

INSIGHT

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"In 1930, government spending at all levels -- Federal, state and local -- amounted to about 10 percent of the Gross National Product. Today, because budgets have mushroomed, government accounts for nearly 40 percent of our entire national output, and if recent trends prevail, the government's share of the total economy will reach 60 percent before the end of this century.

"For taxpayers, the burden of paying the government's bills has become so heavy that many are now in open rebellion. In the 1974 general elections, for example, voters across the country turned down some three quarters of all bond issues on the ballot. But we in the Federal government get around this public opposition by voting more federal spending without increasing taxes.

"The result has been a string of Federal Budget deficits that is unparalleled in our history. In 16 of the last 17 years, the budget has been in the red."

To the normal person with an ounce of common sense it should be clear that this sort of economic mismanagement must rather soon, unless corrected, end up in disaster. Surely we would have to adopt an ostrich attitude to miss the lesson Britain has taught us, at such a dreadful cost to itself. Must we wait till the eleventh hour before we begin to take drastic steps to save ourselves from the national bankruptcy into which such naive and unrealistic economic policies lead?

It must seem strange to an objective observer that a nation that has, during its relatively short 200 years of history, enjoyed unprecedented benefits from its free enterprise system would embark on economic policies that can destroy that system. This can only seem like killing the goose that lays the golden eggs.

Why, you ask yourself, would any sensible person, or nation, take such a foolhardy course? The answer is that here again, we are dealing with the mysterious vagaries of human nature. By and large, the advocates of the economic policies that are progressively strangling the powerful economic system which has conferred on our nation unparalleled benefits, do not intend to destroy the free enterprise system. Hampered by tragic ignorance of the essential mechanisms of this system and burdened by a naive and unrealistic understanding of human nature, they pursue the idealist's utopian dream that money is the automatic solution for all human problems. This, despite all the recent evidence to the contrary provided by the utter failure of such well-intentioned schemes as the War on Poverty and a host of other jejune nostrums aimed at

curing society's ills.

This double-headed ignorance, ignorance of the essentials of the free enterprise system and ignorance of human nature, is no doubt accompanied by a sincere desire to do good. Unfortunately, great masses of our people vote into Congress many politicians, who, though well-meaning, suffer from this double-headed ignorance, and promise ever more benefits, the astronomical cost of which our nation simply cannot meet. Consequently, the advocates of killing the goose that lays the golden eggs have a wide popular appeal. On the other hand, those who know and understand the free enterprise system, who have contrasted this system with the dismal performance of every alternative economic system, and particularly those who have learned this the hard way by living under such an alternative, are widely regarded as uncaring, lacking in compassion, etc.

In point of fact, they are no less compassionate than those whose ideas they oppose. Their interest is focused on the means that allow us to put our compassion to work, the economic engine that can furnish, if properly tuned and kept in good order, a decent life for the maximum possible number of our people. And they know that the only system that is capable of this is free enterprise.

In a nutshell, all the evidence shows that the free enterprise system is the best that human beings can devise. Our efforts, therefore, should be directed at improving it, correcting the human failings that bedevil it, penalizing those who abuse it, and making use of its astonishing productive power to benefit our society in realistic non-utopian ways. As Adam Smith, the author of the great classic *The Wealth of Nations* taught more than two centuries ago, a certain amount of regulation is needed to achieve this. But regulation beyond a certain point robs the system of its essential ingredient, freedom, and beyond this point we no longer have a free enterprise system at all. Instead we end up with one that slowly but surely degenerates into a totally regulated system, in other words, totalitarianism. Many thoughtful people today believe that the U.S. has already gone well beyond that certain point, and that it is well past the time to do everything possible to reverse that trend.

Earlier I referred to the close interrelationship between political and economic systems. In the light of what has been said above, there is no more important subject for Americans to ponder during this bicentennial year than that interrelationship. As we celebrate this year the freedom won for our nation two hundred years ago, we should give much thought to the fact that wherever the free enterprise system has been destroyed political freedom does not long endure. As Alexander Hamilton warned: "Power over a man's substance amounts to power over his will." This would seem to indicate that the advocate of the free enterprise system is not only a realist who understands that this is mankind's best hope for the general well-being, but also the true idealist who correctly judges freedom as man's highest value.

Attention Long Island Alumni!

Jay Briody, a full time admissions counsellor for Belmont Abbey College, is going to relocate from his present home in Virginia to Long Island, New York. He hopes to move to Nassau County and is currently looking for a place to live. Jay would like to rent part of a two-family house or a small apartment which would be ready for him to acquire by the first of August, this year.

Anyone who knows of a house or an apartment that is available in Nassau County is urged to contact JAY BRIODY, 8236 Carrleigh Pkwy., Springfield, Virginia, 22152; or phone him at (703) 569-0256; or, contact Fr. Raymond Geyer, O.S.B., at Belmont Abbey College, Belmont, North Carolina, 28012.

Centennial Fund Reports Favorable

Belmont Abbey College's Board of Advisors received favorable reports during their April meeting from the Chairman of the Centennial Fund Advisory Cabinet, Mr. E. F. Gallagher of Gastonia, who announced that \$605,645 has been pledged. The Centennial Fund, organized early this year, is working to raise \$750,000 urgently needed to strengthen student aid and faculty and staff development programs and restoration.

Mr. James G. Babb, Co-Chairman of the Centennial Fund in Mecklenburg County, reported the generous response he has received in the Charlotte area, although there has not yet been time to organize the effort there among the Abbey's many alumni and friends.

Mr. R. P. Caldwell, Co-Chairman from Gaston County, called on members of the Board to work diligently, not only for contributions to the Fund, but to "involve Gaston County's citizens in large numbers in the financial under-girding of this institution which educates so many local students."

Mr. Warren L. Clark, Belmont Abbey's Dean of Students, announced that \$65,345 was pledged on Belmont Abbey's campus earlier. The target for the College employes was approximately 8 percent of the total payroll, and it was oversubscribed.

Our Mistake

We were wrong. The outline under the Centennial Fund Campaign picture in our April issue should have read:

Left to right: - Mr. E.F. Gallagher, II, of Gastonia, Chairman - Campaign Advisory Cabinet; Mr. Robert P. Caldwell, Chairman - Centennial Fund in Gaston County; Rev. John P. Bradley, President - Belmont Abbey College; and Mr. James P. Cherry, President - Goodwill Publishers, Inc., of Gastonia.

Who are you?

Can you identify any of these alumni?

