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Comment and Reflection

AMONG the explanations of the cause of the depression one that recurs most frequently is the World War. It is heard in speeches in Congress, in editorials, and often in the more thoughtful dissertations of prominent writers. Thus Mr. J. G. Lockhart in a recent work entitled "The Peace Makers," says: "The world did not fully recover from the Napoleonic Wars until a full generation had passed and the middle of the nineteenth century had been reached," and then he follows with the lesson from analogy that "we may not expect full recovery until about the year 1954."

JUST how wars work to produce depressions we are not informed, nor is any effort made to clear up the matter, beyond the remark casually let drop by Mr. Lockhart that "war is an expensive process." An analogy that seems to have been completely forgotten is the prosperity that followed our own Civil War, which would seem to require some counter explanation. The theory falls to the ground the moment it is examined.

FOR one thing, such explanation is too easy. We are, as a matter of fact, living in a constant depression—low wages, industrial insecurity and mass poverty. These are accentuated by periods of more acute distress which go under the name of "depressions." The times that we are out of these depressions are infrequent enough and to call them periods of prosperity is an abuse of language. With the masses of men there are always depressions. There are no times of prosperity—there are only times of less acute distress, less wide-spread poverty.

ARE such theories conscious attempts to evade inevitable conclusions following a closer analysis? We think not. They are born of a superficial analysis of the social problem, and an ignorance of economic factors. That escape out of the depression must wait until 1954, that not until then may we overcome the disastrous effect of a war that ended in 1918, will seem fantastic on reflection. For however great was the destruction of wealth resulting from the World War, a period of ten years would have more than sufficed for the replacement of that loss.

WHAT these theories naively ignore, are of course the economic factors. The very instant the flags are furled and peace declared, these economic factors, rudely interrupted by the chaos of conflict, begin their work. Mr. Lockhart writes as follows: "History, if we omit the rare and incalculable interference of the abnormal, is the product not of a few spectacular actions, but of innumerable events, unnoticed but irresistible in cumulations."

THE problem is incorrectly stated. History is not governed by the "interference of the abnormal," nor yet by "innumerable events," but by law, among which is the working of economic factors. These "innumerable events" are not the cause of social dislocations, but are the effect of the ignoring of natural laws. Wars themselves are the effects. What we amusingly call peace are only wars disguised. Nations that arm themselves with hostile tariffs are not only preparing for war—actually they are at war. And their conflicts of diplomacy are but one remove from armed conflict.

AFTER war, as after the World War, to which is erroneously attributed the depression, economic trends are once again in full swing. The same old round is to be traversed again. The same old stumbling blocks to progress remain. The same slow impoverishment of the workers that results from the taking of private wealth for public purposes and the gradual encroachment of speculative rent, paralyzing labor and capital, go on as before. These forces are at all times sufficient to account for the stagnation of industry without recourse to imaginary theories to account for periods of depression which differ from the normal only in intensity. The phenomena we observe, low wages, poverty, unemployment are the resultants of a denial of the natural order and not of the merely temporary dislocations caused by wars from which we soon recover, going from the horrors of war into the horrors of peace, which are only a little less devastating.

IT is safer as a mode of reasoning leading to sound conclusions, to consider economic theories in accordance with the economic facts, or in other words using the factors that belong to that special domain. If what