

The Book Trail

SIDNEY J. ABELSON

Not poets and philosophers alone, but also college teachers of economics are the "true legislators of mankind." At least that is the case in this country. The permanently sitting, though emergency convened P.H.D. conclave in Washington is striking proof.

The world used to laugh at the "impractical" theories of the professors. The joke now is that the same theories, though still impractical, are being "practically" applied. But the point has been reached where the joke is no longer a laughing matter, paradoxical as that may seem.

Ten years ago no one would have taken seriously the prophecy that the time was coming when professorial economists would be called upon to tell politicians how to run the country. Hence what was being taught and believed in the colleges was really a question of no particular moment. That is, of no particular moment to anybody except the Socialists.* These latter, however, were busy brightening up the dull lives of the professors with a curious mixture of humanitarianism, historical methodology, metaphysics and "scientific" dialectics which passes for a system of economics under the name Marxism.

I do not mean to say that to the last man every college teacher of economics succumbed to the blandishments of Marxist ideology; but I do mean to say that to the last man the force of the persistence and the dogmatism of the Marxists made itself felt and threw economic thinking off balance. What a different world this might have been if at the turn of the century the doctrines of Henry George instead of those of Karl Marx supplied the leading opposition to reaction and conservatism in social thought.

The usual "capitalist" economists have no cohesive body of principles to offset

*And of course to the public utility magnates who, however, eschewed any pretense of seeking fundamental doctrines and played their game straight. These sought to undermine all opposition to their special privileges and they backed up their efforts with enormous slush funds, buying out a number of teachers and publishers so that the texts used in many schools would be properly deferential to the interests of the magnates. In spite of their power their efforts were comparatively shortlived, thanks to ensuing scandals on the one hand and on the other, the increasing prestige gratuitously lent to socialistic ideas by domestic and international events.

the prestige of a socialist "system." No two agree on any substantial number of points, fundamental or otherwise, and for the most part their writings are a floundering from one superficial guess to another. As often as not they base would-be profound conclusions on purely ephemeral business experiences.

It is quite a relief in these circumstances to consider such a textbook as *Economics* by Fred Rogers Fairchild, Edgar Stevenson Furniss and Norman Sydney Buck, all of the Yale University Faculty. (The Macmillan Co. \$3.00.) These authors, more than any others I have had occasion to review recently seem to write with a consciousness of basic principles. That they do not hew to this line in every instance is another matter; yet the search, and such it seems to be in these pages, for fundamental guidance has its effect.

The authors make an intelligent, easily understood and accurate distinction between economic rent and other forms of income. "A service," they conclude, "is rendered in exchange for economic rent, but it is rendered by nature, not by the rent receiver." It is unfortunate that they fail to see the full implications of this fact, especially so since their grasp of the role played by economic rent is emphasized by stressing the point that prices determine rent and not rent prices, with the implication, of course, that rent therefore is a self-liquidating cost of production.

I dislike their employing the term "condemned" with reference to economic rent as an unearned increment. One does not "condemn" the laws of chemistry, though such laws may be bemoaned for one reason or another. Likewise, no economist of importance has "condemned" economic rent, though many have condemned its private appropriation.

I dislike also the slight reference to the single tax and iteration of the implication that rent is considered reprehensible by single taxers—"condemnation of rent" is the expression here used. In this section, also, brief to a fault, is an implied suggestion of a relationship in doctrine between socialism and the single tax.

But *Economics* has its virtues, and in abundance. The section on "Nationalism and the Protective Tariff" leaves little to be desired in its conclusion, from which I quote: "Analysis of the arguments for and against protection thus appears to demonstrate that industrial self-sufficiency secured by means of the protective tariff, so far from enhancing the national welfare, is a cause of economic loss. . . . Protection is an economic burden, a cause of loss to the people of the nation which employs it. The economic advantage is all on the side of freedom of international trade."

The closing chapters on "Socialism and Communism" and "Fascism. Judgment of Radical Reform" are masterpieces of impartiality, simplicity and comprehensiveness (considering the space available). It

is unfortunate that they are buried in a textbook where few non-students will ever have opportunity to read them. I think the publishers would do well to reissue these fifty-odd pages in pamphlet form.

The spirit of this book is more in the direction of establishing economics on a scientific basis and more likely to command respect for the subject that the great majority of works offered for classroom use. Perhaps it will serve as the starting point for the rebirth in the schools of a belief in a free economy. Certainly the material on "Industrial Nationalism and the Protective Tariff," provides student and teacher with adequate priming.

However, to keep the record straight I must add a criticism or two to those expressed above: I deplore the authors' tendency toward terminological complexity ("explicit rent," "implicit rent," etc.); also, their description of nature as "niggardly" (throwing the burden of poverty on forces beyond our control whereas the burden is one entirely within the powers of man to solve); and finally, lack of space forcing a foreshortening of my list, the quite serious sin of omission, namely a complete neglect of the doctrines of Henry George, at least, by name.