

tion and if any of our friends anywhere have such material they can do a good service by supplying it to Mr. Stanley. This young man is a recent convert from communism, and is a very effective speaker.

The Labor Problem and How to Solve It

THE essence of a sound economic system is that the means of production shall be privately owned, profits being the stimulus to enterprise; that the opportunity for profit in any particular line will always invite competition, that competition among producers and sellers generally will assure to the public reasonable prices for commodities and services; that market price will, more or less accurately, reveal the true relationship between supply and demand and hence serve to regulate production; that a low price will curtail production, a high price expand it and so bring about its own correction; that the investor, in his own interest, will apply his savings where they will produce the highest yield, which is also the place where they are most badly needed for the good of all. Under our present system it is also presumed that the interests of the workers are adequately protected in the long run since competition among employers will insure that they pay a wage in proportion to the productivity of the worker. If wages should be, at a given time, too low relative to price, the resulting excessive profits will encourage the coming in of additional producers or the expansion of additional plants and so serve simultaneously to lower prices and raise wages until the proper relationship is once more gained.

In short our present system is one of free enterprise and free covenants operating on the principle that the profit motive and self-interest automatically assure a proper balance of production and consumption and a proper distribution of incomes. In such a system the major economic function of government is but to maintain the conditions of competition. It has taken thousands of years to evolve the present capitalist system. Before the advent of capitalism, man suffered periodically from lack of food. Capitalism solved once and for all the problem of production. No thinking person claims that there is today any shortage of food, clothing and shelter. It is the *distribution* of wealth that is faulty.

Cut away the growth which during the ages has attached itself to capitalism, namely, the system that allows the land-owning class to get a greater and greater share of the common wealth and we shall have justice and order in the world. Capitalism and land-monopoly are not essential to each other; on the contrary they are, as you already may have surmised, antagonistic and mutually self-destructive. Which is to say, either capitalism must destroy land-monopoly, or land-monopoly will destroy capitalism.

Man, (of course that term includes woman) I have already stated, needs food, clothing and shelter. Some men have more than they need; most have less than they need.

Wealth, I need hardly explain, means food, clothing and shelter. It is produced by the application of human labor to the raw materials. By raw material we mean the land, the sea, the surface of the earth, minerals and oils under the earth. In short the gift of God or nature to man. The land was here before any of us arrived. It is that by which and from which we live, and is that from which comes, in response to man's labor, all wealth.

If some men have not enough food, clothing and shelter, it must be due to one of three causes only.

(1) Either the Supreme Power failed to supply enough raw material, or

(2) Men fail to change enough raw material into the things they need, or

(3) Wealth is not fairly divided.

Which is it? Let's see.

If the Almighty placed more people on this globe than the globe can support, this is His fault, but we know that we have not begun to exhaust the resources of nature. No one claims there is not enough wheat or fruit or coal or any other of the good things that we need, in the world. On the contrary, farmers, coal operators and other producers claim we have too much wheat, too much coal, too much food, too much clothing. They complain that we are suffering from "overproduction."

Have men not sufficient intelligence and energy to produce what they need?

We have only one more answer, that is, that wealth is not fairly divided.

How is wealth divided in society? It is apportioned into three shares. Men who work get wages, men who help do the work get interest, and men who allow other men to produce wealth get rent. In short, labor gets wages, capital gets interest, land gets rent. These terms wages, interest and rent are mutually exclusive, that is each designates something not covered by the other two.

Do you observe that two classes in society produce wealth while three classes divide it? How long could any game continue if two produce and three divide?

Before labor can get its wages and before capital can get its interest, *land must get its rent*. Now, the quantity of land in the world is fixed. This is the same as to say that the supply of land cannot be increased. True, you can transpose land from one place to another, but you do not thereby increase the quantity. Land, I repeat cannot be increased in quantity. The pressure of population on land, however, is constantly increasing and therefore land is constantly becoming more valuable. (It is estimated that the population of the world is increasing at the rate of 25,000,000 yearly.) Therefore, the price of land, or its rent, is constantly rising, *at the expense both*

of interest and wages. Therefore, the land-owning class is able to get a greater and constantly greater share of the world's wealth. You who have read the *Good Earth* will understand.

Here is the explanation, why, despite constant advances in the productivity of man, despite inventions and discoveries, the great mass of men remain poor. The increasing productivity of mankind reflects itself in increasing demand for land which makes land more valuable and enables the land-owning class (numbering in the United States less than ten per cent of the population) constantly to extract more *and more of the wealth which it has had no part in producing.*

In the United States today, the bare land is capitalized at approximately \$170,000,000,000. I am speaking, mind you, only of the land, not of the improvements in, on, or above the land. This \$170,000,000,000 land value was not produced by the landlords. It is a social product, having been produced by the presence and activities of the 120,000,000 people now residing in the United States. Last year, the land-owners, constituting less than ten per cent of the population of the United States, were able to draw off from the producers approximately \$14,000,000,000 rent for mere permission to use what they termed "their land." From this \$14,000,000,000 the land-owning class rendered no service whatsoever to those who produced the wealth out of the land. They merely permitted labor to produce, and then took from labor as rent, approximately one-sixth of what labor had produced. Which is to say that the producers in six years received only the value of their production of five years. Is it any wonder then that the producers are unable to effect exchanges of their commodities with the producers of other commodities when those who rendered no service first retain for themselves one-sixth of the products of those who do the producing? This is what brings on panics in the United States and every other country where the producer is robbed of a part of his production every few years. We have had thirteen major panics in the United States during the past 150 years.

"But," you say, "did not the landlord invest his money in land and isn't he entitled to a reasonable return on that investment?" Let's see. A man might invest all the money at his command in land at the North Pole, or New York, but unless and until population settled thereon his investment could not sprout a single shoot. There would be no growth whatever; on the contrary there would be depreciation and certain loss. Now, since the investment would not begin to grow in value until population came, it must be clear that whatever growth arose would not be due to the landlord's investment, but to the presence of population. But that growth would appear even if the landlord did not invest, therefore he could have no moral claim to any share of it.

An "investment," so-called, in land differs fundamentally from real investments. If one invests in a house,

he completes the transaction that began when the first man applied his labor to the making of that house. In the price that he pays for it, the investor pays for the labor and materials that went to the making of his house, and the house becomes his absolute rightful property. He and he alone, is the owner thereof, and entitled to the full use and enjoyment against all comers.

Consider, however, an "investment" in land. Here the investor does not pay for the labor and materials going to the making of the land. He buys the power privately to tax the labor of others so long as he, or his successors in interest hold that investment. Land of itself can yield no return to the investor. He can gather no rent off idle acres. Only when "his" land is required by others is he able to get a return on his investment, but for that return *he does nothing nor gives anything of value in exchange. He takes something for nothing; the land user gets nothing for something.*

The attraction of such holdings lies in the expectation that dividends will be "earned" on the investment. Should this expectation be realized, it is material to the issue to remember that those dividends will not be earned by the investor. They will be earned, it is true, but by the toil and sweat of those who must needs use that land in which the investment has been made. These will pay all dividends, and in doing so must submit to be robbed of some portion of the reward due to themselves—their wages, in fact, will be reduced by the amount of those dividends; and they will receive nothing as equivalent for what is taken from them, and passed over to the "investor" in land. The wealth which will have been produced by the users of the land will be divided between themselves and the non-producing dividend-takers.

An "investment" in land does not aid production. It does not afford opportunity for labor, nor does it add anything to the wealth of the community. It is merely a stranglehold upon all industry, and this acts always in restraint of wealth production. It is therefore the direct cause of poverty, and wholly anti-social.

Take Manhattan Island. It is twenty-one square miles in area; the latest and best information is that the Almighty made it, and gave it to the race free of charge. We must admit however that a large number of us are very busy trying to correct the oversight. Today, one acre of Manhattan Island would bring in the open market \$50,000,000 and it did not cost one cent to produce. Remember there is no production cost in land.

Peter Minuit, history tells us, handed the Indians \$24 for Manhattan Island. Even that they did not receive in cash, but in Woolworth beads. The island is the same size today, except possibly here a little filling in, and there a little cutting off. What did Peter Minuit's heirs or those who bought from them, charge last year for the mere permission to use this island, twenty-one square

miles in area, that the Almighty produced and all his children, by their presence made valuable?

Seven hundred millions of dollars! This land rent was collected last year by less than two per cent of the population from the users, the wealth-producers of Manhattan Island. And every year, as the population of the city increases and their activities are widening, this sum automatically becomes greater. The City of New York requires the landowners to hand over about one-half of the land rent, but it permits them to retain the other half which also they had no part in producing. They can speculate in it, that is, buy and sell the privilege of collecting so much of land rent as the city fails to take from them, and that is just what they do. Capitalizing this \$350,000,000 which they have left, "their land" is worth \$7,000,000,000 because that sum invested at five per cent which is the prevailing annual rate for money around New York City for safe investments, will produce \$350,000,000.

In the last analysis, all employment is the application of human labor to natural resources. This is the only fount from which must be drawn everything needed to satisfy human wants.

The beneficiaries of our present land laws are enabled by them to appropriate one-sixth of the total production of the nation (in the form of rent) for mere permission to produce, for that is all one gets, in exchange for the rent of bare land; the title-holder having tendered no other service in production.

Society having failed to collect for its communal needs, the rent of land, now commits a second wrong. Under the guise of taxation, it compels labor to surrender a part of what labor has produced. This further aggravates the situation.

What did Henry George propose?

Simply this: To compel every landlord to pay the full economic rent over into the common fund annually for this privilege which he was holding to the exclusion of the other members of the community who had as much right to it as he had. In other words, George proposed that society collect for all its members all ground rent. Why do this?

Well for the very obvious reason that this ground rent, amounting last year to about \$14,000,000,000 in the United States, and increasing every year as our population and activities increased, was produced by the people collectively and should be used by the people collectively to maintain their collective activities.

The minute you do this you remove from land its speculative value, that is to say, under the Georgian philosophy no one would buy or sell land because every year society would force every land owner to hand over the full ground rent. Obviously no one would buy or sell land if he could not speculate in its rent.

Secondly, George proposed to abolish all taxation, for if the community collects its land rent it will have no need of taking from labor any portion of what labor has produced. That Henry George stigmatized as robbery. In

the limited time I have I cannot develop this point. I could spend a whole hour with you discussing the incidence of taxation. Remove, said Henry George, all the barriers that prevent man from producing and exchanging wealth for each other. Away with tariff walls, stop penalizing industry by taxing it and collect for society the entire ground rent, which society, alone produces.

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Shortly, you will depart from these cloistered walls to enter the work-a-day world. I trust you will enter that world with no lowly ambitions. Especially would I hope that you would not waste away your lives piling up *things*, or piling up money, (because money can buy things).

One of my sons is devoting every minute of his spare time to gathering United States stamps. He is seeking commemoratives, regular issues, imperforate stamps, coils and the like. This is all right, *because he is only twelve years old*. I would feel that his life had been wasted if he spent the whole of it gathering stamps. There is no difference between gathering stamps and gathering money. A life devoted to gathering things is an empty life. At the end, there comes the realization that you have accumulated nought but Dead Sea Fruit. As you grow older, and see those whom you have known in the flesh, softly laid away in the cold earth, there forever to mingle with the elements, you cannot help but feel in too many cases, how futile have been their lives, absorbed in accumulating wealth. For wealth is soon dissipated and those who so laboriously garnered it are quickly forgotten. Only those live on who have contributed to the advancement of a great idea.

I would not give you the impression that I am opposed to having you earn your living. The contrary is the fact. Every normal man desires to maintain his self-respect and you cannot do this unless you feel, that, day by day, you are rendering worth-while service to society. A service that is the equivalent, yes and more than equivalent, of the service society is rendering to you. Likewise every normal woman wants to feel that she is not a parasite who must depend on her father, brother, husband or son for her living. Any woman who is keeping a home for her husband and raising their children is doing as fine a job as is her husband who is erecting an Empire State Building or running a business.

There is another and bigger job, however, than earning a living. That job is to work and leave this world a nobler and better place than we found it, that is to contribute to the improvement of economic conditions, to bring order out of chaos in the industrial world; specifically, to help institute an economic system which will, in fact, establish each man and each woman's equal right to exist on this earth without paying tribute called economic rent.

I trust you will work earnestly and hard for that, in the pulpit, in the school room, in the press, on the platform, over the air. The forces of ignorance and evil with which you will have to contend will be numerous and formidable. Victory in the fight to establish economic justice may not

perch on your shoulders. You and I (yes, and our children,) may not live to see the final triumph of economic justice, but come it must, if civilization is to be saved. For today our world is in agony. Millions of willing, able men are denied employment; in consequence they and their wives and children are suffering the pangs of hunger. Out of the depths into which it has fallen mankind cries today for help.

It matters little if *we* do not live to see the final triumph of justice. We at least must work for it to our utmost talent. Working for justice there will come over us a feeling of indescribable satisfaction, a feeling that we have been of service to our fellow men, a feeling that we have justified our existence. For the great thing about economic reform is that it will open the door and make easier all other reforms our old world so sadly needs.

Ye shall know the truth and the truth shall make you free.

BENJAMIN W. BURGER.

Henry George

THOSE who knew Henry George personally are happy to have had that privilege. He was one who commanded the same personal respect as did Lincoln. He was a man apart from others. It was felt that he spoke with authority. His first interest at all times was to spread the truth of the natural law which he himself had discovered, and he required of his followers when they called upon him reports of what they were doing to spread that philosophy.

Reviewing briefly the career of Henry George, we find him at first with the responsibility of his family, chagrined and puzzled at the difficulty in finding an opportunity to earn a living. In this he had the same experience of millions of others but instead of accepting the situation complacently as something inevitable this man with greater heart and greater mind felt that the condition was a contradiction to what ought to be, and he took upon himself a solemn vow that he would not rest until he had found the reason for the persistence of undeserved poverty with unparalleled progress and the remedy therefor. This was not a mere prayer for enlightenment. He read everything available which would throw any light upon the subject and as a result of his unparalleled research there came upon his mind as by a flash a complete enlightenment of the whole puzzle.

The problem was made clear to him and, as has been the case with his followers, this gave him a new faith in God, a new vision of what the world might be if natural law instead of inimical man-made laws should be followed. His next task was to place his conclusions in proper form to be given to the world. At last this was accomplished and "Progress and Poverty" was immediately given the reception that is only accorded great books. It was translated into every modern language. This was supplemented by editorial work, by magazine and newspaper articles,

by speeches, addresses, sermons and lectures and by the dissemination of literature through organizations which sprang up in various countries of the world. At last we find him in October of 1897 accepting the nomination for Mayor of New York City.

Henry George was then far from robust and his physician warned him that this act of his would probably cost him his life.—"How better," replied Mr. George, "than to give one's life in this way." The campaign was short but strenuous. Five days before election was to take place we find Mr. George facing an audience of working men. His work was finished. He was to be known by future generations as the one man who had done more than any other to make effective by a working programme the Democratic principle of equal rights for all and special privileges for none together with fulfillment of the Christian's prayer, "Thy will be done on Earth as it is in Heaven." He was to be known as the greatest internationalist of modern times, the greatest liberator, the greatest benefactor of the race. As he faced this audience of working men two things he did not know; one was that he was not to see the light of another day, and the other that he was to be tested by trial. As the cheers and applause subsided, the chairman of the meeting introduced Henry George as "the great friend of labor and Democracy."

Mr. George was very weary but his mind was alert and he caught the inference of special favor involved in that introduction. Should he accept a statement that he was the special friend of any class of men? Why not? There were a dozen different reasons why he should let it pass. To take exception to it might annoy the chairman, it might displease the audience, it might be considered an academic distinction without a difference. There was necessity for haste. There were one or two more meetings to be held that very night. Why split hairs about the meaning of a word? Why quibble about technical terms? He owed a great deal to his committee. They were impatient for him to begin his speech. But no! Henry George was thoroughly honest as Lincoln was honest. He did not know that he was on trial in these last hours of his life but he never faltered. Henry George's sterling honesty would not permit even the slightest suggestion of favor for any one class. Said he, "I have never claimed to be a special friend of labor. What I stand for is the equal rights of all men!" He turned to the audience, exclaiming, "I am for men!"—HENRY WARE ALLEN.

A REAL statesman is one who knows enough to be aware that it is impossible to continue taxing industry at the rate of thirteen billions a year and cure a depression at the same time. How many congressmen can pass that test?

WHEN Congress levies taxes the only forgotten man is the land owner and he does not want to be remembered.