

Capital Kills Its Own Market

by **Hilaire Belloc**

**Monopoly of Production, Distribution and Transport
Increases the Subjection of the Many to the Will of
an Exploiting Few, So That Economic Freedom Bids
Fair to Become Only a Memory.**

THE GROWING monopoly of production of goods, and of their transport and distribution through retail trades, is familiar to all of us. We have already seen how unrestricted competition, followed by mergers, puts these affairs into fewer and fewer hands.

Consider the social effects of this: (1) It makes the total goods available arbitrary in amount, that amount being dependent upon the interest or calculations of a few controllers. Suppose an extreme case which has no actual existence, but illustrates the principle. Suppose one man in a community of 1,000,000 men controlled all the land and all the capital: that is, the machinery and the reserves of seed, food, clothing, housing, etc.

It might not be to his advantage or caprice to set men to work save for satisfying his own needs. He could not set them all to work, or even most of them to work, to his advantage, though he might do so out of desire for the public good. But, it may be said, he would want to sell the goods which he ordered to be produced. Whom would he sell them to? He might try to sell them abroad, with increasing difficulty, because nations are more and more keeping out foreign goods. If he sells them to his own destitute dependents they can only pay with such sums as he doles out to them.

Of course, I say again, this is only an imaginary condition. But the smaller the number of people who control production, the nearer you get in reality to this state of things.

(2) Under industrial capitalism, that is under a state of affairs in which a few people control the system of production, and distribution and exchange, and the great mass of people are dependent on them, it pays the controllers to give the great mass of people as small purchasing power as possible. For under capitalism, production, transport, etc., go on for profit. The difference between values produced and the wage cost of producing them is their profit, and the smaller the wage-cost the greater the profit. In other words, "Capitalism kills its own home market."

Those are the two principal material disadvantages of capitalism as we now have it. They are translated, in the actual world, into the terms "Unemployment" and "Insufficient purchasing power." So long as control is in few hands and gets into fewer and fewer hands—these evils must grow larger and larger.

BUT the spiritual disadvantages of control by few and yet fewer men, over the process of production, transport and the rest, are even worse than the material disadvantages.

These spiritual disadvantages take three main forms. First there is loss of choice: the individual cannot exercise his free will in taking up this and that which he likes and rejecting this and that which he does not like. More and more, demand does not call forth supply, but supply imposes itself on demand.

There is increasing loss of freedom in selection, and to such lack of freedom man is more and more constrained.

And the second spiritual disadvantage is the counterpart of this: an increasing uniformity in the pattern of existence. It has been well said that "multiplicity is life." When men are all getting the same sort of things turned out in the same way and on the same model by the hundred million, life loses its zest. Complete uniformity is death.

The third spiritual misfortune is this: that the mass of men fall under the will of a few. They not only fall under the will of a few controllers—called "employers" or "officials"—upon whom their wages, and therefore their very existence depends but, conversely, their own wills are gradually atrophied. That is the worst evil of all: the activity of the will is essential to the dignity of man. It is normal to man, and the rejection of it beyond a certain degree is increasingly harmful to man.

Here we ought to distinguish between two things which are often muddled together: voluntary subjection and enforced subjection. Any man choosing a profession surrenders his will in part to the rules of the profession. The sailor and soldier do it more than the civilian; those in the religious life do it most of all. But if they make that surrender of their own free will, that free will remains intact. It is otherwise when they are compelled to monotony and to dependence upon the will of others.

Now, there is a last evil connected with the growing diminution in the numbers of those who control and the growing increase in the numbers of those who are dependent. That evil is perhaps the worst of all. It is the evil of bad habit.

When any bad process begins there is, in its first stages, a memory, a tradition, of better things. The old and better state of affairs still possesses what physical science calls "acquired momentum." So it is with freedom when monopoly of control is growing up. All the older people can remember real competition and a fairly good division of property. The younger people may not remember it, but they hear what their elders remember, and are still sufficiently in touch with the past to have about them the atmosphere of economic freedom, though they have lost the reality of it.

A human generation is short. When it has lost what it once knew, habit turns the new conditions into matters of course till the new conditions come to seem almost part of the universe. At last it becomes impossible for men to imagine what the older and better state of affairs was like.

Now this habit in any evil, but especially the habit of dependence, is what makes evil

permanent; and as things are now going there is a rapidly increasing danger that this condition of dependence upon a few, and of accepting monopoly of control over our lives, will become second nature. If we allow that to happen by allowing the gradual decay of individual property and freedom to continue unchecked, it will be impossible to return. That is the real danger when we pass the point after which reform becomes practically impossible because the mind cannot conceive it.

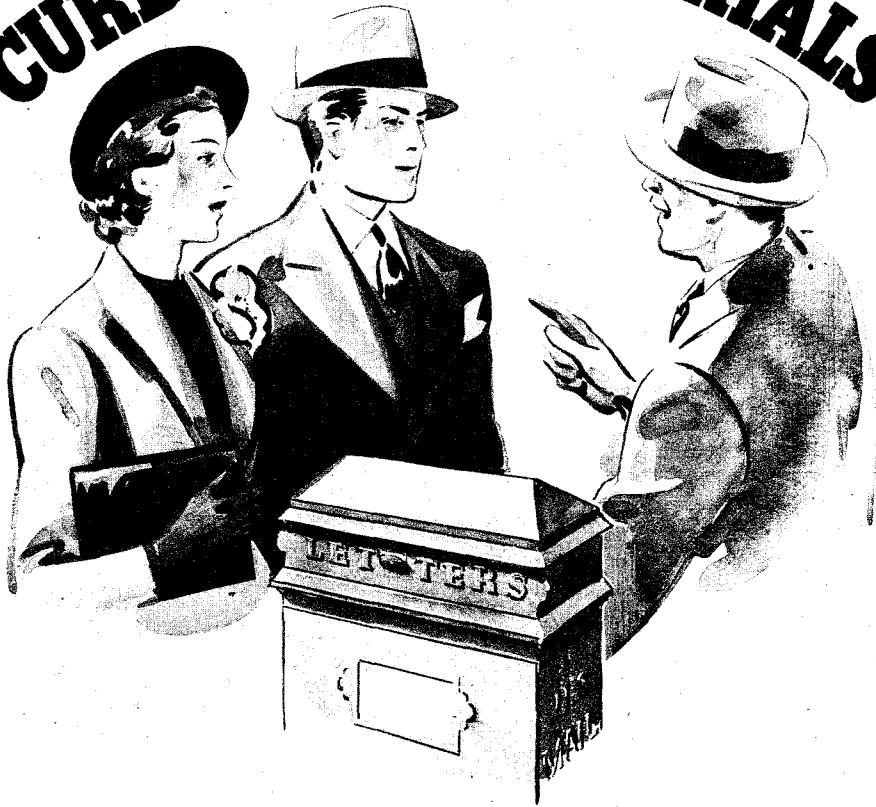
Here in England, where I write, we have had within my own lifetime a striking example of this. When I was young there was a strong movement still in existence for turning leaseholds into permanent property. The object was to transform men who paid rent into men who owned their houses and farms. Today the idea has almost disappeared. You get increasing numbers who are supposed to own their houses, but who, as a fact, are paying tribute on loans. Their houses and land are not owned by themselves but by credit societies, and the vast majority, who do not even nominally own their houses, no longer make an effort to do so, nor ask for a reform of the law which would permit them to do so.

That is only one example. This effect of habit is to be seen on every side, and if we do not bring about a reform in time, the second generation after our own will have forgotten what economic freedom is.



Any man choosing a profession surrenders his will in part to the rules of the profession.

CURBSTONE EDITORIALS



ON FOREIGN SOIL?

TO THE EDITOR:

Before the general flow of propaganda begins that usually leads a country into an unnecessary war, steps must be taken to instruct the public about the real facts that are hidden under the smooth words of politicians.

I have just heard Secretary of State Cordell Hull answer the demand that he explain our foreign policy. It was the most "beat about the bush" speech that has ever been spoken since the President's last public sermon on his New Deal.

Most young men to whom I have talked are anti-war minded, and it is our belief that we must fight our entrance into anything but a defensive war.

We must stream letters to Congress and the office of Secretary Hull demanding this answer: "Are we going to fight on foreign soil for another nation? Answer yes or no." If the answer is affirmative, we will become conscientious objectors and attempt to drive these men from office. Whether we succeed or not, at least we will combat war propaganda, and in doing so destroy a great evil.

I believe we can keep this country out of war only by an action similar to that in which you kept this country out of the World Court.

—WALTER McQUILLAN, JR.
St. Louis, Mo.

ON WORKING WIVES

TO THE EDITOR:

In the March 21st issue of SOCIAL JUSTICE appeared an article entitled "Single Women's Jobs."

May I say that our industrial system should be so organized as to provide a job for every person, man or woman, who is willing to go to work and earn the things he or she wants, regardless of whether those things are the bare necessities of life or are just pure luxuries.

If, however, some of our members favor a system which would prohibit a standard of living which includes luxuries and would limit the number of workers in a family, then their plan should be to investigate the need of each prospective employee and refuse employment to either man or woman who has other means of support adequate to provide a standard of living which seems to our members to be ample.

—MARY A. MURRAY.
Brooklyn, N. Y.

54 PER CENT RATE

TO THE EDITOR:

In the March 21st issue of SOCIAL JUSTICE appeared a letter by Mr. Silva in which he attacked the finance companies for charging usurious rates.

I can sympathize with him because I had occasion to purchase \$225 worth of farm machinery from the International Harvester Co. After being allowed \$45 on the old machinery, there remained a balance of \$180 which was to be paid in cash, but we asked to be given time on only \$45.

We could, of course, have time to settle, but it would mean an increased finance charge of 5 per cent of the total purchase of \$225. This would be \$11.25 or exactly 25 per cent of balance due of \$45, and to top it, we had asked only five and a half months time on this \$45 payment which would skyrocket the rate to around 54 per cent, which might seem reasonable to the Harvester Company, but not to anyone with any sense.

—JOHN SOLOMONSON.
Scarville, Iowa

WANTS NO DICTATOR

TO THE EDITOR:

Destroy the whole system of capitalism and turn everything over to a dictator seems to be the opinion of Mr. Emmans. Ship all the capitalists to a barren island and in their place put a dictator and what have you? Will not this dictator become the capitalist or owner of everything with his uncurbed power and make existence unbearable for those who do not agree with him?

Establish a communistic state and put all the wealth in one fund. As guardian of this fund, we have the Dictator and according to his wishes we can have a large or small portion. Is this the new economic and social order that the Communist so fervently advocates? I cannot agree with Mr. Emmans when he says capitalism is based on corruption, hypocrisy and greed, but I will admit these vices have crept in to such an extent that a great amount of misery has resulted. Placing dictatorial power in the hands of a political party seems a poor remedy for displacing corruption, hypocrisy and greed.

If social justice cannot be established under a government of law submitted by the people, and the right of private ownership or capital be protected, we cannot expect social justice under Communism or common ownership.

—JOHN COSTELLO.
Detroit, Michigan

BASE IT ON NEEDS

TO THE EDITOR:

Capital is property employed or available for use in producing wealth. Capital is wealth, and money is a medium of exchange or a receipt for wealth.

Fascism, Communism, Socialism, Corporate State, financial or industrial capitalism are simply names representing some form of control of capital.

Capitalism will always be with us as long as wealth is with us, so it is obvious that what we require is some form of democratic, representative control of capital that will work to the best advantage of all the people.

We don't require new names or slogans of destruction. We require a change in our present economic system that will insure adequate production, necessary conservation and adequate distribution based on the needs of the people.

Only Christianity amplified to its nth degree presents such a system or program.

I am a strong believer in organized labor but have little faith in the knowledge and intelligence of labor leaders who seem unable to differentiate between purchasing power and wages.

—THOMAS BRENNAN, JR.
Rochester, New York

INVESTIGATE OUR NAZIS

TO THE EDITOR:

I am not unduly alarmed when I say that our American democracy is threatened from malevolent forces within our nation. The ideals of American democracy are in constant danger of annihilation.

I think an investigation should be made into the activities of the German-American Bund. Certain camps in New York have trained 15,000 German-American youths, and private militia, composed of German-American youths are taught German military tactics and the philosophy of Hitler.

If we do not begin intensive investigation into the affairs and activities of the German-American Bund, children will not be taught to revere a cross as symbolic of Christianity, but will be drilled to revere a contorted form of the cross, the swastika as symbolic of the triumph of the Nazi.

—A. C. SMITH.
Manchester, N. H.

ASKS COMMUNAL OWNERSHIP

TO THE EDITOR:

As long as you try to have the working class get a fair living and still try to keep the old form of private ownership, you will ultimately slip right back into the old rut of big business eating the fruits of the labors of the working class.

The only method is to have all our national resources and industrial plants owned by the workers themselves. Therefore there will be no profit system and we can afford to exploit more of our resources that are now idle because they do not pay enough profit to repay the large industrialist to exploit them.

Thus the American people could regulate the hours of labor to fit the number and the demand of the workers, and every one who is able to work for a living could do so and receive the full value of his labors.

Under a communal system of this kind a person could own all private articles such as are necessary to the welfare of the people as a whole.

—JOHN BELLEFEVILLE.
Tunbridge, Vermont

CEASE PERSECUTIONS

TO THE EDITOR:

It seems inevitable that our conception of any more real democracy will fail unless our representatives will concentrate on the distribution that is confronting us. Democracy and prosperity have failed on account of greed that has been allowed to run wild.

Those who still want their liberty must put in their every effort to stop the abuses that are running rampant in the industrial and financial life of the country, or we shall certainly be on the road to dictatorship.

If the present trend is to be stopped, this administration will have to cease the persecution of business. Another thing that should be eliminated is the influx of goods that is being imported from foreign nations.

—GUY HEMENWAY.
Pittsfield, Mass.

MONEY BOOK HAS ANSWERS

TO THE EDITOR:

In reply to the letter of Mrs. Sutter let me say that I, too, had found it difficult to understand all the things Father Coughlin speaks about until I studied his book, "Money—Questions and Answers". Through the study of this book, I now have no trouble understanding Father's discourses and writings.

My advice to Mrs. Sutter is to spend a little spare time in earnest study of this subject. If this is done, she can understand the things Father Coughlin is trying to teach and at the same time, help to return America to the Americans by doing a little teaching herself.

J. D. COSTELLO.
Detroit, Mich.

FIGHT TO PREVENT IT

TO THE EDITOR:

This talk of inevitable war makes me want to fight, too.

I will not stand by and suffer a hundred deaths by seeing my sons lying mangled in some wet dugout as my mother did every time she closed her eyes back in 1917. I will not stand by and see my sons stripped of their youth and love of their fellowmen. I will not see them come home, if they are lucky, looking like old men with a thousand hells pictured in their young eyes.

My ancestors made this country the beautiful place it is and I have a little of their fighting blood. I can hate, but I'll strike at the war-making ammunition manufacturers and international bankers, not at my fellowmen as they do. It will be a hate of injustice, not of country or of God.

—MARGUERITE KLEMAN.
Toledo, Ohio

POVERTY ON PURPOSE

TO THE EDITOR:

The officials you accuse in your recent broadcast on the fifth anniversary of the New Deal are well aware of those facts. Therefore, it is the writer's opinion that a certain group desire to impoverish our people by systematically destroying their purchasing power.

If our President still has the courage to save our country from these international gangsters, then the problems which confront our nation can be adjusted.

It is time that we faced the facts and learned to recognize the people and organizations which are subverting our institutions and undermining our social, political and economic life with the intention of establishing a dictatorship.

—THEODORE GOHRES.
Union City, N. J.