

# The Tortured Soul of Our Economy

by KENNETH N. GRIGG

**I**N THE harsh, real world of power politics, people are not free to trade, buy or sell, at will on an open market. When they are obliged to pay more for goods than technical difficulties in production and distribution would alone dictate, then effort is saved by some parties in commanding the efforts of others *without exchange*. Herein effort is saved, not by going to the market, but by securing special privileges under legalized violence.

"Economic man goes to the market to save himself effort. Anti-economic man lobbies in Parliament to save himself effort, by occasioning effort to others."

Hence a form of value arises which is outside the order of economics, and which is extra-economic, or political, in nature. As an extra price which people are obliged to pay it may be termed "value from obligation" as opposed to "value from production."

Value thus has two components: value from production is the index of man's domination by matter. Value from obligation is the index of man's domination by man.

Current prices are thus a combination of value from production and value from obligations, depending upon the degree of monopoly granted by legislative restrictions on freedom to trade.

Our civilization is devoted to the destruction of value from production. New technology is always good news. But it is political value from obligation that must also be destroyed. And here, indeed, is the rub, because in most cases Parliaments are concerned not so much with lowering costs as with main-

taining prices. It is in the lowering of costs, the destruction of value and the reduction of price that the hope of increased living standards for mankind everywhere must lie.

The economy must have a tortured soul. It must suffer from schizophrenia when, on the one hand, scientists, sociologists and engineers are striving to provide facilities to make life easier, and on the other hand, groups with a vested interest in the maintenance of prices are continually conniving at law to insure that the cost of making life easier remains high.

At the root of the matter lies the proposition that economy in effort is the ultimate, rational, economic human goal.

It is toward the lowering of costs and economy in expenditure of national resources of manpower and materials, that politicians and economists, acting not as priests of the existing order but as prophets of the new, must give their attention.

This being so, they must examine the forms of value-from-obligation which it lies within their influence or legislative power to destroy.

Chief among these are: the high price of land, high rates of tariff, and high rates of taxation.

These obviously decrease purchasing power; and since consumers call the tune—"no demand, no production: no production, no employment," they contain between them the seeds of slump. All three may be shown to be values-from-obligation that add to prices. All three, then, must be dispensed with. The challenge is to show that this can be done!

Georgists from many countries are finding a forum for expression in the I. U. Newsletter. The second issue, full of comment, was recently published by the International Union for LVT, 177 Vauxhall Bridge Road, London, S.W.1, England.