

The Money Sprite

by OSCAR B. JOHANSEN



THE money sprite, that fascinating pixy, dances upon the economic stage of life, exerting an irresistible fascination upon the hearts of all—all but the plodding student of a free society. But there is fire in her veins. The sparks that fly from her inscrutable eyes can ignite the paper stage upon which she may be dancing into a roaring flame which will destroy all, not only the economically illiterate but the literate as well.

Surely any sorceress whose dance is so bewitching that she can lure men into destroying empires, creating dictators, and leveling civilizations is well worth studying in order that at least a modicum of understanding of the magic and potency of her charms may be attained. If that suffices not, let it be remembered that as her mad dance upon the paper stage approaches a state of abandonment terrifying to behold, the student of freedom cannot avoid the insistent questioning of his friends who, in worried perplexity, turn to him as the economic rationalist. What does her dance mean? Where will it end? Will it consume her? Will it consume us? Yes, though he does not deign to afford her more than a passing glance, that perverse creature will not let him alone. The tortured whisperings of her heart, expressed in her dancing feet, cry out for understanding.

Understand money? Mere baga-

telle—simplicity itself. What is it but the most marketable commodity in a community. More exactly, can it not be said to be an article of wealth which at a particular time and place is commonly used as a medium of exchange?

Has he caught her now? See how tantalizingly close she is to him. He has only to stretch out his hand to grasp her. He does, but she smiles enigmatically, eluding his grasp to dance upon a stage of gold and paper. And her dance there, how graceful and charming, no riotous frenzy, lovelier indeed by far than when she danced upon a stage of gold alone. What is the paper portion of the stage? A substitute for gold—for money? You send her an order or a promise written on a piece of paper, and she dances more entrancingly than she did before.

And what does the perplexing dance of the audacious sprite of money mean?

Note well in the early primitive steps of her dance she hardly stirs from one spot, and the stage, what is it but a composition of every kind of commodity imaginable—skins, salt, shells, beads, tobacco. But what difficulties she undergoes. How slowly, how awkwardly she pivots. As the circle of her dance grows wider, almost imperceptibly a beautiful sheen of copper suffuses all. The stage in-

deed is now of copper, and from her dance have gone the halting, clumsy steps. And now as she vaults from place to place, the stage shifts to one of shining silver. How poised, how charming, and how much surer she now is. But what is this compared to her dance upon a stage of gold. How effortlessly she springs from corner to corner. Wonder of wonders, with the stage of paper and gold, her dance reaches such heights of sheer ecstasy, her leaps are of such beauty, that grace itself appears to be personified. How she thrills and delights as she pirouettes delicately this way and that in answer to the demands of her audience directing her from their vantage point of the marketplace in which they sit. What magic conjures such a dance? What power holds up such a stage?

Why, it's private enterprise. Sturdily has he held it up through the multitudinous changes from a stage of the rawest and crudest of commodities to a delicately intricate one of gold and paper. Hundreds of independent, unregulated, private banks has he erected to help him—so many, indeed, that the fall of one occasions but the merest ripple in its effects upon the stage. Wearisome times has he had, encumbered as he is with clipped, sweated and debased coins. Paper assignats, mandats, Continental currency, sad mementoes of eras when they had so cruelly entangled him, are at his feet. He has had more than his share of the vicissitudes of life, but through it all he has persevered. True, he is not entirely free, caught as he is in a web of semantic chains. His brow is furrowed as he ponders such mundane problems as is the dollar a nebulous thing called value, or a certain weight of gold or silver? Yet he holds up the stage as easily and firmly as the mother, her babe.

But, hark! Hear the rumblings of discord. The stage trembles. Suddenly the golden portion is blacked out,

and the money sprite, try as she will, cannot dance upon it. It is forbidden. She must dance upon the paper stage. A paper stage! With what justifiable trepidation does she tentatively place one foot before the other. It yields. The shock and fear on her face cause the hearts of all to beat madly. Happy day, it does not collapse. Though weaker now by far than formerly, it stands, and the sprite, gaining courage, continues the dance. But what a dance! Whereas, before, the sprite was an angel of grace, now it seems as though she has drawn up through her mincing feet the devilish convulsions of the stage. Her dance once so free, and thus so beautifully controlled so ecstatically enchanting, so perfect, now has about it a demonic quality. Wilder and wilder it becomes, as the floor erupts and heaves this way and that with the sprite jumping madly from point to point.

What causes this upheaval? Where is private enterprise? There he is, but, lackaday, shunted off into a corner. Though reviled and spat upon, yet how he strains to hold up the floor of the stage. His position has been pre-empted by the government, by whose imperial command he has been cast aside. And the hundreds of independent banks aiding him? All gone, merged into one centralized, socialized banking system which clumsily tries to help the government. What long cumbersome lines of rules and regulations stem from the bank and government, entwining private enterprise, well nigh throttling him. And monetary experts, ad nauseam, crawl over the bank, tightening this regulation, tearing that one up, substituting another. And note the horde of bureaucrats gathered gleefully around a printing press. From it flows mountains of paper, growing ever higher, pushing up the floor here, undermining it there. The whirl of the press can be heard mournfully whining its dirge of coming disaster as the bureau-

crats continually turn out banknotes, bonds, bills, checks. And now, the ceaseless whining of the press increases at an accelerating tempo, much as the music of a mighty symphony orchestra rises to a crescendo which reaches to the very heavens, causing the blood to course madly in your veins as you pant and sob awaiting the inevitable thunderous crash which roars through the amphitheater, momentarily sweeping the very breath of life from you, suspending as it were your very soul upon a thread of liquid music. But what music! The music of desperation crying out, "Stop me! Stop me!" as the mountains of paper media reach such heights that the floor literally jumps up. And as it does, out from the sprite's eyes dart those evil sparks igniting the whole paper stage into a mighty holocaust consuming all—centralized bank, experts, politicians—all.

What is the meaning of her dance? Can it be that the whole stage which her presence seems to fill is purchasing media—that part of the stage, part of purchasing media, is money itself, a commodity, as gold, and the other part is money-substitutes, orders or promises to pay money? When one is sure, then, that the money-substitutes can be redeemed in money, the magic of exchange reaches heights of effi-

ciency and perfection almost impossible to conceive.

Is she saying that to appreciate truly the real beauty and significance of her dance, one must seek out the natural laws that rule her? Is she revealing that the foundation stone of her stage of paper and gold is private enterprise—that the underlying postulate is that money, credit and banking are functions of private enterprise and admit of no government interference or regulation? Is she telling us that money was created by the people, quite unconsciously, in order to facilitate bartering of commodities and services, and that no government aid is needed—in fact that such aid can only cause harm? And is she saying that the corollary is that money, credit and banking must be controlled by the people—not the government—through the mechanism of the free and untrammelled marketplace?

What a grand design she puts before us! The stage—purchasing media—money as well as money-substitutes. The foundation—the postulates of freedom—non-interference by the government and rule by the people through the marketplace.

Have we understood the money sprite? Must we? Can we afford not to try?

Mistaken Identity

Over seventy years ago, when I was in my early teens, I attended a meeting in a hall on Hudson Street below Canal in New York. This was a gathering sponsored by the Anti-Poverty Society of which my father was a member. Two gentlemen were on the speaker's platform, one a very large man, dressed in clerical clothing and the other a short, small man. All that I can remember is that I thought it was the larger man we came to hear, but all he did was to introduce the "little man." I have no recollection of the speech, however later I learned the tall man was Dr. McGlynn, president of the Society and the speaker was Henry George.

—Robert M. Hayward