

# No Profit in Price-Fixing

Like a story from the world of spirits is the recent public statement of Howard Veit, vice-president of M. Lowenstein and Company.

Mr. Veit claimed that attempts to interfere with the law of supply and demand have always failed, and for this reason, both cotton and cotton cloths should be permitted to seek their natural levels.

"Let us continue along sound lines, volume production at low cost and low selling price," Mr. Veit suggested. "Let us sell the wide world, whether it be cotton at the right price or products of cotton at the right price."

In addition Mr. Veit berated the folly of giving farmers a bonus when they violate the law of supply and demand: "They are no more entitled to receive a bonus for their greed than are the cloth producers who are guilty of the same violation of the law of supply and demand."

Just imagine! In this day and age—in this price-fixing, wage-fixing, supply-fixing, demand-fixing, fix-fixing era—to suggest that there should be a "natural" market. The ghost of laissez-faire!

On the other hand, Mr. Veit is no antiquated crank. It takes more

than that to be a successful, hard-headed business man in these times. He has simply consulted his own successful experience. If we broaden the vista a bit, and consult the whole history of price-fixing from the time of the Good Queen Bess, we find nothing but a succession of failures. If our economic doctors would give this more than cursory scrutiny, they

might one day (but one hardly dare hope) reach the same conclusion that our medical doctors have reached—and which even medical quacks must finally admit. That is, that man may make use of natural laws but he never can repeal them.

—Robert Clancy.

See: "Science of Political Economy," pp. 347—348.