

EXCURSUS I

L. H. Gann on A Fable About Money

Once upon a time there was an easy-going and luxury-loving king who inhabited a beautiful and fertile island. The king's people were loyal and law-abiding, and they dwelt together in perfect amity.

But the king spent a great deal of money, and as his expenses rose, as his mistresses, horses, and hounds consumed the royal substance, the treasury was emptied.

Now the king had a most remarkable chancellor. "Your Majesty," said the chancellor, "you are ruling the people with much wisdom, but you have one fault. You are too parsimonious." "How is this?" asked the king in surprise. "You should spend more, not less," said the chancellor. "By doing so, you will create more employment, and all those that dwell in misery shall bless you."

The king gladly took the chancellor's advice and spent even more. Soon the treasurer had to report that only a few bars of gold were left. "Excellent," said the chancellor. "Mint new coins in which one-fourth of gold is mixed with three-fourths of copper." "Will not the people abominate me for doing this?" asked the king. "By no means," replied the chancellor. "They will admire your wisdom, for you shall explain to them that you are expanding the national purchasing power." Thus it was done. Prices began to rise and the court poets praised the king's sagacity.

The poor, however, began to murmur, and there was talk of sedition. Thus the chancellor spoke to the king. "Your subjects do not merit Your Majesty's mercy. They indulge themselves with gross sensual pleasures and live only for their lust. You should pass an ordinance that forbids the people to live in luxury not attuned to their proper station in life. The bishops and the philosophers shall all praise you, for you are the wisest of monarchs."

The king took the chancellor's advice. Heralds rode through the island and read a royal proclamation that strictly limited popular expenditure. "You will see," said the chancellor, "the people will soon like it too. Your laws will help to save the people's souls by protecting them against luxury. Your ordinances will also close our international trade deficit."

Prices, however, continued to go up as the new coins flooded the land and as the old-fashioned gold ducats were hoarded in the stockings of the peasantry. The people tried to deceive the tax gatherers, but the chancellor found a new way of insuring accurate income tax declarations. He ordered the sergeant-at-arms to pull the teeth of rich merchants so that they might reveal the whereabouts of their treasure.

Soon terror seized the land. The merchants and craftsmen were afraid to appear rich, and many now did only a minimum of work. The chancellor was

called again to advise the king, and his counsel was remarkable in its originality.

"Your Majesty, you are accumulating much treasure because the people at last have learnt how to pay their taxes. There is one difficulty, however. You are accumulating a budgetary surplus. This will help to disrupt world commerce. Your Majesty should now increase trade by giving subsidies to foreign princes, so that their subjects may buy our goods. In this way the merchants shall prosper, peace will be preserved, and the people shall be made happier." "Who then are my best friends abroad?" asked the king, "for I shall reward them for their loyalty." "By no means," replied the chancellor. "Give your money to your enemies. Your friends love you already. If your enemies will like you too, the whole globe shall be well disposed toward Your Majesty."

Thus it was done. The king's enemies received magnificent presents. But the king's friends became discouraged, and old alliances broke. Prices continued to go up, and even the execution of merchants found guilty of monopolizing goods would not avail. The chancellor, however, was undismayed. "You are on the path toward social justice. Continue upon your way. You should also send gifts to loafers, bandits, and such like, for they only sin from necessity, and besides, their clubs and longbows might come in handy one day."

The story, however, had an unforeseen ending. The king died of apoplexy in the arms of a mistress. The king's eldest son succeeded to the throne. The chancellor was decapitated, and his head was displayed on a pike outside the Royal Chancellery gate. The debased coinage was called in and the king insisted on Spartan living at his court. The merchants and craftsmen once more attended to their business, but the court poets hung their heads and sighed for the olden days.

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EXCURSUS II

Erik Eckholm on Why the Disappearing of Animal Species Is Bad for People

To most people talk of "endangered species" evokes images of tigers under siege in Asia and cheetahs losing ground in Africa, of whales hunted to scarcity in the Antarctic and whooping cranes clinging to life in North America. For those who follow such matters it may also bring to mind recent positive preservation developments: whaling quotas, restrictions on trade in rare-animal pelts, DDT bans, and international save-the-tiger campaigns, among others. Even as such salvaging operations finally get under way, however, many leading biolo-