

Debasing Times

By Theodore Dalrymple

I never listen to the radio except by accident, as when, unavoidably, I overhear it; for, as Josh Billings said, it's better to know nothing than to know what ain't so. People sometimes ask me how I get my information, then, to which I answer that I don't really know: Most of it seems to come directly from the zeitgeist.



I am not even sure how important it is for me to be informed, since my influence on world affairs seems hitherto to have been—how can I put this without appearing falsely modest?—slight. I suspect that many people inform, or misinform, themselves in the way that addicts prefer to deal with their withdrawal symptoms, namely by taking more of the drug. And there is no drug more potent than that of confirmation bias.

Be that as it may, I was in a taxi once in which the driver was listening to a news program on his radio. It was during one of those periodic stock exchange crashes from which people

learn either nothing or the wrong lesson. A renowned economist was being interviewed. He was asked whether there would be a recession as a result of this crash, and if so whether it would be long or short, deep or shallow.

He answered that there might or might not be a recession, but that if there was once, it might be long or short, and it might be deep or shallow. Thank you very much, I thought; I could possibly have worked that out for myself without being a professor of economics.

Economics is just one of the many subjects that I have never studied. The only economist whom it ever amused me to read was Frédéric Bastiat. (Keynes's *The Economic Consequences of the Peace* is not a bad read, J.K. Galbraith's affectedly Gibbonian prose merely irritates me, but Charles Mackay's *Memoirs of Extraordinary Popular Delusions and the Madness of Crowds* of 1841 seems to me a book that everyone should read.) I believe in the law of supply and demand, the law of unintended consequences, and Gresham's law.

For my personal affairs, I have a financial advisor, but in whose interest he advises me, I am not 100 percent certain. I am too lazy and fearful, however, to follow my own hunches. He supplies me with graphs to prove that all is going swimmingly, though I have long since worked out that, by choosing the correct starting date, you can make any such graph look terrific.

For myself in everyday life, I am some kind of mercantilist and follow the magnificent principle enunciated by Mr. Micawber in *David Copperfield*:

Annual income twenty pounds, annual expenditure nineteen pounds nineteen and six, result happiness. Annual income twenty pounds, annual expenditure nought and six, result misery.

I understand that this is not the way great fortunes are made, but the avoidance of poverty has always been more important to me than the accumulation of great wealth. It follows from Mr. Micawber's principle that one ought to have control over one's desires, such control eventually becoming habitual or second nature.

I am aware that some economists believe that what applies to the economics of individuals does not, cannot, and should not apply to the economics of whole countries, and not long ago I started to read a book about new monetary theory that suggested that government indebtedness could go on merrily for ever, for all the government had to do was increase the supply of money that it printed (on paper or otherwise) for everything to continue to work out splendidly. This option was not, of course, open to individuals, and so the analogy between personal and public finance breaks down.

Now in my very simple and uninformed way, I believed this to be nonsense. The difference between borrowing to invest and what might be called sumptuary borrowing, that is to say borrowing simply to pay for current living expenses, seems to me of some importance. To borrow to start a business is not the same as to borrow to have the holiday of a lifetime. We (I mean the governments that we elect on politicians' promises) are borrowing to have the holiday of a lifetime. The holiday of a lifetime is in our lifetime, but the repayments will fall on the lifetimes of future generations—if we are lucky.

One solution, the most probable (though outright default is another), is to debase the currency. This has already been done to a very large extent, but there is much more scope for it, as was shown by Weimar Germany, for example—among many others. When I was a boy, a new paperback book of good quality cost, in nominal terms, an eighth of what a single postage stamp now costs. I appreciate that this is not the best illustration, because nobody reads nowadays or sends letters, so it won't mean anything to many people, except to show what

a dinosaur I am. But if I scoured my brain I think I could find other examples.

Inflation, it seems to me (and asset inflation as much as any other), is not an economic phenomenon only, but one that has psychological and even what might be called spiritual effects. Where money is no store of value, there can be no concept of enough. Just as, for Milton, the mind was its own place that could make a heaven of hell and a hell of heaven, so the inflation consequent upon the unsolidity of money can turn prudence into imprudence, and imprudence into prudence. Everyone must turn either speculator or spendthrift, or both. If the value of money of tomorrow bears no relation to the value of the money of today, those with excess money must speculate and those without must spend whatever they have with no thought of the morrow, and all the more is this the case when there are so many toys for them to buy, indebtedness and bankruptcy are no shame, and there is a floor below which they cannot fall, thanks to government provision funded by debt.

But I must forget these sorrows. I am having oysters and Chablis for lunch and can afford them—for now. Sufficient unto the day are the luxuries thereof.

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