what its wage or productivity, it could have contributed to the production of needed output. Both artificial surpluses are an economic waste; in a world of unlimited human wants and limited factors of production, they are an economic tragedy of the first order.

Making Crooks of Those Who Serve

As a final point, price-fixing induces economic and political behavior which attempts to circumvent or exploit the consequences of the artificial price. Black markets develop and substitute for "free" markets; consumers and producers who wish to buy and sell on mutually agreeable terms become lawbreakers. Those sellers of goods or factors with artificially high prices seek to extend their advantage through additional legislation. With premiums on pressure-group tactics, and penalties on legitimate enterprise, a deterioration of the proper atmosphere for economic activity is inevitable. In addition, the public becomes confused, and the confusion mistakenly ferments into a distrust of capitalism. The rest of the story is the economic history of the last seventy years.

To a careful observer, the facts are clear. Fixing prices of particular products or factors can only serve to generate surpluses or shortages, trigger price increases in selected markets, and continue to misallocate scarce economic resources. It is time that students of society concerned with wealth and welfare placed the responsibility for these evils where they rightfully belong. ◈

IDEAS ON LIBERTY

The Law of Duty

No man, I affirm, will serve his fellow-beings so effectually, so fervently, as he who is not their slave; as he who, casting off every other yoke, subjects himself to the law of duty in his own mind.... Individuality or moral self-subsistence is the surest foundation of an all-comprehending love. No man so multiplies his bonds with the community as he who watches most jealously over his own perfection.

WILLIAM ELLERY CHANNING, May 26, 1830

Antitrust and the Fear of BIGNESS

Harold M. Fleming

In the lengthening annals of the antitrust laws, the present decade, their seventh, may well go down as the "era of merger-busting."

The Supreme Court has given the government lawyers an unbroken series of victories over mergers, so decisive that today a brief note from the Antitrust Division is enough to block any merger; no large company would think of buying any but a bankrupt competitor; and the legal prospects for any merger or acquisition by any of the nearly 100 companies with 1966 sales of a billion dollars or over are a hazardous guess.

The basic trouble with mergers is that they make big ones out of little ones, whereas antitrust enthusiasts would rather see a lot of little ones, of what might be called "polyopolies" (many sellers) where there are now what are fashionably called "oligopolies" (few sellers).

Among the more important of this decade's high court antimerger decisions was that of last April 12, requiring the big soap-and-detergent company, Procter & Gamble, to disgorge its acquisition, nearly ten years ago, of the Clorox Chemical Company, largest maker of household liquid bleach.

That the opinion was written by Justice Douglas was no surprise. The Justice is strenuously on record as against the "curse of bigness" (Columbia Steel dissent) and the "virulent growth of mo-

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