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Distribution of Wealth, 1938

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DISTRIBUTION OF WEALTH

In distributing or re-distributing wealth, the first thing to make sure of is that there shall be plenty of wealth to distribute; plenty of wealth, not just plenty of dollars. The American system of private enterprise, actuated by the profit motive, has proved to be productive of greater wealth than any other system thus far devised. It has also provided the widest distribution of that wealth.

When the demagogue says that the poor should not eat of the crumbs from the rich man's table, and that the thing to do is to increase the purchasing power of the "masses", meaning the ~~poor~~ *less* well-to-do, at the expense of the more prosperous; and that prosperity must work from the bottom up, and not work down from the better-to-do to the poorest, it sounds rather fine. This was the idea of Robin Hood, to rob the rich to give to the poor. There is no evidence, however, that Robin Hood wished to destroy private capital. It was an essential part of the source of ~~all~~ wealth.

The New Deal administration appears to have adopted Robin Hood's idea as a serious policy. Indeed it has gone him one better. It not only takes from the well-to-do to give to the poor,- it also hampers the working of our system of wealth production and is frankly hostile to private capital, which, with labor, is one of the two essentials for the production of wealth. This policy merits examination.

A great historian, Sir Mathew Flinders Petrie, worked out a formula for the decay of a civilization and gave about nine examples of its operation. When fairly free institutions had fostered prosperity and the accumulation of wealth, then, when a degree of democracy had come about, the "masses" ate up the accumulated capital, and decay set in. Another factor in this

decay, he finds, was that life would have become too soft. The individual, without the need to struggle, deteriorated. In ancient times, the process was gradual. The end was the conquest of the deteriorated people by some viril people from outside.

The "bread and circuses" of declining Rome are an example. They were the policy of all-powerful emperors, appealing to the mob to keep their power. Heavy taxes, great debt, and debased money were accompaniments of a "---- policy of despotism, which always aims at securing cheap popularity with the proletariat". National transformations worked slowly in olden times. In this age of speed, it is possible for a nation to destroy itself rather quickly. A decaying America may have no foreign conqueror; but it may carry on within itself the culture of the germs that will destroy it. Such are political demagogues setting group against group, rich men without peacetime patriotism, professors and teachers who would make of Washington a second ^{Trotsky} Moscow. And the irony of it all is that subversive officials and bitterly "red" teachers are all alike paid for by the tax-payer; while foreign subversive elements are coddled by sentimentalists and often by the morbid offspring of the well-to-do.

The American system cannot function under a Robin Hood policy. Already, in some states, it is estimated that two-thirds of the population are supporting the remaining third, the able-bodied among them, in most wasteful fashion through the W.P.A. If the American system is not encouraged to function, then gradually everyone can go on W.P.A., and we shall have socialism. The government will have to do the producing and distributing and support the whole people. Under the American system, the President is supposed to be the servant of the whole people. Everyone has responsibilities. Nearly everyone serves some

employer or some customers or clients. There has to be vast accumulations of private capital to meet the pay-rolls. Only under socialism can this system be turned upside down and can wealth be distributed from the bottom up.