Evils of Relying Entirely on Competition

1. Society can’t have the benefits of natural monopoly—cheapness and efficiency, “economies of scale”

2. Cutthroat competition drives the “moral plane of competition” down to the lowest level—child labor, lack of adequate safety, wages below subsistence, etc.

3. Relying exclusively on the market weakens democratic government.

   Big corporations can overpower the state. Big corporations attract the “best men” with high status and big rewards. Weak government is prone to corruption.
Adams’s Remedies*

Here is the beginning of a statist, democratic “new liberal” discourse aimed at solving the crisis of laissez faire by building the role of government back to what they Adams believed it had been in the early republic.

1. **Allow natural monopolies, but only under public ownership or control**

2. **Keep the benefits of private property and competition in most industries, but legislate the moral plane of competition in the form of labor standards that reflect the moral sense of the community**

3. **Make government strong, honest, and capable enough to control huge concentrations of private wealth and power, and to attract the best people to public service**
“Relation of the State to Industrial Action,” 1886.