

A loan on vacant land then is a loan against *possible future needs* and clearly a speculative transaction. The only exception would be where the loan is made as a preliminary advance in connection with the erection of a building for which a demand exists. The mere erection of a building obviously will not give to land a value previously non-existent, since if the building does not rent, neither the building nor the land has value. If, however, the building rents for sufficient to earn average interest on the cost of land and building it proves that a demand existed for the use of the land.

While speculators in vacant land buy in and sell out at different levels, their profits or losses depending upon the relation of price fluctuations to carrying charges, it may be confidently stated that but little land when first built upon sells for more than enough to cover the taxes paid and interest on the taxes during the many years through which the land has been held unproductive, leaving nothing to cover the "intrinsic" value of the land itself.

Second, vacant land should be rejected because it has no income. When vacant land is loaned upon, interest and taxes must be paid but no earnings arise from which to pay them. The practical disadvantages of this in an individual case of foreclosure and enforced ownership are sufficiently obvious, but such an annual carrying charge in the case of a Mortgage Company guaranteeing many millions of dollars of mortgages on vacant land might, in the event of a financial or commercial depression, become exceedingly serious."

More and more does time prove that the Single Tax attitude toward land speculation is good morals, good philanthropy and good business. To anticipate the needs of a community and seek to satisfy them is praiseworthy, but to forestall those needs in order to take toll of public necessity is to deserve no consideration whatever.

The Shepherd of the Unemployed

WE salute Urbain Ledoux, of Boston, who has sprung in one day from obscurity to fame. He has accomplished the impossible. He has dramatized economics. He has put up for auction on Boston Common disemployed men, some of them ex-service men, and offered their labor for sale to the highest bidder. He got a column on the front page of the metropolitan dailies before the censorship got information as to what was happening. Our guess is that he will be ignored hard for the future, because such plain lessons as this are not particularly desired.

And yet this demonstration is a weapon which cuts both ways. If it evokes public sympathy on the one hand, it will probably make many men who are holding out for living wages hesitate on the other. These men, when rents are still rising and whose actual living expenses have fallen but little, do not see why they must cut down the price of their labor when everything else is up. We know

all that is said about the fall in wholesale prices, but retailers have been slow to reduce costs.

What Mr. Ledoux has done is merely to show in a concrete way what Single Taxers have been preaching to deaf ears for nearly fifty years, that, under land monopoly our individual system is even harder than chattel slavery. When slaves were bought and sold, the young and the aged were taken care of out of regard for human decency, but under our system labor is a commodity, whatever the courts may say, and it is bought without regard to the fate of the human machine that renders it. We had some hope that when labor's golden opportunity came during the war, leaders of enough intelligence would arise to understand how unsubstantial would be mere gains in wages and reduction of hours of labor, and that some attempt would be made to strengthen the worker's economic position. Any expectation which we may have cherished in that direction is gone, and the landless laborer stands helpless today before an embittered employer who is wrathful over the impudence of labor's demands when the laborer had the employer at a disadvantage, and the air is filled with threats to make the laborer understand where he "gets off."

A School for Social Research

THE new School for Social Research has been organized in this city. We have received what we may call its prospectus, with list of lectures and topics. The former begin October 10th. We note the names of Herbert J. Davenport, who deserves to be well regarded as a clear and original thinker along economic lines, Thorsten Verblen, who is usually interesting if rarely clear, and others. Mr. Verblen can never tell in simple English what he is driving at, though his satire has a literary quality which sets off his work from the duller pages of his more stupid contemporaries.

A phrase that arrests us is this:

"Political economy based upon the agricultural-handicraft life of the past, or framed in terms of Robinson Crusoe's isolated economy gives us no guidance for dealing with these situations." By "these situations" we understand the writer to mean, of course, the more complex conditions of modern industrial life.

Now let us see about this and if it is so or not. Robinson Crusoe was an isolated laborer on an island. Along came Friday. Now he was no longer isolated. The two were now a community. They exchanged services either as free men, or as slave and master, or as landlord and employe. Political economy, with all its implications, is now born. If there is a difference in the desirability of land, there arises the need of arrangements for its use and distribution; a Land Tenure is established. Then follows in the wake of this all the questions which we know under the terms Division of Labor, Production and Exchange, Co-operation, Wages, Capital, etc. They exist in the precise relation of the greater complexity of modern con-

ditions. In this greater complexity nothing is changed. Here is Friday with his Labor, Crusoe with his Capital, in the shape of tools he had already fashioned or recovered from the wreck, and the land from which both must live, and from which wealth and capital may be produced. This is all there in the Political Economy of Crusoe and Friday, or that of Crusoe and Friday multiplied a million times. To attempt to persuade their pupils that there is something vastly different between them, the New School for Social Research is pretending to something that may seem to add to their magnitude and importance. But we assure them that they are needlessly multiplying difficulties. The discovery of the island of Juan Fernandez and the coming of Man Friday is not essentially different from John Jacob Astor's discovery of the island of Manhattan and the coming of innumerable Man Fridays. No different relations are established; the elements of Political Economy are all here in the social and economic relations on the two islands.

But the New School for Social Research is now launched. All questions concerning man's social relations are now in a fair way of being solved. We rejoice at the announcement that "There will be an attempt at factual rather than normative generalization," and that "An attempt will be made to explain the implicit assumptions involved in the prevailing technical treatment of such subjects as frequency distribution, types and averages, measures of dispersion, homogeneity and heterogeneity (alas for Herbert Spencer, whom ever saw the use to which his collocation was destined to be put by men who do not possess his power to think clearly and to express themselves clearly!), index numbers, correlations, etc."

On Thursdays the Course (which is 42 on the programme), includes:

"Relation of the theory of errors to statistical theory. Theory and technique of the mathematical treatment of statistical frequency curves. The statistical problem of two variables. Linear and non-linear correlation. Importance of the equations of the regression lines as representing empirical laws. Infrequency of the linear law in statistical material. Correlation with time. Elimination of spurious correlation due to secular trend. Method of variate differences. Empirical laws of growth. The problem of three or more variables. Multiple and partial correlation. Simple cases of non-linear, multiple and partial correlation."

We lay down this announcement. Perhaps our levity will seem unpardonable, but we felt like Artemus Ward:

"We busted into tears and resolved to lead a different life—not necessarily a better life, but different."

"WHAT is wrong with our management of affairs when a man who is willing to support his family is denied the means of providing for them?" asks Edna K. Wooley. It's a good question, Edna; let's have your answer to it.

—H. M. H.

Fundamental Economics

SECOND PAPER

FINALLY, I come with considerable trepidation, to consider those who say, that not less government, but more, is what we need. Not to shake government loose from human activities, but to put all human activities into the hands of the government. I refer to our friends, the socialists.

We are dependent, say the socialists, in th's modern age, upon accumulated capital; that a very few people, the capitalists, control all this accumulated capital, which enables them to exploit the masses of the workingmen who have to use it; that the workers in addition to producing what is necessary to maintain their health and strength, produce a surplus value which is stolen from them by the employing capitalist; that this is the cause of the poverty, misery and want in the land, and that the only remedy is for society, in the name of all the people, to take charge of these means of production and distribution that are now under the control of the capitalist, and to operate them for the good of all the people.

The socialists are just as honest and intelligent a body of men and women as can be found anywhere, and I do not mean to disparage them in the slightest when I say, that in my opinion, they have not touched the fundamentals of the questions of economics.

SOCIETY DEPENDENT UPON ACCUMULATED KNOWLEDGE

Society is not dependent upon accumulated capital, but upon accumulated knowledge. Capital is but a form of general wealth production, and labor, basically considered, is not dependent upon capital either for employment or for compensation. Labor and land are really the only necessary factors in the production of wealth. It is land and not capital that supplies the material to labor, both for sustenance and machinery. It may be better for the individual to be under the benevolent tyranny of the bureaucracy, than under the selfish tyranny of employers, but because experience has shown, that in some instances, the government can obtain results with less expenditure of human efforts than can the individual, it does not necessarily follow that it can do the same in every case. Numberless articles of comfort and luxury can always be made to better advantage in individual shops—stamped with the craftsmen's individuality. The modern tendency seems to be turning in this direction. The scale of labor is actually fixed by what labor can earn under the simplest conditions, and not by what it can earn under the most complex. Labor in the nature of things is not dependent abjectly upon capital, for over three-fourths of the farm products are produced today with appliances of the simplest, and in some cases almost primitive, character. The poultry crop of last year about equaled the wheat crop, and the hay crop doubled the value of the cotton crop.