

them? In any case the main inventive activity in this country would be in the laboratories financed by the associations. Here the conditions of organization, pay and incentives would be quite the same as in the laboratories today of corporations, the Government, foundations, associations, etc. So why expect less efficiency? But there could be a greater result, through more funds and better planning and purposes. Each scientist, technician, or manager would still, as today, be competing with his peers, in the same laboratory, and in those of other associations that could use his skills. Or he could, if dissatisfied, switch to Government work, education, individual corporations, etc.

[552] So much for the proposed monopsony (of buyers). Now as to sellers' monopolies. Let us first recall that the patent system aims at such monopolies. Schumpeter is often and well quoted, that invention cannot take place without some degree of monopoly, some assurance of a "rent," a higher price on the novel product, that will not be immediately snatched away by competition. (Cf. ¶ 217.) To be sure, very large production may substitute for monopoly. A second exception, or modification, of this law is proposed by our plan, viz., that monopoly by firms (through patents etc., today) be usually swept away. But there would remain the monopoly of the organized industry with its control of unlimited funds, subject always to governmental oversight. Such monopoly *by industries* is inevitable in any case, and is largely though not fully complete. E.g., the automotive industry has an inevitable monopoly on land transport for 1-100 miles, weakened only in part by the competition of rival forms of transport (railways, walking, water and air transport, etc.), and by the competition of housing, sports, and everything else for the consumer's dollar. This incomplete, industrial monopoly inevitably continues under whatever plans, but monopoly *by firms*, the source of all fears and protests, would be reduced, so far as it has been based on patents, secret processes, and their prolongations in time through trademarks, good will, and the momentum of a head start.

[553] To be sure, the inclination to monopoly is as universal as original sin, so the forming of more and stronger trade associations would give many incitements to exceed their lawful purposes and contrive sellers' monopolies of this and that, by fixing prices or limiting markets, quality, or service. (If they agreed to limit advertising, which the late Senator Kefauver found a curse in the drug industry,²³⁰ so much the better economics.) Or they might itch to contrive monopolies toward labor or supplier industries. Such exploitive tendencies should certainly be combated constantly by the Government agents within each association, and by all the appropriate laws that can be devised, and by the trade organizations of the suppliers, and by organized labor, and by a consumers' bureau in the Government, such as has been often demanded to watch over the public's interest, against other abuses beside monopoly. Our proposed plan would not so greatly increase the chances for monopoly, over the countless opportunities that already exist. With the new defenses proposed, this danger should not be rated high. We must especially remember that monopoly would be strongly and *certainly* combated by the proposed pooling of patents, know-how and secret processes. The freedom of every firm, including the newest comer, to use all the best and latest