

LUDWIG VON MISES
777 WEST END AVENUE
NEW YORK 25, N. Y.

February 24, 1955

Professor John Van Sickle
Wabash College
Crawfordsville, Indiana

Dear Professor Van Sickle:

Thanks for your letter of February 20.

I think I can clarify my opinion by referring to point 1.

Inequality of wealth and income is an essential feature of the market economy. It makes the consumers supreme in giving them the power to force all those engaged in production to fill the wishes of the consumers in the best possible and cheapest way. It shifts control of the material factors of production into the hands of those who know how to employ them to the best advantage of the consumers. It makes competition work. It is progressive in the best sense of the term and benefits all strata of the population.

Those who look upon income and wealth inequality as upon an evil are romanticists. They are guided by the idea, very popular with many philosophers of the eighteenth century, that "republican virtue" can thrive only in a society of farmers each of whom owns a small farm sufficient for the needs of his family. This country has the highest standard of living ever reached in history because for several generations no attempt was made toward "redistribution" and "equalization." Where there is a "lower degree of inequality," there is necessarily a lower average standard of living.

It is useless to discuss the problems involved if one starts with the assumption that inequality is an evil and combines the discussion with that of the problem of "the relief of destitution." Destitution