

ages of key production goods, and a full-time quasi-legal network of black market suppliers which keeps the planners' errors from bringing the whole economy to a grinding halt.²¹ The two factors chiefly responsible for the successes of the Soviet economy, however limited outside of the USSR's military-industrial complex, have been its own domestic "free" market — the black marketeers (*tolkatchi*) and the small private garden plots of the peasants — and the productivity of the Canadian wheat farmers. I am reminded of an editorial cartoon I saw years ago (I think Herblock did it), in which we find a Soviet army officer saying to a commissar: "But Comrade, if we win the whole world to communism, where will we buy our wheat?"

Fascinated with the propaganda value of Soviet growth figures (themselves frequently suspect, especially in the "conclusion" sections²²), American economist-propagandists have become obsessed with the task of equaling or exceeding Soviet growth rates. They see this as a necessity, in spite of the obvious mathematical fact that the larger a base figure

is, the larger aggregate increases must be to keep it expanding at a constant rate. The Soviets, decades behind the United States in economic output, can more easily enjoy high growth rates, and even they have discovered the difficulty of retaining their high rates as their economy expands (witness their falling off of growth rates since 1960).

Reliance on Mathematics

Why this obsession with aggregate growth? One answer which I have already mentioned is the fact that freedom is difficult to chart statistically. We therefore see our propagandists appealing to other results of the two societies in order to compare them. Another impetus to the "growth game" is the very methodology of contemporary academic economics. Men whose concern for methodological rigor far outweighs any other professional goal in their lives will have a tendency to examine aspects of an economic system that are subject to the "elegance" of mathematics. They will tend to search diligently for "statistical handles" that are nicely "neutral," and therefore acceptable to other professional economists as valid measurements of an economy's benefits. The economic methodologies of both the Soviets and Keynesians, while differing in de-

tail, still focus on aggregate output figures that are useful in the tasks of centralized planning and prediction. Thus we see the fetish of the GNP — the so-called Gross National Product.

Numerous critiques of GNP figures have been made, but the important one is that the GNP figure would have meaning operationally only as a report of a single firm owned by a single set of owners. This may be the goal of some statist planners, but it is not yet a reality, either in the Soviet Union or in the United States; when it is, we will see true economic chaos.²³ The GNP is therefore a propaganda device primarily, a statement of faith in centralized planning secondarily. It is a methodological necessity for those academic economists who have honed their methodological tools to such fine points that the tools are no longer useful for any operation other than splitting academic hairs.

The Exponential Curve

The ancient world possessed no vision of continual economic growth. With the single exception of the Hebrew cosmology, all ancient cosmologies were cyclical with regard to the question of development. Man once lived in an age of gold; he has experienced

progressive deterioration since then, and only with some cataclysmic event — the coming of a divine monarch and the imposition of a period of ritual chaos — will man return to paradise, where the cycle will begin once again.²⁴ The Hebrew and Augustinian cosmology was linear: God created the world out of nothing, giving history meaning in terms of a sovereign plan, and will bring history to a close on the Day of Judgment. Nevertheless, Augustine and other medieval Christians saw no possibility of unlimited economic growth. Human "cities" were seen as being subject to flux, never achieving the permanence of the great City of God; only the spiritual kingdom can in any way be said to develop irreversibly.²⁵ An earthly pessimism prevailed.

The Renaissance and Enlightenment humanists gave up the idea of God's spiritual kingdom as a primary object of concern. Enlightenment thinkers in a sense "immanentized" the kingdom concept, bringing it down to earth. This was precisely what medieval thinkers had denied to man. Secular thinkers then gave up the idea of a final judgment. Nisbet

²¹ Gary North, "The Crisis in Soviet Economic Planning," *Modern Age* (Winter, 1969-70).

²² Jasny, "Soviet Statistics," *The Review of Economics and Statistics* (1950), pp. 92ff.

²⁴ North, *Marx's Religion of Revolution*, pp. 87-91.

²⁵ Theodor Mommsen, "St. Augustine and the Christian Idea of Progress," *Journal of the History of Ideas* (1951), pp. 364, 372.

²³ North, "Crisis," *op. cit.*