gressive taxation as a hidden and evil means of destroying the benefits of free competition. The communists have long recommended them as among the very best ways to bring about the downfall of our form of civilization.

FINALLY, I will call your attention to several situations in which coercion is a principal factor in the determination of prices or wages — and hence in the impairment of free competition. The first one has to do with the price of farm products. Suppose a policeman called at your home and compelled you to go to the market and buy some potatoes and butter, which he then compelled you to turn over to a man that he required you to hire to destroy the potatoes and butter. If you then wanted to buy some more potatoes and butter to eat, you could, of course, do so, but at a higher price because you have already bought and destroyed part of the supply. This may sound a bit grim and it is obviously the story of wasted productive effort, coercively enforced; yet, I submit, that if I had said "tax collector" instead of "policeman," it is an exact statement of what we have — by force of government — been doing in recent years.

The farm product situation illustrates the economic wastage in overproduction that occurs when we, through our government, coercively dictate prices that are higher than would be established in the absence of such coercion. There is similar wastage when prices are dictated at levels which are lower than would be established in the absence of such coercion. Such prices say to the buyer that no matter how much greater his need or want for the product may be, he is nevertheless forbidden to bid the product away from other buyers of lesser need. That the product will go to the places where it will do the most good cannot, therefore, be insured; total satisfaction is thus diminished rather than maximized.

Worse than that, such dictated sub-competitive prices say to the producer and to would-be producers: "There is to be little or no profit in bringing about increased production." This tends to depress the production of what is wanted.

MY LAST illustration of the impairment of free competition is to be found in the great labor monopolies that have been created and nurtured by legislation. Under the labor laws, the government, in effect, appoints for the employees of each company an "exclusive bargaining agent." In practice, the same "exclusive bargaining agent" is appointed for most or all of the employees in an industry. The law further states, under threat of fine or imprisonment, that no employer can pay to any covered employee either more or less than the "exclusive bargaining agent" says and agrees to. It does not make any difference whether the particular employee is or is not a member of the union. The individual employee has no right to decide for himself on his wages and working conditions. The right is taken away from him and vested in the "exclusive bargaining agent."

If employers do not wish to pay as high an amount as the agent demands, then the law permits the exclusive bargaining agent to call an industry-wide strike, enforce it with picket lines, close down the industry — regardless of civil and defense needs — and make everybody suffer until the agent is satisfied. The picket line is supposed to be peaceful. It is peaceful only so long as no workers — preferring to work rather than to strike — seek to cross it. In practice, it can and has become violent the instant they seek to do so — a violence that in the past not infrequently has resulted in killing people. It is like a high voltage electric transmission line. It is very peaceful if you stay away from it; but if you touch it, you may be killed.

This is monopoly established and maintained by combined government and private coercion and intimidation. Its exact equivalent, just one stage further along the production line, would be the legislative creation of nation-wide exclusive selling agents for the products of each industry, with all people legally prohibited on pain of fine and imprisonment from buying the products from anybody at prices differing from those set by such exclusive selling agents. Indeed, a coercive monopoly of the labor that goes into a product and a coercive monopoly of the product itself are in an economic sense very much the same thing, because about 85 per cent of the over-all nontax cost of industrial products is the cost of the labor that goes into them.

One of these forms of coercively enforced monopoly we now have in our land on a scale never before realized. Either form of such monopoly could serve equally well as an energizer of political demand for more inflation with all its evils, because the terrible power to exact ever higher prices as a payment for surcease from deliberately inflicted suffering and deprivation is always bound to be abused. To exact ever higher wages and wage-covering prices is to invite an ever-continued manufacture of new money to contain them, lest increasing segments of the economy price themselves, and their politically entrenched friends, out of existence. This compounds the impairment of free competition and results in the