

of the average land values!) The yield land values are calculated every year by capitalizing the net yield during the year, the fluctuations thus depending upon the actual yield. However, it is surprising to find that the fluctuations of the yield land values are greater than those of the inventory land values.

The following two tables show the comparison between yield and inventory values in the various land holdings for 1939, and the average of these two values for the years 1901-1938. The figures of the values are in francs per acre.

| I. 1939                                |       |       |       |       |         |       |
|--|-------|-------|-------|-------|---------|-------|
| Sizes in acres                         | 7-12  | 12-25 | 25-37 | 37-75 | Over 75 | Aver. |
| Inventory land value                   | 1570  | 1280  | 1190  | 1030  | 950     | 1200  |
| Yield land value                       | 600   | 760   | 960   | 1080  | 860     | 890   |
| Proportion of yield to inventory value | 38.5% | 58.3% | 81.5% | 105%  | 91.5%   | 75%   |

  

| II. 1901-1938                          |       |       |       |       |         |       |
|--|-------|-------|-------|-------|---------|-------|
| Sizes in acres                         | 7-12  | 12-25 | 25-37 | 37-75 | Over 75 | Aver. |
| Inventory land value                   | 900   | 700   | 620   | 570   | 465     | 670   |
| Yield land value                       | 515   | 615   | 710   | 700   | 605     | 670   |
| Proportion of yield to inventory value | 57.5% | 91%   | 116%  | 123%  | 132%    | 100%  |

These two tables demonstrate two things. First, that the proportion of yield value to inventory value varies with the size of the holdings; it is small in the small holdings, increasing with the size of the holdings. The falling off of the inventory values in the large holdings indicates the tendency of small land holders to exaggerate the value of their land, the reason for this being the difficulty and desirability of acquiring money to purchase larger estates. On the other hand, the ascending trend of yield value with the size of the holding indicates that the larger estates can be used more profitably. In a large holding, single plots can be more easily subdivided for different forms of production.

The second thing demonstrated is that these differences are partially compensated in averaging many years together, although the above-mentioned trends for the different sizes do not disappear altogether. (The two averages for yield and inventory values for the years 1901-1938 both happen to be 670, but this, of course, is a coincidence.) These averages give important means for the impartial assessment of true land values throughout the country, excluding the skill of the workers and accidental conditions. This method ought to be adopted and extended by the Peasant Secretariat (which already has the respectable number of 15,000 different assessments), so that the value of every plot of land becomes a matter of public record.

And then—the confederate government and the twenty-five cantonal governments, and the one million voters, must be persuaded of the utility and equity of a single tax on land values. Certainly it is much easier to decree restrictions . . . But is the effect the same?

## Georgeism—A Planned Economy

By ROBERT C. LUDLOW

IN the March-April and November-December 1940 numbers of LAND AND FREEDOM, I expressed the hope that Thomists and Georgeists would find it possible to resolve their ideological and practical disagreements and mutually utilize the suggestions each school offers toward the solution of our economic problems. The foremost obstacle mentioned was the "mind-set" of each group—which results in the "planned economy" outlook of the conforming Thomist and the "unconscious cooperation" of the Georgeist. It is the bruited denial of freedom of the will in the economic sphere that would make the Thomist hesitate. But, granted misconceptions of this kind be overcome, there still remains the question of the will and its place in political economy. And if, with the Thomist, we admit volitional freedom, the further question remains: Does this freedom mean freedom to direct economic life, or does this life remain outside the domain of the will? And does a denial of freedom from economic law (except at a penalty) posit a mechanistic conception of man?

We must satisfy this Thomist notion of volitional freedom—we must show that we too believe in man capable of guiding his own destiny and not altogether at the mercy of impersonal forces. But then the difficulty presents itself—how can we reconcile this belief in man with the Georgeist notion of impersonal economic law? Must we not, in justice to man's hierarchical rank and in recognition of his freedom, postulate a planned economic system? A Thomist might complain: Wherein is the Georgeist ideology superior to that of the Communist or Fascist? Does it not enslave man to an ironbound system of so-called natural economic laws? Instead of allowing man to hold his economic life before him and arrange it intelligently, would not Georgeism compel him to leave all things to impersonal laws so that economic life is relegated to the unconscious? In a word, does not the whole Georgean concept degrade man, make him a mere pawn incapable of conscious control over his life—is it not a system of thought congenial to materialism, determinism, fatalism?

On the surface it would appear a damning indictment. Indeed, there are extremely individualistic Georgeists to whom such an indictment would be applicable. Man, they repeat with the laissez-faire capitalists, must pursue his own self-interest, he must not directly work for the common good. Economic life is like the stomach, if you pay attention to it, it works badly—so leave it to natural immutable laws. Conscious cooperation, that civilized concept, we must put from us—each for himself, and then, through some jugglery of "natural economic laws" this "enlightened selfishness" will heave up communal good.

And labor? It is a commodity to be bought and sold—subject to the law of supply and demand as every other commodity. No room here for any idea of the dignity of labor, of a living wage, of the superiority of human rights over property rights—no room here for any thought of labor guiding its own destiny, forming its own association, defending its own rights.

The trouble with transferring the ideological reasonings of Georgeists and Thomists on this question to the practical realm is that such a transfer is the result in both cases of analogical reasoning. The Thomist speaks of man's dignity, his "differentia" from other animals being in his volition and intellect, and then argues that to deny conscious control of the economic process to man is, in effect, to rob him of this "differentia." The Georgeist has his example of the digestive system—how nicely it works when *we* let it work unconsciously and how badly it works when we begin paying too much attention to it. And this he transfers to the economic sphere and likens its laws to the laws of digestion. And because it is analogical reasoning neither example seems to me necessarily to hold. For since it is *we* who leave our economic life to the "unconscious" it is *we* who *will* to do so, and this implies we could *will* not to do so (though we might take a penalty). And again, there are obviously departments in which free will is inoperative (we are all subject to the laws of gravitation whether we will it or not) and whether economic life is one of these or not must depend upon which—a planned or an unplanned economy—better serves the common good. Surely if an unplanned economy *will* work for the common good it would be superstitious to insist on a planned one to conform to our ideological requirements. And if we find that the unplanned economy does not work for the common good, no amount of "digestive process" reasoning should make us stick to it. We have had some experience with the planned variety. As to the unplanned, the Georgeist would say we have never really tried it; traditional capitalist economy was a sham trial.

It is my opinion that Georgeists could very well discard Mandeville's concept of "enlightened selfishness." It might be argued that use of this notion is one reason Georgeism makes so little headway among the general population. Even if we do build, or would build, society on this principle, we wouldn't like to admit it—if our blueprints were idealistic, nothing else would be. But I hardly think that a valid throw at Georgeists, as far as the general populace is concerned. Those among them who have heard of the system think of it as another idealistic venture in the same class with Socialism, Communism, and (God help us) even Townsendism. But, apart from ideological or psychological reasons, I think, for practical purpose, we might well substitute the notion of conscious participation in economic life for the Mandeville principle.

Under the Georgeist system, we are told, if the individual dislikes the terms of his employer he can, having free access to natural resources, go off and employ himself. All very well in a simple society. But we must promise the worker something better than that today. We must offer him a more positive share in the great technical resources that exist today. Something should be done to assist him in getting the means for extracting wealth from land. We must be concerned with individual workers, and find a place for them in our social system.

To realize this ideal, we must look for a way that avoids collectivism of the Communist variety. The most feasible seems to have independent workers band together in conscious cooperation and, by their united savings, obtain the means of production. In short, to make Georgeism applicable to present-day needs we must utilize the Rochdale principles. Thus, after application of the single tax, we would proceed along the path of group (rather than national) planning. This neither implies a centralized bureaucracy, of which Georgeists are rightly suspicious, nor does it imply a "fixed market." For the products of the various labor groups (who banded together to obtain the means to operate separate industries, each a unit from the rest) would have to meet on a free market. This cooperative system is indeed what Henry George himself envisioned as a probable result of the single tax.

This utilization of the "conscious cooperation" concept implies that labor will not be regarded in the same category with goods, as a market commodity. This because, as Leo XIII points out, "the freedom which man enjoys as the ruler of creation, and the personality which he injects into his labor put upon the performance of work a dignity which cannot allow it to be bought and sold and which ennobles it into a super-material sphere." Though, from the point of logic, many Georgeists regard labor as a market commodity, I think they revolt against the notion (unconsciously perhaps) as desirable or in accordance with man's dignity.

Friedrich Wilhelm Foerster speaks of culture as "the repression of egoism." I quarrel a little with the words; I would rather say culture is the sublimation of egoism. It is a non-intellectual definition and the only one I find satisfactory. And applying it to economic systems, I would conclude that any system built primarily upon unrestrained individualism is hardly conducive to the cultural life. Just as no ideology built upon unrestrained nationalism can promote individual or national culture, so no economic system can build itself around a concept of individual greed and expect either individual or communal culture to result from it.

All in all, because of man's place in the hierarchy of beings, because of the cultural and practical reasons discussed, I prefer to think of Georgeism as what, in the last analysis, it really is—a planned economy.