

## THE GOLD STANDARD

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*(For the Review.)*

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A "Standard" is an invariable quantity, or quality, and the instant any appreciable variation from a fixed standard occurs, the standard has disappeared.

"Invariability" is the distinguishing quality of any standard and if Prof. Irving Fisher's theory as to the "redundancy" of gold and the high cost of living is sound, then the much vaunted "standard of value" upon which our alleged economists laid so much stress in the first Bryan campaign in 1896 has utterly disappeared, and we have nothing left but a unit of exchange, the decimal dollar, and a lot of financial vapor, instead of the "honest dollar" of our good "gold bug" tory friends of the valiant past.

This "honest dollar" has other angles, however, that are worthy of serious consideration at the present time.

If the Irving Fisher explanation is sound, then the greatest crime (except war) that can be committed against a people has been perpetrated against the great mass of our citizens by advancing the cost of living in the face of marvelously accentuated producing power due to the march of invention.

According to this "highly elastic" theory the transcendent benefits which in the very nature of things should be at once reflected in the lives and welfare of the people have been largely neutralized by the money system upon which the Mark Hanna Patriots of '96 staked their grafts, their fortunes and their sacred honor, and won against the "Robespierre" Bryan, who threatened the integrity of our sound and stable dollar; and now the professorial mouthpiece of the safe, sane and conservative elements in our rich, righteous and respectable society are charging this same honest and dependable dollar with the uncounted miseries of the poor, and the dwindling purchasing power of the fixed salaries of our great hosts of clerks, clerics, clergy and economic clairvoyants who have done such valiant service in maintaining the "statu quo."

Can it be that this is but another case of poetic and retributive Justice? Let us now delve deeper into the accented and wordy explanation of this mysterious phenomenon and subject it to logical analysis.

If all "values" are fixed and determined by gold, then it follows in logical sequence that if a seam of gold 20 ft. in thickness were found containing millions of tons of it, the value of everything else measured by gold would rise, as the value of gold fell, and only the "very rich" could afford to buy anything, and then only for a short time, and the condition of the gold mine owners would be pitiable indeed; they would be bankrupted by the very

plethora of wealth by which they were surrounded and in which they were saturated, immersed and drowned, as it were.

On the other hand, if by some freak of nature gold were to suddenly shrink in volume, and become as scarce as radium, its value would at once rise into unthinkable figures and the value of everything else (measured by gold) would go down practically to zero, and we could buy everything we wanted without money, because prices and values would have disappeared.

Now these are unescapable deductions from the premises of the gold theorists, logical deductions following logical reasoning from a perfectly preposterous assumption.

No matter which way you travel, you reach an absurdity.

Not long ago the "*Scientific American*" (note the word) endorsed the Fisher view and seemed to think that it was the most rational thing in the world, which is to say, that there is nothing more irrational than college economics and a certain brand of scientific foolishness.

The simple facts are that more than half of the property values in this country are "law-made," land and franchise values, while less than half are "labor-made," industrial values, and these law-made values are constantly and rapidly expanding, much more rapidly expanding than are the labor-made values.

Furthermore, the law-made values have validity and value only insofar as they enable the owners to levy tribute upon the makers of labor values.

This process can be continued indefinitely, or, until the sum of ciphers is exhausted, a very remote possibility.

Now, Prof. Fisher and the rest of the cult, instead of taking issue with this colossal capitalized graft try to befog the whole situation with illogical, wordy and vainglorious theories, which to the average man mean nothing, and to the thinker foolishness, and sometimes less.

As a matter of cold fact the whole problem of the high cost of living can be explained in a single pithy sentence. We have inflated to outrageous and unreasonable dimensions *the value of nature's bounties, which she gave to us without price*, and because of the gigantic "rakeoff" which goes to monopoly for doing nothing at all, we are, as a nation, staggering under an intolerable burden.

This is the price we must pay for privilege and it isn't worth it.

Just as the "squid" in the ocean ejects an inky fluid into the surrounding waters to hide himself from his natural enemies, so does the conventional professor of political economy becloud the intellectual atmosphere all around him by introducing extraneous issues into a subject, which, if bereft of their foreign and irrelevant elements, would at once result in economic clarity and useful conclusions.

It seems to me that the net result of the deliberations of such men to the nation at large can be completely summed up in the good old English term, utter worthlessness.

They charge the evils of the present industrial age to the "gold standard," which in itself is a fetish comparable to the protective tariff in its utter foolishness, and refuse to abandon, or even attack the alleged standard, which by their copious but illogical processes of reasoning results in vacuous conclusions and hopeless or impossible remedies.

If the chemistry, mechanics and science in general, taught in our universities were as "inept and dreamy" as the political economy disseminated for the last half century in these scholastic establishments, they would be the laughing stock of the whole world of *applied* science, and would have neither place nor utility in the wonderful and complex mechanism of our modern industrial age.

Every science that touches production has to be true, logical, reasonable and sane in order to be useful; this is the supreme test of any science. Can it be used to solve problems?

This is also the supreme test of the value and validity of economic science and when this test is applied to the solution of the money question, or the trust question, or the problem of monopoly in general, the professorial cult in general display their chief agility in side-stepping the real issue and evading practicable plans for relieving the great mass of the people from the exactions of the privileged classes.

When the political and economic "free lances" of this country have educated a sufficient number of people to appreciate the advantage of straight thinking upon economic questions, we may then expect the college professors to fall in line and endorse a reasonable measure of economic science which, when applied to modern industry, will democratize and humanize it.

## THE SINGLE TAX AND AMERICAN MUNICIPALITIES

JOSEPH DANA MILLER IN THE NATIONAL MUNICIPAL REVIEW.

Students of the Single Tax should be cautioned in advance that the exemption of improvements and the resort to a land value tax for municipal purposes alone, may not bring in its train all the advantages that will follow the adoption of the full Single Tax, or the taking of all economic rent, or land value. Indeed, the effects of a total exemption of improvements may conceivably be without any marked advantages, though always to be advocated as a necessary step to the full resumption of social wealth, or land value. For much depends upon local circumstances, assessments, and the rate of taxation.

In 1911 Luther S. Dickey spent several months in the city of Vancouver, as a representative of the SINGLE TAX REVIEW, gathering material for the history of the Single Tax in that city. The May-June number of 1911 contained the results of Mr. Dickey's careful investigations, and on page 13 he