

WILL GALBRAITH'S ECONOMICS SURVIVE?



Will the economic theories of John K. Galbraith survive? The same economic theories that have encouraged wage and price controls into the fun and games of long gasoline lines to threatening shortages of wheat, cotton, plastic, chlorine and so forth. Interestingly, none of these shortages occurred before the enactment of wage and price controls by King Richard. Will the economics of 'controlling people' survive? Let's examine the record.

PRICE CONTROLS

Price controls are people controls. It controls the people in two major areas--economically and politically. In the first case, price controls economically freezes a price at either an artificially low price or high price, upsetting the balance of economic nature. If a price is frozen by government law at too low of a price, no profit is possible. If an individual is unable to gain something from his effort in his trading and manufacturing of a product, there is little point in continuing production and trading at a loss. (If some consider a profit as evil, consider this--the consumer is also seeking an advantage--a profit--when he or she buys the best product at the lowest price in a store.)

If the price is frozen arbitrarily too high, the consumer will probably decrease his or her buying of that product because it is too high and substitute it with another product as many did during the meat shortage. However, the side effects of too high of a price will leave the company, big and small, with an unsellable product and could go out of business.

The political freedom lost is obvious. A person soon discovers that he or she is forbidden by government to choose at what price to sell a product or what wage to pay an employee. This, in essences, makes man a slave. The reason being is that in order for man to be free he must "own himself." If man does not own himself, then someone else does, therefore, man would have to obey a master and be a slave.

But since man is not a slave and is his own master, it must be also said that man owns his time since man's time is man's life. That is, man's life is limited because no one lives forever. Without time man could not exist. Time and man's life are therefore inseparable.

So if man owns his time he has the right to own what he produced with his limited time at some agreed value (money or whatever). This means that no institution, group or individual has the right to control or take away what another person has produced with his or her limited time. To do so is to deny man's right to own himself and be free. To do so is to say that State is the master and the sole institution which may or may not grant freedom. Price controls represent aggression by government which not only controls individual freedom, but which is anti-life.

POLITICS AND THEN SOME

After price controls did not seem to work well, Mr. Galbraith still voiced strong support for the controls but criticized the way they were being handled. Such integrity. Mr. Galbraith should have been a politician instead of an economist. He would have been great during the time of Emperor Diocletian in 301 A.D. who couldn't resist attributing rampant inflation to "unprincipled greed" of Romans instead of rampant issuing of Roman currency. Emperor Diocletian did not fool around with wage and price controls. Mr. Galbraith believes that our own King Richard has not been strict enough in these controls. So Mr. Galbraith must appreciate Emperor Diocletian's hard line, for if any Roman citizen was caught selling his wares above the price set by the State he was put to death. Roman merchants also discovered that it is hard to live by trading at a loss as inflation continued. Rome experienced an extreme shortage in food and other commodities to the point where some historians have called this period as the starving land of the plenty. That is, there was plenty of food, but that the people had no economic way to sell food without going bankrupt.

The same happened in America. Chicken growers killed their product because it cost more to feed them than to sell them for less. Because of controls the oil men found it cheaper to drill for oil in foreign countries and ship to America. Natural gas was the same way. Few individuals were willing to invest in drilling for natural gas in American at a loss--there has been a low price ceiling on natural gas for the last 20 years. And if some say that we need these controls to control inflation, consider this: before the controls retail prices were rising at an annual rate of 3.8%, wholesale less than 5%. During the controls according to U.S. News & World Report (July 9, 1973), retail prices rose to 8.8% and wholesale prices rose to 21.7%.

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Can the American citizen survive Galbraith's economics should be the question.

Galbraith's economics are as old as Emperor Diocletian himself. It is based on the authoritarian premise that the State and society knows what is best for the individual. It is an aggressive theory which says that man must be protected from himself. That man is a child and therefore must be ruled by a Big Brother to look after him.

THE LIBERTARIAN ALTERNATIVE

The libertarian believes that man is not a slave. That man has the right to do his own thing providing that he does not physically harm the rights, life and property or another in the process. And that when an "association or individuals"—government—legalizes murder in war, legalizes theft in taxation or legalizes slavery in government controls, it is denying that fact that man owns himself and has no master but himself.

Will Galbraith's economics of controls survive? Libertarians say no. The reason being: economics cannot survive without freedom or with authoritarians like Galbraith.

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