

July 22, 1962

The Editor
U.S. News & World Report
2300 N Street, N.W.
Washington 7, D. C.

Dear Sir:

As an American I was shocked and insulted to find U.S. News & World Report (July 23) seeking advice from two dubious European economists on the problems of our American economy. Both "experts" are clearly, by their answers, committed to a Keynesian, statist, interventionist if not socialist point of view. Prof. Egon Böhler (p. 53) advocates an expansion of the "public sector" through large-scale government investment, and the nameless official of the European Economic Commission advocates the same: "More government spending at all levels appears to be necessary now and in the coming years...." Yet, both gentlemen who criticize America's present economic stagnation do not seem to realize that in order for the government to embark on any large-scale spending it must deprive business of the capital it itself needs in order to expand. These so-called experts are merely providing a formula for more not less stagnation.

The economic growth of this country, which set the pace for the entire modern world, was a result of the unprecedented economic freedom which men enjoyed in this country in the 19th and early 20th centuries. However, since the advent of the New Deal and the progressive income tax we have seen an endless procession of strangling economic legislation, dead-end public works, the growth of a monstrous bureaucracy--which has become the crushing overhead of our country. It is the American business community which must bear the staggering burden of this huge, non-productive and parasitic bureaucracy. It is the business community which is subject to constant harassment and persecution by the anti-trust division of the Justice Dept. It is the business community which must contend with the bludgeoning tactics of organized labor. It is also the businessman who has been the butt of American intellectuals and writers for the last sixty years. How in blazes can we expect our capitalist system to thrive in an atmosphere which has become so obviously and basically hostile to capitalism?

The only proper answer to our economic ills is to get the government out of economics. A restoration and further development of a truly free-market economic system would launch our country into an era of economic growth which would make our first 100 years look like child's play. Certainly, the base from which we can expand is a million times greater than that which our forefathers had at the time of the cotton gin.

It is interesting that the Olivetti people who have taken over the Underwood company should have been confronted with the snoopers from the anti-trust division of the Justice Department as an introduction to the American way of business life. (U.S. News & World Report - July 23) That needless and totally unconstitutional investigation cost the Olivetti people 9 months and a considerable sum of money. Then they had to contend with the obstructive and unreasonable demands of organized labor. Olivetti had to threaten to move the plant before the union saw the light. Certainly the Olivetti experience ought to teach us a few lessons about what has happened to economic freedom for the businessman in America.

If you want to find out what is wrong with the American economy, I would advise you to consult with the greatest living exponent of the capitalist system, Ludwig von Mises. He has written a shelf of classics on the subject, lives in New York, and teaches at New York University. Why do you consult with lesser men, one of whom must remain anonymous?

Other pro-capitalist economists you ought to consult are: Lawrence Fertig, Sylvester Petro, Murray Rothbard, Henry Hazlitt, Hans Sennholz, and Gerhard Niemeyer. You ought to also find out about the Mont Pelerin Society, of which Prof. von Mises is the spiritual head, and which has had a considerable influence on European free-market economists.

Sincerely yours,

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