

Business Prescribes - Dog's Hair

By Frank Chodorov

Do you remember the 1930 con-claves held in Washington by the Great Engineer? The Great Planner's recent hurry call for big brains is reminiscent. Have we any reason to believe that the result will be any different, economically?

Hardly. The efficacy of a cure depends on the correctness of the diagnosis. A diagnosis which eliminates a fundamental fact from consideration is most likely to be erroneous. The doctors who have been called in to solve our economic ills to-day proceed from a diagnosis which completely ignores the element of rent in our economy, which lumps land with capital as one factor in production, and which assumes—in spite of all evidence and the teaching of even orthodox economists—that wages are somehow drawn from capital. The diagnosis of 1929 proceeded from the same errors.

Out of the welter of words emanating from the Washington conferences comes the conclusion that neither "big business" nor "little business," as groups, have any more understanding of fundamental causes than have the politicians and professional economists who have brought about the present muddle.

The uniformity of the proposals of both these groups is broken only when their particular interests are involved. Aside from ignorance, selfish motives rather than social conscience dictated their ideas.

For instance, "big business" opposed any cheapening of the dollar; "little business," which is always on the verge of clause 77B of the bankruptcy law, requested the creation of a Federal agency to make loans where financial institutions fail to function. In other words, an agency which will loan the tax-payers' money on paper which a commercial banker considers of doubtful value.

On the other hand, all are agreed that a housing program is necessary. That is, all are agreed that the government should spend our money to erect houses which private builders

are prevented from doing because of the high price of land. The biggest of big business, steel, is strong for this. And the corner grocer who hasn't been able to sell to the unemployed bricklayer is also strong for housing. The landlord will get his price. In passing, it might be noted that while big business is opposed to pump-priming it approves a housing program. With consistency great men have simply nothing to do.

The fascistic proposal to make labor unions contractually responsible—which, in its ultimate effect, would make every worker a uniformed public servant—is recommended by all these advisers. Big business asks for a return to N.R.A. practices, because regulatory measures always inure to the benefit of large accumulations of capital. Little business asks for what it considers a predatory advantage, namely, the curbing of chain stores. Both are opposed to monopoly in principle; each wants some form of monopoly privilege for itself.

Thus, proposal after proposal indicate complete ignorance of economics, utter lack of social conscience, consummate selfishness. And while here and there one detects a fear of governmental encroachment, on the whole the recommendations of these business men indicate a belief that government can by some form of legerdemain correct the economic ills from which we are suffering. The prize recommendation came from "little business men"—that the government sponsor a permanent lobby called the "Advisory Council of Small Business Interests." Big business is not so crude. It pays for its own lobbies.

What will be the outcome of these conferences? More interference with production, more spending, more taxation, more governmentalism, the same as they gave us in 1930. There are two other solutions that may be tried—inflation and war. Who knows?

See: "Teachers Manual" (P. & P.), L. III, Q. 17; L. VI, Q. 15, 17, 18, 26; "Progress and Poverty," pp. 87, 88, pp. 270-303; "Social Problems," pp. 127-128, pp. 14-15.