The Fallacies We Live By

THAT FREE ENTERPRISE IS FAILING AMERICA

Free enterprise is not failing America; America is failing free enterprise.

The essence of this unique system is freedom from monopoly, and guaranteeing at least two competing sources for everything (except public services) that must be bought in the production and exchange process.

In this there are three key factors: natural resources; the mechanical energy of tools; and the human energy of the people who make their living using the tools. The cost of human energy is far and away the largest cost of production and, therefore, the principal part of the selling price.

Until the 1930's the laws against monopoly applied to all three of these factors; when a commodity "trust" developed, it was busted. Corporations could always buy from competitive sources. Then the law was changed. Human energy (labor) was declared not to be a commodity, and the sources of this key factor (the unions) were given the legal privilege of monopoly.

At that time the reasons seemed good and sufficient to the Congress, but since then the economy has had various degrees of price inflation, work stoppages, increased production costs, rising cost of living and loss of foreign markets.

Today payroll and taxes are substantially controlled by the demands of labor union monopolies which, in the last few years, have come to include public employes who, according to law, have no right to strike. Policemen, firemen, teachers, garbage collectors, transit workers, and even hospital personnel have all joined the "come and get it" parade.

The free enterprise system, which, in 100 years, brought the United States from nowhere to world leadership, is no longer allowed to function. America's industrial leadership is faltering. The dollar is now a second-rate currency. American workmanship, quality and service have gone steadily downhill. Management no longer has proper power to manage. Capital is fleeing our shores to such an extent that the labor unions are pressing Congress to declare this "run-away" illegal.

If the labor monopoly were to form its own political party and take over the reins of government, the abuse of its power would probably abate, just as it did in England when the Labour Party discovered that no government can serve only one segment of the people. But labor does not want to govern—it wants to control. It does not want responsibility for the economy—it wants other people to have to figure out how the economy can meet its demands.

Ironically, the same people who get the increases have to pay the higher prices and taxes. This brings on another round of increases. This takes care of the people who force the raises, but the impact on people with fixed incomes has been devastating.

If we really want to restore the vitality of America, why not restore free enterprise and see what happens?