



The BOOK TRAIL

WHAT'S DEMOCRATIC ABOUT IT?

"An Economic Program For A Living Democracy," by Irving H. Flamm. Liveright Publishing Corporation, New York, 1942. 342 pp. \$3.

Mr. Flamm's book is as useful as a treatise on icebergs written by a man who did not know that five-sixths of their bulk is hidden beneath the water's surface. The book is called, by its author, "a capitalistic approach to planned economy." In spite of the subtitle, however, *An Economic Program For A Living Democracy* is not fascistic but socialistic, or projected New Dealism.

Mr. Flamm wants a combination of private enterprise and government ownership. Regimentation and regulation are recognized as not only unsatisfactory, but as approaches to dictatorship. Therefore, runs the argument, let the government own and manage those enterprises where application of the principle of social utility indicates that public enterprise will be more efficient than private. If there is doubt as to which type is more efficient let them compete, unless monopoly is clearly necessary in the public interest.

The fact that this arrangement of government competing with business corporations is like having the umpire in a baseball game also play second base does not bother Mr. Flamm. He explains that the umpire function of the state went out decades ago, and that the functions of the state now are to provide for the security of its inhabitants and bring about their well-being and happiness.

Mr. Flamm must be a happy citizen as he reads in each morning's paper new evidence of the unwearying alacrity with which Mr. Wallace, Mr. Wickard, Mr. Byrnes and Mr. McNutt spring to their governmental duties of applying the principle of social utility to private business, and private consumption. The fact that the gentlemen sometimes disagree as to which shall do the applying of the principle is attributable to their enthusiasm and is no doubt a healthy sign.

Once Mr. Flamm has established the proper function of the state and has invited the whole of our economy to compete at will with any part, he gets on with his real economic program. The program is to have a Planning Commission and fourteen Administrative Boards. Each of the fourteen boards will survey its field once a year and set a quota of production based on resources, technical advances, etc. The administrative board then reports to the Planning Commission, which then—but why go on?

Napoleon once decided on the spur of the moment to

board his flagship. As his barge approached the honored vessel the guns remained rudely silent. The Emperor immediately summoned the admiral and demanded to know why he had not received the imperial salute. "Sire," replied the admiral, "there are seventy-seven reasons why we did not fire the guns; the first one is, we had no powder!" The reason "An Economic Approach For A Living Democracy" is not worth a moment's reading time is that Mr. Flamm does not know his economics, although he does possess a mass of Marxian misinformation.

Here are some of Mr. Flamm's boners: "When human energy was supplemented by mechanical power, labor lost its bargaining power. . . . This loss of bargaining power was the cause of the development of land monopoly. . . . Taxation and regulation are not deterrents to production. . . . Advertising creates not one dollar of wealth. . . . Income taxes are irrefutable proof that a free economy without government participation is no longer possible. . . . There is a natural conflict of economic interests of labor and capital."

Mr. Flamm apparently has read Progress and Poverty. He believes that if Henry George's land reform had been put into effect a hundred years ago, "it might have postponed the need for drastic modification of our profit system for a long time." "Now, however, in almost every occupation the exertion of (human) labor on land has become a mere figure of speech." Flamm states that if Henry George were alive today he would agree that the free and natural development of the individual can only be secured through socialization of those large basic enterprises which under private operation are not productive of maximum social utility.

"An Economic Approach For A Living Democracy" is a thorough-going economic *Through The Looking Glass*. Why lambast poor misguided Mr. Flamm, who, if nothing else, sees clearly the dangerous state our world is in, and speaks out courageously, yet without malice, against the evils he recognizes? Because Mr. Flamm is an enemy of freedom! He is one who would sell our heritage of rights, of government by law and not by men, for a mess of "social utility."

—JAMES W. LE BARON