

to maintain and promote fundamental freedoms within the laws of the land, and to have confidence that an alert and intelligent public will deny power of influence to those who misuse these freedoms. In doing so, I hope we can avoid in the future, as we have in the past, the kind of hysteria that sometimes does more harm than the evil that provokes it. Communist or fascist treachery is admittedly difficult to uproot, because those who practise it successfully are masters of deception. But they will accomplish a large part of their purpose if they spread ill-founded suspicions in the community, if they make us think that our universities should be purged or trammelled, if they make us uneasy in our minds about the loyalty of our public servants, if they infect us generally with the wasting fevers of distrust. Let us by all means remove traitors from all positions of trust, and, if necessary, strengthen our criminal code in order to deal with the enemies of the state. But in doing so, I hope we may never succumb to the black madness of the witch hunt.

The best defence, however, against totalitarianism in any form, is to prevent or remove the conditions upon which it feeds. As far as the economic life of the nation is concerned, this means, I think, that the government may have to accept a large measure of responsibility for direction, and even for control. Indeed, whether it desires it or not, that role is being forced on the state by insistent and increasing demands for services and assistance, many of which are made by those who subsequently complain at the interference by government in their affairs, which is made inevitable by the effort to satisfy these demands. It is, in fact, becoming increasingly difficult to reconcile the satisfaction of such demands with the maintenance of that spirit of self-reliance and competitive achievement which is one of the foundations of our free society.

Nevertheless, the problem is one of the most compelling which governments have now to face. In facing it they must accept the fact that the words "direction" and "control" as applied to state action, arouse intense animosity in certain quarters and conjure up in the minds of many people the worst evils of bureaucratic interference. However, those who hold such feelings do not, I think, believe that we should return to the freedom which "big business" once enjoyed. Indeed big business itself would not desire a return to the old era, for it knows full well that its welfare depends not only on its ability to manufacture its product, but also on the capacity of the great mass of the people to buy that product. In their own interests, therefore, the huge enterprises of modern industry look to government for that economic and political stability which, among other things, is essential to the maintenance of popular purchasing power. In return, most of them — certainly the sensible and enlightened ones — are prepared to adapt their plans to those for the economic welfare of the nation as a whole. Nor do they claim to be the sole judges of what that welfare is or to identify it exclusively with their own balance sheets. They realize, as we all do, that the real wealth of a nation lies in its collective capacity to produce and to consume. Certain advocates of financial reform have exploited this simple truth for the purpose of persuading people that some sort of monetary magic will make it possible for them to use what they produce. But the problem of maintaining purchasing power is not so easily solved as all that. It is solved by many procedures — as simple as family allowances and old age pensions and as complex as establishing a rate of international exchange. It is a responsibility of modern government to act — with as little interference with the private individual as possible, but nevertheless to act — so that the resources and productive capacity of a nation may be made available to the citizens on an equitable basis. Anyone who dislikes or distrusts the way government discharges this responsibility may seek to influence or change the administration in office. But we don't very often hear the claim now that we would be better off if we went back to the days of laissez-faire.

On the other hand, the Government's part in the economic life of the nation need not and must not amount to domination or tyranny. A very good expression of the role of government in the economic affairs of the nation was given recently in an article by Arthur M. Schlesinger, Jr., from which I should like to quote the following: