

War is peace. Freedom is slavery. Ignorance is strength." These grim and glib mottoes of the Ministry of Truth in *Nineteen Eighty-Four* were George Orwell's way of warning us that totalitarian planners try to control mental processes as a part of their overall program to control physical actions.

The deliberate misuse of language for political purposes is probably as old as language itself. But as the specific tool of socialist thought, its origins can be traced to the 19th century, when the French writer Pierre-Joseph Proudhon raged that "property is theft" and Karl Marx taught that

THE GREAT DEPRESSION

***Could millions of
businessmen have
been "depressed"
for 12 years?***

**BY MARK
HENDRICKSON**

SO-CALLED

the way to a stateless society is to give all power to the state. Ever since then, socialists have tried to redesign language with every bit as much zeal and dedication as they have poured into efforts to redesign society.

Writers, intellectuals, and politicians with the welfare of the collective in mind have usurped certain key words in our everyday vocabulary and endowed them with new significations that distort facts, obfuscate issues, and deprive the advocates of liberty of some of the very verbal

tools that, in their original meanings, would be employed to rebut collectivism. This perversion of language, the emerging Newspeak of the 21st century, has already vitiated the words *liberal, progressive, reactionary, inflation, money, rights*, and numerous others.

One of the most egregious politicized abuses of the English language ever to come into popular usage is *the Great Depression*, used to describe the economic debacle and human suffering that commenced in 1929 and dragged on until 1941. In the latter year, Franklin Roosevelt found a way to replace the suffering caused by unemployment with the suffering caused by death, maiming, and separation from loved ones.

Before 1929, general financial convulsions and business contractions had been called panics. Then, as now, these panics were precipitated by central governments' monetary policies. In 1929, Herbert Hoover decided that he didn't want to be another in a line of American presidents to have presided over a panic, so he applied a less shrill label to the phenomenon. In what seemed like a clever public-relations ploy at the time, he explained that businessmen were simply depressed. Of course, the fact that the "depression" persisted for 12 years ensured that subsequent presidents would go to great lengths to avoid being associated with that stigmatized term, and so "recessions" were born.

(There is no essential difference between a "depression" and a "recession." Both terms were coined by political interests for purely cosmetic reasons—particularly to draw attention away from how their own interventionistic policies first cause widespread bankruptcies and unemployment and then impede the natural adjustment processes of a free market from correcting the disequilibria.)

If we think about the enduring tag "the Great Depression," we realize that what it suggests is that all of the economic stagnation and consequent human suffering of that unhappy period was caused by a mass neurosis that afflicted American businessmen for 12 years. Of course, who wouldn't get a little depressed as a result of the Federal Reserve contracting the money supply by more than 30 percent in only four years, after having pursued an inflationary credit policy in the years prior to 1929? And who could be very joyful when the staggering Smoot-Hawley Tariff Act of 1920 virtually suffocated the import and export market? Nor were the huge tax increases of 1932 designed to console entrepreneurs.

One of the great myths of history is the belief that Hoover was responsible for the severity of the "depression" because of his adherence to a *laissez-faire* policy. Hoover was indeed culpable—but for his radical interventions and his utter disdain for *laissez-faire* (which he referred to as "reactionary economics"). His interventionist policies—including maintenance of high real wages, creation of public-works programs, establishment of farm-price supports, increasing the fiscal burden of government, promoting an inflationary monetary policy, and expanding government aid to and regulation of agriculture and industry—would lead economist Murray Rothbard to dub Hoover "the founder of the New Deal in America."

When FDR took over, replacing Republican intervention with Democratic intervention, he worked overtime at playing the alphabet game, dictating to producers through the NIRA, AAA, PWA, etc. (the American equivalent of the five-year plan). Businessmen couldn't really be blamed if their "depression" deepened into catatonia. The outlook brightened temporarily when the Supreme Court terminated the NIRA and AAA (while leaving intact numerous other mischief makers) and unemployment dropped to "only" 16.9 percent in 1936. But in that

year the National Labor Relations Act went into effect, removing unions from the jurisdiction of courts enjoined to weed out any hint of collusive activities by business owners.

The results of the NLRA were immediate and predictable, as a wave of strikes, walkouts, closings, bankruptcies, and unemployment swept over the United States. This must have depressed the many entrepreneurs whose businesses were ravaged, not to mention the millions of workers who were thrown out of work. And just so those greedy capitalist business owners wouldn't soon forget that government was in control, Congress passed the Fair Labor Standards Act of 1938, thereby establishing a minimum wage and ordering employers to shorten the work week without cutting pay, thus further raising costs and increasing unemployment.

The deliberate misuse of language for political purposes is probably as old as language itself.

Karl Marx taught that the way to a stateless society is to give all power to the state.

Now there is no doubt that all of these developments were quite depressing, but there is an obvious common denominator involved here. The massive suffering of the "depression" years—the widespread unemployment, bankruptcies, stagnation, and deprivation—were the direct result of actions by those in power who, either ignorantly or arrogantly, believed that statist policies could improve upon the laws of economics. It wasn't the entrepreneurs who caused the economic catastrophe of the 1930s. It was the Federal Reserve System, the presidents, the members of Congress, the courts, and the government bureaucracies that initiated all the harmful actions enumerated above. A series of crippling policies was inflicted on the American public by those who held the reins of political power.

The age-old word used to describe the harsh treatment of citizens by states is not *depression* but *oppression*. So it is proper that the sad events of 1929-1941 be known in the history books as "the Great Oppression." □

Mark Hendrickson has a doctorate in economics.

