tion, one can assume that those beholden to the term Economic Democracy have a common belief about the economy and how it should be run: the marketplace, they say, should be taken from the control of private individuals—or "private interests"—and placed in the hands of democratically-elected legislators and officials who will steer it in the direction of the "public interest." Now, the use of "democracy" to promote forms of collectivism is not new. For example, Upton Sinclair, the writer whose works had a vast impact on the Progressive Movement of the early 20th Century, once said:

> Of course, when I talk to anybody important like Henry [Ford] I have only one thought in mind, and that is to make a socialist out of him. So I told him [Ford] what I thought were the responsibilities of the great masters of industry and how industry must ultimately be democratized. It has been my life thesis that autocracy in industry is absolutely incompatible with democracy in politics, and that the two struggle with each other and one or the other will win. I wanted democracy to win, of course.[5]

Sinclair's remarks, along with the dogma of today's followers of Economic Democracy, bring many important questions to mind, the first being: Are they right? Is the free capitalist system in reality a system of autocracy that operates within—and constantly struggles with—the framework of democratic politics? One might also ask: Is collectivism as part of a system of democratic politics the social arrangement that most allows the common characteristics of democracy—free choice, self-determination, and the like—to operate within an economy?

In answering these questions and in critiquing the movement of Economic Democracy, one cannot just stop with exposing the fallacies of neo-collectivism. It does no good simply to prove an opposing ideology as wrong; one must also demonstrate his own ideas are correct, or at least nearer to the truth. Indeed, the burden upon adherents to the free market is great, for they must show that an economic system which depends upon individual ownership, individual initiative and limited government is compatible with a political system which emphasizes pluralism, public accountability and equality under the law.[6]

Collectivist Fallacies Exposed

Socialism, central planning and other forms of collectivism have been thoroughly unmasked by the world's most able economists from Adam Smith to Ludwig von Mises to Milton Friedman. It is unnecessary to retrace all their devastating arguments against socialism, since the volumes written against this economic heresy explain collectivism's shortcomings far better than can be done in this short essay.

However, it might be valuable to deal with at least one major fallacy of collectivism, while also examining the claim that Economic Democracy, because it operates within a sphere of political free choice, is the logical extension of political freedom into the economy.

As Lawrence Reed has aptly noted, forms of collectivism adhere to numerous economic fallacies.[7] Perhaps the greatest fallacy of collectivists is their assumption of *production for its own sake, that production is somehow more important than consumption.* As Adam Smith once pointed out, the sole end of production is consumption. In other words, people produce in order to consume.

But the dogma of those involved in the Economic Democracy movement (and collectivist movements before them) deals with individuals in society not as consumers or recipients of goods and services, but as *employees,* or, to use Marx's terms, workers or proletariat. What concerns the neo-collectivists is not the quality of goods and services produced, but rather *how* they are made, *where* they are made, and *who* produces them. For example, numerous Economic Democracy lobbies are attempting to convince lawmakers to create laws that make it difficult, if not impossible, for employers to close obsolete, noncompetitive factories.[8] That the products created in such outdated plants are not competitive in the marketplace is of little concern to these people. What matters to them is that employees not lose their jobs because of economic dislocations.

To deal with the inevitable problems of less-expensive, foreign-made goods competing with domestic products made in outdated plants kept open by fiat, the Economic Democracy lobbies also support high protective tariffs to discourage consumers from buying abroad.[9] Of course, the damage done to domestic exporters by the imposition of tariffs would also be a serious problem, although one can most likely assume that industries hurt under those circumstances would receive government subsidies. In the end, consumers—who are also taxpayers and employees—would be deprived of freedom of choice, along with a goodly share of their incomes.

Workers Are Consumers

Other social plans that ultimately divide an economy into employers and employees again miss the fundamental point of production: *the final purpose of production is consumption.* To ignore that fact is fatal, for a productive, competitive economy cannot exist in the framework of a legally static society. When production is held to be more important than consumption, the workers themselves, supposedly protected by restricted legislation, cannot truly