

# Where "Money Is King"

THE ANTI-CAPITALIST MENTALITY, by Ludwig Von Mises, D. Van Nostrand Co., Inc., New York, 1956, 112 pages, \$3.75

Reviewed by JAMES MURPHY

IT IS not pleasant to find one's self in disagreement with an ally in the struggle for a free society, especially one as distinguished as Ludwig Von Mises, professor of economics at New York University. Taking up the challenge of the liberal schools, he has written a timely critique of collectivist ideas and methods.

In this book he has tried to explain why people are misled by the promises of the planners, and further, he has sought to analyze the motivations of the planners themselves. His assaults on the cherished beliefs of such well-intentioned liberals as Square Dealers, Socialists and Welfare Staters are devastating.

The king that Dr. Von Mises would enthrone in his future "free" society is money. According to him, the worth of anything in the free market is its price, expressed in money. He believes that if the market were free from governmental interference all goods whether land, labor or capital, would be exchanged at their true worth.

Although quick to spot collectivist's methods of obtaining control, he is peculiarly blind to their most effective weapon for expropriating capitalism—taxation. One hardly expects this author to advocate the free market determination of taxes, but one gathers that he favors minimum taxes, a balanced budget and taxation based on the ability to pay principle, which are collectivist in spirit if not in practice.

In one paragraph (the only one) about the division of wealth between laborer, capitalist and landowner

(page 86), he mentions the tendency of wages to increase with increased production, then drops the whole subject. A single footnote "explaining" this paragraph only adds to the confusion. Throughout the remainder of the book, disregarding the landowner, he speaks of the division of wealth as between labor and capital only. There are vague censorious references to vested interests and privileged groups, but none that landowners, monopolists or tax collectors could construe as referring to them.

Professor Von Mises, whether he realizes it or not, displays an "anti-capitalist mentality" of his own. To him the rightful basis of property is purchase, in lawful money, of whatever is for sale, be it land, slaves or voters. According to him the just distribution of the wealth produced is not based on benefits received but on ability to pay in cash, however obtained.

The author states that "money is king," but this king is capricious. He can be inflated or deflated at the whim of irresponsible wheedlers, his worth depends upon political pronouncements and the fortunes of war, and he shows occasional tendencies to run away and return revalued and re-engraved after a long debauch.

Money and land are the only two commodities which are not controllable by the free market's benign operation. The law of supply and demand is powerless to regulate equitably the price of money and the price of land. The price of land can rise without theoretical limit because supply is fixed. Practically there is a limit, set by the supply of money and the demand for land. Money, on the other hand, suffers from the opposite disease, oversupply, or rather, arbitrary supply.