

---

# 12

## THE MEANING OF LAND

*Land, n. \$ Econ. In economic discussion, those utilities -which are supplied by nature, as distinguished from the developments and improvements resulting from human labor.—Funk & Wagnall's New Standard Dictionary*

THROUGHOUT the ten-week journey from Europe to America, lookouts were perched high in the crow's-nest of each of Columbus's three ships. Their jobs were to sing out at the first sight of land. Had there been a Poleco-ist aboard, he might have told Chris that the ships had been surrounded by land—above, below, and on all sides—every moment since the ships had left Spain.

For land, as the Poleco-ist understands the word, is not only the solid part of the earth's surface and the mineral deposits under it, but is also the ocean and all the creatures that swim through and crawl under it. To him, the air is also land, as are the planets and the stars. What's more, all of the things that grow, crawl, walk, waddle, hop, jump, run, or fly are included in the term *land*. In fact, *with the exception of man, and the things man has made, the entire universe is land*. Before man came to earth and began to make things, nothing existed except land.

The importance of land is something that usually escapes us. There is so much of it we have long taken it for granted. True, most economic textbooks mention the word, and some even explain—in the opening chapters of their books—what the author means by the word. But beyond that, so far as the modern

economist is concerned, land doesn't seem to exist. And yet, land is unquestionably the very foundation of our economic system.

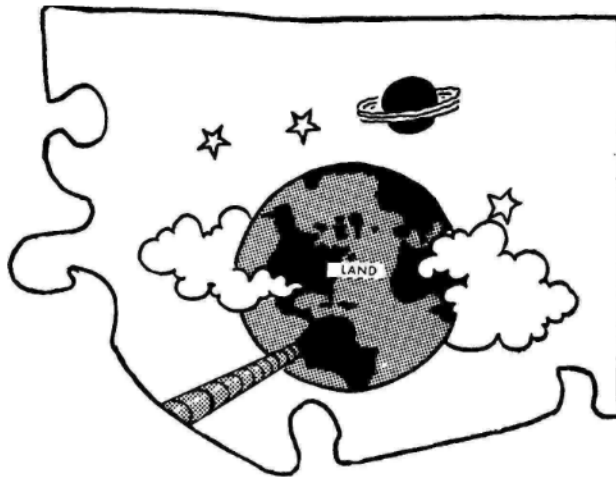
For land is the source of *all* the things man has ever made. The primitive spear and the very modern atom bomb were made out of parts of what the Poleco-ist calls land. All food, clothing, and shelter begin as land. Fine Swiss watch movements were once tiny specks of iron and other minerals imbedded in the ground. The beautiful carved, ivory-handled dagger was once part of land. (Remember, the Poleco-ist includes wild animals like elephants and their ivory tusks as land.) Even nylon is formed of coal, air, and water: three forms of land. Ambergris, from which man-bewitching perfumes are made; sponges that wipe the blood from a prize fighter's face between rounds; fish, the brain food which is so often wasted on most of us; whale oil used to smoke up the Eskimo's igloo, and coral from which five-and-dime jewelry is made—all of these things man takes directly from land.

But even if we could learn to live without food, clothing, and shelter, we would still be dependent upon land for a place upon which to stand. And if we remember that air is also nature-produced, and is therefore land, it becomes clear that we would be unable to breathe without land. But even if man could live without breathing, man would still need the sun to keep him from freezing to death; and the sun, as well as its light, warmth, and energy, is also included in the Poleco-ist's meaning of *land*. Clearly, land is-life itself!

Another feature that makes land different from all other things is its permanence, its indestructibility. Land lasts forever. Stone temples, machines, and all of the wonderful things man makes—as well as man himself—rot away, eventually to become again part of the land. According to scientists, there isn't a single ounce more or less land today than there was at the hour when the earth first formed itself. Man can't destroy any part of land; he can only move it around or change its shape and form. Equally important, he can't add a single grain of sand

or a drop of water. There is a fixed amount of land, and there will never be more or less of it. The reader may be thinking of exceptions: the miles of land that Holland has reclaimed by developing her wonderful system of dikes, or the swamps and shoreline we have filled in from time to time. But if we remember that the sea is also land, we see that "filling in land" is merely pushing back a wet form of land to make a dry form available.

Or the atom bomb, with its ability to dissolve in a flash tons



and tons of matter, may come to the reader's mind. But even here, nothing is destroyed. What was dirt, rock, trees, buildings, and human bodies, has merely been changed into gases, rays, and other substances. Even those gases that might possibly escape from within the orbit of our own earth are yet part of the universe—and *all* of the material universe, it will be recalled, is included in the Poleco-ist's definition of land.

Before we add *land* as the third piece of our jigsaw puzzle, let's remember:

1. that land is the whole material universe except man, and the things he has made;

2. that land is the source of all food, clothing, shelter, and gadgets;

3. that land is the first essential to life; *A.* that land is a fixed quantity.

---

## 13

### THE MEANING OF LABOR

*Serious occupation is labor that has some reference to want.*

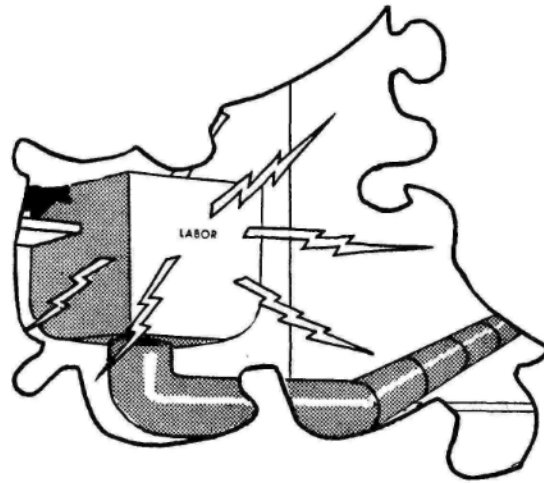
-Hegel

LABOR is not a human being: it is human exertion. Labor is the energy human beings exert to make the things they desire. Labor is something that cannot be seen. It is muscular power and mental power which, like electrical power and wind power, are invisible. Since invisible things can't be drawn, the cartoonist is compelled to do the next best thing. He draws a symbol of labor, the man-with-the-lunch-pail. As a result, the word *labor* has come to suggest a *man* when it should suggest a man's *energy*. Radio commentators, newspaper editors, politicians and, unfortunately, many professors of economics, use the word *labor* today to mean *men* who work, and particularly those workingmen who belong to unions. Properly, labor is not a union man or a nonunion man; it is the energy of any human being. The Poleco-ist must be more accurate than the cartoonist, since he is trying to be as scientific as his subject will permit. Therefore, when he comes upon two different ideas, each having its own nature, he must give each a name. To the Poleco-ist, the overalled fellow with the lunch pail is man; only his exertion is labor. *Man*, among other things, is material flesh-and-bone; *labor* is something we can't see, human exertion. When the Poleco-ist refers to the man-who-exerts-human-energy, he uses the word *laborer* (notice

the *er* ending). But the word *labor* he uses only when he means human exertion.

True, there could be no *labor* if there were no *men*. But that doesn't make *men* and *labor* the same thing. There could be no boys without mothers; yet we do not say a mother and boy are one and the same.

And now we can add labor as the fourth piece in our jigsaw puzzle.



---

# 14

## DIFFERENT KINDS OF LABOR

*But, as the "world, harmoniously  
confused,  
Where order in variety we see,  
And where, though all things differ, all  
agree.*—Alexander Pope

THERE ARE five different kinds of labor, or human energy, all exerted for one reason: to enable the laborer to get the things he needs to satisfy his desires. The five kinds may be called productive labor, unproductive labor, robbery, beggary, and gambling.

*Productive labor* is the kind that produces the world's food, clothing, shelter, tools, weapons, and gadgets. It produces all of the material things that can be handled, measured, divided, or stored away for future use: all the material things man needs to satisfy his desires. As civilization advances, man desires a wider variety of these material things, and it is *productive labor* that produces them.

*Unproductive labor* is something else again. It does not produce material things that can be divided or stored away for future use. But, like *productive labor*, it does produce satisfactions: satisfactions in the form of vitally important services much wanted by humans. Adam Smith in *The Wealth of Nations* explained:

The labour of some of the most respectable orders in the society is, like that of menial servants, unproductive of any value.

He went on to say that such labor does not produce things that last for any length of time, or that can be sold and resold like

doughnuts, diapers, or other material things. Then he gave examples of the sort of person included among the unproductive laborers:

The sovereign, for example, with all the officers . . . who serve under | him, the whole army and navy, are unproductive labourers . . .,] Their service, how honorable, how useful, or how necessary soever, \ produces nothing for which an equal quantity of service can afterwards be procured.

Smith tried to clarify his point here by explaining that no matter how much labor the king and all his army and navy] exert one year for the "protection, security, and defense" of his, people, it can't be stored away and then exchanged the follow- ing year for an equal amount of "protection, security, and defense." All the labor spent in drilling of soldiers, practicing of i strategy, and signing of proclamations is gone as soon as it's exerted. But if the same amount of *productive labor* were spent one year to make material things like guns and ships, those guns and ships might be kept and used in later years.

In the same class [with the sovereign, officers, and soldiers] must be ranked some both of the gravest and most important, and some of the most frivolous professions: churchmen, lawyers, physicians, men-of-letters of all kinds; players, buffoons, musicians, opera-singers, opera-dancers, etc. . . . Like the declamation of the actor, the harangue of the orator, or the tune of the musician, the work of all of them perishes in the very instant of its production.

(Entertainers were considered of no importance in Smith's day: but times have changed. Today they are, generally speaking, the largest wage earners and the most influential, respected, and envied of all laborers.)

So, according to Adam Smith, it doesn't matter whether a person is a king or a bootblack, a learned judge or a barber, an opera star or a burlesque queen, a doctor or a prostitute; so long as he performs a service that satisfies a human desire, but pro-

duces nothing material, he is an *unproductive laborer*. Moreover, Smith explained, no matter how honorable, useful, or necessary to others it may be, the result of a person's *unproductive labor* disappears immediately, "like the tune of the musician." (Just in case the reader is thinking that the tune of a musician today *can* be "stored" away on a record to be played back next year, it should be remembered that the disc upon which the recording is made does not hold the tune but holds only scratches made by the tune. The record is a material thing produced by *productive labor*; but, like all results of *unproductive labor*, the actual tones that made the sound-producing scratches on the record disappeared a moment after they were produced.)



Some of our readers may object to including doctors and prostitutes as members of the same labor class. Including the most honorable of lawful professions with the most infamous of unlawful ones might prove especially painful to the doctors' parents who have scrimped and saved to pay for their sons' expensive educations. It must be understood, however, that the Poleco-ist agrees that there is a vast and interesting difference between the doctor and the prostitute. But *unproductive labor* as used here is an economic term and, as such, must disregard man-made laws and moral codes. The doctor himself, being a scientific man, doesn't distinguish between aristocratic gout and



lowly syphilis just because only gout, of the two, may be mentioned in polite society. He calls both, *diseases*. Similarly, the Poleco-ist doesn't intend to offend when he groups under one scientific classification, *unproductive labor*, the clergyman, soldier, and race-track "bookie" and all others who sell a wanted service.

The fifth piece in our jigsaw puzzle, then, is *unproductive labor*, the kind of human energy that satisfies our desires by providing us with services — beauty, knowledge, entertainment, legal advice, religious teaching, freedom from pain, etc. Since *labor*, as we said earlier, cannot be drawn, we'll have to symbolize it by using figures of men who provide these services; but the reader is cautioned that *they* are not *unproductive labor*; only their energy is.

*Robbery* is the third type of human energy exerted to earn a living. It isn't really within the bounds of Poleco, which is concerned only with what wealth is, how it's produced, and how it's shared by the producers after it's produced. Obviously, the robber neither produces nor shares; he takes. And yet, we may find some enlightening clues if we look further into the nature of robbery.

Ordinarily, it would be unnecessary to explain what a robber is, since everyone knows he is an outlaw; a man who takes for himself what belongs to another. But the Poleco-ist doesn't make distinctions between robbery that is against the law and robbery that isn't. So far as the Poleco-ist is concerned, it doesn't matter what the law says. A robber is one who exerts his energy — mental or physical — to take wealth by force or by threat from some other human being without giving something equally satisfying in return. Under this definition, not only Robin Hood, Jesse James, Al Capone, and the plundering Nazi leaders were robbers; but in the *robbery* category are also corrupt politicians, looting soldiers, monopolists, and even governments that use threats or force to tax away the citizen's wealth from him without giving him an equal value in return. Thus the Poleco-ist calls such labor — legal or illegal — by one name: *robbery*.

---

# 15

## BEGGARS AND ROBBERS COMPARED

*Every man is as heaven made him,  
and sometimes a great deal worse.*

—Cervantes

MEMBERS of two ancient professions, robbery and beggary, have much in common. Both robbers and beggars are parasites living on what has been produced by the labor of others. Both are costly burdens upon those who *produce* the nation's wealth and services. Certain types of beggary that are considered, by the beggars at least, to be quite respectable are the payments they accept from "charity" organizations, from government in doles of various kinds, in subsidies if they are farmers, and in tariff protection if they are industrialists. Similarly, legal robbery is also considered quite respectable by most politicians and all monopolists.

In other respects there is a great difference between the robber and the beggar. For example, the robber takes by force what belongs to another; the beggar wheedles his living from the tenderhearted without force. The robber usually does his own dirty work, while the modern beggar relies on his government to do his begging for him. It would seem then that robbery is better suited to the man with courage, pride, and self-respect; while beggary is more to the taste of the man having neither dignity nor self-esteem, but plenty of guile and gall.

Another interesting difference between the two social cancers is that the robber, if caught, is prepared to pay for what he has taken with the only commodity he has: years of his life. The beggar, on the other hand, doesn't feel in the least obligated to return some thing or service equal in value to what he has taken of another man's earnings. He has become so degraded

by poverty, he honestly believes he has a right to the wealth produced by another. It would seem that of the two, the robber has a stronger sense of justice and honor than the beggar.

The Poleco-ist condemns neither the robber nor the beggar. He looks upon them as men. If man cannot earn his living, the Poleco-ist believes it is only natural for him to steal it, or beg for it. In one way or another, honestly, dishonestly, or dishonorably, man will seek to satisfy his desires. For to do so is only human.



---

## 16

### GAMBLING A FORM OF LABOR

*As one egg is like another . . .*

—Cervantes

BONIFACE GOODE, sitting at his polished oak desk in his downtown office, carefully studied the market reports in *The New York Times*. Sucker's Suction Syringe looked good to Boniface. Accordingly, he picked up his

phone, called his broker, and ordered him to buy a hundred shares. As he put his phone down he heard the clock in the tower of the Metropolitan Building gong ten o'clock.

The gongs were also heard by Horseface Goon, who was studying the *Racing Form* at a table in the Trenchmouth Cafeteria across the street. "Proboscis," thought Horseface, looked pretty good. So he went to the phone booth, called his "bookie" at the race track, and ordered him to buy a hundred dollars worth of "Proboscis" tickets for him.

The following morning was a lovely one. The skies were gray, a cold, chilling drizzle was falling, the newspapers featured stories and pictures of starving children in Europe, riots in India, and a communist-inspired strike in the United States: nevertheless, it was a lovely day for Boniface Goode and Horseface Goon. For Sucker's Suction Syringe had taken a sharp rise during the day before to earn fifty dollars for Boniface. And "Proboscis" stayed out in front to win his race and to make Horseface fifty dollars richer.

It doesn't seem right to compare Boniface, the very respectable businessman, with Horseface, who is a gambling loafer, an improvident no-good low-life, who deliberately violates the antigambling laws of the State of New York. And yet, both men have a great deal in common. They're in the same business: gambling. The Poleco-ist doesn't concern himself with Boniface's fine character or with Horseface's unsavory reputation. He classifies them, with all others who risk money to win money, as *gamblers*.

Neither Boniface nor Horseface is producing anything. One bets a certain horse will win; the other bets that a certain stock will rise or fall in value. Boniface never sees nor handles the stock he buys; Horseface, never having been near a race track, doesn't know a race horse from a merry-go-round dobbin. The fifty dollars Horseface won, some other gamblers lost; just as the fifty dollars Boniface won was lost by other stock traders. While both, as a result of their winnings, have more money that will buy food, clothing, shelter or other forms of wealth,

neither man has produced anything of any value whatsoever. They haven't exerted their energy (labored) to provide any material thing or a service of any kind for the human beings whose fifty dollars they've pocketed.\*

Another group we find in society seems, at first glance, to fit into the gambler category, because its members also risk money to gain money: bankers, stockbrokers, race-track "bookies," insurance companies, and usurers. But this group is more accurately *unproductive labor*. Like the doctor, barber, teacher, and butler, they sell satisfactions in the form of services to the businessmen and gamblers they serve. That they are valued members of society providing at least some measure of useful satisfactions, is proved by the fact that they don't force their services on anyone. On the contrary, their services are eagerly sought and willingly paid for by the risk takers they serve.

---

## 17

### WHAT WEALTH ISN'T

*But how can that be wealth of which a man may have a great abundance and yet perish with hunger? . . .—Aristotle, Politics*

MAN HAS BEEN KNOWN to work, steal, beg, lie, cheat, fight, and kill for wealth. He has been known to betray his best friend for wealth. Mothers have been known to sell their daughters for wealth. But what, exactly, *is* this stuff called *wealth*?

Most of us know that it's a pretty good thing to have; but if called upon to explain what it is, we find ourselves babbling in dizzy confusion. Many things that seem to be wealth turn

\* True, the trader in stocks and bonds will defend his gambling with claims that his stock purchases provide capital for industry; but, examined logically, such claims become sheer nonsense, as we shall see in later pages.

out, upon being carefully examined, to be something quite different.

Money, for example, is one of the first things that come to mind when we hear the word. That's because we have become accustomed to think of a wealthy man as one who wallows in piles of crisp bank notes and jingling currency. But the fact is, wealthy people have very little money. They don't need it. Their signature scribbled on a sales check is all they need to take goods from a store. Instead of money, they use their vast accumulation of bank credit to guarantee the value of the personal checks with which they pay their bills.

Moreover, money can't possibly be wealth, because during the inflationary periods that always follow wars, those countries with the most money in circulation are the least wealthy. A man in such a country might starve to death with the pockets of his ragged clothes bursting with money, simply because money in itself has little or no value. If money really were wealth, a nation could become wealthy by putting all of its printing presses to work printing the stuff; and the nation having the greatest number of printing presses would become the world's wealthiest. As we know, nations that try to mass produce money in that way bring themselves closer to ruin with each new batch of bills printed. No! Money isn't wealth.

Is it gold that makes a nation wealthy? It might seem so at first, because we are the wealthiest nation in the world and we do own most of the world's gold. But most of our gold is said to be buried at Fort Knox, Kentucky. Does that mean that Kentucky is the nation's wealthiest state? We know better. New York City, or Chicago alone, is far wealthier than all of our gold-producing areas combined. South Africa produces more than twice as much gold as the United States: but certainly South Africa is not considered to be as wealthy as the United States.

Very often we speak of a nation—like Brazil or Russia—as being wealthy because it has rich undeveloped mines, oil wells, and other natural resources. Yet, if natural resources were wealth,

America was wealthier when Columbus first stumbled over this happy land than it is now. For a great portion of our coal, oil, timber, and other natural resources has been used up since Columbus's day. Nevertheless, we know that our country is millions of times wealthier today, in spite of our having used up so much of our natural resources.

What, then, is wealth, if money, gold, and natural resources are not? The question is a very important one to the Poleco-ist. For wealth is the very heart of his science. What teeth are to the dentist, what the human body is to the surgeon, wealth is to the Poleco-ist. For his definition of Poleco is: *the science that investigates the nature of WEALTH: how WEALTH is produced, and the natural laws that decide who should get what share of the WEALTH produced.*

Before the Poleco-ist can define wealth, he must determine its exact nature, just as he did that of land, man, and labor. Since two different things can't have the same nature, the nature of wealth cannot be the same as that of either land, man, or labor.

On page 50 the Poleco-ist defined land as the whole universe, excepting man and the things man made. The fields; the forest; the flying, swimming, running, and crawling wild life; the valuable deposits—oil, coal, metals, gases, and other things beneath the surface of the earth as well as those buried in the other planets; all these things the Poleco-ist calls land. None of these, then, can be wealth.

---

# 18

**WHAT WEALTH IS****WHAT WEALTH IS**

*The Land is the Source or Matter from whence all Wealth is produced. The Labour of man is the Form which produces it; and Wealth in itself is nothing but the Maintenance, Conveniences, and Superfluities of Life.*

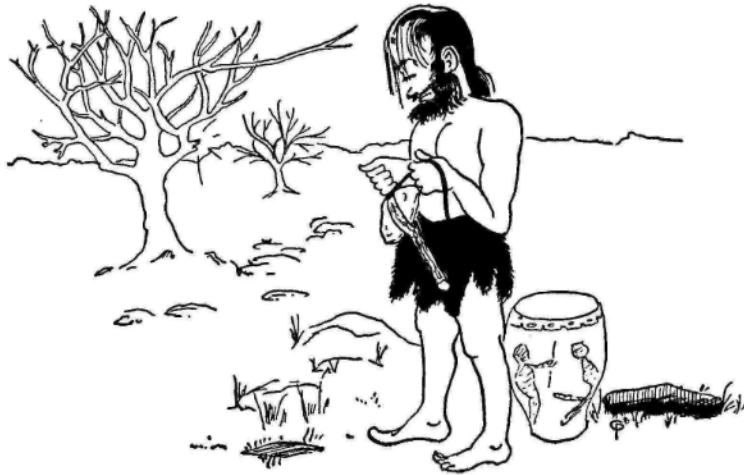
—Cantillon

**OUR EARLIEST ANCESTOR**, tired of hunting for his food, freezing at night, and sleeping in a smelly damp cave, began to desire things nature didn't provide. To produce the things he wanted, he labored—and, as a result, wealth for the first time appeared on earth. Nature created a tree (land); man's labor tore a branch loose to produce a club (wealth). Nature created rocks and stones (land); man's labor gathered them up, shaped or sharpened them, fastened them to stout branches, and thus produced hammers, axes, arrows, and spears (wealth). Nature created the clay (land); man's energy (labor) gathered some up, shaped it into cooking utensils and jars (wealth). Nature created trees, plants, wild animals, and birds (land); but man's energy, aided by his reasoning power, planted and improved the wild wheat, barley, rice, and fruits he found and thus, of what had been land, he made wealth. Man's labor also fenced in and domesticated wild animals and birds, and they became his wealth. And so we see that wealth is nothing more than land in one form or another upon which labor—man's energy—has been exerted.

But all things upon which human energy has been exerted aren't wealth. When a soldier destroys a building by exerting



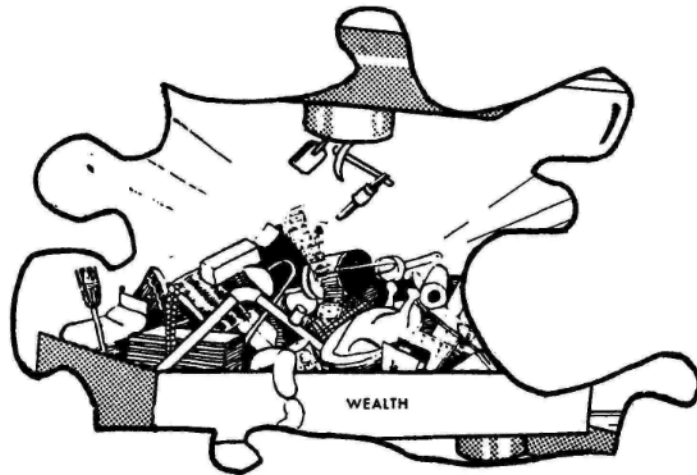
his energy upon it, he isn't producing wealth but destroying it. But if a professional house wrecker should tear down the same building to prepare the site for another and finer structure, he is, unlike the soldier, taking part in producing wealth. For, in destroying an old building he is helping produce a new one. If a man should exert his energy walloping a golf ball—even if he happens to be the world's leading professional golfer—he isn't producing wealth; for, with every drive and slice he is destroying part of his golf ball—destroying wealth. True, the



money he is paid to play golf, if he is a professional, can be exchanged for wealth; but he—in playing golf—isn't *producing* wealth. He's being paid for providing a service in the form of entertainment for those whose greatest ambition is to roll a ball with the aid of a peculiar club into a hole in the ground. So, to form a clear, complete definition of wealth, the Poleco-ist includes all the things necessary to the idea of wealth and ends up with: *WEALTH is a mixture of land and labor; it is all material things that have been stored, combined, separated, moved, or altered by human exertion in any way that better fits them for satisfying human desires.*

Since a house destroyed by war doesn't make it better fit to satisfy a human desire for shelter (while a house destroyed to make room for a better one does); and a walloped golf ball doesn't make it a more satisfying ball, neither the soldier's nor the golfer's labor is producing wealth.

If the definition is a sound one, the nation that is wealthiest is not necessarily the one that has most money, gold, and natural resources. It is the one that has most of those material things



made by human energy that can satisfy man's desires: food, clothing, houses, factories, farms, ranches, mines, fisheries, schools, libraries, museums, theaters, parks, roads, sewers and plumbing, and ice-cream cones; all things made by adding man's labor and capital to land. New York is wealthier than Kentucky, because it contains more things to satisfy more desires of more people. A wealthy man is one who has accumulated so much credit that he is able to claim more of the things that can satisfy his desires as they arise.

---

## 19

### THE STOCKPILE OF WEALTH

*The general stock (capital] of any country, or society, is the same -with that of all its inhabitants and members . . .—Adam Smith*

IF WE REMEMBER that PoleCO is a science that deals with ideas, and not with particular things, we shall understand more clearly what the word *wealth* means to the Poleco-ist. We shall have to imagine every single existing thing that man has made gathered up in one place to form a huge mound of goods. In that pile we'll see things like skyscrapers, bricks, meat, cattle, sheep, geese, chickens, mousetraps, breadboxes, pogo sticks, highways, bridges, playing cards, Bibles, all sorts of jewelry, and every other imaginable thing made by man's labor. It's that gigantic pile, and not just a few buildings, chickens, or steel rails that the Poleco-ist thinks of when he uses the word *wealth*.

And when he uses the phrase *stockpile of wealth*, he is referring to that same nondescript mound of goods. When he speaks of increasing or decreasing the *stockpile of wealth*, he has in mind this same mound being made larger or smaller.

If the stockpile of wealth (which, incidentally, is where all of our food, clothing, and shelter comes from) could possibly exist without labor, we may be sure no man in his right mind would work to produce goods. Similarly, if the stockpile could grow large enough to provide all of man's needs without the use of capital, there'd be no capital accumulated and used, since there'd be no advantage gained by doing so. All of this is so obvious, it hardly seems worth while to spend time and paper

writing about it. And yet, it is tremendously important that the stockpile idea be remembered.

Economists called in by the government to analyze economic trends invariably accomplish more harm than good, mostly because, while they know that *wealth* is a mountainous stockpile of goods, they fall into the habit of thinking of wealth as numerals arranged into columns of statistics. And when hard times come along and people don't have enough purchasing power and a president or a king or a dictator announces that he will lift his country out of its business depression, he never really succeeds, because he and his advisers have forgotten that wealth is a stockpile of goods that can't be increased by a bond issue or by a public-relief program. He overlooks the inescapable fact that the stockpile of wealth can provide food, clothing, and shelter only if it exists, and that it can't exist unless labor, capital, and land are free to combine freely to produce goods to add to the common stockpile. Going into debt, fighting wars, subsidizing farmers and industrialists, placing artificial price floors under commodity prices, and setting up imaginary ceilings over rent and interest can't add a single loaf of bread or a pair of shoes to the stockpile, the *only* place from which all food, clothing, shelter, and gadgets can possibly come.

If we are to avoid the dangerous confusions of our world's "best" minds, we must remember that a skyscraper, a soup ladle, or any other unit of wealth is only a part of a towering mound of every conceivable kind of goods; and that it is this entire stockpile that the Poleco-ist has in mind when he uses the word *wealth*.

---

## 20

### WEALTH MUST SATISFY HUMAN DESIRE!

*It is enough for the economists that the desire exists, that the external thing attracts: thereby it is a "good" in the mere sense that it is desired: one wants it.*

—H. J. Davenport

WHY is our friend Pierre, the Canadian trapper, willing to track down and take the skunk-stench and all—into his arms? Pierre enjoys the lovely fragrance of a freshly cut rose as much as anyone. The drop of Sure l'Amour with which his sweetheart Babette strategically perfumes her ear lobes leaves Pierre as completely helpless to her charms as any man. And yet Pierre is delighted when he finds! a skunk in his trap. He overlooks its offensive smell and carries! it joyfully to his shack, because he knows that once he skins the] little stinker he will have wealth—real wealth.

For, as long as fine ladies continue to desire fine skunk furs Pierre's malodorous skunk will measure up to all three requirements of the Poleco-ist's definition of wealth, i.e., a material thing modified by labor to fit it better to satisfy human desires. 1 The skunk fur is certainly a material thing. Pierre did labor to set his trap, to remove the dead skunk, and to skin it. Then, finally, as a result of his labor, the skunk is better fit to satisfy) human desires: the desires of a fine lady hundreds of miles away who wants a fur coat. And, at the same time, Pierre satisfied his own desires, too. For, he can exchange the skunk's pelt for a dozen roses and a bottle of Sure l'Amour, or for many other things he or his Babette might desire. Pierre can do nothing with the skunk's odor and meat to fit them for the satisfaction

of human desires; so those parts of the skunk can't be called wealth. But the fur *is* wealth so long as ladies desire to carry the skins of dead skunks on their backs.

When Pierre sits in front of his shack whittling a hickory branch to pass the time away, he is exerting his energy to produce a material thing; but it isn't wealth. For he isn't doing anything to the stick to make it satisfy a human desire. He's just making a mess. That's why Babette doesn't let him whittle in her parlor when he comes a-courtin'. But if he should carve the same branch into a very beautiful walking stick, and if walking sticks should become fashionable again, Pierre's whittling *would* be producing wealth. For, with his labor he would be turning the hickory branch into something that will satisfy the desires of gentlemen strolling along Park Avenue.

A few miles from Pierre's shack, a ghost town still stands. The stores, saloons, corrals, post office, and roads are still in good condition; but none of these material things produced by labor is wealth. The town is deserted. Nobody goes there, because nobody can earn a living in the town. Neither the town, therefore, nor the things in it are wealth, because they cannot satisfy human desires. But during the "gold rush" many years ago, the town was booming, and all of the things in it satisfied human desires and were, in those days, *wealth*. Now, abandoned, it has become *land* again. Anything that doesn't satisfy a human desire doesn't have the nature of wealth.

There are some things that are the result of human exertion (labor) and do satisfy human desires, and still are not wealth. A kiss from Babette, for example. If Pierre were not around, the Poleco-ist might willingly exchange all of his wealth for one of Babette's kisses; but because it isn't a *material thing* as all real wealth must be, the Poleco-ist won't accept Babette's kiss as wealth. Her lips are material, but her kiss is just a delightful experience, and an experience is not a material thing. When Pierre pays for a haircut he isn't buying wealth. When the blacksmith down at the Trading Post pulls Pierre's aching tooth, he isn't producing wealth. For, like the kiss, neither beauty

resulting from a haircut nor relief from pain is a material thing, and therefore cannot be called wealth. The most convincing proof that wealth must be a material thing is the fact that Republicans, Democrats, socialists, and even communists agree that there's something wrong with the way wealth is distributed, or divided, among the people. It must be quite apparent that *only material things can be divided*. We can't divide immaterial things like love, hate, happiness, or sorrow into equal parts. Only material things like food, clothing, and shelter can be divided one-for-you-and-one-for-me.

Some things are material and satisfy human desires and still are not wealth. The Grand Canyon, the pine-scented mountains, the refreshing salt water that rolls up on the palm-tree-shaded beach in Miami, and the pink sands of Bermuda are material. They certainly must satisfy human desires, for millions of tourists each year exchange their wealth for the opportunity to visit and enjoy those playlands. But the fine weather and natural beauty of these tourists' heavens were not produced by labor (human energy) but by nature; and consequently the Poleco-ist classifies them as land, not wealth. On the other hand, the hotels, restaurants, boardwalks and other improvements built on the vacation spots *were* produced by labor to fit them better for the satisfying of human desires, and they *are* therefore wealth.

In other words, wealth, to be wealth, must have not one or two but *all three* qualities: (1) it *must* be material, (2) it *must* have been produced by human energy (labor), and (3) it *must* have been moved, stored, separated, combined, or altered so as to make it better suited to satisfy human desires. And whatever does not have all three qualities is not wealth.

Like the scientist, the Poleco-ist can't permit his personal ideas of good and evil to influence his thinking. Like the scientist, he isn't a moralist. The fact that Franklin knew lightning to be a killer and a destroyer did not prevent his investigating its nature. The submarine has practically no peacetime use whatever; it is built exclusively to sink ships, destroy cargo, and

to drown enemy sailors. Yet Robert Fulton, a peaceful man, devoted much of his time to developing it. In spite of the deadliness of the atom bomb, scientists accept atomic energy for what it is, and are not concerned with whether it might be put to use for good or for evil. Similarly, the Poleco-ist, in investigating the nature of wealth, doesn't consider whether an object might be put to a good or an evil use. If it measures up to his definition of wealth, he regards it as wealth, Whether it satisfies a worthy desire or a stupid one doesn't change its nature. To think that the hatchet with which George Washington destroyed his father's cherry tree wasn't wealth, while the axe with which Abe Lincoln split rails was, would be as unscientific as to say that radium isn't useful wealth because it might kill anyone who handles it carelessly.

John Ruskin believed otherwise. He insisted that things like whiskey, tobacco, guns, poison, and blackjacks, for example, should not be called *wealth* because that word stems from the Anglo-Saxon "weal," meaning "well" or "well-being." He thought the word *wealth* should include only good things, things of which Ruskin approved. He went so far as to coin the word *illth* to represent the "bad" things men make to satisfy human desires. In spite of Ruskin's well-deserved reputation as an author and art critic, *illth* didn't take hold. Today, the word is used only occasionally, and rarely by economists, for *illth* is an ethical term having no economic significance.

Poleco, to be objective, must examine its facts without emotion, prejudice or personal ideas of right and wrong; it must follow reason wherever it may lead, to the heavens or to the gutter.



---

# 21

## VALUABLE THINGS AREN'T ALWAYS WEALTH

### VALUABLE THINGS AREN'T ALWAYS WEALTH

*Who steals my purse steals trash.*

—William Shakespeare

IF A POLECO-IST should tell

Pa-tricia Pert, one-hundred-and-ten pounds of irresistible femininity, that her beauty isn't wealth, she would certainly argue the



point. And not because Pat is contrary by nature, nor because she has become accustomed to having her own way with men—including Poleco-ists; but because she can prove mathematically that her beauty is indeed wealth.

She can point out—quite truthfully—that her sister, Agatha Petrucci, is normally good-looking, is better educated than she, and is considered one of the most efficient secretaries in the city; and yet she earns a measly seventy-five dollars a week. But she, Pat, earns as much as two hundred dollars a week, only

because she has more of the right kind of beauty. The difference between Agatha's salary and her own, Pat will explain, is \$125 per week; and if she can manage to keep her curves in control and her face unlined by age for ten years, her beauty will be wealth amounting to \$62,500 ( $\$125 \text{ per week} \times 50 \text{ weeks} \times 10 \text{ years} = \$62,500$ ).

But the Poleco-ist doesn't agree. He says that Pat's beauty isn't wealth, because it isn't a material thing. It can't be sold in slices like bologna, or by the pound or quart like other material things that are wealth. When Pat sells an hour of her time to allow her devastating body, submerged in a huge tub of foamy Schlagger's Beer, to be photographed for advertising purposes, she doesn't have one hour less of beauty. She would have lost as much of her loveliness if she had spent the hour taking shorthand, pounding a typewriter, or munching chocolates at home between chapters of a confession magazine. On the other hand, when Herman Schlagger, whose beer Miss Pert's beauty advertises, sells a bottle of his Schlagger's Lager, he has one bottle of beer less. Beer is material and is wealth; but Pat's beauty—undoubtedly far cozier to have around than all the beer in the world—is not material and is not, therefore, wealth. The fact is, Pat is performing a service to satisfy the desires of men who, we are compelled by evidence to believe, will not buy beer unless they're sure it's good enough for the bewitching Patricia Pert—or a reasonable facsimile—to bathe in. Pat's services are worth every nickel she gets.

So we see that *wealth* isn't just *anything* that enables its owner to earn money or to get more satisfactions out of life. Only those things that are material and are produced by *productive labor* to make them more fit to satisfy human desires are properly *wealth*.

Knowledge isn't *wealth* either, although it often does help whoever has it to earn more money. Albert Einstein can't sell his knowledge of physics; all he can sell is the results of his knowledge through a textbook, a written magazine article, or a lecture. He can't sell his brain power because it isn't a material

thing. If it were, Gus LummoX, the millionaire, would willing to buy Einstein's knowledge from Einstein for his dopey son, who would then become one of the few men who understand Einstein's theory of relativity. But such a transaction would leave Einstein, who sold his knowledge and brain power, with no? knowledge whatever of the theory that bears his name. Of course such a trade is impossible. If it weren't, the richest people would have all of the world's knowledge, and the poor would have none. For, if knowledge were wealth, it would be exchangeable; for other wealth, and the poor would be compelled to exchange what they had of it for the more necessary food, clothing, and shelter.

A teacher, try as he will, cannot divide his knowledge into fifty parts to distribute to his fifty students. Each student must develop his own knowledge. At term's end the teacher will have no less knowledge than he had when the term began (more likely he will have more), and his students will have only as much knowledge as they developed for themselves. If knowledge were like the merchant's stock of shoes (which is wealth), the teacher's store of knowledge would grow smaller as the students gathered more and more of it into their own brains.

Neither, as we say on page 57, can the voice of a great operatic star be considered wealth. True, the voice can be captured on a phonograph record. And many duplicate records may be produced by labor. The recording, then, may be said to be wealth, but the actual sounds that made the record were not material, and ceased to be even sounds a moment after they left the singer's throat.

Many other examples might be given here. But the few above should do to explain why the Poleco-ist doesn't consider special skills, talent, knowledge, beauty, or the other money-making qualities developed in man to be *-wealth*. Miss Pert's beauty, Einstein's genius, the teacher's store of knowledge, and the singer's voice are good and valuable things. They make our society a far better one in which to live; but they cannot be called wealth because they are not material things.

---

## 22

### THE RICH MAN ISN'T WEALTHY

*"Who cares for you?" said Alice. . . .  
"You're nothing but a pack of  
cards!"—Lewis Carroll, Alice's  
Adventures in Wonderland*

WE CAN WELL imagine Malcolm Buckmaster's bewilderment when the Poleco-ist pointed to Buckmaster's safe and sneered, "You probably think those bundles of mortgages, stocks, and bonds with which your safe is stuffed are wealth; but they aren't."

"Not wealth?"

"No, Malcolm. Mortgages, stocks, and bonds aren't wealth."

"That's the trouble with you scientists, or philosophers, or whatever you think you are. You talk like idiots! The fact is, I've got millions of good American dollars tied up in those 'bundles/ as you call them. What's more, I've got a big forty-room mansion built on a hundred-acre estate and I paid for it out of the income these 'bundles of paper' earn for me. I pay a dozen or more servants to take care of that house, and I pay them well. Their wages are paid out of the earnings of the 'bundles of paper.' I own several cars, two boats, a string of horses, and a kennel of pedigreed dogs; all paid for and maintained from what my stocks, bonds, and mortgages bring in."

Malcolm paused for breath. His face was flushed with irritation. He dried his perspiring brow and neck with a snow-white linen handkerchief before carrying on from where he'd left off.

Here I am, able to buy anything I want with the income earned by my investments, and you have the gall to tell me that my investments aren't wealth. Now look, friend, tell the truth. Does

that make sense to you? Do you call that being scientific? Reasonable? It's not even sane!"

"I'm afraid you don't understand, Malcolm. There's no doubt in my mind that mortgages, stocks, and bonds are very nice things to have. I know that they bring you a very comfortable living, and even a few million dollars extra to put aside for rainy day. But that doesn't make them wealth."

"Why not? And if they're not wealth, what are they?"

"They are just pieces of paper that, at best, represent wealth. And, as you know, things that represent other things are not the same as the things they represent. You know that."

"I do?" Malcolm's eyes fixed themselves upon the Poleco-ist suspiciously.

"Of course you do. Look at that picture of Abe Lincoln on the wall over there. It represents a great man. But the picture isn't a great man. It can't write or deliver a Gettysburg Address. Or look at that church across the way. It represents Jesus Christ, but it can't divide the fish and the loaves to feed a multitude.) This dollar bill that I take from my pocket represents a four-course lunch or a pocketful of cigars; but you can't eat the bill, and you can't smoke it. A dollar bill is one thing and whatever you want it to represent is another."

"I think I understand. A doctor's prescription represents medicine to cure a cold, but eating the prescription won't cure me. The prescription is one thing: a piece of paper; and the medicine it represents is another: a box of pills."

"That's right."

"But what's that got to do with my bonds, mortgages, and stock? I don't expect them to make speeches like Lincoln's, or divide fishes for the multitude. I don't want to eat them or smoke them or cure a cold with them. All I want them to do is earn money enough to buy me the things I want. And they do that. They don't represent something; they *are* something!"

"Well, let's see. What are mortgages? Just pieces of paper, aren't they? Pieces of paper that represent some money that you loaned to someone. You don't have the money, because you

loaned it to someone; and that someone doesn't have it either, because he paid for his house or factory with it. So the mortgages represent money that neither you nor the borrower has; in other words, nothing but debts. Your bonds also represent money owed to you by the government or some corporation: more debts. Stock represents profits; but only if those companies that issued the stock make a profit: in other words, profits that may or may not be made. So you see, Malcolm, your bundles of paper represent money that isn't. But even if they represented money that was in existence, real gold and silver coin, they are still paper, while the coin they represent is something else, real wealth."

"But you said, a while ago, that the dollar you took out of your pocket wasn't wealth. Now you say money is wealth. This whole discussion is crazy enough without your changing your mind."

"Well, there again you are mistaking things that represent wealth for the things that *are* in themselves wealth. Paper money is just so much paper. If it's marked "One Dollar" it will buy one four-course lunch. If "Ten Dollars" were printed on the same amount of paper with the same amount of ink, it would buy ten lunches. If "Fifty Thousand Dollars" were printed on the same amount of paper it would buy the whole restaurant. But the paper money is still nothing more than just a few cents' worth of paper and ink. And very often it won't buy anything at all outside of the country that issued it. On the other hand, fifty thousand dollars in gold or silver is quite different. It's good anywhere in the world. It weighs fifty thousand times as much as a dollar's worth, and will make a pile fifty thousand times as big. Gold can satisfy human desires when fashioned into jewelry, false teeth, and pen points. So you see, gold and silver—even copper pennies—are in themselves wealth; but paper money is just paper that represents silver or credit to the amount printed on the bill.

Malcolm Buckmaster slumped down in his chair. He stared blankly at a statuette of Napoleon looking back at him from

the bookcase across the room. And then he looked sadly up into the eyes of the Poleco-ist.

"You know," said Malcolm wearily, "you shouldn't have come here. This morning I was a wealthy man; my safe was bulging with wealth. Now I know that my securities aren't wealth; that they're just paper that represents wealth that doesn't even exist. I feel like a penniless bum. You shouldn't have come, Mr. Poleco-ist."

Malcolm will feel better when he gets home. For his house



*is* wealth. So are his landscaped gardens; his cars, horses, and dogs; and all of the other material things he owns that were worked on by labor in such a way as to fit them better to satisfy human desires. Such things are real wealth.

And even his securities are wealth in a certain sense. They are material (paper) and were printed by human energy (labor) to satisfy the desires of those who wished to buy and sell bonds, mortgages, and stocks. They are wealth to the extent of being used paper; and the junk man will pay four cents a pound for it. So, if all Malcolm's securities weigh twenty pounds, and if a depression bad enough to make his holdings worthless comes

along, and if he decides to sell his securities for what they'll be worth as *wealth*, he'll get eighty cents for the safe—almost enough to buy one four-course lunch. Something very much like that happened during the early '20s. It seems that, among the things left after the collapse of the huge financial empire built up originally by Samuel Insull, were three tons of paper, consisting of old bonds, debentures, stock certificates, vouchers, receipts, and canceled checks. A junk man, called to cart the stuff away, bought it all as waste paper for about \$400.

---

## 23

### PRODUCTION

SOCRATES: *And -will you have a work better done when the workman has many occupations or when he has only one?*

—Plato, Republic

WHEN the Poleco-ist speaks of *production* he means production of wealth—the production of tangible material goods, *and nothing else*. Whenever labor is exerted upon a material thing like land, or upon a product of land, *production of wealth* is almost certain to result, and the stockpile of wealth grows larger.

Both land and labor are absolutely necessary to production; one or the other alone will not do. For example, if all land were held out of use, for any reason, no wealth could be produced. Similarly, if all men chose to stop laboring, production of wealth would stop completely. Labor can't produce wealth without land; and land can't become wealth unless labor is applied to it.

Capital is almost, but not quite, as necessary to production. For, while production is far easier and generally more efficient



when capital is used, it is possible to produce a few forms of wealth without it. Eggs of wild birds, clams, mussels, oysters, wild fruit, nuts, and berries may be gathered without the use of capital; and gathering such free-for-the-taking food is undeniably wealth production. Very primitive shelter in the form of small huts or tents can be constructed of reeds, twigs, and grasses, or even of certain muds, without capital. True, the food, clothing, and shelter produced without capital are necessarily simple and somewhat crude; but such items nevertheless add a bit to the stockpile of wealth. For, crude as they are, such things are material, are produced by labor, do satisfy human desires, and are, therefore, wealth.

In our modern society, production by one man or by a group of men is almost impossible. The fact is that even one nation, strictly speaking, can't produce wealth by itself. At best, it can produce only part wealth. For, if we are to think in terms of normal production, people all over the world must voluntarily cooperate, must actually produce their share of wealth, or the production of wealth everywhere must slow down at least a little—the stockpile must dwindle.

To understand this idea—the idea that there can be no considerable production of wealth without civilizationwide cooperation—let's climb down into a flour-covered basement where John Dough., the neighborhood baker, labors. There we can watch him work up a batch of dough, allow it to rise, put a little of it in each of his many bread tins, slide them into his oven and—after a short time—remove the dough magically transformed into beautifully golden and heavenly fragrant loaves. Few would deny that John has produced wealth in the form of bread. But the fact is, he hasn't. In spite of what we saw, John hasn't really produced bread. He merely added some of the last touches to the breadmaking; that is, he did little more than add his bit of labor to that of many others who were as much responsible for the finished loaves as he was.

For example, before John can make bread, a farmer—probably many miles away—must plant and harvest wheat; a miller

must make flour of the wheat; railroad men and truck drivers must carry the flour to a wholesaler, who in turn must deliver it to John Dough's bakery. If we include the farm hands, flour-mill workers, typists, billing clerks, and traffic men, we find dozens of people who are doing as much as John is to make the bread John sells. But that's only a small part of the whole story. For bread isn't made of flour alone!

Besides flour, John must have milk, yeast, bread tins, and fuel of some kind to heat his ovens. That means that dairy farmers, veterinarians, milkers, pasteurizers, milk collectors, Milwaukee brewers, Pennsylvania coal miners or Oklahoma oil workers, tin miners in far-off Bolivia, and hundreds of other kinds of laborers must labor before John can even begin to bake the bread. John, it becomes evident, plays a very insignificant part in the production of the bread that comes out of his oven. This becomes clearer when we realize that, if any of those who took a major part in producing flour, milk, yeast, or fuel should refuse to produce, John Dough couldn't bake bread if his life depended on it. Production today is rarely, if ever, a one-man job.

---

## 24

### NOTHING IS PRODUCED BY ONE INDUSTRY

*"The time has come," the Walrus said, "to talk of many things: Of shoes—and ships—and sealing-wax—Of cabbages and kings."—Lewis Carroll, Through the Looking Glass*

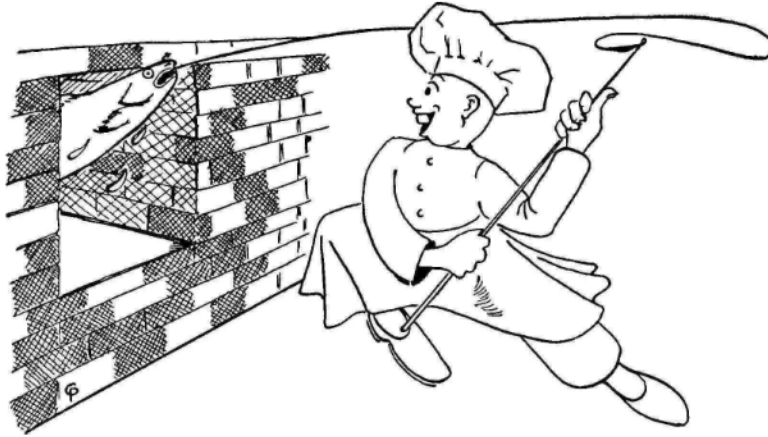
BUT EVEN if all those who produce the various ingredients that go into bread production continue to cooperate, and if loaves by the hundreds slide out of

John's ovens, the Poleco-ist still doesn't concede that wealth is being produced. He insists that bread is only *part* wealth. Because, we must remember, when he speaks of wealth he isn't thinking in terms of bread, *or* shoes, *or* pickle forks, *or* mouse-traps. By production of wealth he means production of bread *and* shoes *and* pickle forks *and* all of the thousands of other items forming our stockpile of wealth. When John Dough bakes, he is simply adding bread to a mountain of socks, mufflers, watches, automobiles, cesspools, tombstones, canoes, bungalows, marbles, bubble gum, and other material things produced by labor. And the Poleco-ist has a logical reason for thinking of wealth as he does. He explains it in the following way:

John Dough doesn't devote his life to bread baking because he is fond of bread. The chances are that, having baked so much of it, he can't stand the sight of bread. He probably never eats any. He certainly doesn't eat the thousands of loaves he produces. Rather than slave in his hellishly hot, airless, and flour-dusty cellar, John would prefer to spend his time sliding down a cold, stimulating ski run, tingling to the snow on his face. When he bakes bread he does so only because he knows he can exchange his bread for skis, heavy wool socks, warm shirts, and underwear, and all of the other things he will need to enjoy a holiday of skiing down the side of Vermont's Pico Peak. When he bakes bread he is, in effect, also producing everything for which he can trade his bread. While he is busily baking away in his basement he is in effect catching fish off Cape Cod, diving for pearls in the South Pacific, raising sheep in Australia, and carving cuckoo clocks in Bavaria.

If he weren't sure he could exchange the products of his labor for these other things, he certainly wouldn't produce more bread than he and his family were likely to eat. And if the producers of the things he wants weren't sure that the John Doughs in the world had bread—or other things—to exchange for their fish, pearls, wool, and such, they wouldn't bother to produce more than they could use to satisfy their own personal needs.

To summarize: All production all over the world is included



in the idea of production—not just the production of one man or one industry. All of the wealth produced everywhere is included in the Poleco-ist's idea of wealth, and not just one or two different kinds. Each unit of wealth is produced not for the enjoyment of the man who produces it, but rather to enable the producer to give it away in exchange for goods produced by others, goods he believes will more likely satisfy his desires.

---

## 25

### TRUCK DRIVERS AND SMUGGLERS PRODUCE SILKEN LINGERIE

*A stage -where every man must  
play a part, and mine a sad one.*

—William Shakespeare

ABEL D. LIVERY is proud of his two hundred pounds of brawn, and of his muscles that slither around beneath his perspiration-soaked shirt like a litter of Puppies under a wet bedsheet. He's an easy-going lad, and has

an excellent sense of humor. He can take a joke. But he won't] stand for unseemly remarks regarding his masculinity. When word reached him that the Poleco-ist had been telling the boys in the garage that he, Abel, made his living producing gossamer-sheer, lace-trimmed nightgowns, he went after the Poleco-ist with blood in his eye, and floored him with a backhand swipe of his bunch-of-bananas-like hand.

"Nobody's going to make cracks about me," Abel told the judge later. "I'm a truck driver, your honor, and I'm proud of it."



As usual, the Poleco-ist was misunderstood. He knew that Abel drove a truck for Swank, Snoot Company, manufacturers of provocative lingerie. But he also knew that, in driving the truck, Abel was taking part in the production of their exquisitely fashioned nightgowns. For, according to the Poleco-ist, production of a unit of wealth isn't completed *until that unit of wealth reaches the ultimate consumer.*

The actual production of the nightgown that Abel denied making began in far-off China, when a Chinese workman played nursemaid to some young silkworms that were blissfully eating their way through a field full of mulberry bushes. After the silk-

worms had spun cocoons around themselves, another laborer gathered them up. One step of production at a time followed. Someone dropped the cocoons into boiling water, another laborer unwound the fine threads from around the boiled worm, and then some other laborer twisted the threads together to spin heavier threads. These had to be woven into silk cloth, which was later shipped to an American importer who sold some to Abel's boss, who then fashioned it into a nightgown. Abel delivered the gown, and a salesgirl sold it. Everyone, from the guardian of the silkworms to the girl who sold the gown, made his living by working with others to *produce* a gossamer-sheer, lace-trimmed nightgown; and the labor of muscular Abel D. Livery was as necessary as any. If any one of those who took part in producing the gown had failed to do his particular job, the nightie could not have reached the consumer, and therefore could not have satisfied a human desire—in other words, could not have become wealth produced. Abel owes the Poleco-ist an apology.

Even the smuggler, who sneaked the silk into the country to avoid paying a tariff, took part in the production of the nightie. True, he's a lawbreaker; but it must be remembered that he is considered a lawbreaker only because a man-made law forbids bringing silks, desired by Americans, into the country without first paying a tariff. If the law were repealed, the smuggler—carrying goods from a seller to a buyer—doing exactly what he's doing now, would become transformed magically from a blood-thirsty outlaw into an honorable seafaring captain—still a producer of nighties.

Production of wealth, then, isn't completed until the wealth reaches the consumer; consequently, transportation of goods is part of *production*, and *not* part of *distribution*, as so many of our editors, radio commentators, and congressmen seem to believe.