



## MONETARY CONFERENCE

Jay Powell answers our questions

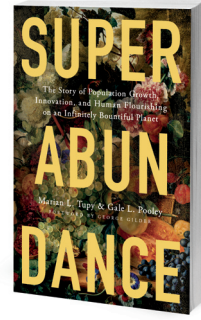
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# Cato Policy Report

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## The Women Who Launched a Revolution

BY TIMOTHY SANDEFUR

In May 1943, British prime minister Winston Churchill stood before a joint session of Congress to say that the war against the Nazis was likely to become more grueling in the coming days. Nevertheless, he insisted, the Allies would prevail “by singleness of purpose, by steadfastness of conduct, by tenacity and endurance.” As members of the audience headed home, they might have spied the dome of the new Jefferson Memorial. And they might have paused before the windows of a bookstore and seen inside three volumes on the theme of freedom, all by remarkable American women: *The God of the Machine* by Isabel Paterson; *The Discovery of Freedom* by Rose Wilder Lane; and *The Fountainhead* by Ayn Rand.

As brilliant, independent career women, these writers of both novels and nonfiction would later be described by journalist William F. Buckley Jr. as the “three furies of modern libertarianism.” Although other important books on freedom were published in the 1930s and ’40s by such writers as Albert Jay Nock, Garet Garrett, and F. A. Hayek, these authors—

at times friends, at other times estranged—were at the forefront of what became the libertarian movement as we know it today.

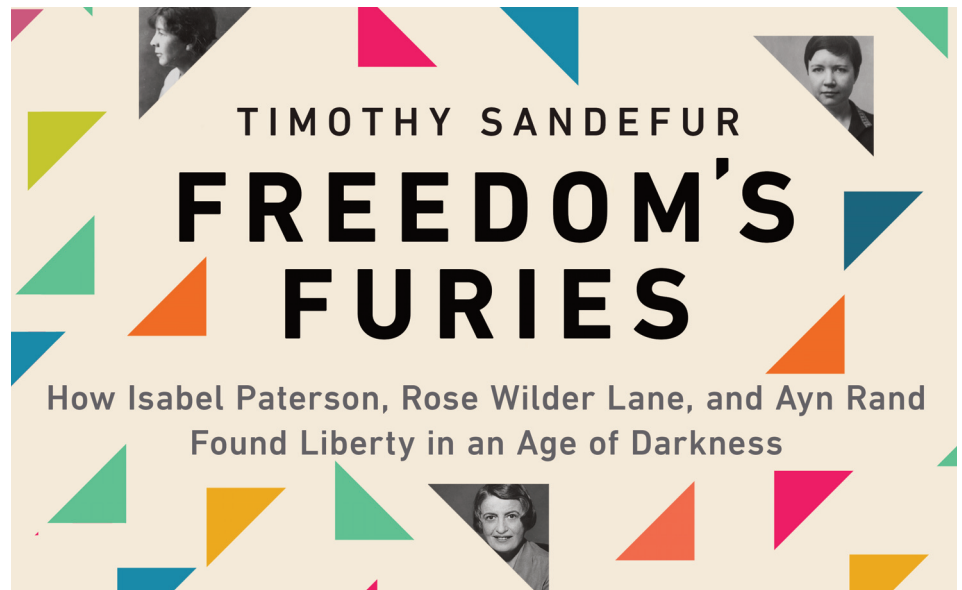
### THE WOMEN

Paterson was born on a forested island on the Canadian side of Lake Huron in 1886. She had only two years of formal education before leaving school at the age of 11. Her father was an alcoholic and her mother a long-suffering, hardworking woman whom Paterson loved dearly. When the family’s house was destroyed by a fire, they moved to Michigan, then Utah, then the Northwest Territories of Canada. In

short, Paterson was a product of the American frontier, with vivid memories of witnessing Sioux and Blackfoot ceremonies, living in log houses, watching covered wagons, and viewing the long fingers of railroad tracks reaching west. After working as a journalist and as an assistant to sculptor Gutzon Borglum—famous for carving Mount Rushmore—she took a job with the *New York Herald Tribune*, where she was given a gossip column about the publishing industry called *Turns with a Bookworm*. She wrote it every week for a quarter century.

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**TIMOTHY SANDEFUR** is vice president for legal affairs at the Goldwater Institute. His most recent books include *Frederick Douglass: Self-Made Man* and *Freedom’s Furies: How Isabel Paterson, Rose Wilder Lane, and Ayn Rand Found Liberty in an Age of Darkness*.



Timothy Sandefur’s new book about three remarkable women who strove to keep liberty alive in an age of darkness was published by [Libertarianism.org](http://Libertarianism.org) in November 2022.

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Lane was born the same year to Almanzo Wilder and his wife, Laura Ingalls Wilder, whom she would help make famous in the *Little House* series of children's novels that she cowrote with her mother. Those books would ultimately be responsible—perhaps more so than any others—for romanticizing the image of 19th-century farm life. But the truth was, Lane hated it. While growing up in South Dakota and Missouri, she had despised its dreary and endless chores and the suffocating small-mindedness of the people around her. As soon as her writing earned enough money to escape, she fled. She moved to California, where she became a journalist and wrote biographies of Jack London, Charlie Chaplin, and Herbert Hoover. Then she traveled to Europe, where she reported on the start of the Armenian genocide and the famines brought on by the Russian Revolution. Those experiences led her to abandon her youthful socialism. By 1936, she was an ardent opponent of the New Deal.

That spring, she published *Give Me Liberty*, a short book recounting that transformation and reflecting on the failings of government economic planning. Her error, she thought, had been in thinking that government could be immune to the errors, corruption, and manipulation to which individuals are prone. In reality, government is made up of individuals, so it is at least as fallible as any other human institution. She had also been wrong to think that economic progress must be planned. She now saw that what she called the “anarchy of individualism” had led to progress unimaginable in previous centuries. Government planning, by contrast, required officials to be omniscient—and all-powerful. Anticipating the arguments of such economists as Ludwig von Mises and F. A. Hayek, she argued that government controls can never stop halfway but must constantly expand until the state dictates even the tiniest details of personal life. “The entire economic circulation-system

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of a modern country is affected by the number of its people who wash behind the ears,” for example. “This somewhat private matter affects the import and production of vegetable oils; the use of fat from farm animals; the manufacture of chemicals; perfumes, colors,” and so on. Because the prices of soap's ingredients are connected to those of all other products, planners seeking to control the soap market would have to control the supply of those ingredients as well as the production of any other product that might use those ingredients—and the use of soap itself—to control the “proper” production and distribution of soap. In short, central planners would ultimately be forced to dictate all personal behavior.

Lane illustrated her point by comparing the way an audience leaves a theater with the way a teacher tries to maintain control of a classroom full of children. “No crowd leaves a theatre with any efficiency,” she wrote, “yet we usually reach the sidewalk without a fight.” In a school, by contrast, “any teacher knows that order cannot be maintained without regulation, supervision and discipline.” The difference lay in the fact that the theatergoers pursue their own purposes as responsible individuals whereas schoolchildren are not mature adults trusted to make their own choices and must therefore be constantly monitored and controlled. Likewise, in an economy, people left to their own devices will

fashion solutions to problems through mutual bargaining. But taking away their freedom, as the regulatory state does, infantilizes them—treats them like schoolchildren, who must be constantly supervised and disciplined. That might work in European societies that never developed an individualistic ethos, but Americans, “the most reckless and lawless of peoples,” are unsuited to such a notion. Their “principal desire” was “to do as they pleased,” and they did not view themselves as children but as self-directed beings.

Paterson praised *Give Me Liberty* in her column, and a month later, she observed that central planning also wrecked the creative arts, particularly literature. She had just been sent a semiautobiographical novel by a young Russian émigré who had fled the Soviet Union for America “because,” as Paterson put it, “she preferred the terrific hazards she has surmounted to the ‘security’ of a ‘planned society.’” The book was called *We the Living*, and the author's name was Ayn Rand.

Born in St. Petersburg in 1905, Rand escaped to New York in 1926, spent time in Chicago with relatives, and then moved to Los Angeles to pursue a career in Hollywood. She achieved modest success with a play called *Night of January 16th* before beginning work on *We the Living*. It was distinctive in capturing the essential evil at the heart of Soviet oppression. In fact, Rand insisted it was “not merely an argument against Communism” but an attack on “all forms of collectivism, against any manner of sacrilege toward the Individual,” because the definitive characteristic of such tyrannies was the principle that people must live for the sake of the group—the state, the race, the tribe—and that one's worth is determined by the degree to which one sacrifices for others. “Don't you know,” says its heroine Kira, “that there are things, in the best of us, which no outside hand should dare to touch? Things sacred because, and only because, one can say: ‘This is mine?’” Rand's critique of the Soviet regime

was not merely that it censored and robbed millions of people but that it left them no room for *aspiration*—a word that suggestively shares the same root as the word for breathing. Rand’s original title for the book, *Airtight*, derives from her view that collectivism deprives people of any opportunity to rise above the commonplace. “What do you think is alive in me?” Kira demands. “Because I breathe and work and produce more food to digest? Or because I know what I want, and that something which knows how to want—isn’t that life itself? . . . You came and you forbade life to the living. You’ve driven us all into an iron cellar and you’ve closed all doors, and you’ve locked us airtight.”

## RAND AND PATERSON

Rand got a chance to meet Paterson at a cocktail party that year, but although the encounter excited Rand, Paterson later said she did not remember it. Not until 1941 would the young Russian become a friend and, to some degree, a protégée. That was after Rand volunteered for Wendell Willkie’s doomed campaign for president and, disgusted by the candidate’s unprincipled and unintellectual approach, became persuaded that the country needed an intellectual movement for individualism that would focus on fundamentals. “Let us drop all compromise, all cooperation or collaboration with those preaching any brand of Totalitarianism in letter or in spirit,” she wrote in a manifesto for the new organization she had in mind. “Of every law and of every conception we shall demand the maximum freedom for the individual and the minimum power for the government necessary to achieve any given social objective.”

Rand tried to recruit Paterson, but Paterson refused. She did not join groups, and she and Lane sometimes joked about founding a Society for Non-Communication. “If you wish to join it,” Paterson explained, “you simply do not let [Lane] know, do not write her, do not call, go into silence.” (Paterson added that she herself

# “ It does for capitalism what *Das Kapital* did for the Reds. ”

“[could not] become a full member” for “obvious reasons.”) Thus, when Rand received no answer to her invitation and called to follow up, Paterson suggested that she visit her at the *Herald Tribune*’s headquarters instead. At that meeting, the 35-year-old Russian must have impressed the 54-year-old Canadian, because Rand was soon a frequent participant in Paterson’s weekly salons, held on Monday evenings as she and her friends finalized that week’s Turns with a Bookworm column.

The two hit it off right away. Earnestly intellectual and intensely curious about Paterson’s historical and literary knowledge, Rand was fascinated by the older woman, and Paterson was charmed in return. Rand was “elegant,” she reported in Turns, with “smooth black hair, round eyes that look black and aren’t, neat figure and just that turn of the head and direct gaze and natural simplicity of manner.” And Paterson’s weekly gatherings seem to have been great fun. “When Pat is in a good mood, she is like quicksand,” Rand told a friend, “completely irresistible.”

## THE REVOLUTION OF 1943

In 1943, Paterson, Lane, and Rand all published books that inaugurated a new phase of American political debate. Paterson’s *The God of the Machine* offered an innovative argument for economic freedom: the economy, she wrote, is literally a machine, generating and transmitting the human energy of individual creativity. Economic exchange is a kind of “circuit” whereby individuals, acting on their own local knowledge and circumstances, cooperate to create and distribute wealth

throughout society while respecting each person’s freedom to run his or her own life. This distinguishes it from centralized, command-and-control economies in which people are compelled to pursue a single, unified goal and where they occupy social positions determined by the authorities.

Lane and Rand loved it. It “smashes to bits the whole basis of nearly all previous work in political economy,” declared Lane in a book review. It was “the first approach ever made to a scientific study of the relations between production (the operation of human energy in converting the materials of this earth into forms of wealth and distributing them) and the structure of the political mechanism, the State, in which this energy so operates.” Rand, too, enthused about it in letters to publishers, business executives, and fans. It was “the greatest defense of capitalism I have ever read,” she told one. “It does for capitalism what *Das Kapital* did for the Reds.” It “could literally save the world,” she told another, “if enough people knew of it and read it.”

It was probably Lane who got former president Herbert Hoover to read the book. Paterson reacted with puzzled amusement when he wrote her a complimentary letter about it, given that he was hardly an advocate of *laissez faire*, and Paterson had often denounced his economic policies as dangerously foolhardy. But knowing he might be able to help publicize her work, she agreed when Lane arranged for them to have lunch at the Waldorf Astoria hotel.

It was a waste of time. Paterson reported to Rand afterward that Hoover proved to be every bit as dull as she had expected. Self-obsessed and fond of meaningless phrases and clichés, he annoyed her by referring to her book’s mechanistic and electrical terms as mere metaphors. “I said they weren’t metaphors but engineering descriptions. He said very well, but I insisted that was an important distinction”—whereupon Hoover changed the subject.

But he irritated Paterson even more when, in response to her complaint that business leaders refused to stand up for themselves, he observed that this was understandable given that executives were so busy working. “Whereas you and I,” Paterson growled, “with the extraordinary advantages we have possessed—being women, with a living to earn as best we can, and no backing, and the dishes to wash, and no firsthand experience in the engineering and industrial field, and with the aforesaid prominent men cutting our throats by endowing every triple-asterisk Pink in the country and supporting the same on all the periodicals—it is obvious that we can very well do the thinking, is it not?” She was pleased that Hoover seemed to understand a few of her arguments, but she came away from the meeting repulsed at the idea “that I am asked to accept such a man as an intellectual equal.”

#### WHY DID WOMEN LEAD THE WAY?

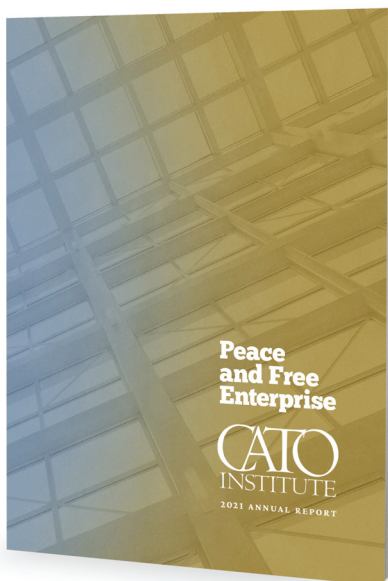
In fact, it was often asked during their lifetimes why women were the primary champions of the cause of American individualism. A better answer than Hoover’s might have been that during the Depression, men had more to lose by challenging the

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prevailing trends of politics and culture. At a time when jobs were scarce and many were funded by the government, political dissent was likely to result in firing or blacklisting. Since men were still the primary breadwinners in that era, this may have made them reluctant to risk opposing the status quo.

But that can only be part of the answer, for many men did stand up for individualism—including the leaders of the American Liberty League and the National Association of Manufacturers. Yet none did so with such lasting, persuasive, and thoroughly considered force as did the “furies.”

A more likely explanation is that women in the early 20th century had experienced an unprecedented liberation. Lane and Paterson were both in their 30s when women were given the right to vote. They were conscious of the fact that their generation was the first to escape the drudgery of farm labor and to have a genuine opportunity to define their own lives and participate in American democracy and the American economy. Their opportunities were still far from truly equal, but it was a bracing new freedom nonetheless. As women, they knew all too well how freedom can be destroyed by those who claim they are only trying to “help” or who try to “protect” people from the obligations and rewards of living their own lives. They viewed the New Deal as precisely that kind of debilitating paternalism. And having witnessed the century’s unimaginable social and technological transformations—Paterson set a world altitude record in a flimsy airplane in 1912; 57 years later, her protégée Rand attended the launch of Apollo 11—they understood how rare and fragile that progress really was. They feared that abandoning the legal and economic principles that created such progress would plunge humanity into a new Dark Age. ■



## Learn more about Cato’s victories in the fight for freedom

As challenges to liberty rise, we’re accelerating our efforts to preserve a free and open society—the birthright of future American generations. Within this report you’ll see how Cato’s dedicated scholars are executing our vision of expanding individual liberty, limited government, free markets, and peace.



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