

not seek to improve upon it, save in a matter of detail that need not trouble us, and in which he may be right.

## A Lesson From the T. V. A.

ASSUMING that all those involved in the T. V. A. imbroglio are of impeccable integrity—an assumption that to anyone familiar with politics must seem charitable—the affair nevertheless indicates the improbability of governmental efficiency in industry. That this will be demonstrated factually by the Congressional investigation not even the Democrats doubt. In fact, if the disclosures prove nothing more they will be satisfied.

For nobody expects the government to be efficient. The motive that makes for efficiency—profit—is absent. To provide against this absence of sufficient motivation for conscientious effort political agencies are burdened with divided responsibility, a sort of self-spying system. Whatever else they may be, politicians are not fools. They know that patriotic exaltation is a poor substitute for profit, especially when even that compensation is subject to the vagaries of political trade winds. Divided responsibility and cross-checks are, in fact, provided not only to safeguard public interest as far as possible, but also to prevent that glorification which might result in political preferment for the zealous public servant. Every politician is jealous of every other politician.

Efficiency is the elimination of waste effort in the process of rendering service. Where exchanges take place in a competition system the elimination of waste effort is a determining factor. One does not exchange his services for those of a wastrel because one does not get as much as he receives from the efficient worker. The "higgling of the market" determines the value one will give in exchange for other values. And since we all seek to satisfy desires with the least effort, we exchange our values with those who give us most in return—that is, with the most efficient worker.

Where monopoly determines values, efficiency is no longer necessary. The monopolist can demand in exchange for his values more than he gives, since he is not threatened with competition. Government in business is, or tends to be, monopolistic in character. Wherever government has engaged in rendering service, it has invariably discouraged competition; in fact, the tendency has been to prohibit competition. The reason is obvious. The efficiency of private enterprise must result in the government business losing trade. Monopoly and competition cannot live in the same world.

It is interesting to note that when "hard times" hit us in 1932 the tendency of private business was to reduce prices so that the nation's reduced income could absorb more merchandise while the government post office monopoly raised postage rates. Private ingenuity went

to work to keep up exchanges; the government franking privilege went merrily on.

The "passion for anonymity" that characterizes scientists finds compensation in the acclaim of fellow-scientists for work accomplished. The most retiring of students appreciates the commendation of his peers, and this commendation is his profit-motive. The knowledge that worthwhile work will result in unstinted and sincere praise, if nothing else, is the spur that produces his best effort. Even the satisfaction of individual achievement may in itself be the price demanded by the researcher, the thinker.

Such considerations cannot however enter into work of a political nature. It is true that on rare occasions governmental officials have worked unsparingly for the public weal. The record of their disillusionment has not encouraged such action by others. On the other hand, the improbability of concrete achievement in the atmosphere of chicanery that is politics, to say nothing of either public or private acclaim, makes for that lack of interest which produces inefficiency. When one's job hangs on the whim of a political leader, it is more important to curry his favor than to do one's job right. In fact, that is the only way to hold one's job.

That is one lesson for the T. V. A. fuss. As the Congressional linen-washing proceeds much more dirt will become visible to the public eye.—F. C.

## The Plight of Man

BY WILLIAM SCOTT

IN the final analysis, the real cost of a commodity is the amount of labor that one must pay to get it, and the real price is the amount of labor asked by the seller.

The natural tendency of real prices is toward lower levels, owing to invention and general progress. As commodities are produced with greater ease and accelerating facility, they tend to become cheaper, as measured in labor. One pays less labor for the things that less labor produces.

The economic progress of any country is measured by the rate at which real prices tend downward. Real prices could remain stationary only in a stationary society, and they tend upward only in a country on the downgrade toward barbarism.

Price and progress are two mathematic variables, so related that as one rises the other falls. This law is inherent in things and cannot be abolished, though society may ignore it and incur inexorable penalties.

Any rise in real prices indicates an abnormal condition in the body economic, just as a rise in temperature shows disorder in the animal body.

If some fell hand should destroy all machinery, prices would rise immediately, and life would become a strenuous