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**ECONOMIC PLANNING  
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**ECONOMIC PLANNING  
AND  
INTERNATIONAL ORDER**

**BY**  
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**TO  
THE MEMORY  
OF  
EDWIN CANNAN**

## PREFACE

THESE chapters owe their origin to an invitation to lecture at the *Institut des Hautes Études Internationales* at Geneva in the summer of 1935. When the lectures had been delivered, it occurred to me that it might be worth while revising them for a wider public : and in the process of revision, while the outline has been preserved, something like a new book has emerged. I should like to take this opportunity of thanking Professor Rappard and the authorities of the *Institut* for their invitation and their hospitality. Parts of some of the chapters of the revised version have been published in a modified form in the *Quarterly Review of the Amsterdamsche Bank*, *Lloyds Bank Monthly Review*, *Ekonomista* and *The Banker*. I am indebted to the editors of these journals for the opportunity of thus securing discussion of certain of the views here presented.

The book is essentially an essay in what may be called Political Economy, as distinct from Economics in the stricter sense of the word. It depends upon the technical apparatus of analytical Economics ; but it applies this apparatus to the

examination of schemes for the realization of aims whose formulation lies outside Economics ; and it does not abstain from appeal to the probabilities of political practice when such an appeal has seemed relevant. At the same time it makes no attempt to discuss the *minutiae* of contemporary policy. I am not at all unwilling to do this. But the conditions which policy has to take account of change almost from day to day ; and it seemed better to reserve their discussion for other places. The aim here has been to show the implications of different types of principle, not to prepare a programme of immediate action.

In attempting such a task I am under no illusions concerning the risks I am running. It is impossible, in an essay of this length in which every sentence necessarily involves a world of associations, to state explicitly all the assumptions on which it rests, or to discuss in detail all the reasons determining the choice of particular perspectives. I have tried very hard to be clear. But I do not hope altogether to have eliminated the possibility of misapprehension. I would plead, however, that before a verdict is passed upon any one section the argument should be read as a whole : the reasoning throughout is interconnected and full explanation of the earlier propositions is in some cases deliberately postponed in order to emphasize their connection with propositions which come later. In par-



ticular I would ask that readers who are disquieted by the critical tone of some of the earlier chapters should reserve judgment until they have read Chapters IX and XI, where I think I have something more positive to say. I would like at least to persuade my friends of the Left, who with me believe in reason and persuasion, that, although we may differ profoundly about means, we are at least at one in aiming at a common goal.

I have to thank various friends at the School of Economics and elsewhere who have helped me with information and criticism. I am indebted to Dr. Benham and Mr. Paish for advice on certain technical matters and to Mr. Paul Wilson for a most timely admonition. But in particular, my thanks are due to Professor Arnold Plant, who, in friendly disputation ever since we were students together, has taught me more about the various matters here discussed than I could easily acknowledge in detail. He is of course, in no way to be held responsible for any of my probably many blunders.

LIONEL ROBBINS

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## SELECT BIBLIOGRAPHY

THE argument of this essay makes no pretence to originality. Hence it has not been thought necessary to give detailed references to the various sources of each particular proposition. But for those readers to whom the general mode of approach is unfamiliar the following works may afford further elucidations of particular aspects of the argument. It must not be thought that their authors would necessarily be in agreement with the total case here presented, or that the author of the present work wishes in every respect to be thought to accept their position.

On the general theory of international trade and international trade policy, Professor Haberler's *Theory of International Trade* is probably the best and most comprehensive statement. The long-awaited treatise by Professor Jacob Viner, now happily reported to be approaching completion, will no doubt also be a standard work on this subject.

On the problems of trade policy, Marshall's *Memorandum on the Fiscal Policy of International Trade* and Professor Pigou's *Protective and Preferential Import Duties* (London School of Economics Reprint) are classical statements. Professor Taussig's *Free Trade, the Tariff and Reciprocity* and Professor Haberler's *Liberale und planwirtschaftliche Handelspolitik* should also be consulted. There are two most valuable essays by Professor Viner in the recent publication of the joint committee of the Carnegie Endowment and the International Chamber of Commerce, *The Improvement of Commercial Relations between Nations*; and the chapters by Sir William Beveridge, Professor Plant and Dr. Hicks in *Tariffs, the Case Restated*, edited by Sir William Beveridge, will be found helpful on special problems.

On the general international aspects of attempts to realize socialism on a national scale, the literature is meagre. The views here developed owe much to the works of the late Professor Edwin Cannan, especially sundry articles in *The Economic Outlook* and *An Economist's Protest*. There is a brief but highly significant section on this subject in Professor von Mises's *Socialism: an Economic and Sociological Analysis*, which should also be consulted on the economics of general collectivism.

The history of earlier attempts at national planning may be consulted in Professor Heckscher's monumental treatise on *Mercantilism*. The classical liberal attitude is best judged, not from the cheap travesties which appear in certain histories of economic thought, but from the original works of its founders—Hume, Adam Smith and Bentham.

On the all-important question of the economic causes of war, Professor Staley's *War and the Private Investor* is at once the most systematic and thorough treatment of the historical aspects of the case. Mr. Hawtrey's *Economic Aspects of Sovereignty* is stimulating and suggestive on the consequences of political separatism. And it would be unjust not to mention in this connection Sir Norman Angell, whose various works, although not primarily addressed to professional economics, mark an epoch in the discussion of these problems. His latest work, *This Have and Have-not Business*, contains an admirable restatement of his fundamental position.

On the difficult sociological problems of national sentiment and economic interest, Professor Sulzbach's *Nationales Gemeinschaftsgefühl und wirtschaftliches Interesse* should be consulted. There is also a little-known work of Professor von Mises, *Nation, Staat und Wirtschaft*, on the politics and economics of the Great War, which contains many pregnant suggestions.

The effects of recent economic policy in the international sphere are faithfully recorded year by year in Professor Condliffe's *World Economic Survey*, published by the Financial Section of the League of Nations Secretariat.



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