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Economic Planning and the Problem of Population

By VERNON G. SORRELL

IN RECENT literature dealing with economic planning, one can find scarcely a reference to the problem of the proper balance between population and available resources. This fact seems strange, because, avowedly, economic planning is a long-run proposition; and it is difficult to see why the long-run problem of population has not been fitted into the picture. It may be that the planners believe such a problem is one of the imponderables, subject to no conscious solution. Yet, neglect of this question is fatal to the reasoning of those who would achieve the more abundant life by planning the economic activities of a group of people.

Basically the question is: Why not have population planning as well as economic planning? By population planning is meant the substantial control of numbers and quality by governmental agencies. By economic planning is meant the control of production and utilization of economic resources, outside of man himself, likewise by the agencies of government. The economic planner, whether with design or inadvertence, probably the latter, has not entered a field in which he has, apparently, inadequate knowledge. Perhaps he has been afraid of stubborn facts, which might prove to be inimical to his plans. At any rate, in so remaining aloof, he has laid himself open to the charge that his whole proposal of a planned economy is vitiated at the foundation.

It is the thesis of this article that population planning has very limited possibilities. Further, any plan for economic betterment will also of necessity fail eventually unless the population remains within the bounds of the planned system by means of individual and family controls. Whatever may be contended in regard to *laissez-faire* as applied to business, it is argued herein that this principle does govern the size and quality of our population.

In almost all ages the problem of numbers has been deemed of importance, and various views have been set forth on the question. Modern discussion of the subject of population and its relation to society dates, of course, from the time of Malthus, who wrote his famous essay in 1797 and an equally famous revision in 1802. The economic and political conditions of that time were somewhat parallel to the national and world conditions of today. Times were hard, political revolutions were taking place, and threats of others added to the uncertainty of the period. Various explanations of the widespread misery and poverty were offered, the most usual of which was that the distress was caused by bad institutions, i. e., bad government, bad laws (especially tax laws), rapacious bankers and business men, the church organization, etc. The proposals for leading the human race toward perfectability ran in terms of reform of these bad institutions. (The term "economic planning" had not been coined at that time.)

Two outstanding champions of reform of bad institutions were Condorcet in France and Godwin in England. They were the "more abundant lifers" of the day. Another was the father of Robert Malthus, who, we are told, engaged in a controversy with his son over this question, the outcome of which, on the son's side, was the famous essay.

It is erroneous to contend that Malthus did not believe that improvement could be had by improving institutions. What he did believe was that any improvement was necessarily conditioned by the fact that man as a biological organism has the power to reproduce his kind in an ever increasing ratio, while nature puts a limit upon the amount of food available for his consumption. Consequently, numbers must be limited, perforce, by food. Nature's limit, to be sure, depends upon man's scientific knowledge, but there is always a limit nevertheless.

Malthus has been called the best hated man of his time, not so much because of what he actually said, but because of the effect and implications of his statements. What he said

was simple enough. It was a truism which almost anyone could comprehend who wanted to comprehend. But the so-called law did bash the ardor of reformers, and it is true that his essay was used as an argument by vested interests which would have been adversely affected by reform. It reminded long-range reformers of a few basic, albeit unpleasant, facts, and these facts tended to blast hopes that did not want to be blasted.

Much thought has been expended on the population since Malthus, and the literature is voluminous. The Neo-Malthusians have added nothing to the basic principles of Malthus nor have they taken anything away. Their advocacy of birth control as a check to numbers is reminiscent of Malthus' "moral restraint," although the modern birth control movement contains many elements absolutely foreign to Malthus' thinking.

The modern optimum theory differs only from the Malthusian theory in that certain elements are emphasized, although a considerable difference of opinion exists as to what is meant by this relatively new doctrine, and confusion in thinking has resulted. An optimum population, literally, means the "best" population, and what is best, of course, varies with the point of view. The military view would emphasize large numbers for cannon fodder. The churchman probably would advocate a large population for another purpose. The industrialist probably would say that the "best" population would be one that could supply an abundance of cheap labor. The moralist might advocate large families on the grounds that only in large families is personal character and certain spiritual values engendered and developed.

From the economic point of view the optimum population is that number which yields the greatest amount of goods and services per man, under a given amount of natural resources, with a given state of business organization operating upon a given stage of technical development. Such an

optimum offers the highest standard of living at any given time.

This theory, of course, stresses the point that a given territory may be underpopulated as well as overpopulated.

From the biological viewpoint, much has been said and written on the population problem. Apparently, the most widely discussed modern biological theory is that set forth by Pearl, usually known as the logistic theory, although it is often referred to simply as Pearl's biological theory of population. He arrived at his theory through experimenting with the natural growth of fruit flies. In these controlled experiments, he discovered that fruit flies multiplied in a definite manner, the growth curve of which arose quite gradually in the first generations, arose rapidly as time went on and finally flattened out to a straight line. He has found that at least one human group—Algeria—has followed the curve to the flattened out stage. Other population groups, he has indicated, are at various points on the curve.

Pearl's theory has been criticized by sociologists and others, on the ground that he has neglected the economic and cultural factors involved—"Men are men and not fruit flies," say this group of critics. It seems, however, that much of this criticism results from reading too much into the theory. The essence of the theory seems to be that biological organisms, as shown by fruit flies, multiply in a very definite manner, and it is reasonable to suppose that man, considered simply as a biological organism, multiplies in the same manner. It does not invalidate the theory if it can be shown that this biological law is conditioned by such factors as food supply, cultural factors, etc. And certainly it is not a sound criticism of Pearl to say that he did not recognize that these other factors prevented the biological principle from working as it did in the controlled experiments with fruit flies.

Still another theory much in vogue at the present time, especially among sociologists, is the so-called cultural theory, which holds that while food and physiological factors set theoretical limits the actual size or quality of population

must be explained in cultural terms. Thus, for example, a rapidly increasing population may be due to a desire for children as family assets, as on American farms during most of the last century; or it may be due to military reasons, or to religious doctrines. Per contra, a decreasing population may be due to the weakening of the military spirit, desire for higher standards of living, rising social status of women, or a number of other factors.

One of the early exponents of the cultural theory was John Rae, an American economist of the middle of the last century. His mature views on the subject were developed after he had studied the native population of the Hawaiian islands. On the island he found an abundance of fertile land, but a declining population. He found, further, that vice was widespread and increasing. From his observations there, and from his studies, he concluded that population was governed by what he called "an effective desire for offspring."

Modern exponents of this theory contend that any population must be explained by reference to specific cultural factors extant within the group, because, between the highest possible number determined either by physiology or by food supply, or both, and the actual numbers, there is a wide and varying gap.

A criticism of the culture theory is that it is too broad and inclusive—a scatter-gun theory and hence no theory at all. Nevertheless, its very inclusiveness has the merit of recognizing the dangers of over-simplification. Those who hold to it point out that man is a complete psychological organism, and that he does not live by meat and drink alone. Hence the culturists are very critical, on the one hand, of any mechanistic biological theory, and on the other hand, of any theory that savors of economic determinism.

This brief review of the major or present-day population theories, the Malthusian, the Neo-Malthusian, the optimum, Pearl's biological theory, and the cultural theory should give us a background for further reflections on the present day population question as it relates to a system of a planned economy.

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The population of the world is increasing about 30,000,000 per annum, according to the International Institute of the League of Nations. At this rate the world population will double in 66 years. The total population is estimated to be around two billion.

The rate of increase varies widely among the different nations. In the two Americas, the rate of increase is now about $1\frac{1}{2}$ per cent per annum. Asia, with over half the world's population, appears to be increasing less than $\frac{1}{2}$ of one per cent. European countries are still increasing their numbers but generally at a diminished rate. The Italian rate in 1936 was .91 per cent; the German rate in 1933 was .56 per cent; France's population increased from 40,700,000 in 1926 to 41,800,000 in 1931; the population of Great Britain increased from 42,000,000 in 1911 to 43,000,000 in 1921; The greatest increase in European countries is found in Russia. There the number has increased from 139 million in 1914 to 153 million in 1932, with the present rate of increase 1.9 per cent. The present rate of increase in the United States in .6 per cent.

The present tendency of a diminishing rate of increase has given rise to a belief that many nations are approaching a stationary population. It is well known that the population of France has been virtually stationary since the latter decades of the last century. Predictions for the United States vary from a stable population in 1940 to 1970 or 1980, or even 2000. It is quite obvious, of course, that if present trends continue, we will have a stationary population in the not too distant future.

The usual method of determining the rate of increase or decrease in population is to compare the ratio of births to deaths. Kuczynski, however, has pointed out that this method is, for the purpose of prediction, inadequate and misleading. His method is based upon the ratio of child-bearing females to the number of girl babies born. By this method he arrives at what he calls the net reproductive rate, which represents the capacity of the present generation to

replace itself. This rate, he finds, varies widely from country to country. The rate of England and Wales is about 73 per cent; for Italy it is 118 per cent; and for Russia 170 per cent. For northern European countries, taken as a group, the average net reproductive rate is about 90 per cent

It is interesting to note that by using the present net reproductive rate as a basis for prediction, the time for a stationary population is much closer than when the usual method is used. Any country, of course, with a rate under 100 per cent is on the way to a declining population. The United States is one of these countries; and, although the population is still increasing, the present generation is not replacing itself. By this method it is estimated that in the decade of 1960 the maximum for the United States of about 150 million will be reached. Then a decline will set in, and the number may drop to 140 million by the year 2000. Other countries likewise faced with a declining population are Great Britain with a rate of less than three-fourths that necessary to replace the present generation; Germany with a rate of 70 per cent in 1933, and other North European countries with rates around 90 per cent.

Let us now turn to a brief discussion of the evidence bearing on the question of population controls by modern nations. With the exception of Italy and Germany, little or no attempt has been made by modern nations to control their populations. As we have defined the term, population control means more than restriction of immigration, measures of sanitation and health, segregation and sterilization of the unfit, etc. Population control implies the acceptance of a national ideal as to quantity and quality and a conscious and deliberate program of action to carry out this ideal.

First, let us examine the case of Germany under the Hitler regime. The Nazis' ideal is clear and distinct: the population must increase in numbers and this increase must be of pure Aryan stock. The country lost around ten million people as a result of the war. After the war the German

birth rate declined rapidly, economic depression was widespread, and in 1933 the reproductive rate was 70 per cent, one of the lowest in Europe. According to Louis I. Dublin, since that year there has been considerable change, and at present the Nazis' government is apparently doing all in its power to stimulate population increase. Strong economic pressure is placed on bachelors; marriages are made easier by the granting of marriage loans; employment of women has been discouraged whenever possible; and, above all, an intense patriotic appeal has gone forth for people to augment their numbers and to recoup their losses suffered since the war. Apparently, these efforts are getting results. An increase of 33 per cent in the marriage rate occurred in one year; the birth rate increased from 14.7 in 1933 to 18 in 1934; and at the same time the death rate declined so that the excess of births over deaths was 7.1 per thousand, or seven times as much as that of France.

It is too early to tell just what will be the ultimate effect of these efforts of control in Germany. And, of course, it is barely possible that the recent increase is due to causes other than the efforts of Hitler and his associates. No attempt will be made here to discuss the various efforts made to improve the Germanic racial stock, or of the various eugenic theories now prevalent in that country.

The case of Italy seems to present the best evidence on the question of the effectiveness of governmental means to increase the numbers of a modern nation. Some of the measures, according to Dublin, that the government has adopted to increase Italy's already high fertility rate are as follows: "Large families are granted high tax exemptions; they receive preference in obtaining employment and are favored as tenants in working men's homes. Bachelors and spinsters and small families are frowned upon and penalized. At the same time, a national program of maternity and child-welfare work attempts to save life and conserve the children who are born. A program of land reclamation has increased the tillable soil, to which fertile families are

transferred. There is a strong movement to curtail migration to the cities."¹ In addition to these positive efforts, Mussolini never misses an opportunity to extol the glories of an expanding Italy and to bring about a revivification of the splendor of Rome.

If population control can be made effective, one might expect positive results from these efforts in Italy. What have been the results? Quite the contrary of the expectations of Mussolini. In spite of all that has been done, the Italian birth rate has been declining. In 1922, when the Fascisti came to power, the rate was 30.2; in 1930, 26.7; and in 1934, 23.2 per thousand. This does not look much like population control.

Italy presents, of course, other aspects of the population problem. The country is densely populated (350 per square mile) and her natural resources are decidedly limited. With these conditions and under a program of population increase, ineffectual as it may be, it is no wonder that the government looks with covetous eyes on undeveloped lands on other continents.

If a long run program of economic planning requires a control of numbers, one might expect to find population planning, or at least a fairly definite population policy, in Soviet Russia. Nothing in the Soviet history indicates that more than lip service, if that, has been given to a population plan that might logically accompany their economic plan.

Enough has been said to indicate that very little evidence exists which might substantiate the view that numbers of people can be controlled in any effective manner by governments. On the contrary, there are ample reasons to believe, much of which is on an *a priori* basis to be sure, that governments can do no such thing. Families have children, or do not have children, quite irrespective of what a legislature, a parliament, a congress, or a dictator thinks about it. Population trends are determined essentially by individual and family considerations. If this view of the matter is

1. Dublin, Louis I. *The Population Problem and Depression*. p. 21.

accepted, serious doubts arise at once as to the efficacy of long range control of the utilization of economic resources.

Suppose a nation with a given population can determine how much of goods and services can be produced on their available land to give the highest possible standard of living, and sets out deliberately to achieve this end. Is there any assurance that the numbers will not have increased considerably before the economic plan can be fully operative? Or is it not at least conceivable that the population may have decreased to the extent that laborers are no longer available to carry out the plan? What will happen to Russia's renowned plan if their population continues to increase indefinitely at the present rate? Obviously, the economic plan must be a flexible one, and it is to be noted that Russia started out with a five-year program and modified and extended it as circumstances seemed to justify. To be sure, if by chance a nation's population should become stationary and remain so indefinitely then one obstacle to a planned economy would be eliminated. It should be emphasized, however, that, so far as we know now, for this stationary condition to be maintained would be quite outside the realm of deliberate governmental design.

In summary, and returning to the theme of this article, economic planning conceived as a long run proposition must take into consideration the population problem. Unless the economic plan has a fairly high degree of flexibility there is little hope for its continued success. The possibilities of population planning are decidedly limited.

Finally, the author would like to outline briefly what he would consider to be a sound population policy, as distinguished from a population plan, for the United States.

1. First of all, we can abolish the more or less ineffective laws attempting to prohibit the spread of knowledge of methods of birth control. Whether to go beyond this and set up birth control clinics to be operated as part of a public health program as a national policy, is very questionable at the present time. However, it seems socially desirable not

to put obstacles in the way of families obtaining the knowledge whereby they can exercise their own judgment as to the size of families they want. As a noted English writer on population has said, population, of necessity, must be limited either by more or less ruthless forces of nature or by conscious design, and if man is to have a measure of control over his own destiny he must control his numbers.

2. In the second place, we can do much to improve the quality of the population by sterilization or segregation of the clearly defective potential parents. By 1929, twenty-seven states had sterilization laws. Such laws, of course, have little discernible effect on total numbers. California adopted her law in 1909, and, by 1934, ten thousand operations had been performed, which is a very small percentage of the total number in a state which has a population of over five million.

At least one modern writer has made the radical proposal that the sterilization method be used to control number, and he would do this by having the government offer a thousand dollar bonus to anyone who would submit to the operation. This method, he thinks, would decrease the numbers in the lowest economic levels.

3. In the third place, we should do everything possible to increase total production of economic goods and their wide diffusion among all classes. It is not my purpose to go into this particular subject here—simply to mention it will suffice.

4. In the fourth place, it might be suggested that our immigration laws be changed so that either all nationalities be included in the quota system, or that future immigration be excluded entirely. It is my belief, however, that so far as population policy is concerned, immigration is not a pressing issue at the moment, but might in the future affect seriously our international relations, and thus indirectly our population problem, if we continue our policy of discrimination.

5. Lastly, public education can do much to inculcate ideals of personal and family responsibility. If the theme of the foregoing paper is correct, the future of our population, viewed either from the point of view of quantity or of quality, depends on how well this responsibility is exercised. In this connection one often wonders to what extent many social reforms, however well intentioned, might in the end operate to just the opposite ends of their avowed aims, and bring on more distress than that which it is proposed to eliminate. I refer specifically to such things as poor relief, mothers' pensions, public nurseries, and non-contributory old age pensions. If the responsibility of economic welfare is thrown more and more upon society, while the responsibility of having or not having children must remain, by its very nature, within the family, do we not have an anomalous situation? Is it possible to shift more and more social and economic responsibility to the state, while, at the same time, retaining a high degree of personal and family responsibility? That is a major issue in our country today.