

The Baby Boom

By DAVID SIMMONS

JUDGING by various articles appearing in recent publications we can look forward with confidence to a long period of prosperity. Some of the "experts" are even claiming that depressions like the one experienced in the 30's are a thing of the past. One of the main reasons frequently put forth to support these conclusions is the so-called baby boom. We are told that the great increase in the birth rate since the war has created a tremendous demand for such things as baby food, baby furniture and toys, and that it is bringing prosperity to the milkman, the druggist, the pediatrician, the diaper service, etc. Furthermore, as these babies grow up there will be an increased market for food, clothing, housing, and so on down the list. And so, due to the impetus which the baby boom will give to the economy, industry will be constantly expanding providing even more employment. Sounds rosy doesn't it? However, on analysis it seems close to the ridiculous.

First of all we should ask ourselves: "Was it a low birth rate, or lack of children, that caused the last great depression, or any preceding one?" And what about places like India and Mexico—do more children mean greater prosperity for the people there also? Just because people have more children it doesn't make their salaries any higher. If they weren't spending their money on things for baby they would most likely be putting it to other uses—more expensive vacations, more modern conveniences, investments in stocks, etc.—which would benefit the economy just as much. The rising birth rate is simply an indication that people can afford to support more children. It is no assurance that prosperity will continue.

This baby boom idea is in direct opposition to the Malthusian theory, of which we still hear a great deal. One theory is that the more the population increases the better off we will be, another is that as population increases, the standard of living declines. Which is right? It would seem that under present conditions it doesn't make much difference. As long as our system allows landowners to appropriate an unearned share of the wealth, while discouraging production with heavy taxes, we may proceed to a point where rent will become exorbitant and seriously hinder production. There can be little doubt, therefore, that there will be another depression—even worse than the last one—unless, of course, we allow natural economic laws to operate before it is too late.