



ORWELLIAN FREE ENTERPRISE

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THE DEFENCE of the market economy — or free enterprise — suffers more from a lack of precise definition than from anything else. The meaning of these terms as used by some, may become a mere defence of the right of everyone to sleep under bridges, poor or rich. Unfortunately, "free enterprise" has been held up to a great amount of opposition and ridicule because it has been invoked to justify unearned increments, monopolies in access to land and goods, exploitation of labour, and continuation of inequities. And, of course, it has not been a "planned" response.

However, the basic truths stand regardless of the use of "free enterprise" as a cloak to shield exploitation — which unfortunately is ammunition in the hands of the enemies of pluralism. There is also a tendency to confuse "free enterprise" with monopoly capitalism. Monopoly capitalism is what we have to a large extent in the U.S. It is the Wall Street brand of "free enterprise" misnamed. It is non-ideological, which is why all Wall Street has supported Communism in Russia. Monopoly capitalism is not interested in anything but self-interest, and is opposed to decentralization. It is not that Communism as such is preferred, but that anything centralized which gives greater exploitative leverage and monopoly control to exploit markets is preferred, by whatever name it is called. That is why Wall Street and its foundations always opt for more centralization.

The phrase in the "public interest" was coined supposedly to represent democratic (government) regulation and control of the "excesses" of free enterprise, to cure the inequities in the free enterprise system. But public or government regulation in the "public interest" is a ruse of monopoly capitalism to eliminate competition and to exercise self-serving domination and control of the market. This is a *coup* if there ever was one.

Given this situation, I think the limits of legislative intervention need to be recognised.

Since the market mechanism is "neutral" in operation, we need to recognise that:

* Many are excluded from the market place because the government is responsible for the monopolies, often through state power operated in the interest of monopoly capitalism, and through agencies and regulations in the "public interest" which effectively eliminate the free market and foster monopoly. Here is the *coup* again. Government, in the name of recognising inequities of the free market defines the parameters so as to ensure monopoly.

* In many fields where the market is "open", entry is restricted (tariffs or a licence required) so that many have to pay to enter the market place. Here again we see vestiges of anti-free enterprise, not free enterprise at work. Alas, the situation and interpretive mechanisms are such that anti-free market machinations are held as examples of the failures of the free market, and as reasons why the free market is anti-social.

* Although there exists inequity in the distribution of wealth, the issue is, under which system is correction more likely to take place, and under which system are inequities most pronounced. Hayek is correct in his warnings regarding contrived law and legislative omniscience in that only a spontaneous order has the possibility for re-establishing free market corrections and equilibrium.

* Many are excluded from the source from which their labour and capital can be effective (land) except upon payment of rent to those who claim nature's gifts as their property. The state and monopoly capitalism (call it free enterprise if you want, but I don't and won't) have together conspired to exploit what William Sumner described as the forgotten man, from access to the only source whereby he could be his own foreman and labourer, the yeoman owner idealized and advocated by Jefferson, the system to the extent it was effective, which allowed the United States to throw off the debris of servanthood for so many.

The farm policy in the United States in the last three

decades is a good example. Prices have increased; taxes have increased, access of yeoman type people decreased, apportionment of agricultural income is in larger segments and among fewer people, opportunity of access and entrance denied, and the development of the feudal tenure system revived because of the machinations of the government and contrived law (contrived I suppose to do this very thing) in the name of doing exactly the opposite of what they presented as the justification of the programme.

In the name of curing the failures of unassisted "free enterprise", the latter has been strangled in the interests of Statism and privilege.

Let us not blame free enterprise for the results of monopoly capitalism. The former, I think, is most suited to promoting anti-poverty; the latter uses the supposed failures of the former to entrench itself and subjugate opportunity and rewards to a system operated in its own interests.

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