

THE GREAT DEPRESSION

“BY UNDERMINING CONFIDENCE IN THE EFFICACY OF THE MARKET AND THE CAPITALIST SYSTEM, THEY INDIRECTLY HELPED THE ABSURDLY INEFFICIENT AND MURDEROUS SYSTEM OF SOVIET COMMUNISM TO SURVIVE FOR SO LONG.”, SO SAID PAUL JOHNSON IN HIS INTRODUCTION OF THE FIFTH PRINTING OF MURRAY ROTHBARD’S ‘INTELLECTUAL TOUR DE FORCE’(AMERICA’S GREAT DEPRESSION).

FOR HALF A CENTURY (AND HE’S BACK) JOHN MAYNARD KEYNES SAID, “CAPITALISM WAS INCAPABLE OF SAVING ITSELF” AND THAT GOVERNMENT(HOOVER AND HIS PREDECESSORS)DID LITTLE TO RESCUE AN INTELLECTUALLY BANKRUPT MARKET SYSTEM.” IN CONTRASTING THIS WHAT IS THE PANACEA TO SEE THE END OF DEPRESSION AND THE RETURN OF THE ECONOMY TO NORMAL PROSPERITY? ROTHBARD’S MAIN PREMISE WAS ‘DON’T INTERFERE WITH THE MARKET’S ADJUSTMENT PROCESS’. HE LAID OUT HOW THE ADJUSTMENT CAN BE HOBBLLED:

1. PREVENT OR DELAY LIQUIDATION: BY LENDING MONEY TO SHAKY BUSINESSES, ENCOURAGE BANKS TO LEND FURTHER.

2. INFLATE FURTHER: THIS BLOCKS THE FALL IN PRICES AND DELAYS ADJUSTMENT.

3. KEEP WAGE RATES UP: ARTIFICIAL MAINTENANCE OF WAGE RATES IN A DEPRESSION INSURES PERMANENT MASS UNEMPLOYMENT.

4. KEEP PRICES UP: KEEPING ABOVE FREE MARKET LEVEL WILL CREATE UNSALABLE SURPLUSES AND PREVENT RETURN TO PROSPERITY.

5. STIMULATE CONSUMPTION AND DISCOURAGE SAVINGS: GOVERNMENT CAN ENCOURAGE CONSUMPTION BY FOOD STAMP PLANS AND RELIEF PAYMENTS, DISCOURAGE SAVINGS AND INVESTMENT BY HIGHER TAXES ON WEALTHY AND ON CORPORATIONS AND ESTATES.

6. SUBSIDIZE UNEMPLOYMENT: MORE UNEMPLOYMENT INSURANCE, RELIEF PROLONGS UNEMPLOYMENT AND DELAY SHIFT OF WORKERS WHERE JOBS ARE AVAILABLE.

OBAMA'S 'BRAIN TRUST'(ADVISORS)SHOULD BE COGNIZANT OF THE ROTHBARD SYNOPSIS AND DANGERS AS WELL AS T.H. WATKINS(THE GREAT DEPRESSION) WHOSE EXPLANATION OF THE ROOSEVELT 'NEW DEAL' WAS VISITED BY THIS WRITER IN COMPARING THE THEN AND THE NOW. WE ARE REMINDED THAT DESPITE THE MANY PROGRAMS OF THE ROOSEVELT ERA, UNEMPLOYMENT, THOUGH LOWERED, WAS STILL PREVALENT UNTIL THE ADVENT OF WORLD WAR II. MUCH OF WHAT ROOSEVELT DID INCLUDED NORMAN THOMAS' SOCIALIST IDEAS, MONEY PUMPING AS IN DEFICIT SPENDING OF THE KEYNES MOLD, AND RECOGNITION OF RUSSIA (SOVIET EMPIRE)EARLY ON. WE HAVE HEARD THE SONG BEFORE, AND OBAMA SEEMS TO BE LEARNING THE MELODY. THE BAD TASTE OF LAISSEZ-FAIRE IS STILL INFLUENCING THOSE WHO DETEST CAPITALISM.

AS THE NEVER-ENDING ECONOMIC AND FINANCIAL TROUBLES ENDURE, THERE SEEMS TO BE AN INERTIA IN THE OBAMA PSYCHE OF DECISION MAKING THAT INCLUDES AN ONRUSHING MONEY TRAIN WITH QUESTIONABLE GOALS, AND THE CERTAINTY OF AN ETERNAL DEBT, AND CONSEQUENCE OF SEVERE INFLATION AS OMEN OR REPRIEVE; A LITANY OF INFERENCE THAT TEND TO BLAME AMERICA FOR MUCH OF THE WORLD'S ECONOMIC AND POLITICAL ANGST; AN UNCLEAR WAR STRATEGY AS TO ENEMY:(TERRORISTS, MILITANT ISLAM OR NEITHER); AMBIVALENCE OVER THE PELOSI ACCUSATION OF CIA'S ALLEGED MISLEADING HER AND OTHERS OVER INTERROGATION METHODS; SOME INCONGRUITY OVER WHAT HE CAMPAIGNED ON AND REALITY; AND THE HOPE THE RECENT MEETING WITH NETANYAHU OF ISRAEL AS TO THEIR RELATIONS, AND THE THREAT OF A NUCLEAR IRAN WAS RECOGNIZED AND CLARIFIED.

ROOSEVELT'S LEGACY, TARNISHED BY QUASI-SOCIALISM, AND OVERREACHING POWER WAS SALVED BY HIS WARTIME LEADERSHIP. WHERE DO THY GOEST, BARACK OBAMA?

HOPE THE NEHYAN