

MYTH AND FACT

Some famous person said: "Let me write a nation's songs and I care not who writes its laws."

Then later, someone else said something that I think comes a whole lot closer to the truth. He said: "Let me write a nation's superstitions and I care not who writes either its laws or its songs."

The combination of that statement and the reading of the newspapers every day could inspire one to write one of those MYTH-FACT columns, even though my dictionary defines 'myth' and 'superstition' not quite the same.

We see political factions engaged in quarrels over policy, and both sides are reasoning out their stands on the basis of mythology. It might be worth a few installments of this column to list some of our leading myths and their counter fact. Some could be shocking.

MYTH (concerning foreign trade): Exports are more desirable than imports. Exports benefit more people by creating more jobs. Our nation is made richer by exporting more and importing less. Imports cause domestic employment.

FACT: That myth grows out of a comparison with an individual merchant (or store or tradesman) in the town, the failure to include his whole picture, and then the extension of the inadequate reasoning to the whole nation. It is no secret that the merchant needs to sell (take in money) as much as he can, and buy (pay out money) as little as he can. People then reason the same way for the nation. So far so good. But they overlook the whole reason why the merchant even needs a store and needs money income in excess of money outgo. The very purpose of the store is so that his net income can be used to buy products (and services) of other stores (and tradesmen). In that area he is a net importer and it is to his advantage to import as much as he can.

Actually, it is to his total advantage to maximize his net imports compared to his net exports. Would you get angry at a grocer who wants to give you an extra can of peas for your price? A whole nation is better off with more imports and less exports, just as you are when you can get more product for what you have to pay out.

Of course, our merchant is not at his happiest when an outsider wants to start up another store selling the same product. But the people of the town are served best if competition is not prohibited. Similarly, a whole industry may dislike the idea of foreign competition. But again, the consumers are best served by competition between sellers from whatever country.

The argument against spending our money outside of our own country and failing to employ our own people is so weak as to be totally without substance; our money spent in a foreign country is worthless to them until it is spent right back here. There is no loss of employment at all from that cause. Unemployment is entirely attributable to other causes.