

Land and Freedom

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Comment and Reflection

WILLIAM T. FOSTER and Waddill Catchings started a very pretty discussion in their work on "Profits," and followed this up with an article in a recent number of the *Atlantic Monthly* entitled "The Dilemma of Thrift." In the *Atlantic* article these gentlemen lay the failure of prosperity to continue indefinitely at the door of thrift. Harriet Bindley Fitt replies to Messrs. Foster and Catchings in the July *Atlantic*, in an article entitled "The Ancient Virtue."

THE authors of "Profits" are to be commended for an honest, and from their point of view, an unbiased examination of the problem, why periodic "prosperity" is followed by years of depression and unemployment. We would not wholly dismiss these ingenious and ingenuous explanations of why this is so, since in the economic confusion resulting from the denial of the primary laws of distribution a lot of subsidiary factors assume an importance that is not of their own by right.

AND assuming this to be so, Mrs. Fitt, who received her Doctorate of economics from Columbia, makes a reply which while a demonstration of the unsoundness of the position taken by the authors of "Profits," leaves us pretty much where we were before. She, too, is obsessed by the notion of "business cycles"—i.e., that these are the inevitable accompaniment of industrial progress, that prosperity must be followed by depressions and these by periods of recovery in which industry again draws itself together, wages begin to be normal, and business continues fairly active until the next interruption.

MRS FITT tells us that "as business is now organized it is impossible to prevent the recurrence of depressions." But she sounds a note of hope in the following: "Progress is to be expected only through an increasing knowledge of the causes of business crises and more accurate forecasting of the future," to the first clause of which sentence we append a fervent "amen."

IF in the consideration of any problem we omit one or two important factors any possible explanation comes easy and looks plausible. The thing can be done in mathematics or chemistry. In the department of economics the process is fatally easy. If we omit land as a factor,

and ignore economic rent, the weirdest explanations do not lack a certain plausibility. The absence of these factors multiplies words and gives a fatuous distinction to "Learning." Controversy rages fiercely, though somewhat erratically, around scholastic terms that bewilder the neophyte. This is the reason why political economy is a dead study and why nobody really cares. The simplicity of its fundamental laws and the harmony of their relation are obscured in a maze of pretentious nonsense, fearfully and wonderfully made. Entire vocabularies of technical terms are injected into the discussion and these serve, not to elucidate, but to render opaque what could be made as clear as crystal.

HOW can any definite conclusion be arrived at when economists persistently ignore the relation of land and its rent to production and distribution? In a word, when life is dependent upon access to land and when such access is conditioned upon private whim or profit, economists talk in terms wholly foreign to these very patent considerations. Where the private appropriation of economic rent determines the course of industry, the rate of wages, the return to capital, these gentlemen talk of "business cycles" and of "periodic depressions," as if these were the naturally ordered incidents of divine intention, like the cataclysms of nature.

IN the world of production men make things for consumption or exchange. These they must get from the earth. Instead of having free access to this earth they must pay others for its use and occupancy. The price paid is the natural economic rent, plus the speculative rent. Landowners, producing nothing, contributing nothing, are the silent partners in all industry. The more they take the less there is for those who make. As the demand of the landowners increases, the ability of production to meet the demand steadily lessens. Then the interruption comes; more is demanded than labor and capital can pay, and at the same time reproduce themselves. The "business cycle" has run its course, the period of depression has set in. We now face a period of hard times and unemployment.

AS men are turned from factory doors, they mutter bitter things against "capital." Capital wonders why labor is so unreasonable. Profits are declining, sales are decreasing, and capital cannot pay the wages that are

asked. It never occurs to either of these partners in industry to look for "the silent partner," whose subtle exactions are the real cause of the breakdown of industry. And around this problem of economic depression, just by ignoring the presence of this "silent partner," waiting in the background, so-called political economy has built its conflicting theories, its fanciful explanations. The professors of this science say nice things of one another; hail as matters of supreme importance discoveries of new and strange terms, and mixing this fearful hodge-podge serve it up to students at universities and colleges, who straightway forget it all as soon as the doors of their alma mater close upon them. They have learned nothing and most of them have the sense to know it.

IN an address to the Alumni of Amherst College President Coolidge said: "We justify the greater and greater accumulations of capital because we believe that therefrom flows the support of all science, art, learning and the charities which administer to the societies of life, all carrying their beneficent effects to the people as a whole." Undoubtedly it is this smug and complacent philosophy which reconciles many minds to the growth of modern fortunes. Instead of impressing them with the inequality in the distribution of wealth, or provoking thoughtful consideration of the growing menace of great fortunes and the methods by which they are acquired, superficial thinkers contemplate with satisfaction the great gifts made by the wealthy to art, science and education, and justify, in the words of the President, "greater and greater accumulations."

FEW men fit better into the times we live in than the present occupant of the White House. He typifies perfectly what the Germans call the *zeit geist* of the period. He is its High Priest. The status quo is his religion. With no inclination to question the justice of present economic and social arrangements, and with little capacity for independent judgment, he voices the easy and contented satisfaction with things as they are. He would as soon think of questioning them as he would hazard a voyage into unknown seas. He is no explorer, this Vermont villager; his economic philosophy is the dicta of the country store, where he imbibed such concepts as he brings with him into the White House. He did not make the world, and he accepts it as he finds it, with its comfortable standards, and he regards it all with an unquestioning faith in its permanence.

IT never occurs to him for a moment that the people are abundantly able to furnish their own art, science and education. They need be beholden to no one for these gifts if the natural fund that they create—the economic rent of land—were drawn upon for their art, science and education. Because the city of New York did not collect the natural revenue that is its own by right, the city has paid in the last fifty years in interest alone upon its bonded

indebtedness sufficient to have made it the garden spot of the world. It might have rivalled Athens in its art, Rome in its magnificence. The charities of which it boasts would have dwindled as the need for them diminished; help to those crippled and incapacitated, the blind, the halt, would have been administered, not in the name of Charity but in the name of Christ. There would not have been so many "great accumulations" for the President to boast about, but such as could have stood the acid test of a just economic order, would at least have been free from the taint of suspicion and the possessors untroubled by the consciousness that they must make their peace with God by liberal donations before or after they started on the journey to meet Him!

WE have before this commented on what seems to us the popular delusion of reformers regarding the efficacy of mere forms of government to secure fundamental changes for the better, the Initiative and Referendum, the direct primary, commission government for cities, political devices which at various times have enlisted the earnest support of Henry Georgites. As for the I and R, these now are very general throughout the states, and nowhere have they created any political or economic revolution. It is well to have these democratic instruments at hand for the uses to which in an emergency they may be put, but without a *democratic consciousness* they are of little importance, and in saying this we are in no wise opposed to the submission through this agency of measures for changes in our tax system in the direction of the Single Tax, or for the adoption of the full measure of the reform to which we are pledged.

THE error made by the enthusiastic advocates of the reforms which have so far failed of any important results, is the same as that made in the larger field of democracy by those who only imperfectly conceive its meanings. If democracy is only a form of government it is hardly worth while to struggle for its attainment. For under such forms venality and corruption, privilege and inequality of conditions, persist. Under the shadow of democratic forms parasitism flourishes. We have changed nothing merely by putting the vote into the hands of men and women, for everywhere, as Henry George has told us, it is ignorance that enslaves men, and the grossest forms of economic tyranny may continue under republican systems of government as under monarchic forms.

IT is because of the unconscious recognition of this truth that nearly half of our citizens entitled to vote do not go to the polls. It is because of this that forms of dictatorship have arisen in Italy and Spain, and now in Belgium. The inefficiency of democratic forms without a democratic consciousness is becoming more and more