

host of other ways by which government intervenes to enable organizations to expand and grow, for otherwise they decline and die because of organizational drag. But perhaps enough has been said to suggest how government has acted to bring more and more people under the sway of organizations. In addition to what all this may suggest, government empowers labor union organizations, and governmental organizations themselves grow apace.

The idea that has the world in its grip would concert all human action. The thrust to do this is experienced as loss of independence by the individual in the management of his

affairs. Organization is one of the main means by which this is accomplished. The reduction of the individual to a number is the other, and we must now turn to that. ☯

Next: 31. *The Subjugation of the Individual.*

—FOOTNOTES—

¹John Fowles, *Daniel Martin* (New York: New American Library, 1978), p. 336. This is spoken by a character in a novel and does not necessarily indicate the opinion of the author.

²C. S. Lewis, *God in the Dock*, Walter Hooper, ed. (Grand Rapids, Mich., William B. Eerdmans, 1970), p. 314.

³Eugene Lyons, *Workers' Paradise Lost* (New York: Twin Circle Publishing Co., 1967), p. 217.

Organizational Demands

In the field of politics, the dispossessed dream of a social order which shall be based on righteousness, a system in which men will not exploit their fellow men, in which each shall contribute according to his capacity and each shall receive according to his need. Upon this conception a political party is built. It gives battle, over the years, to the existing order of things. . . .

In the course of time the party achieves power. By this time it is led no longer by starry-eyed idealists, but by extremely tough guys—who then proceed to use their newly acquired power to establish a stronger despotism than the one they overthrew, and to sew up all the holes in it that they themselves discovered in the old. What emerges is not freedom and social justice, but a more comprehensive and totalitarian control, used to maintain a new privileged class, which, because of the earlier experience of its members, is still more ruthless than the old.

W. J. BROWN, "Imprisoned Ideas"

J. Brooks Colburn

EXCESS LOSSES



ALL OF US are familiar with the phrase "excess profits," used so frequently today as an epithet directed at banks, oil companies, and other corporations. However, paradoxical as it may seem, *no* profits are excessive but *all* losses are. To understand why, we need to examine these corollary concepts, profit and loss.

Profit is any surplus over cost of production which accrues to the producer of a commodity. The cost of the commodity, whether it be a good or service, will include such expenses as those required for the raw materials needed to produce it, the amount paid for the labor which was employed, and, of course, the charges for whatever capital goods—plant and tools—were utilized. Thus the cost of producing a simple wooden chair includes whatever was paid out for the wood (raw material), the wages of whoever planed, cut and assembled the wood (labor), and the price of all the tools utilized in the labor process (capital). If the sum of his per unit costs is less than his commodity's per unit price, then the producer generates a profit.

The claim that profits are excessive can be interpreted either of two ways: (1) it can mean that *all* profits, simply by their nature, are exces-

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IDEAS ON



LIBERTY