

## Business—As Usual

The United States Chamber of Commerce inaugurated last month a new strategy in its war upon the New Deal. It feted 300 Senators and Representatives at regional dinners, at which the verbal attacks on New Deal policies were greeted with loud applause. The plan apparently is to outflank the executive branch of the government by an attack upon the legislative branch.

Let us analyze the motives and the social philosophy which underlie this controversy between Business and Government. For involved in this struggle is a principle which affects the welfare of every citizen, as well as the direction which our form of government must take. We are not bystanders; we are all in this fight, whether we know it or not.

The fight between Business and Government did not start with this administration. Long before our President invented the "economic royalists" another Roosevelt exploded with the "malefactors of great wealth." The commission form of government is much older than our modern alphabetical bureaucracies. We must look for fundamental causes before we can fully understand the controversy between Business and the New Deal.

The purpose of Business is, at bottom, the rendering of service; the motive is to make a profit. The measure of the services rendered is the number of sales. But, the profit for which business is conducted is not necessarily determined by the number of sales. The profit is the excess of income over outgo—the difference between cost of production and price. This excess should increase with the amount of services rendered—with the number of sales. But sometimes it can be increased by securing a privilege that reduces competition, thus increasing price.

So, then, profits can be increased by securing special privileges. For instance, if I get an exclusive license to sell peanuts at the circus, I can get a higher price for peanuts than what I should get if I had competitors; my profits would be increased by the privilege, not by the number of sales. If the government gave me

a monopoly through a tariff or a patent or a title of some kind that could be enforced, on the right to look at the moon, then I could make a profit on all lovers without giving them anything in return.

Profits, then, can be made by rendering service or by securing a privilege. If we study the fights between Government and Business we find that at the bottom there is some privilege which Business is trying to get or to hold on to. But remember that every privilege is an advantage, and every advantage includes a disadvantage. My exclusive property to the Man in the Moon is to the disadvantage of lovers all over the world. What I gain they lose.

It is the province of Government to see that all its citizens get a fair deal. Therefore, it should be its business to see that none of its citizens has an advantage over others in the struggle for life and the pursuit of happiness. It ceases to be good government, it becomes wicked government, when it grants privileges which enable some to make a profit without rendering a commensurate service. Such a profit (like my price for the moon) is not profit, it is extortion.

All privileges are derived from Government. And that is where all the trouble begins. If the government had never given to some of us special rights, tariffs, monopolies, titles, patents, subsidies which enable us to get a price for which we render no service, there would be nothing to fight about. But, once embarked upon the policy of granting privileges, the government is called upon by various pressure groups to grant more and more privileges—to the disadvantage of more and more de-privileged citizens. And, of course, when Government tries to retrace its steps by withdrawing privileges, those who have been getting "something for nothing" are quite upset.

Most people engaged in the production of goods have had to work in a competitive market, and their profits are commensurate with the services they render. In fact, most businesses have suffered by the privileges given by government to the powerful pressure groups. They have to buy from these privileged groups.

But, because business men do not distinguish between profits derived from service and profits derived from privilege, we find the producers lining themselves up with their natural enemies—the privileged group.

The real struggle is not between Business and Government. It is between Producers and Privilege.