as a little battered and archaic.

As for the proposition that limited state intervention exposes a society ineluctably to the "totalitarian temptation" (not a proposition espoused, by the way, by Jean-François Revel, the author of that phrase), Thurman Arnold disposed of that more than forty years ago with his comment on "the absurd idea that dictatorships are the result of a long series of small seizures of power on the part of the central government." The exact opposite, Arnold suggested, was true: "Every dictatorship which we

now know flowed into power like air into a vacuum because the central government, in the face of a real difficulty, declined to exercise authority."

The short answer to the question whether the French "new philosophers," Paul Johnson, etc., have impelled me to rethink my own ideas about capitalism, socialism, and democracy is no. I have believed as long as I can remember in the desirability of a society "in which no single group is able to sacrifice democracy and liberty to its own interests," an objective that, as I argued over thirty years ago in the concluding pages of *The Age of Jackson*, is incompatible with extreme capitalist domination of the state and even more with total state control of the means of production, distribution, and communication. One is glad to know that French intellectuals are rediscovering the wheel. Anything that exposes, however late, the pretensions of Communism, whether Euro- or otherwise, is always welcome. But let no one, in his excitement, assume that back-to-Hooverism, whether Herbert's or J. Edgar's (they generally go together), is the road to democracy.

Michael Walzer:

I take the editors' statement as a call for ideological surrender from those of us who still think of ourselves as democrats and leftists. The questions are rhetorical: we are invited to acknowledge the significance of the new conservatism, to agree that we have had to rethink our positions, and to confess that socialism leads ineluctably to the totalitarian state. "Ineluctably" is a nice word. I wonder if the editors of COMMENTARY have themselves been converted to historical determinism. Political democracy, they seem to suggest, is the superstructural expression of capitalist economic relationships and totalitarianism the necessary expression of a socialist economy. I have a looser sense of historical possibility.

There has, of course, been a significant connection between capitalism and democracy. The connection is probably best described as one of mutual constraint. Democracy has functioned to set limits on the tendency of capitalism toward oligopoly

in economic life and plutocracy in politics. It has prevented the direct use of economic power in the political arena, and it has made possible a certain degree of control over the indirect uses of economic power. Democratic movements have, moreover, forced the creation of social institutions that protect and care for people who would otherwise be the helpless victims of capitalist competition. I do not want to underestimate these achievements. They have made capitalist society a better place to live in than it would be given other possible political arrangements—the direct rule of the rich, for example, or the rule of military despots in the name of the rich, or the rule of fascist political parties, all of which are perfectly compatible with, though they do not follow ineluctably from, capitalist economic relationships.

At the same time, capitalism has functioned to set limits on the tendency of democracy toward egalitarianism in economic life and popular participation in politics. It has generated hierarchical structures that have proved extraordinarily resistant to political intervention. And it has produced among ordinary people a degree of passivity, a sense of their own incapacities, that makes it very difficult to mobilize large numbers of men and women for sustained and coherent political action. Fearful and dependent in the workplace, they are unlikely to make forthright citizens. Once again, this effect should not be underestimated. It makes democracy in a capitalist society less meaningful than it might otherwise be.

Now, these two forms of constraint give rise to a certain balance that many people find comfortable. The apathy of the masses and the partial inhibition of the high and mighty combine to produce a political regime that can be, and generally is, liberal and tolerant. Compared to the Russia of the Gulag, it is heaven on earth, and if these two were our only alternatives, political choice would be an easy matter. But it does not seem unreasonable to judge contemporary Western society by somewhat higher standards and then to call into question the current balance, even with its attendant comforts, which are, after all, enjoyed by some people far more than by others.

I do not have in mind exotic or millennial standards. The values of a liberal philosopher like John Stuart Mill will do very well. Considering the tendency of capitalism to focus men's energies on "the petty pursuit of petty advancements in fortune," Mill argued that "the spirit of a commercial people will be . . . essentially mean and slavish wherever public spirit is not cultivated by an extensive participation of the people in the business of government in detail. . . ." He would tilt the balance decisively toward

democracy, for only democratic participation, he believed, could produce prideful men and women, with a sense of themselves as members of a community, committed to the general welfare, and capable of acting on that commitment. Socialism, for me, is most simply characterized as a world of such men and women. The central animus of socialist thought is directed against that slavishness that liberals also abhorred—until some of them at least came to see that it was a useful and perhaps even a necessary feature of any society founded on private property and acquiescent in the inequalities produced by the market. For it is clear that the development of participation and public spirit requires significant encroachments on the rights of private property. More precisely, it requires that the political expression of these rights, in corporate management and economic decision-making, be subjected to new sorts of popular control. Hence, democratization and socialization go together.

The state is undoubtedly the most important agent of popular control. And it is the vision of the state seized by a mass movement, but actually run by the ideological elite of that movement, that lends to the editors' questions whatever plausibility they have. Such a state is indeed frightening; its rulers might well call themselves socialists, using the rhetoric of community and participation even as they further impoverished our public life and turned us all from potential citizens into actual subjects. But how is such a tyranny to be avoided? Surely the best way is to create incrementally the structured pattern of a genuine democracy. I would imagine that pattern as being federal in form, with a considerable degree of decentralization in both state and economy. But I do not doubt that it will be capped by a fairly powerful central government. No modern society can survive and prosper without centralized planning and coordination: capitalism too breeds its technocrats and turns them into officials.

The critical question, then, has to do with the responsibility of the people who do the planning and coordinating. Our present arrangements regularly turn these people, whatever their good intentions, into agents of the powerful few, in politics as in economics. Even more importantly, a capitalist system fails to educate large numbers of other men and women for public life, and so it is likely to generate, in its moments of crisis, movements (of the Left or Right) composed of frightened masses and

authoritarian elites. The fearful prospect evoked by the editors has its source in the inadequacies and inequities of contemporary social organization. A socialist democracy, by contrast, would transform the central government into the practical expression of a carefully articulated general will—a more stable as well as a more humane political arrangement. The current balance in the West hovers between these two conditions—closer, surely, to the first. To struggle to shift the balance decisively toward the second still seems to me not a dangerous but an attractive venture.

Kenneth J. Arrow, *who received the Nobel Prize in Economic Science in 1972, is James Bryant Conant University Professor at Harvard*.

William Barrett *is professor of philosophy at New York University. His works include* Time of Need, Irrational Man, *and* The Illusion of Technique, *a book on 20th-century philosophy which Doubleday will publish later this year*.

Peter L. Berger *is professor of sociology at Rutgers University and the author of* Pyramids of Sacrifice *and the recently published* Facing Up to Modernity.

William F. Buckley, Jr., *is the editor of* National Review. *His latest book is a novel*, Stained Glass.

Theodore Draper *is the author of* American Communism and Soviet Russia, Abuse of Power, Israel and World Politics, *and other works on international affairs*.

Charles Frankel *is Old Dominion Professor of Philosophy and Public Affairs at Columbia University and president of the National Humanities Center. His books include* The Democratic Prospect *and* The Case for Modern Man.

Milton Friedman, *who received the Nobel Prize in Economic Science in 1976, is Paul Snowden Russell Distinguished Service Professor at the University of Chicago and Senior Research Fellow at the Hoover Institution at Stanford*.

Eugene D. Genovese *is professor of history at the University of Rochester and the author of, among other works*, Roll, Jordan, Roll, The Political Economy of Slavery, *and* The World the Slaveholders Made.

Carl Gershman *is executive director of Social Democrats, USA*.

Nathan Glazer, *professor of education and social structure at Harvard, and co-editor of the* Public Interest, *is currently with the Russell Sage Foundation. His books include* Affirmative Discrimination, Remembering the Answers, *and* (*with Daniel P. Moynihan*) Beyond the Melting Pot.

Robert L. Heilbroner, *Norman Thomas Professor at the New School for Social Research, is the author of, among other works*, An Inquiry Into the Human Prospect, *and, most recently*, Business Civilization in Decline.

Sidney Hook *has written many books on philosophy and politics, including* The Hero in History; From Hegel to Marx; Revolution, Reform, and Social Justice; *and* Pragmatism and the Tragic Sense of Life. *He is emeritus professor of philosophy, New York University, and is currently Senior Research Fellow at the Hoover Institution at Stanford*.

Penn Kemble *is a research associate at the American Enterprise Institute and a member of the National Committee of Social Democrats, USA*.

Irving Kristol, *co-editor of the* Public Interest, *is Henry Luce Professor of Urban Values at New York University and a member of the* Wall Street Journal*'s Board of Contributors. His latest book is* Two Cheers for Capitalism.

Robert Lekachman *is Distinguished Professor of Economics at Lehman College (CUNY) and the author of* Economists at Bay.

Charles E. Lindblom *is Sterling Professor of Economics and Political Science at Yale. His latest book is* Politics and Markets.

Seymour Martin Lipset *is professor of political science and sociology, and Senior Fellow at the Hoover Institution, at Stanford University. He is the author of* Political Man, Rebellion in the University, *and (with Earl Raab)* The Politics of Unreason, *as well as other works*.

Eugen Loebl *was a member of the Czechoslovak government who was arrested, tried, and imprisoned in 1952. Released in 1960, he came to this country in 1968. He is emeritus professor of economics and political science, Vassar, and is the author of* My Mind on Trial, Humanomics, *and* The Responsible Society.

Robert Nisbet *is Albert Schweitzer Professor of Humanities at Columbia University and the author of* The Twilight of Authority, The Quest for Community, *and* Social Change and History, *among other works*.

Michael Novak, *whose many books include* Belief and Unbelief *and* The Rise of the Unmeltable Ethnics, *is professor of religion at Syracuse University*.

William Pfaff, *who writes regularly on politics for the* New Yorker, *is associate director of Hudson Research Europe, Ltd*.

Richard Pipes *is Frank B. Baird, Jr. Professor of History at Harvard. Mr. Pipes's most recent book is* Russia Under the Old Regime.

David Riesman *is Henry Ford II Professor of Social Sciences at Harvard and the author of* (*with Reuel Denney and Nathan Glazer*) The Lonely Crowd. *Mr. Riesman's latest book* (*with Gerald Grant*) *is* The Perpetual Dream: Reform and Experiment in the American College (*University of Chicago Press*).

Bayard Rustin, *president of the A. Philip Randolph Institute and national chairman of Social Democrats, USA, is the author of* Strategies for Freedom: The Changing Pattern of Black Protest.

Arthur Schlesinger, Jr., *is Albert Schweitzer Professor of Humanities at the City University of New York. His books include* The Imperial Presidency, A Thousand Days, The Age of Jackson, *and* The Age of Roosevelt.

[1] The exchange is reproduced in my *Political Power and Personal Freedom* (Macmillan, 1959). The first series, in the late 1920's and early 1930's, was about the meaning of Marx.