

CHAPTER 9

THE TALE OF TWO STUDENTS

THEY WERE members of the debating club at a local college, and would we please help them prepare for the debate:

Resolved, that the Federal Government should adopt a permanent program of wage and price control.

They had good reason for coming to us. HUMAN EVENTS had made editorial comment on this debate topic in a recent issue, and the students inferred that we were something of an authority. We are not immune to flattery, and the coed debater was pleasant to talk to.

To bring the matter up to date: Before the college season opens, some five hundred colleges submit to a central committee their ideas on what ought to be debated. The

committee consists of faculty representatives from four intercollegiate fraternities and a member of the American Society of Speech. These five sift the suggested subjects and draft four resolutions that seem to embrace the major ideas. The four resolutions are submitted to the member colleges; the one receiving the highest vote becomes the debate of the year.

Our editorial comment on the topic for 1951-1952 was that it was "loaded"—the mere statement implies the acceptance of a questionable premise. The premise is that a wage and price control program is not only practical but even desirable; that goes without saying, and the only matter left open for discussion is the desirability of a permanent program. We pointed out, also, that in the current textbooks, with which we are familiar, the idea of controls is favorably treated, so that the debaters on the negative side would be arguing against what they had learned in class. If they debated well, how would they fare in their economics examinations?

II

The notebooks were made ready. We adopted the Socratic method. What is the purpose of price controls, we asked.

"To keep prices down, of course."

What made them high?

"A shortage of goods and a great demand."

Or an abundance of money, we volunteered. The controls won't bring more goods to market and they are not intended to reduce the amount of money in circulation. They simply aim to compel sellers to accept, and buyers to quote, prices lower than those prevailing in the free market.

"You are implying," said the young lady, "that there is an immutable law of supply and demand. One of my books says there is no such law."

Immutable, we ventured, is a long word leading to a long

argument. Would she be good enough to tell us what she would do, were she a dressmaker, if the fixed price of dresses were below her costs?

"I'd quit making dresses."

Unless she reluctantly accepted prices forced upon her by women who disregarded the law, we added. However, if she went out of business, there would be fewer dresses on the market. Would the price of dresses then go up or down? The question, she suggested, answered itself. So, we jumped to the Q.E.D.: that price controls had the effect of creating shortages and thus raising the prices they were designed to lower.

She demurred: "The government could go into the business."

And could sell dresses at a loss which would be made up by taxing the buyers of dresses.

"Can't enforcement agencies hold prices down?"

We traced the course of a pork chop from litter to the butcher shop, just to pick up the number of points at which prices would have to be fixed and surveillance maintained, not overlooking the hide's trip from slaughter house to the glove shop. Would it be wrong to estimate that the number of cops needed to enforce price controls in general would come to at least a tenth of the population? Would not the withdrawal of these men from productive work result in lessening the supply of goods? And, who would watch the cops?

"Well, then, are you in favor of the black market?"

We are in favor of the true market, even if it is labeled "black." The true market never can be suppressed. Even the ruthless Soviet commissars cannot do it. The students were surprised at this remark, so we related how, when the Russians reduced the value of the ruble, several years ago, they gave as their reason the large fortunes that had been built

up by "profiteers"—which was an admission that an illegal market had been in operation. (Patronized by law-enforcement agents.)

"But, Americans are law-abiding. Didn't the OPA hold down prices during the war?"

They were too young to remember, and their textbooks do not record the shenanigans under OPA. How butchers would be "fresh out" if you asked them to weigh the meat before your eyes; how the tails of men's shirts were cut short to meet the fixed prices; how you had to buy an accessory you didn't want, at an outrageous price, in order to get an automobile at the legal price.

"If wages are held in line, prices would automatically follow."

Under wage controls, we explained, both employer and employee become criminals if one offers and the other accepts an increase in wages. During the war, to avoid putting everybody in jail, the War Labor Board hit on the device of up-grading jobs so as to make increases in pay legal. But applications for permission to increase were too numerous for the Board to handle, and the employers in desperation resorted to under-the-counter wage boosts, in order to hold their employees (so as to fill defense orders).

"You mean that neither prices nor wages can be controlled?"

Yes, they can; in the army or in prison.

III

"Wait a minute," the coed interjected, "I've got to take the affirmative side. I need arguments in favor of controls."

That was a chore. How does one support what one holds to be a fallacy? Well, underlying every fallacy is a doctrine, and if you accept the doctrine the fallacy seems to melt away. In this case, the doctrine is that political power can

make the market place jump through a hoop; there are no laws of economics to hamper the strong arm of the State. We had to accept that position, if we were to be of any help to the affirmative side.

Sticking to the Socratic method, we asked: what is the advertised social purpose of controls?

“To distribute equitably whatever is in short supply.”

Like the father, we suggested, who sees to it that none of his children gets more than the others. That is what we call “egalitarianism.” To argue the affirmative in this debate, we said, you must accept egalitarianism as an ideal and a possibility; you must assume that the State has the right, the capacity and the duty to allocate production and equalize consumption.

“Hold on; you’re preaching Socialism.”

Maybe Statism, we volunteered, is a better word. But, why get disturbed over a name?

“We don’t dare mention Socialism. The students don’t like it, and neither does the faculty adviser.”

Then we remembered that in the textbooks this controlled economy business is described as “democratic.” Socialism is not mentioned. Putting nomenclature aside, we pointed out that the affirmative in this debate must rest its case on the goal of abolishing inequalities in the distribution of wealth and the State’s ability to do so.

“What about the rights of the citizens?”

Pure fiction, we sneered. The only rights the citizens have are the privileges given him, on lend-lease, by the State.

“You mean the worker does not have the right to sell his services to the highest bidder?”

Of course not. We must keep in mind that the good of society, as determined by the State, takes precedence over the good of the individual. After all, if the worker insists on

fending for himself, how can the State take care of his interests?

“But, surely, if a farmer has put his back into a bushel of potatoes, those potatoes belong to him and he has a right to sell them for whatever is offered.”

It was the young man who brought up the right of property, and we had to argue that that too is fiction. In his textbooks, we said, he would learn that in our highly integrated economy the individual worker produces nothing; society is the only producer. If society produces everything, the State has a first claim on everything, and is entirely within its rights when it confiscates property (by taxation) and distributes it for the general good.

They were perturbed. This was hard to take. “You mean to say that to support the affirmative in this debate we have to take the position that the individual has no rights? That the State is supreme?”

That’s your basic premise, we insisted. Once you admit that the individual has rights which the State must respect, the case for controls is lost.

IV

The students had come to us without prejudice. They were interested only in winning a debate, whichever side they took. But, when the argument for controls was related to the underlying doctrine of Statism, their sensibilities were aroused. The debate took on a new meaning; it was not an impersonal verbal joust; it was a battle of values, a contest between right and wrong—and neutrality was impossible.

When they left, we felt that freedom is not a lost cause. It is rooted in the human soul; it cannot be eradicated by sophistry, nor obfuscated by erudition. Once it is spelled out, youth will recognize freedom, embrace it and, if need be, fight for it.