

## Another Hypo

Do you recall the headlines recording the nation's shock when Mr. Roosevelt first announced, some six years ago, his intention of spending billions for recovery? Of course you don't. No drunkard remembers his first drink.

It was not so much the stupendous amount—\$3,300,000,000—which jarred us in 1933; it was the revolutionary principle involved. Suddenly the dominant American doctrine of individual enterprise was supplanted by something very akin to collectivism; one hundred and fifty years of looking upon the government as a servant of the electorate was reversed; now the government was to support the people.

We were bewildered. But we were also unemployed, hungry, depressed. Desperately, just as the Germans in their plight first accepted Hitler, we accepted the revolutionary thought without question. Besides, was not the plan worked out and vouched for by many professors of economics? They should know something about it. Things couldn't be worse; let's try it.

It didn't work, as any clear mind, even one completely unaware of fundamental economic knowledge, knew it would not. For a few months the semblance of prosperity returned. Then the money was spent and the depression continued. So that, when Mr. Roosevelt proposed in 1935—just before the Congressional elections—another hypodermic costing us \$4,880,000,000, we rolled up our collective sleeve and took it quite obediently.

In 1938 the medicine bill was \$3,750,000,000. By that time we didn't even read the headlines about it. These three major lending-spending programs had been augmented by other ventures in buying prosperity until the bill had run into astronomical figures which our minds could not comprehend.

We have become used to hand-outs. The beggar does not ask how the philanthropist makes his money, nor does the thief worry about the economy of a nation in which all would be thieves. Moral decadence is gradual; having reached that state

one can hardly recall the steps that led downward, if indeed one even recognizes the state itself.

Now, just before the 1940 elections, comes a proposal to lend-spend another \$3,860,000,000. This time we are told that this money would be used to finance projects which would be "self-liquidating." Nobody is fooled by this phrase, least of all its authors. Any investment which has a "good prospect of repayment of both principal and interest through earnings" (as Mr. Roosevelt claims in his letter of recommendation) is one that private interests are looking for. Nobody believes for a moment that this new program will succeed in doing what is promised for it—putting into productive employment the ten million who have been without jobs these ten years. For this was promised also for its predecessors.

But, though everyone recognizes the proposal as one arising from political exigency, and as one that is utterly impossible as an economic venture, yet it will be accepted, perhaps in modified form, by both the politicians and the people. Why? We have become accustomed to hand-outs, we no longer think of national consequences. In fact, we no longer think. Our moral decadence, resulting from continued depression, accelerated by false economic teaching from "high authority," is fast approaching the state in which a Hitler or a Stalin will be acceptable to us.

Any reader of *The Freeman* can test the proposal with fundamental economic principles and completely destroy the shallow arguments advanced for it. But it is not amiss to point out that the public works projects which form the major portion of the proposal will do only one thing—raise land values and thus further retard any prospect of recovery. Also, the basic economic fallacy underlying this lending-spending idea is that capital is needed to provide jobs and wages. Until the people know that wages come from production only, and that production must start on the land, such frauds as the present one will be perpetrated on them with impunity.