

The Prophet in His Own Land

By C. O. Steele

The annual report of the Bank for International Settlements says that United States planning fails, that our current business slump is evidence that governmental spending programs are a hindrance rather than an aid to recovery, and that the failure of the remedy in this country means that it cannot succeed anywhere. "In no country," the report says, "except those in which the government practically controls the whole of economic life has administrative action been so strongly and widely spread. Nowhere, however, has reaction been so violent. It has proved to be infinitely more difficult to direct the trend of economic life by government action even in a country with a very large home market and an organized banking system than the weight of well studied experience and an attentive survey of economic developments encouraged many to believe." The report adds that the "fact should not be overlooked that the main incentive to recovery over wide areas of the world is still the expectation of a sufficient margin of profit during a sufficiently long period."

General Hugh Johnson expresses a similar view in a recent speech. "It may be possible by law," he says, "to put a man or a group of men at the infinitely intricate controls of an economic system, but it is not possible to find any human brains with the infinite wisdom to operate them. This depression is beyond any excuse or explanation other than that we now have a planned economy and the planners made a mistake. Human government has taken control of natural economic forces and doesn't know how to run them."

With even less restraint than the pugnacious General displays, Albert Jay Nock, in his thought-provoking book, "Our Enemy, the State," lashes out as follows: "State power has an unbroken record of inability to do anything efficiently, economically, disinterestedly or honestly; yet when the slightest dissatisfaction arises over any exercise of social power, the aid of the agent least qualified to give aid is immediately called for. Does social power mismanage banking-practice in this-or-that special instance—then let the State, which has never shown itself able to keep its own finances from sinking promptly into the slough of misfeasance, wastefulness and corruption, intervene to "supervise" or "regulate" the whole body of banking-practice, or even take it over entire. Does social power, in this-or-that case, bungle the business or railway management—then let the State, which has bungled every business it has ever undertaken, intervene and put its hand to the business of "regulating" railway-operation. Does social power now and then send out an unseaworthy ship to disaster—then let the State, which inspected and passed the Morro Castle, be given a freer swing at controlling a routine of the shipping trade. Does social power here and there exercise a grinding monopoly over the generation and distribution of electric current—then let the State, which allots and maintains monopoly, come in and intervene with a general scheme of

price-fixing which works more unforeseen hardships than it heals, or else let it go into direct competition; or, as the collectivists urge, let it take over the monopoly bodily."

Forty years ago Henry George wrote, "It is only in independent action that the full powers of man may be utilized. Taking no note of the difficulties which experience shows always to attend the choice of depositaries of power, and ignoring the inevitable tendency to tyranny and oppression, of command over the action of others, simply consider, even if the very wisest and best of men were selected for such purposes, the task that would be put upon them in the ordering of the when, where, how and by whom that would be involved in the intelligent direction and supervision of the almost infinitely complex and constantly changing relations and adjustments involved in such divisions of labor as goes on in a civilized community. The task transcends the power of human intelligence at its very highest. It is evidently as much beyond the ability of conscious direction as the correlation of the processes that maintain the human body in health and vigor is beyond it." Who said it first—and best?

See: "The Science of Political Economy," pp. 310-11-12.

