
BOOK REVIEW RETROSPECTIVE

Reviews of Richard C. Cornuelle's

*Reclaiming the American Dream:
The Role of Private Individuals and
Voluntary Associations*

New York: Random House, 1965.

Reprinted with a new introduction by Frank Annunziata
and an afterword by the author.

New Brunswick: Transaction Publishers, 1993.

Richard C. Cornuelle

*Reclaiming the American Dream: The Role of Private Individuals and
Voluntary Associations*

Reviewed by M. Stanton Evans

***National Review*: November 16, 1965**

The Forgotten Giant

Contrary to Liberal complaint, the productive energies of a society can supply human needs far better than can government compulsion. That is the lesson taught by free enterprise economists, and by the market economy itself, wherever it has been allowed to function. It is a lesson given new edge and relevance by Richard C. Cornuelle in *Reclaiming the American Dream*. Mises and Hayek and Friedman have shown that where the profit motive operates freedom is superior to collectivism; Cornuelle seeks to prove that even where profits are not involved, freedom is still the better way.

One problem with the conservative or free enterprise approach, in Cornuelle's view, is that it focuses too much on the profitable side of its performance, too little on the philanthropic. Liberals seem always to be arguing "for" something, conservatives "against." The Liberal appears to be compassionate and humane, the conservative, insensitive and selfish. The difference is made to order for Liberal success at the polls. To counteract this disadvantage the author says,

conservatives should start paying some attention to the immense achievement of voluntary action in curing illness, eliminating poverty, providing jobs, etc. and still greater potential for voluntarily fulfilling future needs.

The vast majority of human wants, of course, are taken care of in our society by commercial change. In this area freedom has done enormously effective work above and beyond anything attempted in collectivist societies. Yet it is still on the defensive politically since the profit motive that makes the system go is considered ignoble or unserviceable when recipients of goods or services cannot pay for what they get. This asserted deficiency of “the commercial sector,” Cornuelle says, is mitigated by “the independent sector”—the vast complex of individuals and organizations involved in charitable and civic and social activity. The independent sector includes everything from blood banks to the Salvation Army to fixing your neighbor’s flat tire—and disposes, according to the various examples cited by Cornuelle, of perhaps \$30 billion worth of goods and services annually. Strangely anonymous and unheralded, voluntary agencies set about each year to cure diseases like polio and cancer, provide recreational facilities for millions of people, launch symphony orchestras, care for the needy, build hospitals, give some \$15 billion to private charity, support education, clean up pollution, etc., etc.

The forgotten giant operates in terms of the “service” motive, which Cornuelle believes—in contrast to many Liberals and conservatives alike—is as potent an influence as the desire for acquisition. It could achieve even greater things if the desire to help one’s fellow man could be given appropriate outlets. When people know how to go about helping (fixing a tire, giving blood), they do help; when they don’t help (curing unemployment, fighting urban blight), it is because they don’t know how. Cornuelle’s book is a valuable text suggesting ways and means to attack these larger problems through voluntarism and to draw some attention to the immense resources available for the job.

If we would rely more on these resources and less on schemes of governmental coercion, Cornuelle says, we could eliminate most secular problems confronting us—from poverty to racial strife—and he cites many specific examples to prove his point. One of the most impressive of these is a project in which Cornuelle himself was involved, a college loan program called “United Student Aid Funds,” which has done an extraordinary job of helping young people, without governmental assistance, to finance their higher education. Numerous other examples, in urban renewal, low-cost housing, etc., are also cited.

Cornuelle believes concentration on the “independent sector” would help put

free enterprise in a more humane light and forestall Liberal demands for augmented welfarism. In the first of these assumptions, he is undoubtedly correct. In the second, unfortunately, he is probably wrong. Although there is no doubt some truth in his belief that Liberal programs are actuated by genuine distress, the accumulating data suggest this is no longer the dominating motive. Indeed, the internal evidence of Cornuelle's book says precisely otherwise. For one thing, official Liberalism has proved remarkably insensitive to the hardship *caused* by its many programs—inflation, high taxes, labor practices destructive of business and of jobs—and has evinced neither repentance nor concern for the victims. For another, Liberalism is usually displeased when either the free market or the states show signs of solving a problem (medical care, poverty, construction of schools), and usually pushes more desperately than ever for a federal “solution” when the problem shows signs of disappearing. And for yet another, Liberalism has repeatedly tried to intrude federal power into areas where “the independent sector” has been doing an admirable job (dropouts, urban renewal, college loans). In the last category, Cornuelle's experience with the USAF is testimony to the Liberal desire to take over an on-going program operated by private citizens.

It seems doubtful, in short, that even the most dazzling performance by “the independent sector” can quiet Liberal demands for government welfarism, because Liberalism today is more interested in power, patronage, and the purchase of votes with tax money than it is in “helping” anyone. Cornuelle's ideas are thought-provoking and valuable; but even their most successful realization would not, we may be certain, halt the Liberal drive for power without parallel political action.



Richard C. Cornuelle

Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations

Reviewed by Edwin J. Feulner, Jr.

The Intercollegiate Review: May, 1966

“Americans of all ages, all conditions and all dispositions constantly form associations,”¹ said Alexis de Tocqueville after his memorable visit to America more than a century ago. It is the particular impact of these voluntary associations on twentieth-century American life which Richard Cornuelle examines in *Reclaiming the American Dream*. That the volume is a short 171 pages is no

indication that Mr. Cornuelle's ideas lack depth, but rather it is a tribute to his ability to write succinctly while inspiring the reader with his scope.

The need for a practical alternative to an ever-expanding welfare state should be evident to even the most doctrinaire collectivist. For example, in Britain where one finds an advanced welfare state, the majority of the citizenry is willing to pay more for welfare services if it can exercise a choice between the alternatives of government and the private sectors for these services.² And yet, with the exception of the Institute of Economic Affairs' work in England, and the writings of a few economists such as Milton Friedman,³ F.A. Hayek,⁴ and Wilhelm Röpke,⁵ there is a dearth of practical alternatives to the encroaching welfare state. The problem is that too often alternatives to the welfare state are couched in easy phrases such as: "I am going to be dogmatic at this point and say that all so-called middle-of-the-road (between capitalism and socialism) systems are unstable and transitional in nature, and in the long run either break down or lead to socialism."⁶ Henry Hazlitt, the author of this passage, then refers the reader to two essays, by Ludwig von Mises and Gustav Cassel written in 1952 and 1934, respectively, for a confirmation of his assertion.

It is fortunate that Mr. Cornuelle has written his book to expand on the alternatives to the welfare state. His analysis of the failure of our present pair of alternatives (unadulterated capitalism or the welfare state) is recommended reading for realistic politicians, economists, and social workers of all persuasions. He points out that the current "liberal" answer is inadequate. This is demonstrable because of the wide discrepancy which inevitably exists between a grandiose scheme on paper and the actual results of a plan once it is in operation. The examples of this gap are so obvious as to require only a mention to conjure up visions of graft, corruption, and ineffectiveness. (The overfunded, overstuffed, generally unsuccessful War on Poverty Program is perhaps an example.)

Mr. Cornuelle maintains, on the other hand, that the conservative has failed to present a reasonable alternative to the liberal program for remedying obvious human problems. Thus, the conservative is cast in the negative, defensive role of protecting the status quo despite its injustices. Furthermore, as Cornuelle poignantly observes, "conservatives have tried in vain to oppose pragmatic programs with philosophical arguments" (9).

The answer to both deficiencies is that the United States has failed to utilize its "independent sector" as well as it should have. This independent sector is a "kaleidoscope of human action," (38) consisting of churches, voluntary welfare

groups (ranging from the American Cancer Society to the local Boy Scout Troop), private foundations, fraternal and service organizations, labor unions, private hospitals, private educational institutions and hundreds of others. The driving force behind this voluntary sector is the service motive. For the service motive to function, the American citizen merely has to be alerted to a need which he can fulfill. With this precondition, Mr. Cornuelle maintains that the citizen will respond magnificently.

The independent sector is the sector which John Kenneth Galbraith, one of America's leading liberal economists, can ignore as an active force in the individual American's life⁷ and also as a nonentity in his theory of countervailing power which pits economic special interest groups against each other.⁸

This lack of consideration of the effect of voluntary associations would certainly not have surprised their first chronicler, de Tocqueville, who holds that: "The more it [government] stands in the place of associations the more will individuals, losing the notion of combining together, require its assistance: these are causes and effects that unceasingly create each other."⁹ If de Tocqueville's thesis is accurate, a hard jolt is required to change this pattern of increasing governmental dominance over the affairs of the independent sector. Cornuelle's book may not provide that jolt, but it certainly gives one reason to believe that the trend is not irrevocable. Among the successful recent activities of the independent sector which he discusses is the case of United Student Aid Funds. Here was a problem of college loan financing which the independent sector faced squarely and overcame completely. The most recent figures indicate that a total of 68,000 guaranteed bank loans were made through 5,500 local banks for students in 685 colleges. The success of the independent sector's program is contrasted with the federal government's program: U.S. Aid Fund dollars turn over much faster than government funds; government handling costs are much higher and their delinquency rate is about twenty times the delinquency rate of the U.S. Aid Fund's borrowers (80-87).

One can cite stories from almost any daily newspaper to amplify Mr. Cornuelle's examples, such as the many private statewide insurance plans for elderly medical care which are going out of business in 1966.¹⁰ The demise of these ventures may be traced directly to the enactment of the medicare provision of the Social Security Act in the first session of the 89th Congress which becomes effective this summer. One hopes that Mr. Cornuelle's independent sector will provide a nation-wide scheme for this protection for older people who do not

choose, or are not qualified, to take advantage of the government's scheme.

Examining the fields of management and labor, the reader is happy to learn that the National Association of Manufacturers, long characterized as the embodiment of the self-centered greedy capitalist, is now engaged in a nation-wide task of inventorying, classifying, and describing job opportunities for unskilled workers.

An example of the failure of the independent sector is the way that government has taken over the provision of unemployment insurance programs. This is a function that, in Great Britain at least, was a function of the friendly societies and the early trade unions.¹¹ One wonders: If the unions were performing more worthwhile functions like this, would they have to worry about the repeal of the right-to-work provisions of the Taft-Hartley Act?

Another notable success which Mr. Cornuelle mentions is the conquest of infantile paralysis largely through the independent sector's March of Dimes campaign.

Mr. Cornuelle seems to have an adequate grasp of the administrative problems of various private groups. He decries the inane but prevalent idea that a board of trustees of a local charitable institution should sit in a meeting and pass on the number of bandages to be made for the local hospital. He points out the need for an exchange of information among the various voluntary groups in the United States, and challenges this sector to increase its efficiency to that of the private sector. He then reminds the private sector that if it doesn't perform adequately, there is always a stand-in waiting in the wings to take over its role in providing services. This is, of course, the government, which Mr. Cornuelle calls "the independent sector's discipline." His account of how foundations have failed to answer the challenge for action when it is needed is ominous. Of course, as Cornuelle maintains, this is only one side of the coin. The government must be receptive to independent solutions when they are offered.

Reclaiming the American Dream contains a wealth of material on which a positive answer to the continual expansion of the welfare state can be based. But this question must be raised: With 90% of our total welfare funds flowing through the government (44), with the unwillingness of Congressional representatives to recognize a successful private answer to a welfare question when they see it (as in the case of U.S. Aid Funds), with the projections for increased governmental welfare spending, and with continual harassment of the independent sector by the government, if, under these circumstances, any success can be hoped for through the independent sector. If we believe de Tocqueville's dictum that "it is never by recourse to a higher authority that one seeks success, but by an appeal to

individual powers working in concert,"¹² we can only hope that Mr. Cornuelle's outlook for a revival of the independent sector is not overly optimistic.

At the time of this review Mr. Feulner was an associate editor of The Intercollegiate Review and a Public Affairs Fellow at the Center for Strategic Studies, Georgetown University. He retired as president of The Heritage Foundation in 2013.

NOTES

¹ Alexis de Tocqueville, *Democracy in America* (New York: Alfred A. Knopf, 1955), II, Book II, Chap. V, 106.

² See the publications of the Institute of Economic Affairs, 66a Eaton Square, London, S. W. 1, England, especially its volume *Choice in Welfare* (1965).

³ In his *Capitalism and Freedom* (Chicago: Univ. of Chicago Press, 1962), Friedman makes such topical proposals as consumer vouchers for educational services.

⁴ *The Road to Serfdom* (Chicago: Univ. of Chicago Press, 1944) and *the Constitution of Liberty* (Chicago: Univ. of Chicago Press, 1960).

⁵ See *A Humane Economy* (Chicago: Henry Regnery Co., 1960) and *Economics of the Free Society* (Chicago: Henry Regnery Co., 1963) respectively.

⁶ Henry Hazlitt, *The Foundations of Morality* (Princeton, N.J.: D. Van Nostrand, 1964), p. 325.

⁷ John Kenneth Galbraith, *The Affluent Society* (Boston: Houghton Mifflin Co., 1958) Chap. XVIII.

⁸ John Kenneth Galbraith, *American Capitalism* (Boston: Houghton Mifflin Co., 1952), Chap. X.

⁹ Tocqueville, *op. cit.*, p. 108.

¹⁰ *New York Times*, November 30, 1965, for example.

¹¹ John A. Lincoln, *Journey to Coercion, Tolpuddle to Rookes vs. Barnard* (London: Institute of Economic Affairs, 1965).

¹² Alexis de Tocqueville, *Journey to America*, J. P. Mayer, ed. (London: Faber, 1958), p. 212.

Richard C. Cornuelle

Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations

Reviewed by Lowell Mason

***Modern Age*: September, 1966**

Welfare minus the State

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 protected 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 *sinurquismo*—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 “independent 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.



Richard C. Cornuelle

Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations

Reviewed by John Chamberlain

***The Freeman*: June 1, 1994**

We are a Long Way from a Totally Free Market

Richard Cornuelle, author of *Reclaiming The American Dream: The Role of Private Individuals and Voluntary Associations*, is the man who restored Alexis de Tocqueville to his rightful place in American history.

Cornuelle had worked as a young man for Garet Garrett. A good observer, he had noticed that it had become fashionable to speak of American life in terms of only two sectors: the public, a euphemism for government; and the private, or commercial sector. The division seemed somehow wrong. Cornuelle discovered the inadequacy of the two-part division by reading Tocqueville’s *Democracy in America*, in which the Frenchman marveled about our tendency to handle public business through associations that had no connections with the state. Americans founded associations to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the Antipodes, and to establish hospitals and schools.

The omission of the independent sector had resulted in a tendency to shuffle off work onto government. It ignored the Kiwanis, Rotary, Civitan, and Lions clubs, as well as the Chambers of Commerce, and some 3,500 independent private hospitals. “There were,” so Cornuelle observed, “1,357 private colleges and

universities, and enrollments in them went up faster than in the public schools.”

There is something of a contradiction in Cornuelle’s lament that conservatives failed to have programs or that liberals had some of the programs that they did sponsor. Cornuelle should be happy that the American dream worked for a hundred years. Our founders had taken pains to design a government with limited powers. Sometimes, this power resulted in a crazy intensity decorating the walls of Alcatraz Prison or in the frivolity of groups organized for treks in classic cars, or even in learning to be clowns. But the independent sector, as Cornuelle put it, is a kaleidoscope of human action, which takes a thousand forms. Sometimes the driving power of the independent sector may seem weak, but the demand to serve is none the less a compelling drive. “We see the services and their many alloys,” says Cornuelle, who is satisfied to observe that “145,000,000 Americans have some form of health insurance.”

Cornuelle sends me a copy of his revised book with the remark that, “Here it comes again.” (*Reclaiming The American Dream* was originally published in 1965.) He says in his afterword that the Reagan mission was not to repeal the welfare state but to preserve it and to accept debt or inflation for taxation.

This was all true enough for the moment, but movements have been created by Cornuelle and others that must lead eventually to less dependence on welfare. “There is,” says Cornuelle, “a sprawling politically invincible middle class, the members of which believe they could be satisfied by the free market.” That is an optimistic note. It doesn’t entirely satisfy Cornuelle. And I can see his point. We have a long way to go before reaching a totally free market. The difficulty we face is dealing with the ruined condition left us by the government process.

Read more: http://www.fee.org/the_freeman/detail/a-reviewers-notebook-reclaiming-the-american-dream#ixzz2jsRtgICW