

## A Word With You

By ROBERT CLANCY

Economists of today have just about abandoned the idea that economics is a science. Which isn't such a startling revelation—they've long been behaving as though it wasn't.

The situation is reviewed by Stuart Chase in his new book, *The Proper Study of Mankind*. Mr. Chase, in addition to his own testimony, quotes a number of authorities who agree that economics is not a science—which leaves them free to disagree about everything else.

This contention is supported by some pretty shoddy thinking. *The Economist* of London observes that, whereas the physical sciences have their basis in facts, economics has to rely, not on facts, but on certain psychological assumptions, most of which are wrong. Why it should be impossible to find economic facts is hard to understand. Surely they are there. We have no better intellectual or sensory apparatus to check chemical facts than economic facts.

Elton Mayo is quoted as having uncovered the "fallacies" of the laissez-faire school. With the bland assumption that we've tried it for a century and a half, it is smilingly easy to conclude that "laissez-faire has failed." What these conclusers don't seem to understand is that laissez-faire as originally conceived by the Physiocrats (and why this obstinate refusal to study the original doctrine?) involves a much more severe social discipline than is found either under socialism or under the system we have enjoyed for the past sesquicentenary. Equal rights come in the same package as laissez-faire.

Another authority, S. Howard Patterson, is quoted by Mr. Chase as saying, "There are no natural laws of human society to impede our progress . . . Natural rights behind which vested interests once lurked have been discovered to be only shadows." These extraordinary statements would require a phrase-by-phrase parsing. Who was the Columbus who discovered those shadows? What vested interests lurked behind natural rights? We always supposed that natural rights meant equal rights. If there are no such rights, why bother vested interests?

We are grateful to know that we can now sprint down the road of progress unchecked by natural law. The present state of affairs in the world is a tribute to such thinking.

## VIEWS OF THE NEWS

By SYDNEY MAYERS

Upon taking office, France's latest Premier announced he would immediately seek new tax sources. There is, M. Queuille, as there always has been, but *one* source of taxes—the people's pockets.

Ex-President Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, decrying the country's tax burden, urges "bold and drastic steps" to achieve greater government efficiency and economy. Mr. Hoover's first bold and drastic suggestion was that several more members be added to the Cabinet.

Says Britain's Chancellor Cripps, "There is only one way by which we can with a given volume of employment increase our real standard of living and that is by each of us producing more." Has Sir Stafford been learning a bit of Political Economy—the hard way?

A cogent news dispatch points out that Europe's economic woes, inflationary spirals and low living standards were born of the costs of two world wars. Observes contributor L. Leo Greenwald, "You cannot have a super-duper Fourth of July celebration every day of the year for ten years without paying for it somehow."

We are indeed happy to report that the War Assets Administration is offering for sale twenty-two obsolete military properties, including islands, forts, barracks, assorted buildings and even a lighthouse site. Now, please stop saying the government is doing nothing to alleviate the housing shortage problem.

The American Association for the Advancement of Science declares "the best hope of mankind's becoming one world in purpose and objectives is through the unifying influence of science." We are in accord, provided the learned gents mean the Science of Political Economy.

Our personal interest in the Illinois court decision holding the state Liquor Mandatory Fair Trade Act unconstitutional is (alas!) just about nil—save for one question. By what curious kind of semantics are price-fixing laws blandly labeled "fair trade" acts?

A trucking strike in New York brought about the prompt activation of an emergency food board; an oil workers' strike in California resulted quickly in a plan for rationing. Is there still any doubt as to whether we live on past or current production!

Some of America's leading "scientists," in meeting assembled, have expressed a dark view of the future, solemnly warning the world that its population is fast outgrowing its food supply. Maybe, as the song goes, Old Man Mose is dead—but Old Man Malthus ain't!

While the lugubrious population-and-subsistence theoreticians wall their pessimistic alarm, Wisconsin's noted Dr. Farrington Daniels cheerfully reports that within a century, bounteous supplies of food will be found in seaweed, wood and other unsuspected sources. It's good to see a scientist who sticks to test-tubes—and facts.

The American members of the new United States-British Council on Productivity will shortly "consider British production and labor problems with a view to increasing the nation's over-all rate of output." But wasn't the Labour Government supposed to show us?

From Belgrade comes the amusing intelligence that the root of Mr. Tito's surprising "Boo!" at Mr. Stalin was the sudden realization that the Soviet countries had been trading profitably with the capitalistic West, while the Yugoslavs (says *The New York Times*) "were played for suckers." Dialectics or no dialectics, it seems Yugoslavia is out to get some of those satisfying commodities its produce will buy on the markets of the outside world.

As a gesture of protest against national barriers, a young ex-bomber pilot has renounced his American citizenship to seek recognition as the first citizen of the world. "I can't go back to my normal life," he says, "till I'm sure there is a world left to work in."

## Econo-quiz

By HENRY L. TIDEMAN

In one of the fundamental economics classes a dispute arose over the proposition that when organized laborers compel an increase in wages, prices must rise. Political economy and business economy are parallel sciences using the same terms, but often with the meanings at variance. For instance, in business economy wages are accounted as the cost of labor. In political economy labor is the only cost of wealth, which includes wages.

The current spiral of inflation of prices and wages arises from two occasions: one, the increased exactions of our body of government, a large part of which not only yields no return but is expended in ways that hamper the labors of men in production, and the other, our greatly increased public debt. As these government obligations held by the banks and by others are converted into commercial credit available for speculation, without a corresponding increase in the production of wealth, this credit becomes an increase in the medium of exchange; and of course the prices of land and housing and creature comforts rise. The rise having taken place, the value of previously established money wages declines. Organized laborers then strike for more money wages in order to overcome a reduction in their real wages.

Now is such an increase of wages an increase in the cost of wealth? Manifestly no. It may be that those laborers who are the earliest in getting increased wages will be in position temporarily to take more wealth out of the market than they put into it; but when all the strikes will have been settled, though they will handle more money, the producers will be in the same condition they were before the "wage" increases were attained.

How about the unorganized laborers? They may lose temporarily; but so long as the margin of production is not depressed during the interim of the change, the law of wages serves to give them the same inflation in money values as the organized, so that in a very short time their products will be traded in the market for the products of the others, at the same ratio as before the inflation took place.

The preinflation \$5 hat which could be traded for a \$5 pair of shoes becomes the inflation period \$15 hat which trades for a \$15 pair of shoes. The real value is not altered. What tends to mislead us is the fact that larger figures follow the dollar signs.