

# Land and Freedom

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## Current Comment

**I**N *America*, that well edited weekly organ of Catholic thought, Rev. M. J. Smith, S. J., says:

What member of the "white collar" class would be rash enough to build a home of his own at the price such an undertaking involves today?

No increase in salary adequate to such an enterprise can reasonably be expected.

*No legislation competent to cope with the problem is even proposed.* No disposition to adjust the high cost of living to fit the average clerk's income is discernable in the markets of life's necessities. The best that the small salaried man can hope for is a decent flat for his growing family, but a flat is not a home. *Without true homes our priceless heritage of freedom shrinks;* without genuine homes, religion wanes. The nation needs the growing family; religion blesses it. Its only natural and secure harbor is the home.

**I**T is gratifying to find religious publications discussing the problem in this spirit. The Catholic Church numbers among its adherents an overwhelming proportion of what we call the "working class"—the wage workers of the nation. Very intimately are its own growth and stability bound up with the welfare of this class; religion cannot flourish in such surroundings as hedge in so many families in centers of civilization, and from this the church must suffer both in the number and character of its members. Father Smith has stated the problem clearly.

**B**UT he is mistaken in saying that no legislation competent to cope with the problem is even proposed. None, it is true, in our legislatures; there the remedy is not even whispered. But it was proposed by Bishop Nulty, of Meath, Ireland, many years ago; it forms the substance of an elaborate treatise in a work entitled *Progress and Poverty*, and it is put forward by many earnest minded men and women in our own day as a remedy for the conditions Father Smith describes. Surely he is not unacquainted with it.

**T**HERE are poor in all churches, but the Catholic Church is preeminently the church of the poor—that is her enviable distinction. It is among her glorious traditions that her comforting hand has soothed their sorrows, has ministered to them in their sickness, has watched over and aided in their struggles; no other agency was so much a part of their lives, none bore so intimate a relation to them. It is small wonder that those whose lives

are dedicated to her service should begin to concern themselves not merely with the problems of the individual poor, but with the larger problem that concerns them as a class, and whose special interests, if they can be called special, will be found to include the welfare of all classes.

**T**HE legislation to cope with the problem *has* been proposed; the solution is ready. And it has been declared by the learned doctors of the great Catholic University at Washington, D. C., to contain nothing contrary to Catholic teachings. Any Catholic is at liberty to accept or reject it. Will not *America* open its columns to the discussion of the real remedy for the housing problem—and thus bring about a condition in which the ideal home may be something which every young couple may hope to realize, and where the religious ties that bind them to the Church may have room to grow in their affections?

**P**RESIDENT GREEN, of the American Federation of Labor, has announced that he will ask the next Congress to withdraw the tariff protection on textiles owing to the movement of the New England textile manufacturers to reduce wages. And why not? Is not the tariff supposed to protect American labor? Surely it is not to protect American "profits"? Yet obviously the purpose is by increasing profits to enable the manufacturer to pay higher wages. These profits pass from the consumer who pays them to the manufacturer, and the manufacturer pays part of these higher profits in higher wages. This is the theory. That it doesn't work that way is nothing to the Republican politicians who every four years appeal to the workers to keep them in power in order that the tariff may be retained in all its preposterous schedules—Schedule K being the most preposterous of them all.

**O**F course, manufacturers proceed on no such theory that where profits are increased, increased wages follow as a consequence. They pay only such wages as they are compelled to pay. These are regulated by conditions of the labor market, not at all by the earnings of the mills or the prices obtainable. The tariff may and frequently does enable them to reap greater profits through increased prices—and that is what the tariff is for. And if here and there some generous manufacturer raises wages because he has made larger profits, he is a rare bird and his example is not generally emulated.

WE are glad that President Green is having his fling at the hoary old humbug. Little progress can be made unless various delusions on the subject of wages are discredited in the minds of the workers. The late Samuel Gompers advised his followers to abstain from politics. Though professedly a Single Taxer, he was apparently interested only in maintaining a great organization of labor to fight organized capital—a condition little short of civil war. His followers accepted very literally his admonition to abstain from politics. As some economic questions are already political—the tariff, for example, just as the land question must some day become—Samuel Gompers and the American Federation had no active opinions about it. It would seem a perfectly fatuous policy for men interested in raising wages to act as if economic questions had no existence. Mr. Gompers made lots of friends by his policy—friends of the kind that cared little for the welfare of the workers. President Green seems willing to depart from this policy—just how far remains to be seen.

IN an article in the *London Times*, Dr. Arthur Shadwell, speaking of unemployment in England, says: "There is no facile remedy for the present ills and no government can do much. The root cause, as the *Times* has said in its leading editorial on the debate in the House of Commons, is the destruction of wealth by war—wealth gradually accumulated during many decades by work and saving."

LET us see. Was there not very recently a school of political economists who believed that war, with its consequent destruction of wealth, made a demand for employment to repair its ravages? Were not large numbers of the unthinking on this account disposed to regard wars and rumors of wars with equanimity because of their resulting benefits (supposedly) to labor in the rebuilding of devastated cities and towns? Now we have another reverse theory. Instead of the destruction of wealth calling for increased employment for its restoration, it seems that labor has all this time been living on the "wealth accumulated during many decades by work and saving." These economic theories jostle one another curiously; in this case they are mutually destructive.

BUT let Dr. Shadwell consider. Most of the wealth used in the production of wealth, tools, machinery, factories, etc., vanishes after one or two decades. Very little wealth of any kind survives after thirty years. Nor was any element of wealth destroyed during the war that could not have been replaced in the ten years succeeding. There is every reason to believe that in 1925 there is as much wealth in Great Britain as there was in 1914. Dr. Shadwell wisely refrains from giving any figures that might serve to show how baseless is his explanation for unemployment.

LABOR no more lives on capital produced in past decades than the labor of today lives on the wealth of the Pharaohs. Labor lives on land and what it produces from it, and every hour it is replenishing what it consumes and what is laid aside for the making of more wealth—tools, machinery, etc. Employment is conditioned on the terms on which it can exercise itself on the natural material, not on the goods, capital or wealth, stored up somewhere by the labor of previous decades. If labor is denied access to the reservoir from which the products of labor are drawn, unemployment is the consequence. If too great a price is demanded for such access to the natural material, labor must remain idle. This is the simple explanation of unemployment and not the wholly fanciful theory of Dr. Shadwell and the *London Times*.

WE printed in last issue the indignant disclaimer of a Santa Barbara "realtor" to the widely circulated newspaper reports of an earthquake in that city. Some years ago it will be remembered that there was a report of an earthquake in San Francisco. This was followed by a destructive fire. A correspondent of the *London Post* tells his readers that Californians do not refer to the earthquake but always to the "fire." All cities have fires; some have earthquakes. "The reason," says the correspondent, "why Californians call it a fire is because they are all boosters out there."

A LARGE part of California rests upon what the seismologists call a "fault," which is a thin crust resting upon the more solid base. This is part of California real estate. As a basis for land speculation it possesses an all too shifting foundation. To sell a fixed portion of the earth is one thing, ridiculous enough in itself, but to sell a part of it that may disappear the next morning, is quite another. One hates to buy earthquakes at the prices asked, so we must argue them away. There are no earthquakes in California; they are hereby abolished by edict of the land speculators and land owners of the state.

THE question that will not down is the one to which LAND AND FREEDOM alone among the periodicals of the country is preeminently devoted. That question is the right of all the people to the values they create. The land boom at Rockaway, which the *New York World* of Aug. 9, says has "all the hectic thrills of a mining camp rush," is an instance in point. The *World* says that "it raises anew the question whether a city in creating facilities like the Rockaway Board Walk is not entitled to a part of the unearned increment in land values resulting." LAND AND FREEDOM says it is entitled not only to part, but all of it—to the last penny collectible of this value which the people create. How important it is in a time when timid hints of this nature are hazarded in the public prints, that the only paper devoted exclusively to

this great principle of justice should go to the editorial desk of every newspaper of circulation and influence.

THE *New York Commercial* has made a discovery. So important is it that it is worth placing prominently before our readers. It says: "The idea that all wealth comes from the ground—a theory that dilettante economists are wont to voice—is rank nonsense. The iron and cotton do come from the ground but their worth as hair-springs and beautiful fabrics comes from human toil and planting." The toil is not exercised on land, of course, and the planting—but what's the use?

THE *New York Herald-Tribune* now places the "capital" which is tied up in tax exempt securities at \$14,000,000,000. This vast sum, according to the *Tribune*, is "withdrawn from industry." A few more tax exempt bonds and we must suppose that no capital at all would exist to run the industry of the country! How this capital pays interest when it is "tied up," just what is meant by the phrase "tied up," and just how this capital is "withdrawn from industry," is not quite as clear as the *Tribune* writer imagines. Indeed it doesn't happen at all.

JUDGE ELBERT H. GARY, chairman of the recently organized Crime Commission, in an interview printed in the *New York Times*, of Sunday, Sept. 6, gives his views as to the measures to be adopted to counteract the crime wave. His explanations for the increase of crime in the United States are deserving of attention. Briefly it is due "to the war in which the consciences of men become warped, the finer human instincts subordinated to the vicious instincts of the animal; crime becomes almost a corollary to battle."

SO far, so good. But the records show only a small proportion of crimes are committed by those who saw service in the World War, so the influence of that factor may be largely disregarded. Another influence indicated is that of indifference to or intentional defiance of laws with which we are not in accord. This encourages others to think that they have a right to ignore or violate the provisions of any other law. This reflection on the class to which Judge Gary belongs will be duly appreciated.

HE then summarizes a number of other reasons for increase of crime, such as lax administration of the laws; undue leniency of the courts; too little power vested in the judges; too much in the advocates; too much maudlin sympathy with offenders; too much politics in the selection of judges; prisons more comfortable than the previous homes of many of the occupants, etc., etc. All these are "stock reasons" and throw no light on the problem.

FINALLY, Judge Gary alludes to something which he regards as "very important"—the "vicious propaganda that has been more or less exposed by government officials and others." "This propaganda seeks to mislead by misrepresentation the young people of the country and to instill into their minds a feeling of hate toward public authorities; toward men who have been successful in various departments of human activity; and in general to revolutionize society." Our readers know, of course, that this widely heralded discovery of an active propaganda turned out a veritable "mare's nest," and that there was not enough teaching of this kind to disturb the serenity of any but the most fat-witted government officials.

WHEN Judge Gary comes to specific remedies for crime conditions their inadequacy is apparent. Briefly, they are uniformity of law enforcement; paroles limited to first offenders; speedier crime prosecutions; segregation of first offenders from veteran criminals, etc. He seems to feel, too, that the schools have failed in moral instruction, which is true. And he returns again to the charge of lack of parental responsibility in setting a bad example in the breaking of unpopular laws. By this we assume that he means the prohibition law; also it may be the income tax law provisions.

IT will be noted that Judge Gary has a touching faith in the efficacy of law. He goes no further than indicated, with perhaps the addition of moral suasion, in his summary of cures for increased criminality. With a temperamental kindness and sincerity of outlook, he nevertheless ignores, or reasons as if they did not exist, the deeper and more fundamental causes that are at work. Judge Gary is like a blind man in prison who feeling along the blank walls of his cell cannot see the open door of egress, so spends his time in futile speculation as to possible underground avenues of escape. Certain obvious social phenomena he cannot or will not see; therefore he struggles painfully to escape the entanglements of his own mental perplexity. He may be perfectly honest with himself; the half-truths he sees may appear to him as vital as whole truths; but he must be conscious that he gets nowhere—that he does not advance a step beyond his mental prison house.

LET us realize, if Judge Gary will not, that this society of ours, in which he is at one end and the criminal at the other, has an unnatural economic basis. It imposes an unnatural inequality of opportunity on the natural inequality of men—handicapping at the start labor, natural talent, ambition, in the possession of which qualities men varyingly differ. Our economic institutions do not give labor, talent, ambition what these qualities earn; they give to chance, greed, cunning and cupidity in far

greater measure. The rewards of labor are necessarily and woefully inadequate for the vaster numbers of mankind. It must be so as long as the earth is owned by the few; for wealth in consequence gravitates to an insignificant proportion of mankind.

WE do not expect Judge Gary to see this. We would not see it if we were Judge Gary. He is the product of the system at one end as Gerald Chapman is the most striking product at the other. Neither in all probability will ever see what is the matter with society. Judge Gary is aggrieved at the point of view carried into practical application by Chapman; the latter is probably aggrieved at Gary—and with about the same amount of reason, or unreason, if you please. We say probably, since we have no means of knowing; we have, however, heard from Judge Gary and have his point of view. It is wholly inadequate as explaining Gerald Chapman or any other criminal of the sort.

NOW what is Society doing to arrest this tendency to crime? We are speaking now, of course, of crimes against property. Nothing. On the contrary it is doing everything to encourage it. With economic institutions that give to those who do not earn and take from labor its product without recompense, that makes the reservoir of the earth a thing to be bartered for and speculated in, what sort of society can we look for? Is it any wonder that there has grown up a moral atmosphere that stifles the noblest impulses? Do we not hear on every hand the injunction—get money? Is lawless wealth a whit beyond lawless poverty in its depredations—has it a code of ethics at all superior to lawless poverty? If so it is not audible. "If you haven't any money you needn't come around," is a popular song; it is popular morality too.

WHAT does a protective tariff do? Never mind now about its labored and often nonsensical justifications. Does it not rob you? What does landlordism do? Robs you, of course. What of all the hugamuggery of stock speculation and stock watering, and the practices of business justified by business ethics—is not a large portion of it mere robbery? How does it differ from the practices of Gerald Chapman save that the element of violence is lacking? It does not need to resort to violence since it has the law—the same law Judge Gary would invoke for the suppression of crime which goes on at the other end of the social line. Judge Gary does not see this—he is probably so near to one end of the picture that the other escapes him entirely.

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## Government Aid for Dwelling Construction

THE recognized failure of private enterprise under present conditions to furnish adequate housing accommodations in many of the great American cities, has led to proposals that the state or federal governments should lend their credit to builders of homes or apartment houses. It is urged by those favoring this radical departure from prevailing policies of leaving the housing problem to be solved by individual initiative, that the chief obstacle to the construction of a sufficient number of dwellings is the lack of capital, or at least, capital that will be invested on the basis of the returns that may be accepted. They admit that the high cost of most building materials and the high wages paid to all workers in the building trades, are important factors in limiting construction, but as there seems to be no practicable method of effecting a reduction in material costs or wage scales, the only alternative appears to them to be that governmental aid should be given those desiring to erect additional buildings.

That there is in reality any scarcity of capital in the United States is not indicated by the enormous amounts deposited in banks, trust companies and savings banks, and the immense surplus funds of the great insurance companies. The fact that American loans of more than a billion dollars were made to foreign lands during the past year alone, taken with the lower interest rates that have prevailed, would seem to show conclusively that there is an abundance of capital now seeking an investment. Even if there was an actual lack of capital, it is a little difficult to see how the supply could be increased by government action. Neither the state nor federal governments have any funds except those raised by taxation, and any system of bond issues for providing building funds would subtract just so much from the deposits or accumulated resources of the various financial institutions.

A factor that has been ignored by the advocates of government aid, but one that is at least equal in importance to those already mentioned, is the high cost of building sites in the localities where dwellings are most needed. Should any of the ambitious proposals for governmental loans amounting to hundreds of millions of dollars be adopted, the direct result of increased building activities would be to create an additional demand for land on which the dwellings were to be erected. How this would operate may be seen by the one instance of the recent sale of certain lots fronting on Riverside Drive, New York City, on which a large apartment house is to be erected, for \$1,000,000.00. The building is to cost \$3,000,000.00, so that of the charges for rent that must be paid, one quarter goes to pay for interest on the cost of land, necessitating just so much higher rentals. It would seem manifest that government aid for housing would only stimulate competition for desirable