

# The New York Times

## Book Review

Section

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## THE AIMS OF NATIONAL PLANNING

*Secretary Wallace Speaks With Candor, Authority and Persuasiveness*

NEW FRONTIERS. By Henry A. Wallace. 314 pp. New York: Reynal & Hitchcock. \$2.

By HENRY HAZLITT

Of all the spokesmen for the New Deal Henry A. Wallace is the most persuasive. Especially for any one who has just struggled through the molasses-like periods of Herbert Hoover, it is a sheer joy to be borne along on the smooth current of his simple and lucid prose. Where the former President is sesquipedalian and abstract, the present Secretary of Agriculture is colloquial and concrete. He likes to come to the point. There is in him little of the hollow baccalaureate suavity of Rexford Guy Tugwell. He is perhaps more solidly grounded in economics than any other leading member of the Roosevelt administration. He walks all around a problem and tries to think it through. As a result he sees and states as well as most of his critics the objections to the policies he has helped to formulate and carry out. He is a genuine idealist. With him, belief in a better life for the common man is obviously much more than a political pose.

And he is disarmingly frank. What other member of the present administration has had the courage to say, "New freedoms and new deals nearly always cost millions of dollars"? Or: "It is not yet certain whether the New Deal which started in March of 1933 will succeed"? Or: "When we put a tax of 30 cents a bushel on wheat in July of 1933, it was the same as putting a tax of one-half cent on every loaf of bread"? Or: "The plowing under of 10,000,000 acres of cotton in August, 1933, and the slaughter of 6,000,000 little pigs in September, 1933, were not acts of idealism in any sane society"?

Such remarks, torn from their context, hardly sound like defenses of the New Deal. But Mr. Wallace states the objections so plainly because he believes he has the answers. His straightforwardness will probably do more to gain intelligent converts than the most skillful evasion in the world.

His book falls into four main sections: a defense of the concept of national planning and of the broad objectives of the New Deal; a plea for a lowering of tariff barriers; a history and defense of the AAA; and an outline of the necessary aims of national planning in the longer future.

In his general argument for the need of planning he draws, curiously enough, on that same traffic-light analogy that Herbert Hoover uses to defend his belief in "ordered liberty." Of "the freebooter capitalists of the neo-Manchester school of economics" Mr. Wallace writes: "With their devotion to unlimited competition, these people seem to think the traffic lights should be removed so motorists and pedestrians might illustrate the doctrine of the survival of the fittest at every street corner. It is necessary in a democracy to furnish the red and green lights to guide the traffic, but not to supply drivers for every car on the road." At least so far as the traffic lights are concerned Mr. Hoover and Mr. Wallace seem to be in substantial agreement.

We cannot depend on competition

to restore our economic equilibrium, he holds, because the steadily increasing concentration of industrial activity into a few great corporations "has almost destroyed the effectiveness of the old-fashioned free play of the market-place."

This is a sweeping statement, for which Mr. Wallace offers no other evidence than a few figures from Berle and Means. Large corporations, however, may mean, except in a few industries, merely large competing units. Among the two hundred corporations listed by Berle and Means as having com-

bined assets equal to nearly half of all corporate wealth in the United States are, in the automobile industry, General Motors, Ford, Chrysler and Studebaker; in the tire industry, United States, Goodyear, Goodrich and Firestone;

in tobacco, American, Reynolds, Liggett & Myers and Lorillard. Certainly the burden of proof is on those who hold that these companies are in practical collusion and do not give the consumer the benefits of competition. Most economists would probably maintain that the old-fashioned free play of

the market-place has been "almost destroyed" much more by the price-fixing provisions of the NRA codes than by anything that private capital has been able to accomplish unaided.

True, one of the reasons that Mr.

Wallace believes in political planning appears to be that, unlike Mr. Hoover, he entertains no very high estimate of the existing private managerial brains of the country. "From a casual observation of corporation directors, I would say that the average level of intelligence of the farmer committeemen, as dis-

played in their own county meetings, is at least as high as that of the directors of the one hundred largest corporations in the United States." It is this profound suspicion both of the motives and the brains of the country's industrial leaders on the part of the present administration that does much to account for the little influence which the published opinions and misgivings of these leaders seem to have on administration policy.

What is the New Deal? Mr. Wallace attempts to set down its essential aims as follows:

1. A job for every one who wants one.
2. Wages high enough to leave no one in serious want.
3. Hours of labor short enough to give every one time to enjoy life.
4. Adequate insurance against unemployment and old age; perhaps, also, against injury and sickness.
5. Comfortable housing at moderate cost for all.
6. Sufficient planned utilization of the land and other natural resources so that unnecessary depletion by erosion and similar processes will be avoided.
7. Maintenance of such democratic institutions as free speech, free criticism and free conscience.

Is there an inner contradiction in a program that calls at the same time for more production and less work? Mr. Wallace, with his customary frankness, himself admits that "such proclamations sound exceedingly attractive, especially in time of depression," but that "it is much easier to phrase them than it is to bring them into practical reality." The most serious defect of a program set down in such general terms, however, is that it cannot usefully serve as a basis for discussion. Even Mr. Hoover would doubtless agree to the validity of these ultimate aims, with the possible exception of the fourth, if it were interpreted to mean compulsory insurance. His differences would begin regarding the means by which it was proposed to attain them. It is more profitable to turn, therefore, to Mr. Wallace's discussion of the two main special issues he considers—the tariff and the AAA.

His views on the tariff are well known. They have already been set forth with admirable clarity and courage in his pamphlet, "America Must Choose." With the same logic, he once more pursues various aspects of the subject. He insists that our high standard of living and wages is not the result of the tariff; and that if, in parts of Europe and the Orient, labor receives only one-fourth or one-tenth as much as American labor, the output of labor per hour in those regions is likely to be so low as to offset the supposed wage advantage. The tariff, he maintains, protects only our less efficient industries, and it might be a good idea to provide for their gradual liquidation. He recalls the tariff of 1833, which provided for progressively reducing all duties that were above 20 per cent ad valorem until they were all down to 20 per cent at the end of ten years; and suggests the advisability of reducing our present duties at least to a maximum of 50 per cent in the

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