

Land and Freedom

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Comment and Reflection

THE present depression caught a world without any economic knowledge. We might indeed accept with some excuse the prevailing ignorance in political circles, yet it is not so easy to explain the ignorance of collegiate and university professors. Here shallowness and superficiality have been for a generation almost unbelievable. "Smart" they were, but nothing more: cleverly ingenious in the books and pamphlets emerging from institutions of learning in never ending stream.

THE old political economy, despite its imperfections, might have served as a general starting point for a partially coherent science of political economy. Adam Smith and John Stuart Mill had indicated as much of economic truth as was needed for a beginning. Instead of developing from this starting point, so full of promise, economic truth was left marooned with whatever was fundamental in these philosophies, and a new political economy was begun on new lines, in which there were no fundamental principles at all, but just ingenious speculations, social inventions, and regulations and restrictions, all of which have finally developed into what is known as a "planned economy." The socialistic principles have been too strong for these youthful teachers and writers with little traditional background who have taught and written from the chairs of colleges and universities.

THE Malthusian theory and the Wage Fund theory have been taught in turn. The Technocrats bloomed for a time and faded out. The regulationists, with Prof. Tugwell at their head, now have the field all to themselves. They vie with suggestions for re-making a God-made world aright. That the processes of production and exchange are natural processes, not dependent upon man-made adjustments, seem not to have occurred to them. Indeed such theories are openly repudiated, despite industrial history, and despite, too, the laws for which Smith and Mill broke ground.

WE do not mention Henry George in this connection because he was not until now held in high esteem, his teachings being a direct challenge to *all* political economy. We speak only of the recognized fathers of the science who would have some difficulty in identifying their

offspring in the over-smart, but fearfully shallow gentlemen who now seek to remake society like the child arranges his building blocks, and with as little thought to the laws that govern their arrangement.

THOUGH business men have accepted generally and tentatively the policy of control—they can do nothing else of course—it must not be imagined that anything is settled. Those who accept the monstrous "recovery" measures of the administration do so with the implied understanding that it is entirely experimental. There is nothing in industrial history that gives us ground for anticipating any real success. Business men grasp at it as they grasp at a straw. "We are conscious of the danger that there is so little time to think," says Prof. Moley, doubtfully. And he might have added, "So little ability to think."

BUSINESS men have been so long buffeted hither and thither that like a battered prize-fighter they rush into the "clinches" to save themselves from further punishment. To change the metaphor, others have been so long taught to rely on government that they are ready to accept the present programme, though doubtfully. And as the inevitable temporary recovery which might have been anticipated in the absence of any governmental measures, shows signs of appearing, they try to pluck up hope, and whistle as they plod through the dark forest and persuade themselves that there is a faint glimmer of dawn in the distance.

SUCH temporary revival must always be the effect of inflation or anticipated inflation. It is a method of applying oxygen to the very sick patient. But permanent recovery cannot be artificially induced. What we see is but the articulation caused by an artificial respirant. This we must be prepared for, and while it will be hailed as a triumph of the Tugwell-Moley-Roosevelt experiment, we who know better should be trained to meet the arguments that will be urged for it. We know, that, despite the perpetual smile of our President, which ere long will turn to a grimace, the whole recovery measure is what Alfred E. Smith calls it in his picturesque language, "bologna." We can watch the outcome with a different kind of confidence than is shared by the administration.