What Price Money

By ANDREW P. CHRISTIANSON

PRICES ARE again making headlines. When the New Dealers came into power they tried desperately to raise prices, hoping to ease the depression. Now President Truman tells us that unless prices are cut we are headed for another slump.

The New Deal's price-raising efforts and government subsidies, along with the fact that some prices fell below the O.P.A.'s ceiling price, prove quite conclusively that the seller does not set the price. Even if the producer of a commodity is a monopolist there is a limit to the price he can demand.

For the government to fix the price of wealth resulting from labor and capital working with and on land, is the same as determining the sum of two plus two without regard for the value of two. To fix the price of labor is useless without determining the intensity and efficiency of labor; and that is impossible. This makes it impossible to fix the price of wealth. The same is true of capital, for it is also wealth.

This leaves only one factor, land. No formula other than the open market or auction can determine what value men place on a particular site. Land speculation discourages industry and production. Taxes on production have the same result. If the taxes were taken off production and placed on the value of land the results would be reversed, for land speculation would be discouraged. As a result industry would find sites and raw materials more available. The fear of heavy taxes on efficiency would no longer hinder the producer.

All price fixing is justified as a method of increasing real wages. With greater freedom to produce there will be more goods to distribute, and the amount of goods received by the laborer is his true wage. With greater demands for services and greater opportunities for men to start on their own, wages will be limited only by man's ability to produce.

One of the greatest fallacies of price fixing advocates is that prices are estimated in terms of dollars. During the war the money in circulation increased in quantity. The dollar is like other commodities in one respect; if the quantity increases in relation to goods its value falls. All through history monarchs, kings and emperors have sought to grow rich by debasing the currency, and have failed. When the owner of commodities finds more dollars seeking his goods, sales resistance diminishes and the price goes up.

If dollars increase in quantity too rapidly the public loses confidence in the currency and goods disappear from the market.

Basically all men think of value in terms of exertion in relation to desire, and not in terms of dollars. It is true that with a stable currency in a static society there might be more correlation between the ceiling and value, but unfortunately as to money and fortunately as to society, they have never existed.

How untrue a man's desires are, or how irksome exertion is to him cannot be known objectively until he meets others in the marketplace. The expression, easy come, easy go, denotes that value is subjective. That which is easy for one may be difficult for another. That which is greatly desired by some may not be wanted by others. What will the yardstick of the price fixing agency be if there is no market?

If prices are too low, marginal industries will not produce. If prices are too high, marginal producers will be encouraged. This increased production will tend to lower prices. If this does not happen it proves one of two things; either prices are not too high, or there are obstructions too great for the high prices to overcome. If a marginal producer, or new enterprise, tries to produce scarce and high priced articles, and fails, the loss is his. If he succeeds, the government, through its tax structure, takes a large part of the profits.

If a going concern seeks to expand, or a new enterprise seeks business and manufacturing sites, or wants timber, iron, copper, lands or any source of raw material, he runs into the land speculator. Unlike the producing speculator, land speculators cannot increase the supply of land. The only result is an increase in the cost of sites or raw material.

For Georgists Only

Zanesville, Springfield, Cincinnati; Hamilton, Ironton, Columbus, Lima —New Bremen, Cleveland, Dayton, Xenia . . .

It's the Ohio Express and Verlin Gordon has his hand on the throttle. All of these cities have felt his influence, and there are more to come—

"It is my deepest hope," writes Director Verlin Gordon, "that the next year or two will see extensions thriving in every county seat in the State of Ohio . . . I am finding good, sincere people everywhere, willing to help in this effort."

Philadelphia

Write this down! Beginning August 15th the Philadelphia Henry George School will be in the Harrison Building, 4 South 15th Street, Philadelphia 2. Joseph Stockman (whose summer class in Chinese Philosophy has had an unprecedented attendance) says this is the first step in a program of reorganization and expansion. Mr. Stockman turned the tables neatly when he studied public speaking recently. He ended by getting all the students interested in Henry George.

San Diego

How's this for a provocative calendar?

"The Place of the Individual in the Present-Day Economy"—subject of a talk by Jack Ensign Addington, an attorney of Pasadena, on August 5th. "Sound Money" by George E. Lee, also of Pasadena, August 19th. "A Business Man's Viewpoint"—by Joseph S. Thompson, of San Francisco, August 26th.

Bessie B. Truehart writes, "We had an excellent lecture on 'Americanism vs. Totalitarionism' from J. Rupert Mason at our smi-monthly forum here." Robert C. Bryant and Edward L. Stockbridge of Los Angeles also spoke on July 1st and 15th respectively, on "How to Avoid Another Depression" and "Which Economist Was Right?"

Los Angeles

A record crowd filled Channing Hall to capacity the evening of June 30th to hear Salom Rizk, nationally known lecturer, author, and lately founder and president of the Rizk Business College in Van Nuys, California. His subject was "The Race Between Poverty and Abundance." [We visited "Salaam," New York's newest Syrian restaurant last week and when the proprietor found out we knew Salom Rizk, pitchers of ice-cold lemonade began appearing "on the house."]

It is very fitting that one of our most popular Georgist speakers should have been on hand to address the largest spring graduating class in the history of the Los Angeles Extension. William B. Truehart plans to raise a budget enough to provide an associ rector whose duties would push a Community Activity gram (like Chicago's?) where uates would meet to furthe work of the school.

Chicago

"See Chicago through the e an economist. An instructor v as guide on each bus. See th of rent in operation; share-cro on State Street; a 160-acre r farm; a million-dollar hole 'lowdown' on low-cost ho public bathhouses for the t Chicago's most densely pop square mile; how we live in cago the Beautiful'."

"The Bomb that Threatens Welfare Is Not Atomic," sa win Phelps, a patent attorne instructor in the Chicago George School. Luncheon $1.

The able and glamorous D of Publicity, one Robert Ti is supposed to send us specia bulletins but he doesn't seem around to it, so we can onl you these gems culled from o gram notes. Another one th would have liked, also in Jur "The Modern Significance o den's Victory" with W. W. as the speaker, in celebration 101st anniversary of the vict Richard Cobden "who labor and won the repeal of the cor of England." Dinner at Ha Presidential Grill, $2.50. [Th holds out well in Chicago.]

Montreal

We are rejoicing with ou school in Canada over the i ration of the first French cla Fundamental Economics. Th not been easy to accomplish. Boelens worked and waited p ly for a French translation manual, which became a some months ago. More effic planning brought French tex from Belgium, where printin easier and less expensive t Canada. The class announce prepared by Strethel Walton printed in French and Englis

New York

The Memorial Fund to hon Anna George de Mille, whi started with an award recei her daughter, Agnes de Mille Prude) and which was ann publicly for the first time o 25th, is growing steadily t contributions, in most cases, a few dollars each. Such mo votion is the kind Mrs. de appreciated most. "This i school," she said on number casions to gatherings of st There is no truer way to her memory than to supp work she loved.