



Hope Springs Eternal

In Tales #16, farmer Zeke boosted his production from 105 bushels to 200 bushels, and later to 300 bushels. He accomplished the increase by employing more efficient Capital. Zeke owned both the Labor and the Capital that produced the crop, and he worked free land, so all 300 bushels were his. He didn't care what it was called--Interest, Wages, or both--to Zeke it was just crop. Whatever he got for it would be income.

A couple of hundred years ago, Zeke's story may have been believable. But today there is no free land in America. By the last count almost half of our farmers rented the land they farmed, and paid as much as half their crop to the landowner for the right to grow it. Only a few farmers own their land free and clear. So even if Zeke were not a tenant farmer, he would still have to give up part of his 300 bushels to pay up his mortgage, and interest on the money he still owes. Then of course taxes would take some more of Zeke's bushels.

These drains on poor Zeke's crop are considerable; but he doesn't mind because he's become accustomed to paying rent, interest on loans, and taxes. Besides, when he looks over his books, he sees quite clearly that these various forms of tribute are a very small part of his expenses. What really bothers Zeke is that the prices he must pay for the things he must buy are too high; while the price he gets for his crop is too low.

He can't understand why this should be. He knows he's being robbed, but he doesn't know by whom. So to be certain the villain does not get away uncensured, he first curses whatever political party happens to be in power, then Wall Street, then the weather, and finally bugs and vermin.

What really keeps Zeke broke--and will continue to do so even if Zeke doubles his production is a little matter of which Zeke has never heard. It's called the artificial extension of the margin of cultivation. (Translated, that means: making guys like Zeke put his Labor and Capital into the very poorest kind of land when there are millions of acres of far better land lying around unused.)

How this artificial extension of the margin can keep Zeke broke, even though he "owns" his Land and Capital has been known for centuries. But no one talks about it. Professors of economics don't dare; statesmen and politicians don't care; and Zeke, the dope, isn't interested.

Each spring, as Zeke does his planting, he thinks back to his early days when his beloved wife, hitched to his plow, helped him produce his first crop. Each summer he vows that come harvest he will buy Mrs. Zeke the gift of appreciation he has so long had in mind. Each fall he realizes he can't afford to buy it. It looks like Mrs. Zeke never will get that genuine mink horsecollar.

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