competition more people will find their way to doing that which they can do most efficiently and most pleasurably than will happen under any other system. The almost miraculous rise in American production and living standards that has taken place during the life of the republic is imposing and impressive evidence of this truth.

Well, that is enough about free competition and why it is important — very important in my opinion. Now we come to the impairment of competition. I guess we might just as well face up to the fact that free competition has been gravely impaired. Since I have defined competition as the absence of fraud, theft, coercion, and intimidation, the only impairment of competition that is possible is through the introduction of fraud, theft, coercion, or intimidation.

There is only one kind of impairment of competition that ever receives much publicity or public attention as such — and it is probably the least important of the several impairments of competition. I refer to the case where a few producers of a similar item agree with each other that they will not sell to each other's customers or that they will refuse to make sales to anyone at less than an agreed upon price. Such agreements — the mutually coercive restriction of each other's production — used to be enforceable through the courts. That is where the element of compulsion came in. But they were outlawed under the Sherman Anti-Trust Act. Nevertheless, it is often believed by some that such unlawful agreements today will be secretly made and voluntarily fulfilled because of supposed mutual benefit. In such instances the federal government brings a so-called antitrust suit.

I will offer you my own industry as an illustration. Many years ago, the United States Steel Corporation produced about two-thirds of the steel made in this country. A suit under the antitrust acts was brought against it. Many people know of this. As a result, the so-called "Steel Trust" used to be used in textbooks as a favorite example of monopoly. Possibly it is still so used — I have not looked it up. What people do not know, or fail to remember, or seldom mention, is that the case against the Corporation was carried up to the Supreme Court which Court declared it innocent some thirty years ago. They also do not seem to realize that over the years the situation in the steel industry has greatly changed. Whereas U. S. Steel used to produce twice as much steel as its competitors, its competitors, nowadays, produce twice as much steel as U. S. Steel.

Nearly all the recent scholarly analyses of so-called concentration

of economic power in corporations indicate that such concentration as exists is diminishing rather than increasing. I do not suppose that anyone would contend that as much as two or three per cent of the nation's business is significantly suffering from impairment of competition through concentration. What I am concerned about is the unpublicized impairments of free competition that affect nearly all of the people and all of the business they do.

FIRST, I will refer to the use of taxation to impair free competition. You will recall that if you forcefully take away from the more productive the fruits of their greater productivity to give to the less productive, you have thereby diminished the incentive of everybody. Nevertheless, in *The Communist Manifesto,* Karl Marx advised, even demanded, that communists everywhere try to bring about steep progressive income taxes and confiscatory inheritance taxes.

In this matter of taxation, we in this country have now done exactly what Karl Marx demanded. We are taxing the more productive up to 90 per cent of their incomes. At the other end of the income line, we have a permanent roll of unemployed people. On the topside, more and more capable people are saying: "Why should I work so hard when the government takes most of it?" On the bottom side, we have more and more people saying: "Why should I work at all when I can get along all right on what the government will give me?" I know of no more serious and hidden impairment of free competition than this. Steep progressive taxation is the best way to murder progress.

Another fearful impairment of free competition is the resort to printing press money — or its monetary equivalent. I have previously mentioned it as fraud and theft, officially conducted, which is enough to classify it as an impairment of free competition. The more customary way of studying it is as the source of inflationary boom and subsequent bust. That we have been suffering badly from inflation in recent years is common knowledge.

Boom and bust wrench the economy. During boom, manpower and resources are mis-invested to supply the demand that the inflow of new money or credit seems to represent. When the inflow stops, such resources are proved to have been wasted. It is like a girl investing in a dress for a party she expects to attend only to discover, too late, that the party is called off. During the reactionary depression following boom, manpower and resources are wasted in idleness. Currency debauchery ranks with steep pro-