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NEW  
INDIVIDUALIST  
REVIEW

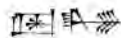
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*A Liberty Press Edition*

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NEW  
INDIVIDUALIST  
REVIEW

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*A Periodical Reprint of*

**Liberty Fund**

*Indianapolis*

This is a Liberty Press Edition published by Liberty Fund, Inc., a foundation established to encourage study of the ideal of a society of free and responsible individuals.



The cuneiform inscription that serves as our logo and as the design motif for our endpapers is the earliest known written appearance of the word "freedom" (*ama-gi*), or "liberty." It is taken from a clay document written about 2300 B.C. in the Sumerian city-state of Lagash.

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## PUBLISHER'S NOTE

**T**his volume contains all issues of the *New Individualist Review* in their entirety. A photo offset process was used to reproduce exactly the originals in all respects save color of covers.

The publisher has added only the general introduction by Milton Friedman and a cumulative index. The maroon numbers in the margin of each page provide the numbering for the cumulative index.

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# INTRODUCTION

By Milton Friedman

**W**hen the *New Individualist Review* was founded, belief in “free, private enterprise, and in the imposition of the strictest limits to the power of government” and in “a commitment to human liberty”—to quote from the editorial introducing volume 1, number 1 (April 1961)—was at a low ebb even in the countries of the so-called free world. Yet, at the same time, there were many signs of an intellectual reaction against collectivist views, of a resurgence of interest in the philosophy of classical liberalism.

Two organizations in particular served to channel and direct this resurgence: the Mont Pelerin Society, founded in 1947 primarily as a result of the initiative of Friedrich Hayek, whose book *The Road to Serfdom* did so much to spark the resurgence; and the Intercollegiate Society of Individualists, founded in 1953 by Frank Chodorov, a freelance writer and journalist and a dedicated opponent of collectivism.

The Mont Pelerin Society brought together relatively mature intellectuals—economists, historians, journalists, businessmen—who had kept the faith and had

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not succumbed to the temper of the times. Its members were representatives of a small minority, but one that had more than its share of independence, integrity, selflessness, and breadth of vision. The Intercollegiate Society of Individualists (ISI) operated at the other end of the age scale. It promoted the establishment of chapters among undergraduate and graduate students on college campuses throughout the country. The members of these chapters too were a minority, but also one that had more than its share of independence, integrity, selflessness, and breadth of vision.

As the *New Individualist Review's* introductory editorial of 1961 put it,

Two or three decades ago, individualism was held in contempt by American intellectuals, and a decade ago they regarded it as at least mildly eccentric. We certainly do not deny that the majority of today's intellectuals are still guided by the ideas which grew up in the 1930s. But the slogans which the New Deal shouted, and the stereotypes which it propagated, while perhaps fresh and exciting then, have lost their appeal to the generation which has emerged in recent years, one which sees no reason to consider our march toward the Total State to be as "inevitable as a law of nature."

... An increasing number of students in the past decades have

recognized the inadequacies of the orthodox response to most of the present-day social and economic challenges. The party of liberty is steadily gaining adherents among students.

The University of Chicago played a key role in the preservation of liberalism and the resurgence of "the party of liberty." It was one of the few major universities in the world at which there persisted throughout the thirties and forties a strong liberal tradition, conveyed and maintained by eminent and respected members of the academic community like Frank H. Knight, Jacob Viner, Henry Simons, and others of their colleagues in the economics department, in other social science departments, in the Business School, and in the humanities. The university was by no means monolithic. Indeed, it had the general reputation of being a radical left-wing institution. Its student body and faculty had its share of Communist Party members, fellow travelers, and socialists. What distinguished it from most other institutions was that it also had a strong, cohesive, and intellectually respectable group of defenders of a free society.

After the war Hayek moved from the London School of Eco-



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nomics to the University of Chicago, where he became a professor in a newly formed Committee on Social Thought. Of the founding members of the Mont Pelerin Society, four were from the University of Chicago, more than from any other institution.

Both the time and the place were ripe for the emergence of the *New Individualist Review*. The time was ripe because the reaction against collectivism, and the resurgence of belief in individualism, had gone far enough to provide a sufficiently large and sophisticated audience—and pool of potential contributors—for a publication which aimed at a high intellectual level and proclaimed that “the viewpoints presented will generally be libertarian or conservative, but we will consider for publication any essay which indicates a reasoned concern for freedom, and a thoughtful valuation of its importance.” The time was ripe also because the libertarian resurgence was still in an early enough stage that there were few periodical publications dealing with intellectual issues and offering a forum for their serious discussion. *National Review*, *Human Events*, and *The Freeman* were in existence but they were directed at an audience of concerned and interested citi-

zens of all professions and viewpoints, and served a different purpose, being devoted largely to reporting developments in the world of affairs or to commenting on and analyzing current issues primarily from a traditionally conservative—as opposed to libertarian—perspective.

The place was ripe because at the time the University of Chicago was almost surely the only academic institution at which there was a sufficient concentration of students not only committed to the values of a free society but also engaged in serious scholarly study of the intellectual and historical underpinnings of a free society. In particular, Hayek had attracted a group of able, dedicated, and like-minded students to the Committee on Social Thought. They formed the core group responsible for the *New Individualist Review*, reinforced by students in economics, business, and other areas who shared the value commitment although they were more technically and professionally oriented in their studies. Faculty support was also present and important. However, it cannot be too strongly emphasized that the *New Individualist Review* was throughout—in its conception, editing, and management—a student venture.

The ISI assisted at the birth of the *New Individualist Review*. The first three issues were described as being published by “the University of Chicago chapter of the Intercollegiate Society of Individualists”; thereafter as being published by the *New Individualist Review*. The first eleven issues carried full-page advertisements for the ISI—presumably the form that financial assistance took. In addition, Don Lipsett, the midwestern representative of the ISI, who was primarily responsible for founding the Chicago chapter, advised and assisted on business matters.

The initial editorial board consisted of editor-in-chief Ralph Raico; associate editors John McCarthy, Robert Schuettinger, John Weicher; and book review editor Ronald Hamowy. Each of these contributed an article to the first issue. Three were students in the Committee on Social Thought, one a student in the history department, one in the economics department. Raico served as editor-in-chief, alone or along with Schuettinger or Hamowy, for all but the final two issues. Joe M. Cobb served in that capacity for the final two issues and has been guardian of the tradition ever since.

The editorial advisory board

initially consisted of myself from the economics department, F. A. Hayek from the Committee on Social Thought, and Richard M. Weaver from the English department. Aside from occasionally contributing articles, our role was strictly advisory and little advice was required. The students who undertook the project were not only dedicated; they were also extraordinarily able and talented, and that continued to be the case with the students who joined or replaced the founders. Most of them remain active and effective defenders of a free society, and have achieved careers that fulfill their initial promise. Few phenomena have so reinforced my own personal belief in the validity of the philosophy of freedom as the high quality, both intellectual and personal, of the young men and women who were attracted to the “party of liberty”—to use the *New Individualist Review*’s parlance—when it had all the appearance of being a lost cause.

The *Review* quickly established itself as the outstanding publication in the libertarian cause. Although every contributor to its first issue was from the University of Chicago (one faculty member, five students), by the second issue, two out of five were from

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outside the university, and in the third, five out of seven. As every reader of this volume will find for himself, the quality of the *Review* was consistently high. The contributions were directed at important and controversial issues; they were reasoned and thoughtful without being arid; they touched on both basic philosophical issues and important practical problems; they were, as the initial editorial promised, “generally . . . libertarian or conservative” but not narrowly parochial, and ranged over a wide variety of points of view.

The subsequent history of the *Review* and its ultimate termination were partly typical of student ventures—ups and downs as the student body changed and the number of persons interested in its subject matter and willing to devote the time to its publication fluctuated. But two other events played a role—one local, the other national.

The local event was Friedrich Hayek’s retirement from the University of Chicago and his relocation to Freiburg, Germany. His students had formed the core of the initial founders and had remained an important component of the editorial staff throughout.

The national event was the Vietnam War. In the early 1960s

there was, as the introductory editorial said, a rising tide of support among the young for the party of liberty, for the principles of free, private enterprise, and a strictly limited government. I believe that tide would have continued to rise if the passions of the young had not been diverted by the Vietnam War and above all by conscription. The antiwar, anti-draft movement gained the support of young men and women of the left, the center, and the right; it absorbed their energies and their enthusiasm. The battle on the campuses deteriorated to an elemental level, as the very basic principles of civil discourse and reasoned, open-minded discussion came under attack. Little energy or possibility was left for more sophisticated examination of basic intellectual issues.

One of the final issues of the *Review* reflected one facet of this development: the spring 1967 issue devoted to a symposium on conscription. And even that was partly derivative from a conference on the draft held at the University of Chicago in December 1966.

Once the Vietnam War ended and the draft was replaced by an all-volunteer military, the former intellectual tide in favor of the party of liberty resumed, re-

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inforced indeed by the antigovernment attitudes generated by the war and the draft. The result has been a veritable outpouring of publications, articles, and books devoted to examining and discussing the kinds of issues to which the *New Individualist Review* was devoted.

It is therefore highly appropriate that the progenitor of these

publications be reprinted now. Most of the articles remain timely and relevant. More important, perhaps, this student venture, despite its narrow base and its limited resources, sets an intellectual standard that has not yet, I believe, been matched by any of the more recent publications in the same philosophical tradition.

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NEW  
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VOLUME 1  
NUMBER 1  
APRIL 1961

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**New**

**INDIVIDUALIST**

**Review**

**CAPITALISM AND FREEDOM**

**MILTON FRIEDMAN**

**POLITICS AND THE MORAL ORDER**

**JOHN P. McCARTHY**

**MODERN EDUCATION vs. DEMOCRACY**

**ROBERT SCHUETTINGER**

**HAYEK'S CONCEPT OF FREEDOM:  
A CRITIQUE**

**RONALD HAMOWY**

**APRIL 1961**

**25 cents**

**Vol. I No. I**





*for the advancement of conservative thought on the campus*

*Founded 1953*

" . . . Much of the stir on the campus is due to a mushrooming national organization called the Intercollegiate Society of Individualists . . . ISI puts some remarkably high grade material into the hands of students through "The Individualist," a news-letter publication . . . "

—Wall Street Journal

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" . . . (The) Intercollegiate Society of Individualists, founded in 1953 to combat campus socialists, now has a national mailing list of 12,000 confirmed conservatives for its literate newsletter ,the INDIVIDUALIST . . . "

—Time

" . . . The spearhead of this 'new radicalism' is an organization known as the Intercollegiate Society of Individualists, which for seven years has preached the philosophy of freedom on college campuses . . . it will take the continuing effort of its adherents to demonstrate that the object of conservatism is solely to extend the area of individual freedom and arrest the spread of socialism. The ISI offers an outstanding example of how the job is done . . . "

—The Arizona Republic

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Volume 1 — Number 1  
APRIL 1961

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# *An Editorial . . .*

The **New Individualist Review** has been founded in a commitment to human liberty. We believe in free, private enterprise, and in the imposition of the strictest limits to the power of government. The philosophy which we advocate is that which was shared by some of the greatest and deepest political thinkers of modern times—by Adam Smith, Burke, Bentham, Herbert Spencer; it is responsible for most of the good that the modern world has accomplished in the way of material progress and increased freedom.

Two or three decades ago, individualism was held in contempt by American intellectuals, and a decade ago they regarded it as at least wildly eccentric. We certainly do not deny that the majority of today's intellectuals are still guided by the ideas which grew up in the 1930's. But the slogans which the New Deal shouted, and the stereotypes which it propagated, while perhaps fresh and exciting then, have lost their appeal to the generation which has emerged in recent years, one which sees no reason to consider our march towards the Total State to be as "inevitable as a law of nature."

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College professors like to think of themselves as working far out on the frontiers of knowledge; the truth is, however, that in some respects, at least, they are not so very different from most people. They, too, think that old ideas, like old friends, are best. Accustomed to the premises of the collectivist ideology which they absorbed when they were students, they are understandingly comfortable with it, and are reluctant to change. But it is equally understandable that the best and most independent in each generation should want to test the premises of its predecessors, and seek out more veridical ones.

This is precisely what has been happening. An increasing number of students in the past decade have recognized the inadequacies of the orthodox response to most of the present-day social and economic challenges. The party of liberty is steadily gaining adherents among students: One of the purposes of this review will be to add to the growing number of libertarians in our colleges and universities.

In future issues we will publish articles and reviews by students and younger scholars, and occasionally by established authorities, in philosophy, economics, politics, history, and the humanities. The viewpoints presented will generally be libertarian or conservative, but we will consider for publication any essay which indicates a reasoned concern for freedom, and a thoughtful valuation of its importance.

# Capitalism and Freedom

MILTON FRIEDMAN

IN DISCUSSING the principles of a free society it is desirable to have a convenient label and this has become extremely difficult. In the late 18th and early 19th centuries, an intellectual movement developed that went under the name of Liberalism. This development, which was a reaction against the authoritarian elements in the prior society, emphasized freedom as the ultimate goal and the individual as the ultimate entity in the society. It supported *laissez faire* at home as a means of reducing the role of the state in economic affairs and thereby avoiding interfering with the individual; it supported free trade abroad as a means of linking the nations of the world together peacefully and democratically. In political matters, it supported the development of representative government and of parliamentary institutions, reduction in the arbitrary power of the state, and protection of the civil freedoms of individuals.

Beginning in the late 19th century, the intellectual ideas associated with the term liberalism came to have a very different emphasis, particularly in the economic area. Whereas 19th century liberalism emphasized freedom, 20th century liberalism tended to emphasize welfare. I would say welfare instead of freedom though the 20th century liberal would no doubt say welfare in addition to freedom. The 20th century liberal puts his reliance primarily upon the state rather than on private voluntary arrangements.

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Milton Friedman, Professor of Economics at the University of Chicago, is the author of *Essays in Positive Economics*, co-editor of the *Cambridge Economic Handbook* series, and a contributor of numerous articles to professional journals.

The difference between the two doctrines is most striking in the economic sphere, less extreme in the political sphere. The 20th century liberal, like the 19th century liberal, puts emphasis on parliamentary institutions, representative government, civil rights, and so on. And yet even here there is an important difference. Faced with the choice between having the state intervene or not, the 20th century liberal is likely to resolve any doubt in favor of intervention; the 19th century liberal, in the other direction. When the question arises at what level of government something should be done, the 20th century liberal is likely to resolve any doubt in favor of the more centralized level—the state instead of the city, the federal government instead of the state, a world organization instead of a federal government. The 19th century liberal is likely to resolve any doubt in the other direction and to emphasize a decentralization of power.

This use of the term liberalism in these two quite different senses renders it difficult to have a convenient label for the principles I shall be talking about. I shall resolve these difficulties by using the word liberalism in its original sense. Liberalism of what I have called the 20th century variety has by now become orthodox and indeed reactionary. Consequently, the views I shall present might equally be entitled, under current conditions, the “new liberalism,” a more attractive designation than “nineteenth century liberalism.”

It is widely believed that economic arrangements are one thing and political arrangements another, that any kind of economic arrangement can be associated

