An Abbreviated

John Blundell Reader

shared at
Atlas Network’s Liberty Forum 2014
INTRODUCTION

As a complement to the Tribute to John Blundell being organized at Atlas Network’s 2014 Liberty Forum, we have assembled a short reader that aims to do two things:

1. Share important advice that you would have received from John Blundell were he here today to talk about how to begin your career, how to take your think tank to the next level, or how to put your hard-won wealth to effective use in advancing liberty.

2. Give you a sense of the man.

I’ll use this short introduction to try to illuminate this second point.

More than anything else, John was a movement builder. It has been said that he came into his own while simultaneously running the Institute for Humane Studies (nurturing the next generation of classical liberal academics) and Atlas Network (nurturing the next generation of think tank entrepreneurs) in the late 1980s. He would stay active as a Board member of both organizations for the rest of his life.

During John’s long and successful stewardship as General Director of the Institute of Economic Affairs, he told – again and again – the story of what made the IEA influential (see Waging the War of Ideas) so that the rest of us in the freedom movement wouldn’t forget it.

Why was John such a good fit for these roles that occupied much of his career?

I’m reminded of Malcolm Gladwell’s book The Tipping Point. That book made the case that ideas that truly “catch wind” are helped along by three types of individuals:

• mavens (whom you trust because their expertise is substantial and not connected to their own self-interest),
• connectors (with large social networks and the intuition to introduce you to the right person from a totally different social camp), and
• salesmen (who possess the communication skills and charisma that attract followers).

If we’re lucky, we might fit one of those profiles. John checked all three boxes.

He was a first-rate intellect, historian and policy analyst. You would seek out his advice because he simply knew so much on so many topics. When someone someday publishes John Blundell: The Complete Works, we will get a more complete picture of his wide-ranging interests. But as I was going through even just his recent available-online works, I encountered pieces about Zimbabwean private school
entrepreneurs and privately run orphanages in Guatemala. Also, digressions on 1960s pirate radio in Britain and the popular TV show Downtown Abby. Did you know he was published in Sports Illustrated even? It was a letter to the editor in 1988, responding to an article about violence in the NBA. John used the opportunity to make a wonky point about how the tendency toward crime is influenced by the prevalence of visible law enforcers. He cited a study showing when college basketball’s Atlantic Coast Conference (ACC) increased the number of officials on the court by 50 percent, the number of called fouls decreased by 34 percent.

That John was one of the ultimate “connectors” doesn’t need much elaboration, especially if you ever saw John’s face at an Atlas Network meeting that was clearly larger and more diverse than the year before. He delighted in the growth of our movement, and in taking people under his wing.

He was also a superior “salesman” of our ideas, and that will be clear as you peruse the contents of this short reader.

Part of his success as a salesman was style. John had an air of dignity to which most of us cannot – maybe should not – aspire (I just cannot pull off a Blundell-esque “Mr. Chairman, I submit to you that…”). But then there was his humor, which came in at least two flavors: sometimes a bit absurdist (see the “John Blundell 007” photo to the left), and then also dry, sarcastic and cutting (see his great “Two Juicers” letter to the Daily Telegraph, enclosed in this Reader).

A bigger part of his “salesman’s success” came simply from his smarts. John had a straight-to-the-point eloquence. He delighted in breaking big ideas into their simplest components. At the Institute of Economic Affairs, he had three photographs of two people each. His finger would move clockwise as he pointed at each photo in turn, to tell the Institute’s founding story: “Hayek advises Fisher. Fisher recruits Harris. Harris meets Seldon. In nine words, that is the story of the IEA.”

As the man who established the Fisher Prize as an honor for think tank book publishing, John obviously appreciated the special role books can play in changing the climate of opinion. But he was open-minded about new ways to reach new audiences. This was, after all, a man who wrote the scripts for a series of Female Force comic books (I don’t recall John ever insisting on the pretense of calling them “graphic novels”) about Ayn Rand, Margaret Thatcher, and Queen Elizabeth.

Also, well before websites like Buzzfeed discovered our tendency to click on numbered lists, John was packaging up his wisdom in pithy Top Ten lists.

You’ll discover – or be reminded of – all this as you peruse this reader.
For the think tank leaders among you, I will also heartily recommend that you read not only *Waging the War of Ideas* (being distributed at this conference thanks to the IEA), but also John’s “Fundraising for a Free Society” manual, which we have republished as part of our Atlas Leadership Academy’s RoadMaps series. It is packed with useful information that, in John’s unmistakable voice, sounds like such common sense that you’ll wonder why you didn’t understand it all before.

Two final thoughts:

John was one of the greatest gift-givers there ever was. He led efforts to recognize key leaders within our board and staff at Atlas Network with one-of-a-kind gifts that were thoughtfully personalized by John to such an extent it was almost comical.

A few years ago, I shuddered at the realization that, of course, one day we would need to honor John with a thoughtfulness commensurate to what John did for everyone else – and that it might very well fall on my shoulders to lead the effort.

But then John quietly exited the stage without taking a bow. (Perhaps sparing me the task of developing a “super-personalized-for-John gift” was John, yet again, giving a gift to me!)

John’s passing caught everyone in the freedom movement off-guard. He preferred to struggle with his health issues quietly and privately, so we did not get the chance to say goodbye.

Looking back, it’s all the more touching to remember the lead role that John played in looking after his friend, the now-departed Leonard Liggio. We now know that John was dealing with his own terminal illness, at the same time that he was constantly on the phone, rallying our staff to help Leonard move to an assisted living facility and find appropriate medical care.

John took on this burden himself, because (1) he was that kind of friend, and (2) he realized that Leonard, as a bachelor, did not have a Christine Blundell by his side.

John had a great interest in celebrating female achievement. In this volume, we have the notes he used last year at Atlas Network’s Liberty Forum, as he gave a posthumous toast to Margaret Thatcher. We also include a short piece that previewed his book, *Ladies for Liberty*. There, you see that, as much as he admired Thatcher’s leadership astride the world stage, he also took joy in the examples of other women who made their contributions mostly behind the scenes (see also his celebration of Rose Director Friedman).

Christine Blundell fits squarely in this latter tradition of women that make a difference away from the limelight. Her own substantial smarts and charms are
complemented by such a large dose of humility that I’m sure she’ll want to recoil from being recognized here.

But my hunch is that John would not have objected to – and may in fact have joined me in insisting upon – dedicating this reader to Christine Blundell.

Thank you, Christine, for your incredible kindness and generosity, and for being a rock for the man so many of us so deeply admired.

I hope this short reader proves useful to many friends of Atlas Network who never met John in person. I hope it inspires them to learn more about his example, and pursue liberty-advancing work that would make John proud.

Brad Lips
November 12, 2014
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PERMISSIONS

Atlas Network expresses gratitude to the organizations in the Table of Contents for granting permissions to reprint the articles collected in this volume.

Atlas Network

The Claremont Review of Books
http://www.claremont.org/article/a-modern-library-of-liberty/#.VFlE1NZaRRp

Econ Journal Watch
http://econjwatch.org/articles/where-is-the-next-rose-director

Foundation for Economic Education
http://fee.org/the_freeman/detail/ladies-for-liberty-lessons-from-history
http://fee.org/the_freeman/detail/the-miracle-of-privatization
http://fee.org/the_freeman/detail/the-road-to-marondera
http://www.fee.org/the_freeman/detail/wisdom-not-taught-in-college

Institute of Economic Affairs
http://www.iea.org.uk/in-the-media/media-coverage/a-business-manifesto-to-make-poverty-history

Liberty Foundation

State Policy Network
About 30 years ago, I was sitting in a rural roadside diner outside Milwaukee. My host, a wealthy businessman, had chosen the spot close to one of his factories. It was an all-day breakfast type of place.

I was there to pitch him for around $10,000 per year for The Institute for Humane Studies (IHS), and I was batting on a good wicket—to use a cricket term from my native England. I knew I was aceing the “ask” and the food was so good I started tossing easy pitches his way, which allowed him to talk and me to eat.

Out poured a ton of deep frustration with his alma mater. He agreed straight away that he would start giving us $10K, and while he deeply resented the same amount going to his Ivy League alma mater, he felt obliged—not happy—to do so.

On my flight home to Dulles I mulled on this, and back in the office next day I dictated (I realize this dates the incident) a letter thanking him for his $10,000 pledge. I went on to suggest that he also give us the other $10,000 currently reserved for the alma mater for my colleagues to invest in the few good free-market students and faculty we knew there. He loved the idea! (The college involved howled.) Other donors got wind of this and we soon had several college-specific funds.

Now, I could talk about making the same philanthropic dollar do two or three jobs all day long (see in particular the business model of the Acton Institute for the Study of Religion and Liberty) but the lesson here is this:

1. **Listen more than you speak.**

From that day on I have set a goal of speaking for 30 to 40 percent of the time and listening for the rest when in such one-on-one meetings.

**Nine more lessons**
Listen more than you speak was the first of 10 lessons I recently sent to Kayla, the daughter of my good friends in Tampa, Florida, as she graduated high school. Her parents, I hasten to add, had had the idea of asking for my input and they transmitted this and 10 other lessons to Kayla on her big day. Today, I would like to share them with other sons and daughters.

So what were my other nine lessons?

2. **Do not speak at meetings just for the sake of speaking.**

Do not be the person who thinks a meeting did not really take place unless they spoke—and hopefully very loudly and at great length. Be a sniper with a sound suppressor who always hits the target. Don’t be some manic machine-gunner who wastes half his bullets. Team members quickly separate the windbags from those who speak only when they add value.

3. **You must treat all people at the same high level.**

In one sense there are no VIPs; in another sense we’re all VIPs. Even if you have a mental model of VIPs versus LIPs (less) you will fail to implement it because you cannot obtain or possess the knowledge needed to make such a distinction all the time. You might score 90 percent, but suddenly some hobo will turn out to own 1 percent of Apple and you ignored him (you were even abrupt with him) while I opened the door, brought him a cup of tea, and listened to him.

Here’s a true story:

In 1983, as a director of IHS in Menlo Park, California, I was on the receiving end of a classic crank letter. It was hand-written using multicolored ink on paper that did not fit the envelope. The outside was littered with anti-USP slogans—it was a miracle it got to me. The author argued that we should go into competition with the Nobel folk in Scandinavia so as to bring attention to liberty lovers.

Well, I scrunched it up and chucked it away. All day it sat there atop my bin and at some point I retrieved it, smoothed it out, and replied.

I wrote that going into competition would blow our budget; that with Hayek ('74) and Friedman ('76) and Stigler ('82) our guys were starting to win Nobels and I was sure more would come; and that there was much better leverage in doing what we were in fact already doing: “discovering, developing, and supporting young people who share our concerns and who have the potential to impact the war of ideas hopefully going further and faster with our support than otherwise would be the case.”

My reply went to a not very impressive address north of us in Washington or Oregon. Roll forward five years and IHS is now at GMU in northern Virginia. One day my mail contained a letter from a bank manager near Atlanta. Could I please confirm in writing that our mission was still “discovering, developing, and supporting young people who share our concerns and who have the potential to impact the war of ideas hopefully going further and faster with our support than otherwise would be the case” and provide already printed backup to substantiate this claim?

I was puzzled but easily and quickly complied. About 10 days later the bank replied that it was satisfied and was pleased to inform me that a client of the bank had used its legal department to write his will and had left IHS every last dollar/piece of land he owned, totaling several hundred thousand dollars. The name of the man rang no bells. I scurried downstairs and over to our ‘Alpha’ files, found his name, and felt my knees go wobbly on me—the only letter on file to this man was my reply to his multicolored crank missive. He was indeed from Georgia; he had kept his banking and will there despite moving to the Pacific Northwest where he . . . wait for it . . . mowed lawns.

4. **The worst thing you can do is to make excessive promises and then fail to deliver on time or at the right level.**

Don’t get so desperate for the work (or whatever it is) that you become sucked into overpromising, which inevitably leads to underdelivering—and thus a big dent in your reputation. Promise slightly under what you are pretty certain you can deliver. Then when you come in with more of whatever it is and say earlier than promised, watch your reputation soar.

5. **Remember my friend Mr. Cadbury (and your cheeks).**

Yes, that Mr. Cadbury. Our sons were school chums and his boy’s birthday party sure beat ours. Now, he has to buy raw ingredients in less-developed countries where paying bribes is simply built into the local business model. His staff asked what they should do. His reply was that you may pay bribes on two conditions. First, you must get a signed receipt for the accounts department at home. Second, you must ask yourself: “Will I be ashamed if the story of this bribe appears on page 1 of the company newsletter?” If you answer “no” and can get a
receipt, then go for it!

So how does this translate to you? I suggest operating on the basis that, even if something is perfectly legal, you do not do it if the thought of news of your action spreading in your circles makes your cheeks turn red. (This is a variation on the “Front Page Test.”)

6. Learn how and when to say thank you.

Always say thank you, but not too often, and not over the top. These days an emailed thank you is so easy it is seriously devalued. It’s close to meaningless. When my younger son recently started a big new job I bought him a box of high quality notecards and envelopes with a supply of stamps. Keep these on hand, I told him, so when a thank you is in order you have the tools right there on your desk.

Here are two more wrinkles. One: The cards I personally use are unique to me—photos taken either near our place in Florida or near our summer cabin in West Virginia. People attach them to fridges or pin boards—I know because they tell me and then I see them when I visit! It keeps me in mind. Second: I write fan letters on these cards. There’s an old saying that for every 100 folk who think, “I should write that person a fan letter,” only one actually does. I write fan letters and also what I call “cheer up letters” when I read of folks who are down.

7. Only speak well of people.

Let me tell you the story of my friend Randy. Right out of law school he became a public prosecutor. The culture in his whole department was to make life miserable for everyone in the public defender’s office. It was the local year-round sport, a daily matter with all involved —except Randy. He did not complain; he just kept his head down and treated his opponents with respect and in a mannerly way. After a while, Randy went on the law professor job market. He was hired and is still having a brilliant career.

A few months after he started in his new job, the dean of his law school told him some background to the hiring decision. It turned out the dean had roomed at law school with the head of the public defender’s office. They still went to lunch or chatted for an hour every month. When Randy applied, the dean asked his longstanding friend for his view of him—a reference not listed on his CV. Well, the dean got a glowing reply on the lines of Randy is the only person over there who treats my staff with respect. And so on. Even Randy was astonished by the thought that those hiring him would seek out the opinions of the public defender’s office. One simply never knows.

8. Keep your word always.

When you give your word, you enter a contract. Your word is your bond, as they say. I once saw this close up, in action. A young woman named Mary had just graduated in special education, but the market was tight. In August she accepted a job at a small, private religious school paying very little. She signed the contract and mailed the envelope.

Later that very same day the local public school system offered her pretty much the same job at more than twice the salary. Her family was furiously trying to think of ways she could get out of her contract with the private school and she asked my advice.

Your word is your bond, I said. And you do not want to start a 40+ year career by breaking a contract. However, I went on, there’s no reason why you should not reply on the lines of:

- Thank you;
- I would love to have that opening;
- However the the very day your offer arrived I had signed a 10-month contract to go to St. X school;
- I cannot break my word, so I’m sorry to turn you down; however
- If there’s an opening in the future please do bear me in mind.

Word of her principled response reached every senior regional educator in her field, and well before her just-signed contract expired, new ones were on offer. She took a short-term hit by doing the right thing, but doing the right thing paid huge longer-term dividends.

9. Work hard on your public speaking and writing skills.

Whatever your career path, you will be communicating. And far too many people just assume they can do it. Or they cop out. The bigges of all cop-outs is to have the lights turned down while the so-called speaker reads aloud from a series of slides. It is embarrassing and rude. If all the speaker is going to do is read, I might has well have been sent the slides and not be there. So work on those skills and watch the investment bring dividends.
10. Have a private internal commitment to excellence.

Never take on a job or assignment unless you can deliver at an A+ level. But even turning down an offer can bring positives—especially if, hand on heart, you can say, “Look, I’d love to help but Jay would do a better job on this one.” Remember: What goes around comes around. Eight A+ results always top 10 A- results.

Now, I had promised you 10 lessons. Remember what I said about overdelivering? In that spirit, here’s one more lesson:

11. Be super-cautious and alert to the dangers of social media.

We are seeing more reputations—rightly or wrongly—damaged more quickly than at any other time in history. Remember that anything you put on social media can spread like wildfire, and anything anyone else puts on social media about you can spread like wildfire, as well.
40 YEARS AND 34 LESSONS
WAGING THE WAR OF IDEAS: PART I

BY JOHN BLUNDELL

Whatever one does, one should enjoy it or learn from it. If lucky, one gets to do both simultaneously. Having spent 40 years in the trenches to secure and advance liberty, I’ve had my share of enjoyment and learning. But, provided with limited space, I’ll share here just the key lessons I’ve learned—and save the stories for when you buy me a pint.

The first 10 lessons are philosophical. In brief, there is no such thing as: a “free” lunch; fair trade; a “good” tax, although some are worse than others; unearned income; a tolerable level of inflation; an “honest” career politician; an “efficient” public service; “excess” profits in a free and open market; a guaranteed return; or a “fair” wage.

Lesson 11: Anything that starts with the word “social” is not to be touched, except with a bargepole, when you push it away, hopefully having gouged a large hole therein.

My next 12 lessons relate to fundraising, or development. These 12 take a little more explanation. Bear with me.

• If you don’t ask, you don’t get. It simply is not good enough to have a good sales pitch without the “ask” toward the end, as in: “And that is why I am today asking you to invest $XXX,000 in the work of the ABC Institute.” Look the potential investor right in the eye. Stop. Make sure he responds.

• Never ever, ever over promise. That is the road to ruin. Always under promise and over achieve. Always leave the investor expecting X, but receiving X + 20 percent a year later when you are back for the renewal.

• Every single person you deal with must receive the red carpet treatment. My first big six-figure bequest came from a man who mowed lawns for a living and wrote me crazy letters, to which I replied of course, same day and always courteously. I had no idea at all he had such funds.

• Never use the verb “give”—always say “invest in our important work to do X and Y.”

• Say “thank you” promptly and often, without going over the top.

• At donor meetings, listen far more than you talk. It is astonishing how much you can learn by drawing out your investors, information that will help you craft better approaches and discover new concerns which, in turn, open up new opportunities for you to work together.

• Look for leverage. I once ran a $5 million match program where higher-level taxpayers saw their investment immediately tripled—in some cases even quadrupled. They got very excited.

• Tax dollars and government contracts are 100 percent verboten. Even if a city offers you a commercial contract to tell it how to privatize all its public services you reply: “We will do the work but we will raise the needed funds for our consulting fee privately, thank you very much.”

• Be alert to corrupt offers. You have tax-exempt status. On five or six occasions, otherwise respectable people have ask me to use that status to break the law. The most frequent is the offer of a big grant, which just then happens to pay the college fees of the donor’s kids—and leaves the organization a nice profit. As Lady T would say, “No! No! No!”

• Be wary of very big donations that skew the impact of your investor’s input. Some eight hundred pound gorillas might be cuddly; others might not. Work toward a broad donor base, not a narrow one.

• Likewise, do not accept tied dollars. Please, no oil company money for energy studies or pharmaceutical money for drug studies. It just kills your reputation. Even with Chinese walls and independent referees, it will kill you.

• Finally remember the “white knuckle” rule: You have not asked for enough money unless you see the potential investor’s knuckles turn white!

Having run out of space, we stand at 23 lessons. For the remaining 10 lessons and one footnote, you’ll need to read Forty Years of Waging the War of Ideas: Part II in a future edition of SPN News. Of course, for those who offer a pint, I might be persuaded to impart with that knowledge sooner.

John Blundell is a distinguished senior fellow at London’s Institute of Economic Affairs where he served as director general and Ralph Harris Fellow, 1993-2009. He has also served as CEO of the Institute for Humane Studies, the Atlas Network, and the Charles G. Koch Foundation. He is the author of several books, including Waging the War of Ideas (IEA, 3rd expanded edition, 2007) and Margaret Thatcher: A Portrait of the Iron Lady (Algora NYC, 2008). Write him at jblundell@iea.org.uk.
40 YEARS AND 34 LESSONS
WAGING THE WAR OF IDEAS

BY JOHN BLUNDELL

IN THE JANUARY/FEBRUARY 2014 issue of SPN News, they graciously published Part I of my 40-year domestic and international journey to advance and secure liberty. Part I covered 23 political-philosophy and fundraising lessons I’d learned. This article summarizes 10 managerial lessons I was taught—some the hard way, others the harder way. May the following help you stay off that beaten path, so you can make new and better mistakes.

Lesson 1: Independence is key. The late Sir Antony G. A. Fisher spent 1987 to 1988 bashing me on the head with the word “independence.” Bash, bash, bash! My late mom was a retailer, and she used to say the secret of success was location, location, location. My elder son is a Director of Golf Operations for a major resort and says it is drainage, drainage, drainage. Antony used to say independence, independence, independence. And the longer I’ve been involved in think tanking, the more I realize the wisdom and richness of that insight. To use a slightly archaic British expression, you have to have “an independent station in life” that affords “a respected position, with thoughts and ideas and a name that carries weight.” Otherwise, you are open to undue influence.

Lesson 2: Chart the course. If you lead an organization or are a board chair, you must set out on one, at most two, pages the following:

- Your vision of the future;
- Your unique mission to achieve that mission;
- Your management philosophy; and
- Your operating principles.

Get everybody—your entire staff and board—united on that. Spend whole days, evenings and weekends even, to get everyone on the same page.

Lesson 3: Have measures of success. But, be careful here, as utterly crude measures (for example, press coverage) must not overpower more subtle measures, such as actual real influence or developing a major future talent, such as a filmmaker or a prime minister.

Lesson 4: Subcontract to for-profit companies as much as you possibly can—from catering to publishing, database management to events. It is astonishing how many costs hidden under in-house provision suddenly see the sunlight when outsourced.

Lesson 5: “Float off” programs and projects when it makes sense. In the United Kingdom, the University of Buckingham, Civitas, the E.G. West Centre and the Social Affairs Unit all left the Institute of Economic Affairs, to huge success. A couple of other entities left IEA and folded. Such is the marketplace.

Lesson 6: The world is small, so act decently all times.

Lesson 7: Eight A+ events are better than ten B- events. Make sure the flags hang correctly. Make sure the speaker has water. (Not fizzy!) Make sure the gooseneck that supports the mike is still robust and not broken and droopy. Make sure the podium has a lip at the bottom edge to stop speaker’s notes from sliding off. In sum: Get the little details right.

Lesson 8: If something does not feel right or is just like wading through mud, then stop and walk away. To wax lyrically, as The Left Banke sang in 1966, “Just walk away Renée, You won’t see me follow you back home”.

Lesson 9: Be careful about who you ask to join your trustees. Some CEOs like the 4G rule: Give, Get, Govern, or Get Off. Others like the 4T rule, as in Time, Trust, True to Mission, and Talent. All trustees should be term limited so you can at least get the bad ones off. And I’ve seen bad ones really spoil the barrel.

A British chocolate maker I know called Cadbury had staff in Africa buying the raw materials he needed. They were often asked for bribes. He told the respective staff, you may pay bribes on two conditions: one, you get a receipt for the accounts department and two, you will not be upset if the payment of the bribe appears in our company newsletter credited to you. Bear that story in mind! It’s very rich. Like the chocolate!

Make all authors sign some pre-publication statement to the effect that they have no personal financial interest in the topic they are addressing. I got caught very badly just once on that front. Fortunately, I could prove to the media, who were all over me, that the organization had been hoodwinked and that in previous publications, where there was an interest, it had been clearly advertised on the title page. Our author left his day job and migrated, I recall.

Lesson 10: Failure is an orphan; success has many mothers and fathers. When you win a battle in the war of ideas, you

continued on page 22
Matt Fontana to its board of directors. Matt lives and works in Tennessee. Spark Freedom is excited that he will contribute his advice and experience to their governing board. sparkfreedom.org

State Budget Solutions (SBS) published new data revealing how much money states received from the federal government in 2012. Combined, all state governments received 31.6 percent of their general revenue from the federal government. Mississippi was most reliant on Washington, D.C., with federal funds comprising 45.35 percent of its general revenue. Alaska was least dependent at 19.9 percent. SBS continues to expand its pension reform efforts and outreach nationwide, with President Bob Williams’ recent op-ed published by NewsOK. SBS published commentary and research analysis on the failed promises of Obamacare’s Medicaid expansion in several states, including Wyoming, Arkansas, and Virginia. statebudgetsolutions.org


Spring greetings! Talent Market hopes you’ve thawed out from the ruthless winter. When Talent Market wasn’t busy carving ice sculptures of Milton Friedman, Talent Market helped free-market nonprofits hire key talent. Here are some of the organizations they’ve recently assisted: Bill of Rights Institute (President); Foundation for Government Accountability (Digital Outreach Director); The Fairness Center, a new public interest law firm (General Counsel and Assistant General Counsel); South Carolina Policy Council (Development Director); Empire Center (Development Manager); and Nevada Policy Research Institute (Deputy Communications Director). Reach out if your 501(c)(3) needs help with a senior level opening! talentmarket.org

This month, Young America’s Foundation will host a variety of conservative speakers on college campuses nationwide, including Ben Carson, Kate Obenshain, Congressman Sean Duffy, Steve Moore and Steve Forbes. YAF has been busy conducting nationwide polls on student opinions of government and government programs. YAF polls have found that a large majority of students favor limited government and fiscal responsibility. YAF will host its High School Conference at the Reagan Ranch Center in Santa Barbara, CA, this March 20–22. YAF will also host a regional conference in Grand Rapids, MI, on March 28–29 for both college and high school students. yaf.org SPN

Earlier this year, the Wisconsin Institute for Law & Liberty decided to strike a blow for the rule of law. In enacting the ACA, Congress declared that Members and staff would only be eligible for purchases on an exchange where no employer subsidies are available. Now that they feel the pain of millions who have lost coverage, Congress persuaded the administration to declare the federal government a “small employer” so these subsidies can be received. On behalf of Sen. Ron Johnson (R-Wis.), the Institute sued the administration, seeking to invalidate this rule. will-law.org

WAGING THE WAR OF IDEAS FROM PAGE 3

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Essay by John Blundell

A Modern Library of Liberty

When Sir Antony G.A. Fisher, the founder and co-founder of many free-market think tanks around the world, passed away in the summer of 1988 I was president and CEO of the Atlas Economic Research Foundation, which he had founded nearly a decade earlier to help support such groups the world over. He was the Johnny Appleseed of free-market think tanks and it was an honor to try to fill his shoes. With his widow, I set up an annual prize of $10,000 in his name for the best public policy book of the previous two years. Two decades later the list of winners is an astonishing international list, a modern library of liberty.

An early judge for the prize was 1986 Nobel Laureate in Economics James M. Buchanan, the co-founder (and co-leader, with Gordon Tullock) of the public choice school of economics. Jim once wrote to me that we needed to reward publications that had changed the way readers looked at the world lastingly and for the better.

So in choosing for this brief essay on the best public policy books of the past 50 years, I applied Buchanan’s test: had they changed the way I viewed the world? This being my list, I included some other criteria: they had to be available in English, have sold reasonably well, and be continuously in print. They did not need to be top bestsellers, but they did need to have been popular. They had to be of use to both professionals and lay people. They had to be really well-written books, and the sort of volumes that could easily end up on the reading lists of several disciplines. They had to get to the heart of an issue. And they had to have touched a nerve; to have stirred up controversy when published.

Great American Cities

I discovered Jane Jacobs’s oeuvre in the early 1970s, and though I followed her writings intently, nothing she wrote drew me in quite like The Death and Life of Great American Cities (1961). It remains one of my favorites. Eschewing college, Jacobs learned her trade the hard way, as a working journalist who walked or bicycled through neighborhoods, observing the rise and fall of cities firsthand. Her writing teaches a new appreciation for the complexity of urban life, and makes one fascinated with cities and a keen observer of them.

Jacobs has said “I believe in control from below and support from above,” and she is relentless in her criticism of city planners and elected officials who, backed by tax money, think they can plan our lives. To Jacobs, the best cities are the result of human action, not human design. They are built on diversity and dense mixed use, rather than zoning and government attempts to impose order. They are spontaneous and unique. They don’t have centralized public transit systems, but private competition among many types of vehicles and operators. In them, the rights of citizens and private companies are known and protected, and it is difficult for public authorities to ride roughshod over them.

Losing Ground

The central question of Charles Murray’s Losing Ground (1984) is very simple: how did the poverty level remain the same between 1968 and 1980 while the welfare budget quadrupled? During those 12 years, the percentage of Americans defined as poor remained steady at 13%, though amid a growing population that meant a steady increase in the absolute number of poor people. “We tried to provide more for the poor and produced more poor instead,” Murray wrote in the book’s introduction. “We tried to re-
move the barriers to escape from poverty, and inadvertently built a trap.” How could we have spent more on welfare, but increased the number of welfare recipients? Because our efforts created a system of disincentives to good behavior by, for example, rewarding single moms to have more babies and encouraging the poor to stay at home.

The scope of Losing Ground is enormous: from race, crime, education, and the family to illegitimacy, job programs, poverty, transfer programs, unemployment, and welfare. Murray leaves no stone unturned. The book caused a sea change in the debate on social policy in the United States and Great Britain. As Murray wrote in the introduction to the book’s 10th anniversary edition, “much of what was controversial when Losing Ground first appeared has since become conventional wisdom.” He attributes this success to three things: first, the tone of the book, which made it accessible to the Left, by being about “not how much it costs, but what it has bought.” Murray’s approach showed a concern not so much for dollars and cents but for results. David Boaz of the Cato Institute commented: “it changed the discussion from ‘what it costs the taxpayers’ to ‘what it costs the recipients’ in terms of dependency and poor life outcomes.” Also, it gave previously silent conservatives an intellectual framework for opposing new federal programs, while arguing for, and often personally funding, private aid. Then there was the sheer power of Murray’s arguments—and his marshalling of an impressive amount of data.

Crisis and Leviathan

When it comes to how, why, and when government grows there is no better scholar than Robert Higgs. His Crisis and Leviathan (1987) has a very clear, crisp framework. It outlines the many reasons why government grows, as well as the countless occasions of government expansion, from modernization, public goods, and the welfare state, to political redistribution, ideology, and crisis. Next follows a discussion of the dimensions of government growth and the concept of the one-way “ratchet”: the observation that government growth at times of necessity later becomes permanent, even though the crisis has disappeared. The idea of enacting a “reverse ratchet” permeated Margaret Thatcher’s thinking as manifested in her privatizations of the coal mines and steel mills, for example, and in her successful campaign to grant to occupants of public housing the right to buy their houses and apartments.

The beginning of the book alone provides a graduate course in government growth. But Higgs goes on to study six key historical moments, dispelling numerous myths about the normality and inevitability of the state’s en-gorgement: the depression of 1893–1896, the Progressive Era, World War I, the Great Depression, World War II, and recent history up to 1986.

Such is the importance of Crisis and Leviathan that a 25th Anniversary Edition has come out from the Independent Institute of Oakland, California, where Higgs is a senior fellow.

Books discussed in this essay:


The Other Path: The Economic Answer to Terrorism, by Hernando de Soto. Basic Books, 352 pages, $16.99

The Beautiful Tree: A Personal Journey into How the World’s Poorest People are Educating Themselves, by James Tooley. Cato Institute, 302 pages, $19.95

The Other Path

The Other Path (2002) first appeared in its author’s native Peru as El Otro Sendero. It was a title chosen very deliberately: the country was under internal attack by the violent Maoist guerilla movement Sendero Luminoso, or Shining Path. In place of its Communist agenda, Hernando de Soto offered the capitalist Other Path. His insight was that the poor were attracted by Maoism not because they were poor, but because they were excluded from the legal economy. For example, it took lobbying and standing in line six hours a day for a year to get a license to operate legally a commercial sewing machine, and over two years to get a permit for a new bus route.

It was an astonishing revelation at the time that most people in Peru and similar societies were operating outside the law, and most property and businesses were too. The big insight De Soto brought was not only the absence of property rights throughout many economies but also how this inexorably led otherwise honest entrepreneurs into the drug trade; without property rights there is no incentive to invest long term, so people opt for a much shorter term, drug-related crop.

They had even created an “extralegal law” for settling little local disputes. But this makeshift law was insufficient, leaving most poor people vulnerable to a range of threats from Sendero Luminoso to the drug barons. Gangs took advantage of the absence of property rights to force farmers into growing crops for the narcotics trade.

As much as 75% of mankind lives in a similar condition, without the protections necessary for prosperity. “How can you fill a bill of lading if you don’t have a legal address or an officially recognized business?” De Soto writes. Place a Harvard MBA in a favela next to Sao Paolo in Brazil and he will be lost. He could get no credit, because no property rights are protected by the state. Try being a financial wizard without any access to finance. The people of the Third World do not need injections of “aid” or even well-meaning Peace Corps volunteers. They need property rights.

Sendero Luminoso saw the book take off like a rocket. There was even a condensed version—issued as a newspaper supplement—and a cartoon version. Trade associations representing hundreds of thousands of extralegal entrepreneurs took out newspaper ads proclaiming support for The Other Path. Its publisher was Hernando’s think tank, the Institute for Liberty and Democracy, and by 1991 a national poll ranked the place fourth among Perú’s “most powerful institutions,” behind the presidency, the army, and the church.

Inevitably the Maoists, called by the State Department “the bloodiest and most murderous guerrilla group ever to operate in the Western hemisphere,” attempted to take out de Soto with attacks on his home, his car, and finally, on July 20, 1992, a 400-kilo car bomb at his office. Three people were killed that day, and 19 others—mostly innocent passers-by—were injured. De Soto narrowly escaped, and the 17 men assigned to kill him were caught and jailed. His ideas soon defeated the Maoists, and led to sweeping reforms throughout Peru and Latin America. The Other Path has also reached large parts of Africa, Asia, and
Central and Eastern Europe, and today, based on this book and his later *The Mystery of Capital* (2000), he advises about 20 heads of state.

The Beautiful Tree

James Tooley’s *The Beautiful Tree* (2009) is a masterpiece. It changed my views on two issues: education and economic development. Tooley’s story is a surprising account of how very large numbers of the poorest children in the world are receiving superb private educations from for-profit entrepreneurs. Reading his work was the single most eye-opening moment of my life in public policy.

As a student of P.T. Bauer, I knew that foreign aid was the corrupt way for the poor in rich countries to support the rich in poor countries, but Tooley has surpassed Bauer. He brings us a triumphant story, a story of enterprise, success, and achievement on an astonishing scale. It is so counter-intuitive: millions and millions of the world’s poorest kids living in the worst slums are being taught by private entrepreneurs. When Tooley tested tens of thousands of children, he found that they outperformed their peers in nice neighborhoods attending state-run schools.

It is hard to grasp, so hard that as Tooley visited country after country he met with a wall of denial. Even his free-market friends on the ground were dubious upon hearing of his projects. But on registering at his hotel it took one taxi ride into the worst slums to find scores, hundreds, thousands of for-profit schools. Some of the places where they flourish are so inaccessible, it is no wonder the officials do not know they exist—not one of them has ever been there.

Tooley’s story is an astonishing affirmation of human resourcefulness, enterprise, and responsibility. It is an entertaining adventure story and travelogue, too: at one point the author is hauled in for interrogation by Robert Mugabe’s thugs in Zimbabwe. It’s Indiana Jones meets education policy, as one reviewer wrote.

Tooley found that in the state-run sector the licensed teachers cannot be sacked and often do not even turn up to school. When they do, they have huge classes, teach in a desultory manner, gossip out in the corridors, and even drink alcohol and fall asleep at their desks. In the private sector, though wages are a mere 20% of the state sector, the teachers are on the job, passionate about what they do, and are held totally responsible.

When I talk to students, I show them *The Beautiful Tree* and say that if they want to change the world for the better, this book should be their model.

John Blundell served as director general of London’s Institute of Economic Affairs from 1993 through 2009. He is now the IEA’s distinguished senior fellow and a visiting fellow at the Heritage Foundation in Washington, D.C. He is the author, most recently, of *Ladies For Liberty: Women Who Made a Difference in American History* (Algora Publishing) and *Margaret Thatcher: A Portrait of the Iron Lady* (Algora Publishing).

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How does the United States once again establish, by statute, a dollar convertible to a defined weight of gold?

**Step 1.** America leads by the President announcing unilateral resumption of the gold monetary standard at a date certain, not more than four years in the future (the market adjustment period).

**Step 2.** The President issues an executive order eliminating any and all taxes imposed on the buying, selling, and circulation of gold.

**Step 3.** Shortly after the Announcement (Step 1), the United States calls for an International Monetary Conference of interested nations to provide for multilateral currency convertibility to gold, and the deliberate termination of the dollar-based official reserve currency system.

**Step 4.** The conference agreement—attended by representatives of the BIS, IMF, WTO, and the World Bank—would establish gold as the means by which nations would settle residual balance-of-payments deficits.

**Step 5.** A multilateral international gold standard—the result of the currency convertibility agreement—would effectively terminate floating exchange rates, reestablishing stable exchange rates among the major nations.

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American history is stuffed with great examples of women who have made a positive impact on individual liberty. They were principled, courageous, tenacious, strategic soldiers in the war of ideas.

Let’s examine each of these qualities and talk about the women who exemplified them.

**Principled**

Abigail Adams refused to own a slave and the Grimké sisters renounced lives of luxury in the South to move north to campaign for abolition. Underground railroad “conductor” Harriet Tubman refused to accompany fellow campaigner Sojourner Truth to visit President Lincoln as long as black soldiers were paid a fraction of what white soldiers received. Writer Isabel Paterson, not at all well-off in retirement, refused to claim Social Security, declaring it a Ponzi scheme. Tax protest icon Vivien Kellems fought the IRS to a bloody draw over withholding, which she believed hid tax levels from employees. And Clare Boothe Luce, the first woman senior diplomat, faced down Italian communists.

**Courageous**

Martha Washington traveled every late fall to run George’s winter camps, which were usually close to where the Brits were based. She kept George there and happy, which in turn kept the officers and soldiers in place. Mercy Otis Warren’s poems and plays were clearly seditious. Abigail Adams’s letters to her husband could have led to charges of spying. Harriet Tubman’s annual pilgrimage into the South to rescue slaves on her underground railroad was fraught with danger. Suffragette Alice Paul did not just do the time, she went on hunger strike. The Grimké sisters and Sojourner Truth were mobbed, egged, stoned, and they saw buildings where they had just been speaking burn to the ground. Red Cross founder Clara Barton took supplies to battlefronts; civil rights leader Rosa Parks sparked a year-long bus boycott; and novelist Taylor Caldwell cut her teeth in the backwoods of Kentucky.

**Tenacious**

Elizabeth Cady Stanton was at the plate for over 50 years, from writing the Seneca Falls Declaration in 1848 to lobbying Edith Roosevelt just days before she died in 1902. Bina West Miller started the Women’s Benefit Association to bring life insurance to ladies in 1891 and did not retire until 1948. Lila Wallace repeatedly stopped her husband giving up on his idea for a magazine called Reader’s Digest as she raised venture capital and came up with great marketing ideas. The Digest was a very important engine for liberty post-WWII. Jane Jacobs was for years unceasing in her efforts to stop tens of thousands of buildings in New York City from being condemned: she stopped NYC from being Los Angelized. Ayn Rand spent over a decade writing each of her two big novels; equally tenacious was Rose Wilder Lane with the Little House stories. And Madam C. J. Walker became the first woman to make a million dollars with her hair products and mail-order business.

**Strategic**

Mercy Otis Warren was a key player in the creation of the committees of correspondence (the e-mail of the 1770s) that kept the patriots informed and united. Her poems and plays satirized and savaged the Brits, cheering up the colonials enormously. Abigail Adams wrote hundreds of letters (maybe thousands) to her husband John, all packed with strategic advice. The Grimké sisters segmented their markets and crafted messages for each one. Alice Paul realized that a constitutional amendment (the nineteenth) clearly trumped going...
for female suffrage state by state. Isabel Paterson told Ayn Rand to make her novels timeless. Rose Friedman persuaded Milton to make *Free to Choose* for TV and then wrote the eponymous book. Mildred Loving fought legal bans on interracial marriages all the way to victory in the Supreme Court. Philanthropist Dorian Fisher championed the leverage of free-market think tanks and left her fortune to them. And then there were the economic boycotts, as when the patriot women refused to buy British goods and the abolitionist women did likewise with slave-produced items.

**The Opposition**

The opposition to these female demands for liberty operated at two levels.

First, some people well versed and deeply vested in the issue at hand fought them on principle. Anne Hutchinson’s preaching that religion was a private matter between you and God deeply undermined the male ministers, the church, and even the state. She was tried twice and then expelled from Massachusetts. She walked south for six days and co-founded Rhode Island. With Harriet Beecher Stowe’s publication of *Uncle Tom’s Cabin*, folk in the South cut body parts off their slaves and mailed them to her.

But much of the violence surrounding these ladies for liberty was not issue-driven so much as created by the threat they posed to the existing social order. It was fine for women to hold meetings where they instructed female family members, children, servants, and neighbors. But men started to attend as early as Anne Hutchinson’s conventicles in the 1630s. And by the time the Grimké sisters hit top gear on abolition, there were black women and black men in the audiences. Their behavior was labeled “promiscuous,” which fueled the violence much more than the issue under discussion.

The lives of these women are not only truly inspiring, but also rich in lessons for those of us who are today fighting for liberty.

*John Blundell wrote Ladies for Liberty: Women Who Made a Difference in American History as a visiting fellow at The Heritage Foundation, Washington, D.C. He welcomes nominations for other ladies for his third expanded edition at johnblundell100@gmail.com.*
The Miracle of Privatization

Privatization Increases Innovation, Decreases Corruption, and More

SEPTEMBER 01, 2000 by JOHN BLUNDELL

When I was a small boy I used to bicycle in the hills of northwest England where Derbyshire and Cheshire meet. In the distance I could often see glimpses of water, but all roads to it were blocked by locked gates and signs reading “Public Property: Keep Out.”

Today, following the privatization of the water industry, the roads are open and the signs read “Private Property: Public Welcome.”

Driving in now, one sees the wonderful views, the walks, the garden, the nature center, the restaurant, the large playground, the picnic sites, and the parking lots. There is also a regular bus service to neighboring towns.

What a transformation and what a symbol of the power of privatization!

When it was “public” it was very private. Indeed, it was totally captured by a small band of bureaucrats. Even members of Parliament struggled to find out what was going on. No proper accounts were produced, and with a complete lack of market signals, managers were clueless as to the correct course to take. The greatest casualty was a lack of long-term capital investment.

Now it is “private” and very public. Not just public in the sense of open, but also in the sense of accountable directly to its shareholders and customers. Copious reports and accounts are available and questioning citizens will find their concerns taken very seriously indeed.

Privatization has totally transformed the British economy. Ports, airports, coal, gas, BP, steel, sugar, telecomms, electricity, forests, shipbuilding, motorway restaurants, freight, nuclear power, Rolls Royce, Rover, Royal Ordnance, Short Bros., and water: all have been privatized to the long-term benefit of all concerned, be they customers, shareholders, taxpayers, or all three. And not just for British people. The leaders of these newly privatized industries have become so good at what they do so fast that they are now doing it all over the world.

So many books have been written on the privatization process and its benefits they fill a stack in the library. Indeed my own institute, the Institute of Economic Affairs, publishes an annual book of lectures on post-privatization utility regulation. But in general terms, let me set out Blundell’s Ten Laws of Privatization, that is to say, the ten most common effects of moving ownership and management from state hands to private hands.

Blundell’s Ten Laws of Privatization

1. **Lower prices.** Competition and the rooting out of bureaucratic practices inevitably lead to lower prices. Domestic gas consumers have, for example, seen their bills cut by £1 billion since competition was introduced.

2. **Better quality.** Anybody using a British phone today knows the connection is faster, clearer, and more reliable—as well as being cheaper.

3. **More choice.** The UK is now the only country in the world where even the smallest household consumer can choose between competing natural gas and electricity suppliers.

4. **Less corruption.** Twenty years ago there was a three-month waiting list for a phone and a 50-pound bribe (200 pounds or $350 at today’s price levels) was needed to get to the top of the list—today you choose the time when they come to serve you!
5. **More investment.** Once privatized, a long-term view could be taken rather than the annual trip to see the government minister. Telecomms in particular have benefited.

6. **More innovation.** We used to have two choices of phones: white or black! Now whole shops stocking an incredible variety of equipment are a common sight.

7. **Better management.** The electricity generators have halved their costs since privatization. There has been a real influx of private-sector management.

8. **More openness.** Accounts are published, journalists can investigate, citizens get their questions answered, and we all have a far greater knowledge of what is actually happening.

9. **Better measures.** Firms are now judged by the market, and the managers are free to set goals. In the past they were judged and manipulated by politicians, and the managers often found themselves setting political goals such as creating jobs in a marginal area.

10. **Fewer strikes.** These industries (particularly coal, electricity, and railways) were vulnerable to strikes, which have now all but disappeared. Indeed 80 percent of all days lost to strikes today occur in the Post Office, which was not privatized!

So, if you want more innovative, less corrupt, better managed firms that are more open, employ better measures, are less strike prone, and invest more for the future to bring you more choice and better quality at lower prices, then it’s easy: go for privatization. It works!

Filed Under: Price

**ASSOCIATED ISSUE**

*IDEAS ON LIBERTY*

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September 2000
Alice Chitumba Pangwai is a lovely African lady, just entering her sixth decade, with a big smile that belies her steely determination. Her mission: to deliver private high-quality education for those in the lowest economic bracket in Zimbabwe, some of the very poorest families in the world.

As one of several children of unemployed field workers back in 1975, her education was affected by constant fear of economic disruption and political rebellion.

“I had to work for my school fees at the age of 12 as well as those of my two siblings, who were too young to work on the school farm,” Alice tells me. “Such mission schools, now long vanished, at least back then allowed us to work our way through.”

The load was huge, and she says it is still with her today. She burns with a dream that no poor child should go through the roller-coaster education she suffered. She also has an ironclad belief that in education the private sector clearly outperforms the government sector.

The result is both counterintuitive and astonishing—a private school for mostly poor boys and girls located in a deeply rural part of a basket-case country.

As James Tooley’s ground-breaking and award-winning book, The Beautiful Tree (Cato Institute), informs us, millions of poor children are getting a superior private education thanks to educational entrepreneurs such as Alice. (See Tooley’s Freeman article on the subject here.)

“Low-cost private education in developing countries in Africa and Asia is playing a hugely important role,” Tooley told me. “Research has shown that in urban areas such private schools are serving a majority of the poor and outperforming the government schools—at a fraction of the cost. Schools run by people such as Alice are part of a good news story coming out of Africa that deserves our attention and support.”

He named Alice as one of his most inspiring educational entrepreneurs for the poor because “she is a woman entrepreneur who is battling against the odds in extraordinarily adverse circumstances with great tenacity and endurance.”

On my recent visit to Zimbabwe, my driver Harold and I set off east on the “freeway” to visit Alice at her school in Marondera. The road, the major link to Mozambique, has one lane each way and is narrow and badly paved, albeit with tarmac.

We headed east through farm land that had once been hugely productive. Looking right and left the whole way I never once spotted a single fully functioning farm. “The soil is rich and the water is plentiful,” observed Harold, “but the war veterans are just not interested.”

This country has had a long voyage from its conception as Southern Rhodesia, then Rhodesia, through to the modern Zimbabwe. Its potential is astonishing, and given the right free-market incentives and property rights under the rule of law, this nation could rocket.

However, in 2000 President Robert Mugabe began a campaign that has so far driven out some 280,000 whites, many of them farmers. Today their population is reported to be a mere 20,000. Their confiscated farms have been handed over to black veterans of the so-called Zimbabwean National Liberation War, along with assorted cronies, judges, ministers, and girlfriends.
“The war veterans farm enough to subsist with a few small plots by their houses,” Harold told me. “The rest of the land they simply ignore.” It would not be unusual for a veteran to have received a 200-acre farm, work just 5 percent of the land, and let 95 percent go to rot.

“This used to be good for tobacco farming and cattle ranching,” observed Harold, who had driven the road often in earlier, more prosperous times.

We passed hundreds of traders by the side of the road. At least somebody was growing something, I thought. But I was mostly wrong about that. The wild honey, carrot, or lettuce vendors were selling locally produced items, as were the toy makers. But according to Harold, the same didn’t apply to the many women with sacks of potatoes or oranges on display. “They buy from wholesalers—this food is not from here,” he explained.

Zimbabwe is currently ranked last of all countries for which data are available in the Heritage Foundation’s Economic Freedom of the World Index.

After passing through all this on a bone-jarring road amidst nerve-wracking traffic, the journey had left me depressed. We entered Marondera (population 30,000), passed a mass of Kombis (the ubiquitous white minibuses that provide most people’s only alternative to walking), and came to the agricultural show ground where the Early Bird Learning Centre is based.

Twenty years ago Alice, by then 30 and a qualified primary teacher, started her own school with three pupils in a log cabin at the back of her home. Five years later she had 15 students—nine primary and six secondary. She started searching for space to rent and hit on a great idea: The agricultural show ground sat unused and totally empty save for a few days in the middle of September each year. Its several acres of open area and various structures would provide an excellent site for a school. She cut a deal with the owners in 1998 and moved in with 30 pupils.

In the Zimbabwean school year August is normally a holiday month, but Alice saw no reason that it could not be September instead. And so each year in late August every single desk, chair, book, blackboard, computer, and file has to be moved into temporary storage to make way for the agricultural show. Everything is then returned in early October for the school’s reopening.

Most parents in Africa are poor. They struggle to feed, clothe and even house the children for whom they are responsible. They are often not the biological parents in a country where average life expectancy barely hits 40. “Easy access to a decent education is a difficult challenge,” Alice says. Education is often low in their hierarchy of needs. But to Alice it is imperative. “The eradication of poverty will remain a pipe dream without proper education,” she says. In her view a combination of academic rigor and some technical skills is the road to “total freedom, self esteem, and self reliance.”

The school enrollment soared to over 600 pupils in 2005. “But the conversion in April 2009 from the Zimbabwe dollar to the U.S. dollar hit us very hard indeed,” she explains. “People woke up one morning to find they had nothing in the bank.”

Today Alice still rules the roost at the agricultural show ground though with a lower enrollment of 200. But it has not dampened her infectious enthusiasm.

The pupils wear smart blue uniforms, except for the juniors and seniors, who are in red. As we toured the campus we entered half a dozen different classes. The entire room promptly stood. Their discipline and respect for Alice were impressive.

I reduced a class of 13- to-14-year-olds to a fit of giggles when I asked, “How many of you are driven to school and how many take a bus?” It turned out that of the current student body of 200, only five are carpooled in and the remaining 195 walk up to seven miles to school.

Alice is full of stories of alumni who have done well. Tirvanhu’s parents paid his fees in grain from a rural area over 100 kilometers away. He is now a banker, while his brother Blessing prospers as a caterer in a top hotel. Orphan Dunmore is now an accountant.

“Most parents come and help in some way,” Alice says. The most obvious contribution during my visit was from the local tailor, Mr. Diamond, who was busy sewing school uniforms to pay part of his children’s tuition.

So how does the Early Bird Learning Centre work? Alice’s enrollment appears to be 25 percent middle class paying $600 a year and 75 percent poor paying $150 a year. It is a system of cross-subsidization. Tooley commented to me, “In good times it is a for-profit concern. Given the bad times they’ve been through, it’s probably barely breaking even at the moment, but definitely it should be noted as a
A for-profit concern. He continued: “In common with many of the low-cost private schools, the school manager, often on the advice of teachers, uses some discretion on what fees to charge. The fees might be set at $10 per month. In a typical school, 75 percent might pay the $10, while the remainder have varying degrees of concession, depending on their perceived circumstances.”

Alice is disparaging about the State sector: “Government teachers are always on strike, sometimes for two terms at a time.” At such times her enrollment soars but then plummets once the strike is over. Understandably this pains her.

She claims that standards are a lot lower in the State schools and classes are huge, with as many as 40, 50, or even 60 being taught together. Her classes contain no more than 20 students at primary level and 35 at secondary. Not one of the classes I saw had more than 25, and some only contained 10 or 12 students. She also abhors the government policy of hot-sitting, which teaches children in multiple daily shifts. This system explains why there had been so many children in different-colored uniforms walking to school as Harold drove me along at around 10:00 or 10:30 that morning—they were second-shift State-school kids on their way to class.

In contrast Alice’s school day begins at 7:30 a.m. (8:00 in winter so that even the children who live a long way from school are not walking in the dark) and finishes at 4:00 p.m.

Alice is achieving impressive results. Her pupils achieve a better pass rate than other local students with good grades. There is no dumbing down here. These are tough exams, which put her graduates at least at U.S. sophomore level. “I’m not handing out fish and making them dependent. I’m giving them all fishing rods,” she proclaims loudly with a big beaming smile.

“It used to be that the boy child had preference and that at the end of Grade 8 (age 13) the girls were married off,” she continues, “but that has changed.”

Early Bird alumni are now to be found in banking, catering, hotels, teaching, and abroad in South Africa, the United Kingdom, and Namibia. But many also graduate and “sit at home,” as Alice puts it, or work as house maids for $30 per month because the cost of a university degree is far beyond them.

The ever-restless and ambitious Alice has two new initiatives in hand. She has sold her own home to purchase a 12-acre stand next to the show ground and has started to build her own campus. Her home, she tells me, “was big and beautiful. Now I am living in a durawall temporary shelter with no electricity for the past five years. But that cannot be compared to the land I have for the new campus.”

She continues: “If only I get help to build, then my heart can go to rest. It is one thing to have great ideas but being poor they add up to nothing as they starve to death before your eyes. That is the situation I am in. With all this land strategically positioned in a central business district of a major town but with no money to complete the construction, this eats me up day and night since I live here on the campus.”

It is all on hold following the enormous inflation and ensuing dollarization. Even so, I came away surprisingly hopeful that Alice will succeed and create a great campus.

Her second project is to add a vocational or skills element while maintaining high academic standards. Welding, carpentry, and tailoring are planned. Computers and video are already on offer to a limited degree. An entrepreneurship element is soon to be launched.

I returned to Harare inspired and dusty.

Later, at his request, I met the minister for education, Senator David Coltart, a white member of President Mugabe’s much-vaunted “inclusive” government and a constitutional human-rights lawyer of distinct classical-liberal leaning. He expressed admiration for people such as Alice, though he had yet to meet her, and admitted that many of her sharp criticisms of the State rang true.

He explained how the collapse of the currency and dollarization in 2009 had left the education system with literally no resources. “We started charging for State schools because the education sector has been seriously underfunded by government for two decades,” he explained.

So there sits Alice Chitumba Pangwai in Marondera, Zimbabwe, a rural town in one of the poorest and worst-run countries in the world.

To one side of her there is a vibrant, independent private educational sector. These include boarding schools with names like those of Oxford or Cambridge colleges and whose rugby and cricket matches are reported in the sports pages of Zimbabwean national
newspapers. They charge as much as $15,000 a year, and their parents are the well-heeled elite—ambassadors, ministers, and expatriate businessmen.

To her other side is the State sector, which under Coltart’s leadership has been forced to introduce a form of pricing and is acting in a much more consumer-responsive manner. Good teachers are making twice what other teachers make, I was told. A State sector with fee is a very different creature from one where everything is “free” at the point of consumption.

In the middle is Alice, who for two decades has done all she possibly can—even selling her own luxury house and moving to a slab bungalow—to give the very poorest children a top-notch private education. (She can reached at alicepango[at]gmail.com.)

“I have a photograph of Alice on my desk, which I look at whenever things get difficult,” Tooley told me. “If Alice—and the many educational entrepreneurs such as her—can rise above everything that is stacked against them and serve disadvantaged children, then who am I to complain? She inspires me to keep up the struggle and to help liberate education from the dead hand of the State.”

Filed Under : Poverty

ASSOCIATED ISSUE

April 2012
Squeezing Oranges is not Eco-friendly

SIR – Jack “Two Juicers” Cunningham (interview, Feb. 20) believes that squeezing your own juice is ecologically friendly. Allow me to differ. Oranges are very expensive to ship. They are round, have skins and contain pulp and pips. Juice is cheap, costing about one-seventh as much to ship. That means seven lorries for Jack’s oranges to one lorry for my juice.

But it gets worse. For all his doubling up on high-tech equipment, Jack is not very good at juicing. At the very best, he extracts only 80 per cent of what an industrial plant will get from an orange. So that makes nine lorries for him and still only one for me.

Then Jack throws his partially juiced oranges into his rubbish (more lorries), while the private sector juice firm recycles the whole of the waste. Recovering orange oil is another option not open to Jack. Moreover, his wet orange peels create more than 60 times the poundage of waste as my lightweight container. Home squeezing is an inefficient use of agricultural land, fertilisers, pesticides, water, capital and labour, as well as of lorries, diesel and roads.

This illustrates why food manufacturers, packaging companies and retailers are the biggest real friends of the environment we have.

JOHN BLUNDELL
Institute of Economic Affairs
London SW1

The content of this letter was inspired by a 1991 lecture given at the Montana Regional Meeting of the Mont Pelerin Society by Harry Teasley.

Editor’s note: Philip Booth of the IEA provided us with extra context to John’s letter. Jack Cunningham was then Labour environment secretary and he boasted about having two juice extractors. The “two juicers” line was made more resonant because the deputy prime minister at the time was known as “two Jags Prescott” because he had two Jaguars despite trying to pose as a man of the people.
Core values by John Blundell in The Business

I always enjoy my encounters with the CBI’s Sir Digby Jones, who is stepping down as the head of the business group. He is jovial, enthusiastic and has a great stock of excellent jokes. Yet his defence of capitalism, as until recently the voice of British business, made me gloomy. I hope his successor Richard Lambert will do better.

The case for capitalism or, as I prefer to say, markets, is not merely so companies can be creamed to pay for hospitals and schools. Markets are deeply mysterious entities which we have yet to understand fully.

Markets stand apart from much of the human institutional landscape because they were designed by nobody. Markets are spontaneous orders which pursue no hierarchy of ends; that is, markets do not value certain ends over other ends like the state does. The quotes are F A Hayek’s. In this sense the only analogy that seems remotely satisfactory is language.

The language of capitalism is that extraordinary mechanism for co-ordinating and signalling that is prices. Prices are the conversation that emerges between those who want to buy and those who want to sell.

At this point much of academic economics and most intellectuals go up a metaphorical cul-de-sac. They argue human beings will not attain equilibriums. Therefore the State can intervene and sort out the chaos of the market riddled with fantasy flaws such as imperfect competition or asymmetrical knowledge. Surrounded on all fronts by the failing agencies of the state, they home in on supposed market failure.

This is the wisdom of fools. Markets and prices are a mass of different perceptions and circumstances, a subtle web of individuals, or firms as agents of individuals, trying to guess tomorrow’s opportunities.
Consider the calumnies heaped upon that valiant enterprise Wal-Mart, or as we know it better, Asda. Those hostile to capitalism see a monster that forces wages lower, destroys town centres, congests nearby roads, and overcharges. I see an engine that creates hundreds of thousands of jobs and reduces poverty. Indeed Tesco in the UK and Wal-Mart in the US are the greatest poverty-reducing programmes history has ever seen.

The important, the defining, the crucial attribute of the role of Wal-Mart/Asda is that it is entirely voluntary. Nobody is coercing anybody. Indeed the reason it is such a huge success is that large numbers of us go there of our own volition. But even the largest corporations are utterly vulnerable to people’s choices. These may be whimsical or irrational. They may be a perceptive instinct for better options. We all remember Marks & Spencer’s dominance built on quality. Almost overnight it lost its magic. We went elsewhere... at least for a while. What a wake-up call that was.

Contrast this simple retailing story with schools. These are the products of utterly different forces – bureaucracy funded from taxation and built on the conscription of their customers. So much of education has been captured by the professions it is difficult to discern what parents or pupils want. At their meanest, some of our schools are little more than baby-sitting facilities. The students do not learn to read or write or count. Indeed as James Bartholomew, author of The Welfare State We’re In, points out: Two out of every five street robberies are committed by 10- to 16-year-olds during school hours. So are a quarter of all burglaries and a third of car thefts. It begins to seem that schools are academies of crime.

Try to imagine a capitalist schools market. Would pupils need to attend the same location every day? Could they have personal tutors whose pay was linked to results? If parents were choosing would talentless teachers survive? Would the costs of schooling tumble? Would they learn French in France? Or deploy your imagination in reverse. If retailing had been invested in municipal Comprehensive shops and private ones suppressed how would they compare to Asda or Tesco or Morrison’s or Waitrose? The thought of it makes me feel ill.

There are some rich paradoxes in capitalism. People of the Left burn with desire for equality. Yet in the absence of markets we become dependent on contacts, bribes, influence or status. We can see those in democratic pluralist nations are far more equal and upwardly mobile than those who live under fraternal tyrannies.

Step back from the day-to-day bustle. Which nations enjoy the most prosperity and peace? It is utterly unambiguous. It is the market or capitalist countries that flourish and their people get fed, clothed, housed and entertained. You might think North America and Western Europe are the freest economies on the planet. The Heritage Foundation’s Index of Economic Freedom put Singapore and Hong Kong top of this league table. When I invite even our most senior captains of industry to extol capitalism they meander off into jargon about productivity or efficiency or GDP. Lord Kalms of Dixons got it but he’s retired.

The truth is that a well-paid CEO is no brighter than a medieval farm labourer or Victorian fisherman or French musketeer. What he is rich in is price information. He is wealthy in data. This is what lifts him. From what is this data derived? From those to whom he is linked by trade. Note humans can trade with high mutual profit with those they’ll never
meet. If I enter one of Sir John Collins’ electrical stores such as PC World and emerge with the latest gizmo I need have no contact whatsoever with the dextrous hands in Taiwan or Cambodia who assembled it.

So, here is another point for capitalism: it links all of humanity in what Hayek termed the extended order. We all contribute in our own way to the system, speaking to each other in the dialect of prices. Globalisation is an ugly word for a lovely point in our evolution.

I identify the timidity or confusion of our senior capitalists to the fact they do not know what they do beyond their own terms of bottom lines, level playing fields or dividends.

We carry the mistakes of the past. Some of the most valued social roles have been surrendered to the State. Just about all of medicine has been captured by the politicians. Even British universities, with the bold exception of Buckingham, are all in the State’s armpit. So, the strands of life we might regard as the most important are outside the capitalist game. Capitalists, in this vision, are little more than the donkeys that pull the cart.

In their heart of hearts I think many top industrialists still carry the baggage of Marxism. They do genuinely believe they exploit, degrade or diminish. They see profits as zero-sum games. An exception is Lord Browne of BP. He observed that in business you want your customer to return. At one level this is a banality. Yet it is a crucial insight. In capitalism your relationship depends upon delivering satisfaction. The great cell structure of tiny transactions is what capitalism is really about. It is collaborative, participatory, mutual and, most oddly, equalising.

John Blundell [4] is Director General of the Institute of Economic Affairs which will launch a new book on Wal-Mart by Professor Richard Vedder [5] of Ohio University, US. Mr Blundell does not own stock in any of the companies mentioned in this article.
EVERY political autobiography of the past hundred years begins with an explanation of why the subject chose to enter politics. I have yet to read one that does not claim that the author, left or right, wanted to “help the poor”. Politicians have to legitimise their roles – as do the rest of us.

While we mostly want to look after our families or some other natural activity, it is the politically active who have to invest themselves with an altruistic halo. I don't doubt their self-belief. I do doubt the wisdom of their policies. “Fighting Poverty” is usually camouflage for ideas that trap people in misery.

Let me offer a business or capitalist manifesto against poverty.

The two biggest expenditures of those on most modest incomes are housing and food. Yet what does our consensus politics do?

First, it constricts the supply of cheap accommodation by a tyranny termed “planning”. The tight restrictions imposed upon every community since the 1947 Town and Country Planning Act have shrivelled the supply of modestly priced homes to buy or rent. The entire system is rigged for expensive suburban homes.

There is now a very effective lobby wanting to deter new building. It is not just housing. An active economy needs small, cheap, commercial premises like railway arches or sheds. Some of the greatest ventures start in garages.

Second, what do we do to grocery prices? We handicap Tesco, Morrison, Asda and Somerfield by the grotesque absurdity of the Common Agricultural Policy (CAP). The price of food shopping would tumble by as much as 50% if the supermarkets were not impeded by the CAP.

Note the official pretext of subsidies is to help small-scale farmers valiantly toiling on their hills. The reality is that the wealthy and the big companies get even wealthier. It is common to all “poverty” policies that they create a vested interest of a different nature, one that inevitably helps the already rich.

However, if I were to commend just a single gesture to open up employment opportunities for the marginalised, it would be to slash National Insurance (NI) and have a lower and simpler flat rate of income tax.

National Insurance sounds admirable. It was Lloyd George’s great idea to “fight poverty” in 1906. Now it is merely a tariff that deters employers from offering jobs. It is a fraud. It pretends it funds designated
benefits such as pensions when it merely uses this week's revenues to pay next week's benefits. It is a chain letter scam.

Income tax, introduced to pay for the fight against Napoleon, achieves the impoverishment of the poor. It cannot be said often enough: the poorest pay proportionately more of their earnings in tax than the wealthy.

The prosperous can take artful measures to avoid taxation. Inheritance taxes, designed to hit the wealthy, in fact dispossesses poor widows. Income tax does not redistribute to the poor. It punishes those on the lowest incomes. They are pulverised while the rich can take lawful evasive action.

These are all tangible ideas: reduce residential costs, cut grocery prices and liberate the jobs market. Yet much of what preserves poverty is of a more intangible and elusive nature.

It is deemed coarse in polite society to refer to the truly dreadful nature of the state schools that supposedly service less well-off communities. There is no shortage of euphemisms – bog standard, urban deprivation, inner cities, blue collar. What there is a shortage of is good education. Another few billion are promised each year but our young people are rendered without the simple reading, writing or counting skills needed to prosper.

The Prime Minister has had to back off from his ideas that defied the producer groups within the LEAs. But, for the poor, education must be opened up away from the municipal and pedagogic restrictive practices. I rate school vouchers the most elegant way to give dignity to poorer households. Give them all choice. Our schools operate on a system not unlike the old naval recruitment method – they are press ganged.

Opting out of pointless lessons is termed “truancy”. Let us make the teachers entrepreneurs. Let them own the schools. Their self respect and morale and income would soar.

Poverty is far more than the absence of cash. Rather it is the lack of real choice in life’s options. It seems to me quite plain that to begin life on a forlorn council estate and attend a dud local school is to start a life with severely stunted options. Note, I do not denigrate the good intentions of those who gave birth to these abject social policy failures. I simply assert that they were mistaken because they lacked the capitalist virtues.

Most of the great agencies of the British state ignore or harm the poor. Look at curiosities like the Arts Council in its Westminster palace and with its stream of subsidies. Just like farming, this is another example of poor people being creamed to help rich people enjoy the opera or ballet or theatre. Every time I walk by its colossus I make the sign of the cross to protect myself.

The word “welfare” is deployed in a manner to short circuit criticism. Of course we all favour benevolence for those who need help. Are we correct to regard the Department of Work and Pensions as the best that can be done?

I would like to see a wholesale revival of the Victorian agencies of welfare – the friendly societies. Now hamstrung by petty regulations and strict ceilings to donations these once potent forces have receded even from memory. If a person or family is suffering an adversity it is in the interests of a friendly society to get them a job, or counselling or real help of some nature. Welfare becomes intimate, alert and critical. It becomes responsive.

To most this may seem impractical or quixotic but whenever I encounter the British welfare system I see it as lumbering, bureaucratic and monstrously expensive. It is also utterly inhumane and as Roger Daltrey recently asked a chum of mine: “If everybody gets so little why can it all turn out to be so expensive?” Well spotted Roger.

Some exponents of the businesss cause, such as the Confederation of British Industry, seem to think the capitalists’ role is to be milked, sorry taxed, to supply education, welfare, and other services. I argue the market can supply most of these duties far more effectively than the civil service or local
authorities.

The vast computer of the market place can enrich us all. I am not arguing against kindly instincts. I am saying they should be redirected from the coercive to the voluntary. As that great Victorian advocate of self-help, Samuel Smiles, said refreshingly: “The poor want to lift themselves and their families.”

We are more sophisticated than Smiles and his contemporaries. We know there are those with medical or psychiatric problems for whom the state may be the best resource. However, we also know what naive early socialists did not understand, that bureaucracy creates its own empires.

I look forward to reading the autobiography of the politician – the Chris, Dave or Gordon – who understands how the state oppresses our less well-off and has the courage to liberate them for all our good.

See Peter Hewitt’s, Chief Executive of the Arts Council in London, response

**Why John Blundell is wrong about art subsidies** [2]

**John Blundell** [3] is Director General of the Institute of Economic Affairs.

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“Behind every great man there is a great woman” has to be close to being the most hackneyed expression in the English language, but in the case of Milton Friedman one has to give really very serious credit to Rose Director, his wife.

They met in graduate school at Chicago when Jacob Viner sat his students alphabetically and there was nobody between Director and Friedman. She was a very young sister of Aaron Director (founder with Ronald Coase of the *Journal of Law and Economics*), but older brother was more of a mentor and father figure.

She co-authored with Milton the international best seller *Free to Choose* (1980) and co-produced the resulting ten-part TV series which showed all over the world (but not in France). It aired just as Margaret Thatcher and Ronald Reagan came to power. It caught a wave, but a wave the Friedmans had helped to generate. To Cato Institute founder Ed Crane, *Free to Choose* “really kick-started” the rebirth of classical liberalism in the U.S. (Irwin 2009).

When Milton turned 90, President Bush invited him and Rose to lunch at the White House and joked openly that the only person he (Milton) had ever lost an argument with was his wife (Bush 2002). And on the 100th anniversary of Milton’s birth a London paper, *The Daily Telegraph*, ran this headline over my op-ed of appreciation: “Milton Friedman was peerless until he met his wife” (Blundell 2012).

Of the two, Rose was always the feistier and more libertarian policy person. Gary Becker once commented: “It was an extremely close intellectual fellowship, and she was not someone who got credit for things she didn’t do. They discussed ideas constantly. Her feelings about the importance of private markets, opposition...
to big government, were even stronger than his. Her lasting influence will be as a collaborator, but she was a major contributor to the collaboration, and that’s a significant legacy” (Weber 2009).

And Rose never felt in awe of Milton. When asked if she ever felt overshadowed she answered: “No. I’ve always felt that I’m responsible for at least half of what he’s gotten… I feel that I have much of the responsibility for his success” (Robinson 1999).

While Milton is best known as a monetary theorist (his license plate was “MV PT”), and as proponent of the all-volunteer army through his work for President Nixon, school vouchers, and market ideas generally, he commented that his 1957 book *A Theory of the Consumption Function* was “my best purely scientific contribution” (Friedman and Friedman 1999, 222). The work was a challenge to Keynes. It was developed in conversations with Rose, who had worked on household consumption with Dorothy Brady and Margaret Reid. Indeed in the preface Milton wrote that the book was: “in essential respects a joint product of the group, each member of which not only participated in its development but read and criticized the manuscript in its various stages” (Friedman 1957, ix).

Milton’s first major foray into popular writing was *Capitalism and Freedom* (1962). Rose took his notes from a series of lectures at Wabash College, Indiana, sponsored by the Volker Fund, and as Milton wrote in the preface: “She pieced together the scraps of the various lectures, coalesced different versions, translated lectures into something approaching written English, and has throughout been the driving force in getting the book finished” (Friedman 1962, xvi). It sold 500,000 copies, was translated 18 times, and through samizdat copies helped tear down the wall (Doherty 2007, 301), along with works by Hayek and Mises, as Rose was later to note. It gave them both a lot of pride and satisfaction.

After retiring from Chicago, moving to 1750 Taylor Street in San Francisco, and winning the 1976 Nobel Prize in Economics, Milton was approached to make a TV series by WQLN. He was not that keen, preferring reading to TV and having a Hayekian preference for reaching intellectuals, not masses. But Rose had other ideas and she prevailed as a project planned to last 18 months now dominated their lives for a full four years.

WQLN, however, was a PBS station. Neither Friedman wanted tax dollars involved, so they wrote out a list of wealthy folk they knew, and over $10 million (in today’s money) was quickly raised. Through Ralph Harris (Lord Harris of High Cross), whom I succeeded as Director General of London’s Institute of Economic Affairs, WQLN found a private production company in England headed by Tony

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3. Milton also called the central tenet of the book—that current consumption is not driven by current income but expected lifetime income—“embarrassingly obvious” (Friedman and Friedman 1999, 225).
Jay (Sir Antony Jay), who knew public choice economics. He was soon to make *Yes, Minister* and *Yes, Prime Minister*, reputedly Hayek’s and Thatcher’s favorite TV programs. Daughter-in-law Esca Hayek has fond memories of F. A. Hayek laughing out loud at the exploits of the bureaucracy.

As I wrote in *Ladies for Liberty*, “Rose was deeply involved, steeped in the ideological and logistical aspects of the whole project as well as the psychology of building a team that could be open and honest yet constructive as they struggled to bring complex ideas to the television screen. It was, after all, to be presented by somebody who, while an old hand at televised interviews and debates, had to date never experienced the unnerving sensation of looking directly into a camera” (Blundell 2011, 180).

*Free to Choose* was billed as “A Personal Statement.” Eben Wilson, one of the production team, told me: “In fact the views were those of Milton adjusted by Rose and edited by both. When Milton spoke to camera what you heard was the result of a fascinating brainstorming session involving both of them. Logic, language and ideas were battered into shape on location and without a script” (Blundell 2011, 181). A quiet cough, a murmur, a raised eyebrow by Rose was all it took to stop filming. Milton and Rose would huddle and thrash through the economics. And if they agreed to disagree he would deliver his lines terribly, “so Rose always won” (182).

Of *Free to Choose*, Milton said: “Her title as associate producer was far more than a formality. She played an indispensable role: she participated in every planning session and every editing session; she was on every shoot and involved in every discussion about the content of my statements to the camera; she was the best critic of my performance, and perhaps more important, the only one willing to be blunt in criticizing me, and the most helpful in setting me on the right track” (Ebenstein 2007, 204).

It was Rose who then took the ten TV programs and turned them into the eponymous book. It was the #3 best-selling nonfiction book of 1980 according to *Publishers Weekly*; it sold 400,000 in hardcover and over one million in paperback with 17 translations and who knows how many samizdat copies (Cassidy 2009, 80). In Japan alone a staggering 200,000 hardbacks flew out of the doors.

The TV series became a phenomenon beating out *Masterpiece Theatre*. Can we today conceive of any economist getting higher ratings than *Downton Abbey*? Market penetration was so high that when Queen Elizabeth II met Milton at a party she hosted on her boat in San Francisco harbor she proclaimed “I know you.

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4. Jay had read Buchanan and Tullock and Niskanen through the IEA publication program (Blundell and Robinson 1999).
Philip [her husband the Duke of Edinburgh] is always watching you on the telly” (Friedman and Friedman 1999, 569).

The Friedmans tried to follow up on Free to Choose with a low-budget program and book, Tyranny of the Status Quo (1984), but it was no match and fizzled out. It was probably a mistake.

So my question actually is not “Where is the next Milton Friedman?” but rather “Where is the next Rose Director?”

References


**About the Author**


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As totalitarian states battled quasi-socialist mega-democracies for world domination, the influence of libertarian thought was at a very low point. In this interview with John Blundell, Leonard Liggio recalls the publication and reception of the revolutionary libertarian books that formed the foundation of the renaissance of libertarian thought.

Liggio is a libertarian Professor of Law at George Mason University, Executive Vice President of the Atlas Economic Research Foundation, and President of the Mont Pelerin Society.

John Blundell (JB): Leonard, we're talking today about six great books that came out 60 years ago last year (2003) and this year (2004). The books are Ayn Rand's *The Fountainhead*, Rose Wilder Lane's *The Discovery of Freedom: Man's Struggle Against Authority*, Isabel Paterson's *The God of the Machine*, Ludwig von Mises' *Omnipotent Government*, Friedrich von Hayek's *The Road to Serfdom*, and John T. Flynn's *As We Go Marching*. These extraordinary books were very important at the time they were written, and have continued to exert tremendous influence in the decades since 1943-44. What is even more remarkable, though, is that they were all published within such a short period of time.

Although it would be impossible to discuss all six books in detail, I think it would be very interesting for us to talk about the period in which they were written, what was going on and what influence these books might have had on the great issues of that time.

You, of course, were still quite young at this time, but you became politically active not long after 1943-44. Do you remember these books coming out?

Leonard Liggio (LL): I would have been 11 or 12 and in elementary school, but I was already very alert and involved since about 1940, which would have been maybe the first grade.

I followed international affairs — my parents listened to the news and especially the news commentaries — and at that time the three or four national networks usually had 15 minutes of news at six followed by one and three quarter hours of different news commentators, H. V. Kaltenborn being one of the most famous, but there were a number of others, like Three Star Extra News with Felix Morley. They were of all shades and it was a very important development.

Then, by 1950 or so, the Left started organizing boycotts of sponsors of the people who were more on my side of the ledger and drove them off. At that point, the networks also tended to drop commentary because their newscasters suddenly were commentators; we still confront this issue in that the major networks are filled with left-wing people, who they claim are neutral. So this was a period of great conflict.

Adding to that tension was the fact that President Roosevelt had won an unprecedented third term in 1940 on the grounds that he had kept the United States out of war, in the same way Woodrow Wilson, in 1916, campaigned that he would keep the U.S. out of war. In both cases, we then went to war.

So this was a very contentious period, and in fact Alfred Regnery told me that he's about to publish a history of the America First Committee. His father had
authorized this book at the time the committee was being disbanded after November 1941, but it was never published. The book is by the woman who was the research director of the committee in Washington, and it is going to give us a lot of background.

The most frightening thing for the Democrats was that in the November 1942 elections, the Republicans came within five votes of regaining control of the House of Representatives. This created a huge worry for the Democrats, who then organized a hate campaign against Republicans for the '44 campaign. This involved allying with the communists and the Committee for Industrial Organization (CIO) Political Action Committee. Lyndon Johnson played a very key role in these elections in raising this PAC money, which he had initiated in the 1940 campaign.

So there was a lot going on, including the Administration throwing together a whole bunch of very unlikely characters into one sedition trial, people who wrote things in favor of Mussolini or whatever the case might be. These were people who had never met each other but who were said to conspire for sedition. They even made prominent people like Sen. Robert Taft “unindicted co-conspirators” in the trial. At first, the trial ended with a “no verdict.” Then, as the war was ending, the trial was not continued, but these kinds of threats were still in the air. The communists continued to unleash, under cover of the Democratic Party, huge hate campaigns against conservative and free-market people.

JB: Tell us a bit more about the 1944 election.

LL: The 1944 election involved Gov. Thomas Dewey of New York against Franklin Roosevelt. Leading up to the Democratic nomination, Franklin Roosevelt agreed with the political leaders of the state parties not to renominate Vice President Henry Wallace. Wallace had been secretary of agriculture for eight years, his father had been a Republican secretary of agriculture, and they published the Wallace Weekly for farmers in Iowa. He was so left-wing the party leaders insisted he be dropped.

They would have put in Jimmy Byrnes, who was a former senator, a former Supreme Court justice, and former assistant to the president, and really ran the White House during the war. But there were issues that clouded that, so he was not nominated. Instead, Harry Truman was nominated, and when Truman became president he then appointed Jimmy Byrnes as his secretary of state.

The 1944 campaign was a very contentious one, and behind the scenes was another big issue: would Dewey reveal the fact that Roosevelt and the administration knew of the plans for a Japanese attack, and did nothing to warn people before Pearl Harbor? It was not clear whether they knew specifically that the attack would be on Pearl Harbor, but they certainly knew that something was about to occur on that weekend.

Ultimately, Dewey chose on the advice of military people not to reveal it. He made this decision because the only way the Administration knew of the attack was that we had already broken the Japanese codes by 1941. Revealing this would have cost the U.S. all of the military information that came from knowing the Japanese codes. So this was a very difficult issue. Percy Greaves was actually involved in that issue for the Republican National Committee in 1944 and then did his own research on the topic in his later career.

JB: Right in the middle of all of this were published the six books that I mentioned before. I thought we might start by taking the three that are written by women, which all came out in 1943: Ayn Rand’s *The Fountainhead*, Rose Wilder Lane’s *The Discovery of Freedom*, and Isabel Paterson’s *The God of the Machine*. You knew Ayn Rand, but probably not as early as 1943. Do you remember *The Fountainhead* coming out?

LL: I don’t remember it coming out. I became aware of it probably in 1950 or so, at the end of high school. I read it and was very favorably impressed and then was impressed by the movie. Then, when I was at Georgetown College, I became president and sole member of the film society in order to show films of our liking and I always showed *The Fountainhead* every year, along with others that we felt were favorable to our side in the culture wars.

JB: The movie came out in 1949 and starred Gary Cooper and Patricia Neal.

LL: Yes, and Raymond Massey, who was very important. His brother was Governor General of Canada, and he had played in a lot of English films and then moved to Hollywood in the ’40s.

JB: You later met Rand. What was she like?

LL: Well, I met Ayn Rand because when *Atlas Shrugged* was published in 1957, *National Review* printed a review by Whittaker Chambers. Chambers was very idiosyncratic to say the least. He was viewed as sort of a brilliant person by *National Review*, and a kind of befuddled person by a lot of other people. He had fought hard against communists, and that was his heroism. As a key editor at *Time* magazine, he had convinced Henry Luce to get rid of the major communists who ran *Time* and the other Luce publications during that period.

But Ayn Rand’s whole perspective was very different from Chambers, who was somewhat crotchety and did not view consistency as important. Rand’s insistence on being rational and consistent led him to claim in his review that *Atlas Shrugged* represented a kind of authoritarian threat. He even claimed it was similar to the gulag or something like that, so it was really very confused.

Murray Rothbard wrote a letter to *National Review* criticizing Chambers’ review, and this was followed by Ayn Rand writing to Rothbard. Murray and I had known each other since about seven years before, in 1950, when he,
George Koether, and Dick Cornuelle were members of the beginning of Ludwig Mises' seminar.

After this exchange of letters following the Chambers review, Rand invited Murray and his friends to come and visit her so Murray, Bob Hessen, Ralph Raico, George Reisman, and I went to see her. Those meetings continued, at her apartment and at Barbara Branden's apartment.

That was also when the Branden Institute was beginning. I was completing my doctoral studies, so I was in the library most days. The whole Branden Institute was a late evening kind of situation, so I never attended any of those meetings. Then at one point Leonard Peikoff and I had a meeting, where he ascertained that I did not fit the profile of a perfect Objectivist, so happily I didn't have continuing contact. When Murray wrote his famous essay "The Mantle of Science," Ayn Rand objected she was not made the central figure in Western intellectual history, and so they broke off as well.

JB: *The Fountainhead* had a huge impact. It was described in *The New York Times* as "the only novel of ideas written by an American woman that we can recall." With characters who are amazingly literate, romanticized, larger than life representatives of good and evil. In fact, it became a best seller from the '40s and into the '50s.

LL: Ayn Rand had worked for many years in the scripts department of, I think, Paramount Films. That was in New York, and the person who headed the department was Henry Hazlitt's wife, who always thought of Ayn Rand as her daughter or protégée. So Rand had a very rich background of visualizing characters who would stand out and make an impression. I believe her scriptwriting experience further enhanced her already existing narrative and fictional capacity. Her own films tended to fit the style of the 1930s and '40s, and were therefore very popular as films as well as being bestselling novels.

JB: Our second heroine, if you like, is Rose Wilder Lane, whose *The Discovery of Freedom: Man's Struggle Against Authority* also came out in this remarkable period in the 1940s. Do you remember *The Discovery of Freedom* coming out?

LL: Yes, I do. On the one hand, it's a reflection of continuing 19th century romanticism by Americans, who discovered the beauty of Arabic cities in Spain like Cordova, Seville, and Granada, with their widespread use of fountains, developed water supplies, and so forth. Of course, this compared very favorably to Europe at the time when these cities were built. Europe lacked many things that Islamic cultures enjoyed, such as the advanced medical knowledge that had been transferred to Baghdad by Greek Christians in the 7th and 8th centuries. So Islamic civilization was something that was very impressive.

**At the time Mises wrote *Omnipotent Government*, there was pretty widespread control of the economy, and the question was what would happen subsequent to the war.**
But this view takes things in sort of a non-chronological way. The Arabic cultures were wonderful at the time they were founded, but then they spent 500 years under Ottoman rule. During this time, the legal system was suppressed — the competition of legal opinions and especially of interpretation. From 1500 on, Islamic law schools were forbidden to engage in interpretation and so were just locked in, which caused their societies and economies to decline. That's not included in The Discovery of Freedom. It's a correct picture of a particular time, and a very nice contribution, but it's not the last word on the subject because she doesn't put it in a chronological context. But it's important for people to read it.

JB: This same remarkable period that gave us The Fountainhead and The Discovery of Freedom gave us another important book by a woman, Isabel Paterson's The God of the Machine. Andrew Coulson has said that this book is really about why Athens gave us philosophy, mathematics, literature, and the natural sciences, whereas nearby Sparta gave us little more than the names of a few high school football teams. It is also about the preconditions for economic development. When did you first come across The God of the Machine?

LL: It would have been at the same time as Rose Wilder Lane's work. It was promoted by one of the publishers — I forget which one — but it was in a small catalogue or in the Foundation for Economic Education publications.

The issue that she's dealing with is very important. If we go back to the 18th century we find a heavy literature, including Rousseau, praising the Spartans as the exemplars of true humanity, unlike corrupted luxurious Athens. They saw, for instance, Western Hemisphere Native Americans as equivalent to the Spartans — which is true, the Spartans were exactly like the Iroquois or the Cherokees. They were a warrior society, 100 percent engaged in preparation for war. Their food, for instance, was a black bean or lentil soup, called "black soup." And in order not to be luxurious to their children, they were taken away in early infancy and raised collectively.

Plato saw this as the great model — what should be. His was the model against the luxury and productivity and investment of the Athenian world, while Aristotle is a great antidote to Plato's love of the Spartans. This idea continues to surface in Western civilization — that it's necessary to have a career of preparation for war and not to engage in productive activity which creates more things people want and therefore more productivity and investment. It was a very current issue when Isabel Paterson dealt with it, and it's even with us today. She was trying to confront the fact that this admiration of Sparta is often connected with trying to introduce national military service and universal conscription.

JB: It is claimed that Paterson was something of a mentor to Ayn Rand. To what extent would these three authors have known each other?

LL: They would probably have met through Mrs. Hazlitt, because Henry Hazlitt and his wife lived near Washington Square across from New York University, and they were a kind of center in this group of people. He had been economics editor of The New York Times until about 1945, and then he became a columnist for Newsweek. He had reviewed Mises' Socialism in the '30s, when it was published in England by Jonathan Cape, and he had access to a lot of other people, as did Mrs. Hazlitt through her connections with the film script department.

When Mises arrived in New York from Lisbon in July 1940 and had gotten a place to stay, he called Henry Hazlitt. Hazlitt recalls that when he answered the phone and a voice said "Mises here," it felt the same as someone saying "John Stuart Mill here," because he thought of Mises as much older even than Mises was at that time. But they quickly became very close.

Mises would have met Ayn Rand at the Hazlitts' and they would have been at various functions together. So that was the main social setting. I would say, for all these people to be in touch with each other. Rose Wilder Lane was more isolated, so she may not have been in New York and she was different — not in that social circle.

JB: Rose Wilder Lane is also known for her work as an editor on The Little House on the Prairie books, which were written by her mother, Laura Ingalls Wilder.

LL: One of the people I knew was Roger MacBride. He had published, quite early, a book about the Electoral College that was often on reading lists and recommended lists, so I knew his name and eventually met him. His father was an editor for Reader's Digest. Roger had worked on Rose Wilder Lane's essays and other writings, and they were close. He often visited her when she lived in the country, and later he was made her literary executor. Roger MacBride was the one who brought The Little House on the Prairie series to television.

In 1972, MacBride was a Republican elector in Virginia, but he did not vote for the Republican candidate, Richard Nixon — he voted for John Hospers, the

MIT was always a center for the Objectivist movement, and other places with a technical education drew people into the Objectivist movement.
Libertarian Party candidate. In the next election cycle in 1976 MacBride ran for president as the Libertarian Party candidate.

JB: Moving on from these three influential books, all written by women, let’s discuss the next two books on our anniversary list, both written by Austrians. You have already referred to Mises landing in New York from Lisbon in the summer of 1940, and by the summer of 1944 he’s bringing out Omnipotent Government.

Here is how the Libertarian Press describes this book: “It is not only a history of the fall of Germany, but also a powerful critique of the political, social, and economic ideologies that have shaped Western history in the last two hundred years. The ordeal of two World Wars, according to Mises, was the inevitable result of ideologies that call upon government for the management of human affairs. People today hail every step toward more government as ‘progress.’ They call for more laws and regulations and their enforcement by courts and police. They are yearning for Caesar. They forget the consequences of total government. Omnipotent Government is a potent reminder.”

This is perhaps not one of his best-known books, when you think of Socialism, his work on money and credit, and, of course, Human Action. At the time — in the mid-'40s — was Omnipotent Government an important book?

LL: Well, it was one of the books that introduced Mises to the American public. Socialism was published in English in 1937, but when Mises arrived in the U.S., he was working at the National Bureau of Economic Research. He wrote a book called Bureaucracy and another book called Omnipotent Government, which were published by Yale University Press, as were Human Action, Theory and History, and some of his other books.

The editor at Yale Press at the time was Eugene Davidson, who ensured that they published Mises’ books. But when Davidson left, and they did a new edition of Human Action, they did a very bad job — ink running, thick on one page and thin on another. They just didn’t care. Davidson went on to become editor of Modern Age, which he continued to edit for a long period of time.

Now, Omnipotent Government raised issues that were very contentious at the time, having to do with government control of the economy. The situation at the time of its publication was different than, say, World War I, where government planning was mainly put aside after 1919. Of course, many of those same wartime planners came back again during the New Deal.

But at the time Mises wrote Omnipotent Government, there was pretty widespread control of the economy, and the question was what would happen subsequent to the war. In the summer of 1945, Congress passed the Unemployment Act of 1945, which wasn’t just mandating some economic well-being, but carried a Keynesian plan to keep raising employment, “pump-prime” as it were, as a permanent policy. The Council of Economic Advisors was created to monitor these policies and give an annual report to Congress. So there were strong mechanisms of control.

Now it’s in that context that you have attempts to challenge these controls. Leonard Read is very important in this respect, as is Virgil Jordan. Virgil Jordan was president of the National Industrial Conference Board. Leonard Read had been president of the Los Angeles Chamber of Commerce in the 1930s up until 1945. He had begun publishing pamphlets — called the “Pamphleteers” — which included things by Rose Wilder Lane, Henry Hazlitt, Mises, all those people. And right nearby was Mr. Hoiles Sr. at the Orange County Register, who republished the three volumes of Bastiat’s writings. Then Leonard Read went to the National Industrial Conference Board for a year, in order to use that as a base to organize the Foundation for Economic Education, which was launched in 1946.

At the time, industrialists and businessmen in the country were very worried about the continuity of price controls, labor controls, and all these other measures that it looked like Congress was going to make permanent. So there was a great deal of discussion of these issues, and Omnipotent Government featured in that discussion.

Then in the November 1946 elections, Republicans swept back into control of the Senate and the House of Representatives. Taft became chairman of the Labor Committee and wrote the Taft-Hartley Bill, and soon all of the price controls and other measures were repealed and the free market was reestablished in the United States. So it was a crucial election; and these activities and writings, including Omnipotent Government, were a very important preparation for it.

JB: While it was obviously important, I think it’s fair to say that Omnipotent Government never quite had the impact that our next book had. Hayek’s The Road to Serfdom was published by Routledge in March of 1944 in the United Kingdom. With wartime paper shortages, publishers were only printing about a thousand copies at a time, and Hayek’s book became famous as the book that no one could get, because as soon as a thousand were printed they vanished off the shelves.

Churchill thought The Road to Serfdom was so important that he devoted part of the Conservative Party’s paper ration to a condensed version of it, which was prepared for him by Geoffrey Rippon, who later became Lord Rippon, and was a member of the Mount Pélérin Society. The Road to Serfdom, of course, was condensed in the
Reader's Digest in April 1945 and became a worldwide phenomenon. Even now it probably sells more copies in a day than Omnipotent Government ever sold.

LL: I think the difference between Omnipotent Government and The Road to Serfdom is that Omnipotent Government is more like a political treatise — very dry. Hayek’s book is criticized by some — I admire him for it — because it’s a narrative more than an analytical treatment, which is what Mises wrote. Because The Road to Serfdom is more of a narrative treatment about political philosophy, the

reader’s attention can be kept to it better than a purely analytic work. But I also think The Road to Serfdom is of the highest academic quality. The more I’ve read it the more I’ve learned. I consider it a very, very important work.

There’s so much in there that it’s a whole guide to studying political philosophy. His analysis of political philosophers, of their influence, is extremely valuable. Some people say it’s a popularization. I don’t see it that way at all, I see it as a very accessible, high quality presentation of political philosophy.

JB: The last book on our list is John T. Flynn’s As We Go Marching. Of the six books we’ve discussed, this is probably the least well known. Did you know Flynn?

LL: I think I met him briefly. He had been a famous economic journalist in the 1920s and ‘30s, and was one of the people who got purged; he was a columnist for The New Republic, and was purged in 1940 for not supporting the march to war by the Roosevelt administration and the communists. So then he became a well-known author in non-communist circles. He was a very competent journalist — he wrote very well, very clearly. For instance, he wrote a book called The Country Squire in the White House, which was a biography — not necessarily friendly — of Franklin Delano Roosevelt.

As We Go Marching aimed to alert people that all of these wartime measures for “temporary” emergency carried a threat of becoming permanent — a permanent military and socialist society. This again is the whole Spartan concept of trying to make society not productive, not tuned to its consumer wants, but to constrain consumers, to block consumer choices by a militarization of the economy. It was bold of Flynn to say this at the time, to forward these ideas, and As We Go Marching was very widely read in anti-New Deal circles.

JB: I believe Country Squire in the White House so outraged the president that he wrote the Yale Review requesting that Flynn be forever banned from the pages of respectable media. And, of course, in 1948, three years after FDR died, Flynn wrote The Roosevelt Myth.

It seems to me that the three men we are talking about, Hayek, Mises, and Flynn, were very much prompted by the war when they wrote these books. On the other hand, The God of the Machine and The Discovery of Freedom seem to be looking back at several thousand years of history. Do you think these books were prompted by the war?

LL: I think they were prompted by the wartime measures more than the war itself. The social effects of the war.

JB: So we have six books coming out in a very brief period, six books that are still available today, The Fountainhead and The Road to Serfdom still selling in huge numbers, and translated into many languages. The other four books we’ve talked about are extraordinary books in their own right, certainly very important at the time they were written, and well worth reading today. What is it in your mind that binds all these works, which came out within a space of two years?

LL: Well, I think all of the authors were aware that the collectivists saw the war as an emergency that could be prolonged, that Congress and the voters could be sold on permanent control of the economy. And, of course, they did sell this to the Democratic Congress, the ones elected in 1944 and before. That Congress was very left-wing, supported by the communists and the communist-run CIO Political Action Committee.

Luckily, the voters expelled that Democratic Congress in 1946. There was a big turnover, especially of the most extreme left-wing people. People were made aware of the dangers of collectivism by the shortages of sugar, gasoline, and other things that were caused by economic controls. They wanted to be liberated from this, and there

Ralph Raico and George Riesman asked Mises if as high school seniors they could attend his seminar. He asked them what languages they knew. They both knew German, so he told them they could come to his seminar if they each agreed to translate one of his books.

was a fear that when the war ended the government would try to keep these collectivist measures in place. All of the books we have discussed increased popular recognition of the collectivist policies that were already in place, and provoked the question of whether or not they should be kept in place.

JB: It strikes me that we could also talk a bit more about Ayn Rand’s most famous book, Atlas Shrugged, which came out in 1957, a decade after the period we have been discussing. This book was probably ten or twelve years in
the making and, it seems to me, is redolent of many of the ideas of the mid-'40s. This makes sense, since Rand would probably have turned her attention to writing *Atlas Shrugged* after the publication of *The Fountainhead*, so many of the ideas being discussed in the mid-'40s would, of course, permeate *Atlas Shrugged*.

**LL:** Well, one of the reasons *Atlas Shrugged* has had a wide audience, both when it was published and since, is that there existed across the spectrum a kind of blandness and absence of ideas. The Left had been challenged in the late '40s, and had shifted gear and become sort of non-ideological, keeping to center-left politics as though it were neutral, and not wanting either communist or free-market ideas to come forward. This included dropping all those commentators from the airwaves.

The main publication from our side at that time was the *Freeman*, from 1950-54. Then the *Freeman* did not have enough circulation to keep it going, and it was bought by Leonard Read and became a monthly. Frank Chodorov was the editor for a while, and then Read decided to change it into less of a current affairs magazine.

Bill Buckley had a lot of respect for Frank Chodorov, but once Chodorov was not involved at the *Freeman* and FEE, and so was not someone to compete with, Buckley started *National Review*, which was first published in November 1955 to fill the gap left by the *Freeman*. It had more financial resources behind it and was able to grow, and it had more authors and lots of interesting contributions. Frank Meyer was the books and culture editor, and he added a great deal to it. So you had a good beginning, but there was also one side of *National Review* represented by Whittaker Chambers' pessimistic view and his clash with *Atlas Shrugged*, which I mentioned before.

So there was this period of hibernation imposed by the cultural establishment, and *Atlas Shrugged* sort of opened that door up, there were lots of young people reading it and becoming interested. In terms of ideas, I would say *Atlas Shrugged* in some ways paralleled the emerging IT technology. This was before miniaturization and so forth, but you had this new technology on the one hand and on the other hand a new sense of society separate from government regulations and control. Up until then, information on the radio and TV spectrum was controlled by the government, unlike other parts of the economy that had been deregulated. This was one of the most socialized parts of the economy, and even the major networks, which benefited from this socialization, were key players in the suppression of free-market ideas and the dominance of the left-center established point of view. So the people attracted to *Atlas Shrugged* were often people who had some awareness of the possibilities of new technology. MIT was always a center for the Objectivist movement, and other places with a technical education drew people into the Objectivist movement.

**JB:** Tell me the story of your own first edition of *Atlas Shrugged*. I believe it is not just a first edition but that it literally came out of the first box that was delivered to New York.

**LL:** When *Atlas Shrugged* first appeared and was reviewed, we wanted copies, and at the time our friend Bob Hessen, who was a student at Queens College in New York, had a job in a bookstore at Idlewild Airport, which became JFK. That store got the first box of books from the publisher. We had already paid him to purchase whatever number each of us wanted of the book, so he immediately got them for us out of that box, which was the first of the first.

**JB:** This was really a great outpouring; six astonishing books in a era when people like Bob Hessen, Ralph Raico, George Reisman, Murray Rothbard, and yourself were all in your teens, were all in New York, all knew each other, and were going to Mises' seminars and meeting at Rand's apartment. It must have been very exiting.

**LL:** Well, I met Ralph Raico and George Reisman when we were members of Students for Taft, which would have been 1951–52. Then we became acquainted with the Foundation for Economic Education and went to visit there. They mentioned Mises' seminar, which took place on Thursdays. I was at Georgetown College, so I came a couple of months later during a vacation period to Mises' seminar at New York University Graduate School of Business. But Ralph and George went and met Mises in his office and asked if as high school seniors they could attend his seminar. He asked them what languages they knew, and they said they both knew German. So he told them they could come to his seminar if they each agreed to translate one of his books. Ralph translated *Liberalism* and George Reisman translated *The Ultimate Foundations of Economic Science*. Then later George also translated, under Mises' direction, Heinrich Rickert's book *Science and History*. That was how they gained entry to the seminar.

Mises was very accommodating; the seminar was made up of registered MBA students who were taking it because it was a Thursday night, or because they needed some other course or whatever, and had no idea or interest. Meanwhile there were all these people who attended for 30 years, who were not students but were very involved, very interested. People like Percy Greaves and Bettina Bien Greaves; Stan Evans was there when I was there, and all these other people that you know about. And it was really beneficial for Mises; it would have been a very boring seminar otherwise, because none of the registered students knew any economics, they were all accountants, and all the other people attending were very anxious to participate. So it all turned out very well.

**JB:** Leonard, thank you.
John’s “Toast to Lady T”

Below, we share the notes that John worked from when he gave a posthumous toast to Margaret Thatcher at the Atlas Network’s 2013 Liberty Forum. Fans of John and “Lady T” may also wish to revisit John’s piece “Lady Thatcher and the Power of Ideas,” written in the aftermath of Thatcher’s funeral, in Atlas Network’s Highlights newsletter of Summer 2013. John also published two books on the former prime minister, Lady Thatcher: A Portrait of the Iron Lady and Remembering Margaret Thatcher.

THIS IS A TOAST TO LADY T.

I AM WEARING THIS UNION JACK JACKET WITH GREAT PRIDE AND QUITE DELIBERATELY AS IT WAS A UNION JACK WHICH DRAPED MARGARET’S COFFIN ON APRIL 17TH WHEN WE ATTENDED ST PAUL’S CATHEDRAL FOR HER FUNERAL AS GUESTS OF THE FAMILY, NOT OF THE STATE I HASTEN TO POINT OUT.

THE GREATEST MOMENT THAT DAY WAS WHEN THE COFFIN EXITED THE WEST DOOR AND A HUGE SPONTANEOUS CHEER CAME FROM OUTSIDE AND WAFTED THROUGH THE ENTIRE CATHEDRAL.

THOSE PINKOS – I’M BEING POLITE - AT THE BBC (AS IN BIG BUNCH OF COMMUNISTS) OF COURSE HAD TO EXCAVATE ALL KINDS OF SKELETONS AND MALCONTENTS.

BUT ALL WE HEARD ON THE HILL UP TO THE CATHEDRAL AND ON THE WAY TO THE GUILDHALL FOR THE RECEPTION WAS APPLAUSE, GENUINE APPLAUSE. I SAW NOT ONE MALCONTENT.

MARGARET MADE THREE GREAT LEAPS:

1. FROM PROVINCIAL, SMALL TOWN, GROCER’S DAUGHTER TO STUDYING CHEMISTRY AT OXFORD – THAT WAS HUGE, THE BIGGEST;
2. THE SECOND WAS TO BECOME AN MP (AGAINST MOSTLY FEMALE OPPOSITION); AND FINALLY
3. TO MOVE FROM SHADOW CABINET TO LEADER OF THE OPPOSITION TO PRIME MINISTER.
AND AS PM:

- She privatized the commanding heights of the economy and started a worldwide trend;
- She took on the unions and reformed them;
- She taught us the need for monetary continence;
- She sold off millions of units of public housing to their tenants;
- She cut debts and deficits;
- She slashed marginal tax rates from 98% to 40%;
- She changed the nation's view of how the economy should be run;
- She forced the Labour Party to modernize;
- She made the Brits walk tall again with a rule of law based approach to foreign relations;
- She helped change South Africa, Russia and China;
- And, with the President and the Pope, she tore down that wall and destroyed an evil empire without firing a shot.

UNDER MARGARET:

- We jumped from 19th to 2nd in the OECD;
- Self-employment doubled;
- Venture capital exploded;
- The middle class soared;
- Home ownership rocketed;
- Share ownership went orbital from 6% of us to 30%;
- Days lost to strikes plummeted from tens of millions to half a million;
- Trade union membership from over 50% to under 20%;
- While press coverage of business soared as we were now:
  a. Self employed;
  b. Owned our houses, and
  c. Bought shares.
SHE HAD
  • A STRONG MORAL COMPASS;
  • SPOKE PLAINLY;
  • LED AND EXPECTED HARD WORK;
  • WENT WITH THE GRAIN OF HUMAN NATURE;
  • WAS AHEAD ON STRATEGY;
  • PROMOTED SMART FOLK;
  • USED THE SENSE WE WERE “IN THE LAST CHANCE SALOON”;
  • WORKED WITH ALLIES;
  • PREPARED BETTER THAN ANYBODY; AND
  • DID NOT TRY TO DO IT ALL AT ONCE.

LADY T – FOLKS GET YOUR GLASSES READY.
  • SHE WAS MARVELOUS;
  • SHE WAS TOTALLY WONDERFUL;
  • WE LOVED HER MORE THAN YOU CAN BELIEVE;
  • AS HAYEK SAID WHEN HE MET HER: “BUT SHE IS SO BEAUTIFUL”.

SHE COMBINED:
  • BEAUTY AND BRAINS; WITH
  • TENACITY AND TRUTH TO MISSION; WITH
  • INTELLIGENCE AND INSIGHTFULNESS

ALL WITH:
  • UPWARD MOBILITY;
  • COURAGE;
  • PLAIN SPEAKING; AND
  • STEADFAST PRINCIPLE.

BUT AS RALPH HARRIS USED TO SAY:
“WE ARE NOT THATCHERITE – SHE IS IEA-ITE”. AND SHE SAW THAT WHEN SHE SAID OF FISHER, HAYEK, SELDON AND HARRIS, “THEY WERE THE FEW BUT THEY WERE RIGHT AND THEY SAVED BRITAIN”.

BUT BEING LADY T SHE WENT ON “BUT REMEMBER WHILE THE COCK MAY CROW IT’S THE HEN THAT LAYS THE EGG”.

LADIES AND GENTLEMEN:

PLEASE ALL STAND.

PLEASE RAISE YOUR GLASSES TO A GREAT LADY WHO ENCOURAGED OUR GREAT FOUNDER SIR ANTONY FISHER TO BUILD THE ATLAS NETWORK.

LADIES AND GENTLEMEN: A TOAST TO LADY T.
In Memoriam John Blundell (1952 - 2014) The freedom movement has lost one of its most influential institution builders. Atlas Network has lost a dear friend, its past President and Board Member. John Blundell died July 22, 2014. John Blundell spent two decades as the General Director of the Institute of Economic Affairs in London, the “grand-daddy” think tank to the Atlas Network and (in the estimation of Andrew Marr of the BBC) “undoubtedly the most influential think tank in modern British history.” Prior to his service at the IEA, Blundell was President of the Charles G. Koch and Claude R. Lambe Charitable Foundations, aiding in their evolution into some of the most active philanthropies for the advancement of libertarian ideas. Earlier, Blundell led (simultaneously) the Institute for Humane Studies and the Atlas Network (then, Atlas Economic Research Foundation), organizations that served as catalysts to the creation of new generations of classical liberal academics and think tank entrepreneurs, respectively.

During the last decade, Blundell established himself as an accomplished historian. He followed his own Margaret Thatcher: A Portrait of the Iron Lady (2008) with an edited collection, Remembering Margaret Thatcher: Commemorations, Tributes and Assessments (2013). He wrote Ladies For Liberty: Women Who Made a Difference in American History (2nd expanded edition 2013) to also showcase American women that contributed to individual freedom. One of his greatest written contributions is a slender volume, Waging the War of Ideas (most recently published in 2007 in its third expanded edition), that has served as a primer for audiences around the world looking for cost-effective ways to affect social change in the direction of greater liberty. He continued to play active roles with the Atlas Network, Institute for Humane Studies, Heritage Foundation and Mont Pelerin Society (after having organized its largest-ever meeting in London in 2002). He received honorary Ph.D. degrees from the University of Buckingham in the
UK and Universidad Francisco Marroquin in Guatemala. John was born on October 9, 1952, in Congleton, Cheshire. He was educated at the King's School, Macclesfield, and at the London School of Economics. John had a keen sense of how history moves, and the principles that will be vindicated over the long term. He celebrated bold leadership on behalf of those principles, and also the quiet behind-the-scenes work that often matters more than what’s most visible to a general audience.

John was a beloved figure – full of good cheer, dry wit, and a winking British formality – and a great and generous friend. He delighted in designing and giving elaborately thoughtful, one-of-a-kind gifts. John looked out for friends in need, while shying away from recognition himself. John is survived by his wife Christine and their two sons. He will be missed.