

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



ous struggle for mere subsistence, as it was in the primeval jungle. Not only destruction of machinery, but any hindrance to production or distribution sends prices upward. Taxes on labor, capital, income and outgo tend to add themselves to the prices of commodities, thus reducing the purchasing power of labor, which results in decreased consumption and production.

Privilege, having achieved substantial monopoly of nature's gifts to man, appropriates all benefits of civilization, collecting enormous tribute from the many for the few. Prices rise or wages fall, and the masses, shorn of all the advantages of government, invention and co-operation, find themselves helpless and hopeless in a declining world.

This condition is brought about by legislation. We have tariff taxes, sales taxes, patent laws, franchises and monopoly of the earth inside and out—all tending to increase real prices, to the detriment of consumer as well as producer, for these two are one—a fact generally overlooked. Owing to legalized rackets, man as producer, receives less, and as consumer pays more, while privilege takes increasing toll of all human activities.

Nominal prices are expressed in terms of money. In this country we have the gold standard, though we are forced to pay our debts in something else. Gold, like other commodities, is subject to the law of supply and demand. As gold becomes scarcer or more plentiful, the value of the dollar tends up or down, while nominal wages and nominal prices of commodities other than gold tend up or down inversely with the dollar.

Professor Irving Fisher and his disciples would "compensate" the dollar by changing its gold content from time to time. It is their contention that prices would thus be stabilized and prosperity re-established. This was tried with uniform failure hundreds of years ago.

But let us examine the proposition in the light of logic. If the gold dollar were re-minted into two dollars, there would be twice as many of them, but each would buy only half as much as before. Nominal wages would be doubled, but the prices of commodities would be doubled, too, and the purchasing power of labor would be exactly the same as with the heavier dollar, and workers would be neither helped nor harmed. But debts and fixed charges would be scaled down, and the owner of money would lose half its value, as measured in goods or service; all of which is less drastic than it seems, if we remember that the creditor is generally a debtor as well.

So, it becomes clear that tampering with the dollar may temporarily affect the relation between debtor and creditor, but it can never solve any fundamental economic problem.

Furthermore, whatever may be done to the dollar, all money will remain unstable, as heretofore, while real prices will continue to fluctuate, as they have done from time immemorial, regardless of legislation.

Prices are mathematical variables, so related that if you raise them all, including wages, in the same ratio, you actually raise none. The process is analogous to multiplying both terms of a fraction by the same number. The old chimerical myth of the stability of gold is hardly more fantastic than the new delusion that higher prices are harbingers of better times. Prices rise in time of war, cataclysm, or national decay, and fall with the progress of peace and unhindered production.

Not gold, not money, not prices, but only law is stable. If God had forgotten to make the auriferous metal, or if some modern Midas should metamorphose mountains into gold, a day's labor would buy neither more nor less bread, and *homo sapiens* would still be the only animal too stupid to employ himself, as bees and beavers do.

Of all living creatures, why is this wretch alone out of work and unable to use nature's abundant gifts? What wine of wizardry has blighted his mind and palsied his hand so that he dares not even to touch commodities produced by himself?

The answer is found in one word; not the non-economic misnomer, "capitalism," or the commonly perverted *laissez-faire*, but the perfectly descriptive term, parasitism.

Viewed in the light of biology, the plight of man indicates that the parasite has begun to destroy his host. Dole, price control, inflation and dictatorships are merely futile, unconscious efforts of the host to escape. They are reactions to painful stimuli.

In all ages since the advent of the state, the parasite has operated through privilege conferred by government, such as the legal ownership of slaves, land, franchises, etc. These so-called vested rights have always been held as sacred by the parasite and host alike. This feeling originated in the fact that the parasite at first did military service for the state and paid economic rent for his lands and privileges. Thus the host was partly recompensed. The parasite at first was not wholly such. He held the land only in usufruct, paying for the privilege in service or otherwise.

But gradually, as in England, for illustration, the parasite ceased to perform any service for the state, and managed by fraud and chicanery to obtain absolute title to the whole island, while the government supported him by means of bounties and tariffs, called corn laws, and taxed labor for its own support.

This is the post-feudal system that George III handed over to us, and did us thereby more harm than he could have done by winning the Revolutionary War.

Since economic rent, which measures the benefits of civilization, and which is government's natural means of subsistence, is appropriated by the parasite, government is forced to confiscate the earnings of labor and capital in order to carry on.

The privileged parasite is coeval with the state. In



former times, whenever and wherever his exactions made life intolerable, men migrated to other areas beyond the reach of vested rights and perfect monopoly. But they took with them the very system that had caused their misery.

At last parasitism has reached its final stage. There are no more unowned areas to which oppressed populations may flee. The earth is as large as ever, and there is abundant room with ample means for subsistence. But the parasite, glutted with goods beyond his power to consume or his ability to handle, he forbids production, exercising his sacred privilege as owner of the earth. Friction is slowing the wheels of industry, while government applies more power without avail.

This condition brings into view an unprecedented phenomenon—millions of the people on the verge of starvation with nowhere to go and nothing to do. Government finding it impossible to raise revenue from the wages of idle labor, resorts to borrowing and to sales taxes, instead of collecting economic rent from the owners of the earth.

Preposterous as it would seem to an ultramundane mind, government even borrows money and levies taxes in order to hire the parasite not to permit labor to produce food. The official idea seems to be that if the bread eater pays more for his bread, he will get more bread for his money!

While imports are penalized and exports subsidized, as if man were perishing of excess goods, a grave crisis nears. For the first time in history slaves seek masters without avail. Disaster approaches, while old-time oracles babble like children, and government resorts to devices that have already failed a thousand times. The curtain falls and an epoch closes.

What next?

After full fruition, parasitism has reached its limit in the attainment of perfect monopoly backed by government. But society can no longer function, for this monopoly constitutes a judgment of ouster against mankind; a writ of ejectment from the face of the earth. Man, born in debt, has neither where to lay his head nor how to earn his bread. How shall he turn? There are only two roads open: one to despotism under dictatorship; the other to the freedom of *laissez-faire* democracy—not "rugged individualism," but the policy of letting labor alone.

All natural laws are simple and obvious; but logical thinking is difficult to man. Millions are out of work. What to do about it? The correct and logical solution is for society to let them work, for no man was ever unemployed but that government made him so. This solution was never thought of by any government. Dole, alms and bailing water out of the ocean are official nostrums that seem wise to statesmen, but not to bees or termites, with longer racial lives.

Having tried all things that ought not to work, what next? If government could be persuaded to abolish all taxes and collect economic rent for its own expenses, this measure alone would be the greatest step ever taken by man. The inevitable consequences would be:

1. The freeing of idle lands for idle hands, so that every man would have a home and be employed. Land and opportunity would become available, as if a new continent had been discovered.

2. Wages would rise, owing to the scarcity of men, because of vast numbers being drawn to free land and new opportunities.

3. Prices would fall, owing to increased production.

4. Poverty, pauper, and parasite would disappear together.

This is the road to peace and plenty without dictatorship or civic circle-squaring, called economic planning. This is the road to liberty for the living and away from the despotism of the dead. This is the road to happiness, sanity, enlightenment, civilization, safety and security. This is the road to democracy, but it has never been trodden.

There are but two roads. Which will mankind take?

## Where Marx Agrees With George

BY BOLTON HALL

WE have Socialists, Communists, Trade Unionists, Employers Federationists, Anarchists, Free Traders, Tariff Reformers, Revenue Protectionists, Money and Credit Reformers, Prohibitionists, Religious Bodies, Georgians, etc., etc.

The pity is that workers for reform are so divided in their aims. Is there a possibility of reaching some common agreement; of co-ordination, of bringing plan out of chaos? All these may be divided into two classes: those who believe that ideal conditions are to be sought through authority and those who believe that liberty is enough. In chemistry a certain element will clarify a clouded mixture; in mechanics, the principle of economy secures simplification.

Our Socialists and Communists follow Marx, and both George and Marx largely agree on the evils of Land Monopoly, Taxation, and Protection. The first plank of the Marx and Engels Manifesto demands the diversion of the People's Ground Rent into the public treasury. The following statements in "Das Kapital" by Marx (Vol. I, pp. 842, 829, 830; Vol. III, 896-7-8, 956) also practically accord with George's teachings. "The expropriation of the mass of people from the soil forms the basis of the capitalist mode of production." "Where land is very cheap and all men are free . . . not only is labor very dear, as respects the laborer's share of the