

Welfare minus the State

Reclaiming the American Dream, by

Richard C. Cornuelle, *New York: Random*

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WE ARE TOLD that our American society is divided into a "public sector," which is the euphemism that covers every sort of government interference in economic and social affairs, and a "private sector" where "free enterprise," meaning business conducted in expectation of profit, is permitted to survive. Mr. Cornuelle, however, identifies a third division, which he calls the "independent sector," exemplified in the voluntary and cooperative activities of persons who are neither coerced by the government nor motivated by any hope of private gain.

Mr. Cornuelle's book should have been written long—but not too long—ago. There was no need for it in Thomas Jefferson's time; but given the right timing, say in the early nineteen-thirties at the depth of the great depression, it might have forestalled the wholesale delegations of power over economic life to a multitude of federal agencies and commissions; it might have preserved the dike that would have protect-

ed us from an ever-increasing flood of bureaucratic directives governing decisions that were once, but are no longer, the responsibility of individuals.

The very title Mr. Cornuelle has given his book, *Reclaiming the American Dream*, should stamp him as a conservative, and so he is in the best sense of the term. His ideas of *sinarquismo*—to use a Mexican term, denoting programs of social betterment without help or need of help from government—have already been bitterly attacked. Curiously enough, though, the criticism comes not from the socialistic or quasi-socialistic liberals, though he exposes without mercy the mess that has resulted from their efforts to create a utopia by police power and taxing power; the criticism comes rather from Mr. Cornuelle's fellow-conservatives.

The liberals by now are impervious to all exposures of their failures and fatuities. They have learned, as the pugilists say, how to "roll with the punch." They are even willing to admit that the forced march to the Great Society ordained by the government has been "ineffectual, economically wasteful, and ruinous to democracy," but nevertheless "continue to promote big government, desperately hoping the next Federal program may somehow be better than the last." The criticism from the right has been provoked by Mr. Cornuelle's insistence that principal impetus in the "independent sector" is the "desire to serve others." The phrase itself, I think, is somewhat unfortunate, because of its sanctimonious overtone which is quite alien to the eminently practical and down-to-earth nature of the author's work.

Mr. Cornuelle had his training in economics under the late Garet Garrett, that one-time giant among conservative editorial writers, and under Professor Ludwig von Mises, a foremost expositor of the relationship between free enterprise and a free society. This should be enough to guarantee that Mr. Cornuelle is no friend to political "welfarism." As a matter of fact he is now working very hard to prevent the welfare

state from dominating one all-important phase of American life. He is head of the United Student Aid Funds, Inc., a very effective privately controlled fire-break against the threatened federal take-over of higher education in the United States.

And what a job it is doing! In three years it has made it possible for 68,000 students, with no other collateral than a promising academic record, to borrow money at private banks so as to permit them to complete their education. Here is an example of how the "independent sector" can challenge the "public sector" at its own game—and at what odds! Loans arranged through the Student Aid Funds now amount to forty million dollars a year. It is true that the student who depends on the federal government to get him through college pays on the average \$207 less in the way of interest than if he were aided by Mr. Cornuelle's organization; but then his college or university must shell out an average of \$482.50 to process the loan. If any of our do-gooders has doubt about the relative moral value of governmental and privately provided student assistance, let him consider this important and rather startling fact: Nobody knows how many government loans are delinquent, and since it is only the taxpayers' money, hardly anybody cares; but in 1964 a survey by the General Accounting Office revealed a delinquency rate that was twenty times greater than the rate for the students who borrowed their college or university expenses through the United Student Aid Funds.

For myself I doubt whether the motive that inspires the "independent sector" is exclusively "the desire to serve others." Mr. Cornuelle, for one, exhibits an immoderate and selfish joy in clobbering with his facts and figures the federal bureaucrats whom we have allowed to play with unlimited funds and have absolved from any necessity of making their operations pay. But now the federal moneylenders had better tell the boys to forget about repayment—that is, if they want to put the "independ-

ent sector" out of business.

Will the workers in the "independent sector" succeed in "reclaiming the American dream" for the rest of us? Don't be silly—that's not the question. As I wrote at the conclusion of *The Language of Dissent*:

There is no finish line anywhere in the race for liberty. It's a relay our ancestors started and our heirs will be running long after.

Still, if you would like to read an authentic and carefully documented account of the disastrous consequences that have followed the expansion of the "public sector," and if you wish to share some of the author's optimistic hope that the "independent sector" may succeed in reversing the trend toward socialistic stagnation, Mr. Cornuelle is certainly your man.

Reviewed by LOWELL MASON