

Rothbard's America's Great Depression, Appendix

- Spending is only proportional to value in voluntary transactions
 - Government spending does not need to pursue any value, since it is funded coercively
 - Extreme example: Government could buy steel and sink it to the ocean floor
 - Government spending deprives citizens of real, preferred goods/services
- Gross Private product = Gross National Product – (income originating in government)
 - Same for Net, which subtracts out depreciation and other capital consumption allowances
 - Subtract (income originating in government) from Net National Product
 - GNP = Gross National Product
 - NNP = Net National Product
 - GPP = Gross Private Product
 - NPP = Net Private Product
- Depredation is the greater of: government expenditures and receipts
 - If spending is greater than receipts, deficit is financed through new money or borrowing private savings
 - If spending is less than receipts, surplus drains private sector via taxes
 - An extra reason for us to despise government debts...
- Private product remaining in private hands = GPP – depredation
- Government “enterprises” charge fees and are often lumped into private statistics
- Table 1: GNP and NNP (no math here, just stats)
- Table 2: Income originating in government (Column 5 = Sum of other 4 columns)
- Table 3: GPP and NPP (column 4 = column 1 – column 3)
 - (column 5 = column 2 – column 3)
- Table 4: Government expenditures (column 3 = column 1 + column 2)
- Table 5: Expenditures of gov’t enterprises (column 5 = sum of other 4)
- Tables 6 and 7 are **Identical in the Fifth Edition**, appears to be an error
 - Supposed to contain government expenditures (table 6) and receipts (table 7)
 - *I think they are both receipts*
 - *Corrected table 6, col 1 comes from adding column 1 of table 4 to columns 1 & 2 of table 5*
 - *And table 6, col 2 comes from adding column 2 of table 4 to columns 3 and 4 of table 5*

Corrected table 6:

	Federal	State & Local	Total
1929	4.0	9	13
1930	4.2	9.7	13.9
1931	5.5	9.7	15.2
1932	4.4	8.8	13.2

- This reconstruction can be created by combining appropriate figures from tables 4 and 5
 - E.g. table 4, column 1 plus table 5, columns 1 and 2
 - table 4, column 2 plus table 5 columns 3 and 4
 - Column 3 of this table is given by adding columns 1 and 2
- Table 8.1 (there are 4 parts 8.1, 8.2...): GPP, NPP. Column 5 = column 3 + column 4
 - Column 3 is the greater of federal expenditures or receipts for the year
 - Column 4 is same but for states and locals
 - Note massive decrease in GPP and NPP while depredation is steady
- Table 8.2: Product remaining in private hands (col 1 = table 8.1, col 1 – table 8.1, col 5)
 - col 2 = table 8.1, col 2 – table 8.1, col 5

- Table 8.3: Depredations as percentages of GPP
 - col 1 = (table 8.1, col 3) divided by (table 8.1, col 1)
 - col 2 = (table 8.1, col 4) divided by (table 8.1, col 1)
 - col 3 = (table 8.1, col 5) divided by (table 8.1, col 1)
- Table 8.4: Depredations as percentages of NPP (**NOT “MPP”**)
 - col 1 = (table 8.1, col 3) divided by (table 8.1, col 2)
 - col 2 = (table 8.1, col 4) divided by (table 8.1, col 2)
 - col 3 = (table 8.1, col 5) divided by (table 8.1, col 2)
 - Depredations as a fraction of private product rise sharply

References

Census Bureau, *Historical Statistics of the United States, 1789-1945*

https://www.census.gov/library/publications/1949/compendia/hist_stats_1789-1945.html

NY Tax Foundation, *The Tax Burden In Relation To National Income and Product*

<https://taxfoundation.org/research/all/federal/tax-burden-relation-national-income-and-product/>

(pdf direct link)

<https://files.taxfoundation.org/legacy/docs/ra4.pdf>

Fabricant and Lipsey, *The Trend of Government Activity in the United States Since 1900*

<https://www.nber.org/books-and-chapters/trend-government-activity-united-states-1900>

(specific section cited by Rothbard)

<https://www.nber.org/books-and-chapters/trend-government-activity-united-states-1900/appendix-d-data-government-purchases-payrolls-transfers-and-expenditures>