Economists Agree On Fundamentals

Nor is it true that economists do not agree. Some wit has said that if all the economists in America should be laid end to end they would not reach a conclusion. You have been given the impression that the economists of the country have been responsible for the policies of our government. All these notions are incorrect. Economists do agree. They do reach conclusions, and correct conclusions. An overwhelming majority of the economists of the country have opposed some of the major policies of the government from the beginning and oppose them now. They predicted the failure of these policies and have seen their predictions come true.

Before we consider these various policies it is necessary to say a word about this puzzling economic system of ours. It is a vast, complex machine, a complicated co-operative mechanism of land, labor and capital, of wages and interest and profits, of currency and credit and investment. We cannot stop to analyze its operation, but we can point out certain of its characteristics.

In the first place, it grew up spontaneously, of itself, out of man’s own nature. It was not discovered or invented. It has changed its equipment through the ages, but has been essentially the same for 8,000 years. Secondly, it runs itself, providing its own motor force. It is automatic. It requires no direction by government. It guides itself. It requires no compulsion. Under it men are not driven to labor by threat of the lash or exile or execution. Thirdly, this economic system is unbelievably productive. It has supported unnumbered millions through history. In America it gives the people a standard of living undreamed of in the past and unknown to other peoples in our time. Fourthly, this system improves all the time. This statement may seem to you an offensive hypocrisy when everywhere in the nation there is unemployment and distress. But it is true. It is not true that the rich are growing richer and the poor poorer. There are irresistible economic forces at work, even in depression, to give the plain man higher wages, shorter hours, and greater social and political opportunity. Fifthly, this system cannot be greatly improved by artificial interference. All that you have heard about the collapse of the system is hysteria or propaganda. It is actually growing better, and the improvement is constant. But it cannot be greatly hurried. Wages and hours, production and consumption, are determined by physical and biological laws beyond the immediate control of men. There is no short cut route to high wages or luxury or ease. Interference with our economic system by law may improve it somewhat. It is very likely to damage it and reduce its productivity. Sixthly and finally, there is no other system possible at this time which will work as well. For 3,000 years men have talked about an ideal economic system. For 3,000 years men have at intervals tried to set up better systems, from Sparta 800 years before Christ to Russia in 1917. Not one has succeeded. Every one before Russia was a complete failure, to be replaced by the present system of private property. The Russian system, born in violence, has so far developed nationwide starvation under a bloody tyranny.

Existing System Best Yet Devised

Our existing system is the most productive and most equitable in the history of man. But it is far from satisfactory. It is gravely defective, and it contains major evils. In the first place, it breaks down at intervals in tragic depressions that cause universal distress and heart-ache. In the second place, it is attended by anxiety and insecurity. All of us live in the shadow of risk and insecurity. Thirdly, some of our people lead lives of poverty, inadequate wages, and over-work. Fourthly, there is still in the system a certain amount of undeserved failure and unmerited success, of unjust enrichment and inequitable distribution, of unequal opportunity and unearned privilege.

These are the major charges against our present economic order. It is guilty on every one