

Graph of America's Economy of Scarcity



The United States News

While the United States News and Editor David Lawrence handled the above graph of 1933 and 1935 comparative food crops and pork production in one way, we will handle them in another. Such of Lawrence's statements as the following are tolerably leaky:

"From 1607 until 1935—a span of 328 years—America fed herself. From the late 1600's until 1935 America, after feeding herself, had something left over for the rest of the world. But in 1935, with her cupboard getting bare, America turned to other countries of the world for help in feeding the American people."

There are of course numerous foodstuffs, some of them basic, that America has always imported; and however the experimentation with crop limitation eventuates, everyone knows it was undertaken to bring farm prices into line with industrial prices and mortgage rates and has had effect in that direction: the question is how long and at what cost farm and industrial brackets may be kept paired, since impracticability would seem to lie in the fact that higher farm income induces greater farm buying, creating demands tending to raise industrial prices. But temporarily at least, commodities do buy more than they did in 1933. Lawrence makes too broad a case.

Our view is different. America lives under an economy of scarcity. So, with its tariffs and quotas and trade barriers generally, does most of the world. But we have before us an American illustration. This is basic: there was not enough food in America in 1933, there was measurably less in 1935, as the graph shows, but there were more people to feed by some hundreds of thousands—the increase of population. There was not enough per capita in 1933, there was still less per capita in 1935. Surely this tends to throw more people on relief; it certainly reduces more people all the time either to want or subnormal subsistence: an economy of scarcity simply means, there is not enough to go round. But the scarcity in some countries is of another sort, they are unable to exchange their farm surpluses for required industrial products. This civilization, prolonged, will vegetate their peoples—they will inevitably fall behind in all manner of ways.

This gives vital significance to the reciprocal trade treaties Secretary Cordell Hull, of state, is negotiating, the *Exporters' Digest* roundly praising the latest, with Colombia. To Secretary Hull's court the Philippines will soon be going with their own trade case. Their economy is wholly determined by the American market.