AMERICAN IDEALS

Their Economic and Social Basis

PART 2

WHERE HOPE LIES

By

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ERRATA

Foreword - line 26. For best read least.

Chapter I, page 2 - line 31. For life read lift.

Page 52 - line 11. Read "was worked (by all the people as a common project. The elders & others), with an urgent sense of responsibility,"

Page 61 - line 5. For farmful read harmful.

Page 68 - line 36. Delete word diction.

Page 72 - line 5. Should read "shop rent or office rent"

In this book, the word "expedient" is used with its favorable connotation, meaning simple, practical, and workable.

PART TWO

CHAPTER VI
LAND, THE INDISPENSABLE BASIS OF ALL HUMAN ACTIVITY AND LIFE
The Source of Individual Independence

Peoples' dissatisfaction with conditions of working and living, often due to governmental, ecclesiastical, economic or military tyranny, or to overcrowding, famines, or the crushing exactions of landlordism, or to smaller considerations, have been common all through history.

Migration, the deliberate act of leaving a home, a town, or a country, has frequently been the result of peoples' determination to escape unhappy situations in search of a better life. Obviously this requires that there actually be some place, some spot or area of the earth's surface, to which it is possible to move where there is room and opportunity to establish new living arrangements.

There have been migrations of varying degrees of magnitude and importance. I have known personally numerous individuals and families who came to this country in the past sixty years. A dozen families or so recently left this country for the wilds of Costa Rica, for reasons of religion and justice, and have set up a small colony. As a family we left Boston in 1910.

But the migrations of most importance to this study were those of people to, and subsequently within, this continent, resulting in the founding of a new nation.

Peoples' coming to America has already been described in the first chapter. Settling along the Atlantic seaboard they attained enough relief from old oppression to be satisfied for a time.

But the growth of population and fresh discoveries made a new, inland migration natural and inevitable. However, this development was retarded for many years by continual warfare. The colonists were caught in the new-world echoes of the wars between old empires, these wars, raids and massacres being rendered most hideous by Indians who were used by both the British and the French in their rivalries for the continent. These wars never ceased until 1760, being at last ended by the British victories of Jeffrey Amherst at Crown Point and at Ticonderoga, and of James Wolf at Quebec, and by the horrible exploit of Captain Robert Rogers and his Rangers who wiped out the Indian village of St. Francis, on the St. Lawrence River, to which nearly all the tattered remnants of the tribes in New England had gathered. Yet no sense of safety could have been felt by inland settlers for another three years. But peace was finally assured by the Treaty of Paris in 1763.

I am somewhat familiar only with that part of the new inland migration, consisting of people from the old "Bay Colony" and from Connecticut, that came northerly up into the royal province of New Hampshire and into the "New Hampshire Grants," as that territory, lying west of the Connecticut River and later to be named Vermont, was first called. We can presume that this group of settlers, moving in from the increasingly-populated seacoast, was typical of all.

Ethan Allen, later joined by his brother Ira, was among the most illustrious explorers and leaders in this period and place. Leaving home in Cornwall, Connecticut, in the spring of 1768, he rode north on horseback, up into the "Grants." He ranged widely, from Lake Champlain to the Connecticut River, even traveling to Portsmouth, where he bought from Governor Benning Wentworth of New Hampshire a tract of land in the "Grants" for himself. All through the new territory, he noted what a fine place it was for settlement. There was timber; there were many fine water-power sites for grist and saw mills; there were flat areas suited for clearing, and even some intervales of virgin grass lands; there was an abundance of game and fish -- perhaps trout in the Battinkill then as now! In the fall and winter, back home in Cornwall, he told his neighbors of all he had seen, stimulating the northward migration. He saw the beginnings of a great struggle on the "Grants," between relatively modest settlers seeking land on which to live and work, having bargain-rate grants from Governor Wentworth, against the great speculators from New York conniving with their governors in attempting to establish on the "Grants" the manorial system of landholding. Allen at once allied himself with the former, organized and lead the Green Mountain Boys, and defeated the "Yorkers" and their "infernal projections."

Mill Hollow, where I live, in New Hampshire, was once a busy little hamlet, first established by Bay Colony and Connecticut people who brought with them their architectural, agricultural, and mechanical traditions. From the window by which I write I can look down over the unbroken snow at a natural feature of terrain that originally determined settlement and long economic activity here. Out of the area of open water and swamp of the "Great Pond" flowed a small brook, level for a little way, then down over ledges and through a winding gorge. Here was power! Settlement, farming and industry followed the establishment on this brook of the town's first grist mill in 1767, on the site of my present mill. Just below that came its second saw mill in 1770; then a starch and rake factory; next a blacksmith shop with "triphammer," and last a tiny spinning mill. The year-round power at all five sites was greatly improved after 1771 when they raised the "Pond" eight feet by a stone dam with regulating gate at its outlet, creating a fine reservoir. Such mill sites, each with an opportunity to use some "fall" of the brook, provided by Nature, were so valuable during our first century and a half here, and their econ-

omic nature was so well understood, that in old deeds and documents they were commonly designated as "mill privileges." Carding and fulling machines were soon set up here, aiding still further the agricultural pursuits and household industries and success of the community that grew up here.

Elsewhere in our town had happily been found one of the virgin grass intervales that made possible the feeding of cattle the first winter, Nature's first offering to her patrons, in 1752.

Mica was discovered in 1810 and has supported economic activity ever since. I lived as a boy in a house of bricks made of clay dug up only a mile and a half away. The smallest water wheel, an antique, now in use in my mill, is of "bog iron" dug only fifteen miles away.

These are a few examples showing how Nature's creations, substances and forces have aided men in their first efforts to get and maintain a foothold in any new region.

It is important to realize just how people would have contemplated the move to a new region beyond the frontier for a new life and fresh opportunity, and what economic concerns they would have had.

When Ethan Allen returned home to Cornwall, like any other explorer back from the interior, he would have been surrounded by friends and neighbors all anxious to hear of his adventures and of what he had seen. Winter evenings, around the blazing fireplace fire, long pipes would have been smoked; the "flowing bowl" of hard cider, flip, or "madeira rum diluted with whiskey" would have been passed around many times, as Allen told of all the good things about the "Grants" favorable to new settlement. He wanted to promote settlement; they wanted to try it. And they would have asked him many questions, all about what it was like up there. Is it at all conceivable that anyone asked him, as we might today, what the employment situation was? Whether wages were high or low? Or about tax rates? Of course not! Such men had been pioneers once or were full of the stories of how their fathers and mothers had been. They knew what the basic requirements were to make a place suitable for settlement -- land for crops and pasture; timber for building; power sites for mills and shops; fish and game; minerals, like stone for building, clay for bricks, "bog ore" for iron, and other natural resources. Allen said the "Grants" had them all.

The whole territory "belonged" to the King, represented by his provincial governor. How could one get a tract of land up in the "Grants"? Ethan could have reported that that situation was favorable, as Governor Wentworth, like Henry Ford of a later age, saw the advantages of mass transactions at low prices and had an interest in there being large numbers of successful pioneers.

Hundreds of families took up the challenge of fresh opportunity. On horseback, in canoes, on foot, leading their stock, lugging their few essential possessions, northward they headed up into the now-safe, waiting, freshly explored wilderness. Putting first things first, they opened clearings, put up cabins, dug into the soil, applying their labor to the land, doing the most urgent, simple tasks required for a bare existence, aided by capital in the elemental form of such hand tools as they would have brought with them -- hoes, scythes, chisels, hammers, augers, saws, knives, guns and, most important of all tools, axes.

Modern man, never having, himself, "pioneered," and being steeped in the narrow concepts of economic terms used loosely today, and with perspective limited by our habits of narrow specialization, might naturally wonder just how economic society could have gotten its start in a new land.

How about employment?

All the offerings of Nature were available. The needs of the man himself and of his family would require every bit of time and energy of them all!

How about wages?

Their entire production of building construction, food, clothing and fuel would be theirs to keep, as their wages.

How would industry really get going, or economic progress be made by which something better than just a bare living could be had? What about any amenities in life, schools, churches, doctors, artisans, neighbors, communications? As anyone then would have known, all these would have come in due time after a few had gotten a foothold on the land.

When some of the first desperate needs were met, then some steps could be taken toward progress. With hand tools and methods, using what lay at hand, the more extensive capital equipment could be made. The first saw mill in Newbury, on the "Grants," was made of stone and timber and odds and ends gathered locally, only the iron crank having to be brought in from Manchester, fetched back eighty-five miles cross-country over the snow on a handsled by several men on foot. The mills and shops eased the labor of meeting local needs for feed, lumber, iron parts and utensils, cloth, and other things in ever-increasing multiplicity, and created a surplus exchangeable for products from afar. Horseback trails were widened and cleared for wagons and sleds, allowing the growth of economic exchange. Combined interest and resources created churches and schools.

Progress consisted in ever-increasing refinements of these economic and social facilities, guarded by government properly extended in scope only as far as deemed necessary by a self-reliant people grounded in reality. Life became easier, fuller, and safer.

Again, as this chapter is to emphasize, everything depended on access to land, this being the real object to be gained by migration and re-settlement. If it be claimed that settlers had intangible objectives in mind, such as religious or bodily freedom -- still, personal access to land was what made possible the escape from old, oppressive conditions.

Our ancestors understood all this perfectly, even instinctively.

But is it understood today? Or is it true? Do people need or use land today? I venture to say that most people have never given it a thought, but if asked would say, at first anyhow, that No, they did not have any need for land.

Such a belief is perhaps not surprising, considering how most of us live.

Probably more than half of Americans live in an urban setup or environment, owning of land, if any, only a lot sufficient for house and garage, perhaps a few trees and flower beds. The lot will have no bearing whatever on the economic activity of the owner, his work being elsewhere. He may appreciate his city, or the road leading past the house to the city, but these values he will usually think of as advantages of the house, not of the lot of land. A large proportion live in rented apartments, in large buildings, tier on tier. For the rent paid, the tenants see they have many advantages, the security of roof, floor, walls, heat, light, elevator, plumbing and appliances, with no worries about repairs or snow removal. The location, convenient to work, stores, entertainment, transportation, and so on, will be appreciated but will be thought of as an attribute of the apartment, not of the land on which the building stands.

Most people work for an employer who will have bought the land site and put up the building, who gets the orders, lays out the work, furnishes the materials, recruits and pays the help, and undertakes the sale of the products or services. Does a woman running a sewing machine, drill-press or typewriter think her work depends on land? No; the cloth, sheet metal or paper are brought to her, she does her part on them, is paid every week and goes home every night. Does a man running a turret lathe think that land is important to his work? Hardly! He may hope there will be no shut-downs in the mills where the bar-stock that he machines is smelted and rolled, but, if he ever heard of it,

he would leave it to others to worry about the ownership or depletion of the mines in the Messabi Range. Less than 10% of our population actually themselves engage in farming, the very most obvious use of land.

No, the average person seldom owns or directly uses land, and therefore seldom gives it a thought. But try to imagine a hypothetical combination of circumstances like this: all farmers evicted from the land; all miners locked out of the mines; all fishermen driven off the sea; all oil well drilling and pumping stopped; all lumbermen ordered out of the woods -- in short, all "extractive" industries, those taking wealth directly from land, brought to a dead halt. Bankers and economists immediately, and all other people eventually, would realize that if this condition continued a few weeks or months, it would be serious. In a year there would be panic and chaos. Relief through "unemployment compensation" and others of our highly touted safeguards would be short-lived, for soon there would be nothing to buy with the money doled out. But even assuming an early and happy ending of this basic work stoppage, people might at least have caught a fleeting glimpse of society's utter dependence on land. I almost wish such a thing could be staged for the value of the lesson to this modern age!

With only a little reflection it becomes obvious that modern society, just as significantly as earlier societies, is utterly dependent for its residence and its work on the areas, forces, and substances of Nature -- the attributes of land as defined in economics.

It may appear at first that it is not necessary that <u>all</u> men apply themselves personally to land, but that it is only necessary that all be members of a unified society practicing specialization and exchange on a permanent business basis, in which a sufficient number engage in the activities that apply labor and capital directly to land to supply society's needs for housing and for the raw products of land.

That is perfectly true.

But it is necessary to consider the terms on which land is held by its title holders, and the terms on which such holders allow the use of land by others.

This is **THE LAND QUESTION:** On what terms, if at all, are people to use land?

Failure to recognize and deal with this question has created and maintained a division of society into a land-owning class and a landless class; it has interfered with the production of wealth

and with its just distribution; it has tended toward an unnatural concentration of people in cities.

When people are landless and able to contribute to the productive processes only their labor, and when possessed of no special skill or education, they are almost completely vulnerable to exploitation in the labor market, shorn of the real bargaining power which independent access to land should give them. When the English people during the early stages of the industrial revolution were forced off the agricultural countryside of their native land through the division of the "commons" into great landed estates, they congregated in superabundant numbers in the slums of growing industrial cities, competing against each other in the "workhouses" and factories, driving wages down to a level of bare subsistence, if not lower. Growth of land monopoly throughout the country, and, no doubt, the deterioration of old ways and arrangements, precluded the possibility of a return to old ways or retreat from exploitation and evil living conditions in the cities. Those that migrated to America and to Australia, where land was easy to get, largely escaped that fate.

The same thing took place in the days of ancient Rome, where the creation of "latifundia," the large estates of the wealthy, were carved out of the public lands, leading to the depopulation of the countryside and the decay of agriculture, as displaced peasantry and yeomen crowded into Rome, forming an idle, lawless mob, their lot unmitigated by any industrial revolution. This rise of a landless, idle class was one cause of the fall of the empire.

Every study -- even those made or reported by Americans -- of the economic conditions in the poorest countries, such as those in South America or in south and southeast Asia, reveals the realization of the land question and of the need of Land Reform. The basis of the problem in those places is seen to lie in the concentration of land ownership in the hands of a rich, aristocratic, dominating few; wide distribution of land among the serf-like millions is recognized as an urgent need. Although recommendations for reform are usually poorly thought out and complicated, it seems to me, or tightly circumscribed by adherence to false rights in continued, special, untouchable privilege, yet the need of land reform of <u>some</u> sort, at least, is clearly seen.

I wonder why people who make apparently objective studies of such foreign conditions never apply themselves to the same needs here. Perhaps they think, since, as they say, "We are now predominantly an industrial rather than an agricultural nation," that the land question is of little or no moment to us, or that in some way we have progressed beyond the need of considering land in the economy.

Actually, Americans are being crowded off the land in somewhat the same way as were Englishmen, as heretofore mentioned. Some historians, of course, have written that what was formerly thought of as "free land" beyond our western frontier, which acted as an outlet or safety-valve for our growing population, is now gone. More accurately they should say that it is no longer freely available. They seem to give little thought to whether it is gone practically, or legally, or physically, or to what extent it is now all in actual use.

The fact is that it is no longer available except at high, speculative price.

Before white settlers came to America, no acre of it could confer any special advantage to anyone, and so no owner could have commanded any price for it. The whole of Manhattan Island was bought from the Indians by the Dutch in 1626 for $24.00 worth of beads and other trinkets (a price practically equal to zero) but would now be valued in the billions. The pasture and woodland around Lake Winnepesaukee in New Hampshire now sells for $60.00 a foot along the shore. Much of the best farm land in Iowa sells for $600.00 an acre. The growth of our population to nearly 200,000,000 has created these values and prices. I am not forgetting to "Render unto God" all credit due Him as the Creator of the earth and all that in it is, but it is Man who has given rise to exchange value, or price.

The following chapter will describe our system of land tenure, with its good and its evil phases.

CHAPTER VII
THE PREVAILING SYSTEM OF LAND TENURE
What is Right About It and What is Wrong About It

"The Gods of the Hills are not the Gods of the Valleys."
Ethan Allen Albany, 1st June, 1770

In the preceding chapter I have tried to show the importance of land to society; how land, with all its areas, substances, and forces, is necessary to any new migration of people in affording to them the area in which to live and the means for supporting life; and how, in spite of popular ignorance, land is just as important to society now as at any earlier time. In this chapter I shall describe the manner in which land is held as property, and its good and bad phases.

In the Pilgrim Colony of Plymouth, during the first two growing seasons, the land on which crops, principally corn, were grown, was worked with an urgent sense of responsibility, themselves working too, directed all to exert themselves to the utmost in the common task of raising enough food to keep alive and become solvent. All shared alike according to the needs for immediate consumption, for trade with the Indians, for the payments of debts to the "London adventurers," and for the purchase of supplies from "home." This was a socialistic arrangement, obviously; each person was supposed to work as hard as he could; the results of the work were, in effect, pooled, and then divided equally or according to needs as these were judged by those elected to authoritative positions under terms of the "Mayflower Compact."

But the equal division of products among those who had exerted themselves with unequal conscientiousness led to much dissatisfaction. So in the spring of 1623 the crop lands were divided into separate parcels and cultivated by the different settlers and their families, each producing all he could and, except for some contributions to the common stock, keeping all he produced. This resulted in greater justice and greater production, for, in Governor Bradford's own words, it "made all hands very industrious." (No doubt, in any age, coming face to face with necessity on one's own is a greater stimulus to productive action and the development of personal powers than any system of discipline or coercion exerted by elders, the owners of slave-operated plantations, or directors of collective farms.)

In this way the private holding and cultivation (though not yet free and clear ownership) of land began in America.

A century and a half later, as already described, land was being granted to individual settlers -- or in whole townships to

groups of "original proprietors" who in turn sold farms to settlers -- by the king of England as represented by his provincial governors. And still another century later, the United States government was dividing the public lands into counties, townships, sections and farms, and selling these to settlers for very nominal prices. Land holdings have been bought and sold, divided or merged, by private parties according to their own private dealings, ever since. Although today some land is held by the people as a whole, in highway rights of way, public squares, cemeteries, reservations, parks, forests, and institutional grounds, yet the great bulk of the land of the country is in private holdings. No land now lies unclaimed.

The individual tenure of land for individual use is both natural and right. It is conducive to the stability of individual lives and rights and of the life of communities, and to the assurance to all people of the results of their labors. It tends to assure that improvements made upon land can be enjoyed for a long time by those thus expending their efforts, such assurance being the natural incentive to make improvements. Improvements are of various kinds: clearing, draining, leveling, fencing, or fertilizing; rendering land traversable by roads; the erection and servicing of buildings and industrial works. The hope of relative permanence of tenure of land and its improvements encourages this work; but the prospects of primitive tribesmen, tenants or share-croppers, lease-holders, or collective farm workers do not encourage the making of improvements. Although it is true that many improvements, in fact many spectacular skyscrapers, are built on leased land, yet in these exceptional cases it is evident that the bargaining power of the parties to such leases were sufficiently equal, or other factors were such, that the lease-holders have obtained terms practically as favorable as the outright purchase of the land.

Again I say that private holding of land by individuals or groups, is natural, expedient, and right. It is one of the essentials in the foundation of the American ideals of freedom and independence.

But there is a broad realm of landholding which, though it is to be expected under present, unjust laws, customs, traditions and beliefs, is, nevertheless, most emphatically <u>not expedient and not right</u>. I refer to the holding of land for purpose of <u>speculation</u> and <u>monopoly</u>.

The growth of land values due to the growth and progress of society was mentioned at the end of the preceding chapter.

The <u>prospects</u> for the increase of land values and prices in

any particular area large or small can be fairly well judged by any mature person who puts his mind on it. He may judge by such factors as the following:

The building of a new sidewalk, street, subway, highway, super-highway, railroad, or inland waterway -- or improvements in any of these -- such as to better the communication of this area, both within itself and between this area and all others; (See Appendix D for a striking example from history.)

The growth of population and its need of more area for dwelling:

The coming of postal service, electricity and the telephone;

The increase of commercial activity or service, such as manufacturing, warehousing, storing and retailing of goods; banking, technical and professional services;

The increase of public services, such as water and sewer systems, police and fire protection;

The increased use by society of oil, coal, gas, forest products, and minerals of all kinds, found naturally only on certain lands;

The increased desire for recreational areas, at such places as lake shores, and mountain slopes for skiing easily reached from cities;

The increase of civic and cultural life and facilities, such as libraries, museums, schools, hospitals and churches.

Any person able to read this far must know the effect all these elements of human progress and achievement have had in increasing the values and prices of land. Whether in use at present, or lying vacant and idle, all lands will increase in value and price through the effects of all these listed elements of the progress of all society.

It is essential to note that the increase in land value and price is not due to anything the owners, only as such, have done.

Owners of land may have never removed a tree or a rock; they may have never altered in any way the original, unimproved state of Nature in which land is found; they may not reside in the region at all; they may have never even seen their land! Yet their land will, by value and price, reflect the growth of society just as much as will nearby lands in intensive use. Land values are attributable to society, not to individual owners.

Since, by long established custom and law, increases in land value accrue to the land and become the property of title holders; and further, since increase, not decrease, is the general trend everywhere, assured by the expectation of progress, land is therefore the object of speculative investment. This is a universal tendency found throughout the civilized world and over the whole period of written history. It has tended toward societies made up of a relatively well-to-do but small, land-owning class, and a relatively poor, but large, landless, or tenant, class -- a condition in which the land on which all must live becomes the property of a few.

Land monopoly by the rich and powerful dominated the economies of the ancient and medieval worlds and was the basis of great fortunes and mass poverty. It was an essential element of the feudal system, the manorial system, and of colonialism. Land speculation tends toward monopoly, and though we in this country may have nothing like monopoly's ancient manifestations, still it has conditioned our economy up to the present time and bids fair to continue indefinitely.

Though the speculative holding of land affects adversely every phase of our economy and every area of our country, just at present its effects are most strikingly visible around our cities in what is called "urban sprawl." This is the unnecessarily extensive, disadvantageous spreading out of city or suburban growth, depriving dwellers of the advantages of the compactness of convenient, well-planned cities, destroying the natural unspoiled beauty of the rural countryside, putting society to the expense of maintaining streets, roads, walks, sewer and water pipes and other utilities and services past the vast, idle, unsightly areas still held out of use that separate the widely dispersed areas actually put to use, and subjecting society to the expense, lost time and monotony of constantly travelling long, extra distances past idle areas.

It would be pointless and unfair to blame land speculators for their practices. They only do what law and convention allow and what economics prompts them to do. You and I might do the same if we could! If there is the opportunity to acquire today some object whose holding costs nowhere near equal its probable gain in value, with the chance of selling it later at a profit, what sensible person would not avail himself of it? Of course all land is taxed to some extent, and this does constitute a holding cost. But the amount by which the growth of land value will exceed the accumulating taxes is an amount usually much greater than the interest, at average rates, on the initial investment; and this accounts for land being, most everywhere, and especially in areas seen to be in the path of progress, perhaps the favorite object of "investment."

Even federal tax policies, regarding income derived from the profitable sale of lands that have increased in value during one's ownership, as a capital gain, are such as to tax such income at a lower rate than income derived as wages earned by working!

No, we cannot blame deliberate speculators for doing what they do. And they are not different in kind from all other land owners, who, regardless of why or when they acquired land, nor how much they may have of it that they will never use, will think twice before selling any at a price they might readily get today if, by holding it a while longer, they might get more. I have known hundreds of people that these statements apply to. What they do is against the interests of society, yet personally they are good people, meaning no harm. Simply put: "They know not what they do."

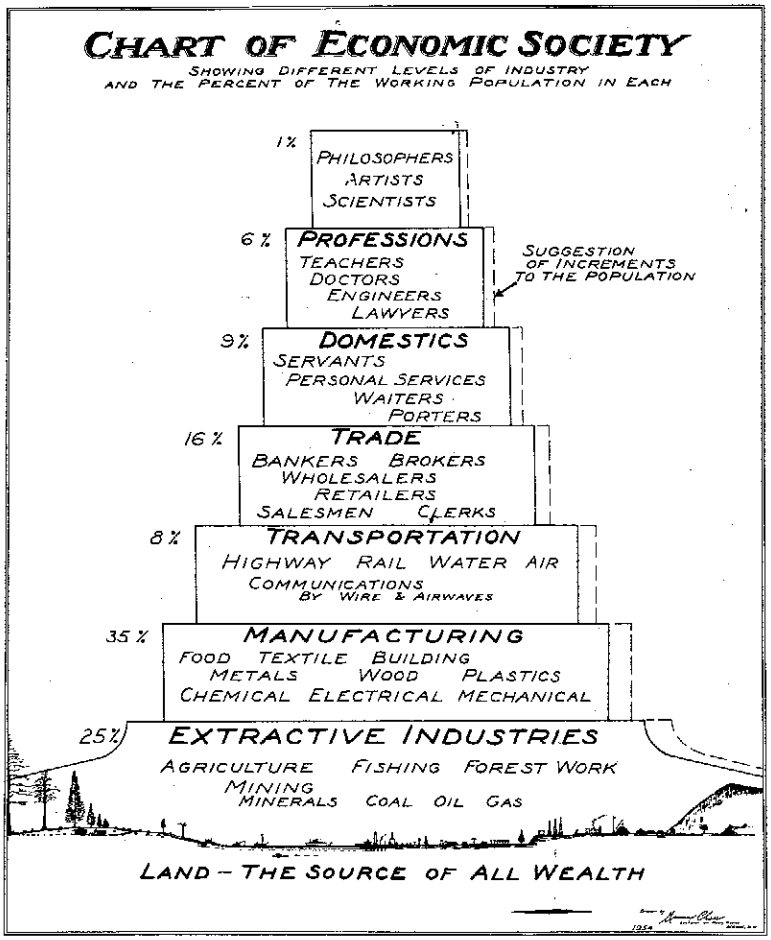
Land speculation -- the holding of land not for use but merely in order to reap the gain in value due to the expected effects of the progress of society -- is an unmitigated curse to society.

The importance of land, as described in Chapter VI, is in its use by people for living and working. It is not a legitimate object of commerce. Trading in land is not a part of productive enterprise. Since land, in contrast with capital, is not the product of labor, no one needs to be paid for it in order to bring it into existence; it is in existence already. Speculation in land tends to withhold it from use, pricing it out of reach of those productive people whose labor is necessary in the support of society.

As population increases, and as progress finds uses for new products and areas of land, additional increments of all classes of land, not heretofore in use, would naturally be brought into use. And in this country there is plenty of land of every class not yet in use -- enough in fact for several times our present population. But all unused land, and especially that lying in the general path of progress, is held at speculative prices, creating a seeming or artificial scarcity of land available, so that the growing and productive elements of society can advance, if at all, on to new lands, only under the burden of inflated prices.

The accompanying chart shows the general form of the build-up of economic society. I do not claim complete accuracy for the figures on the percentage of the population working in the different levels. But the diagramatic idea of society as a pyramid, built up layer on layer, is certainly perfectly valid. The most basic and important elements of society are shown at the bottom, working on land, constituting the foundation of all society; the

most recently developed, least essential elements are shown at the top. Looked at from the standpoint of the history of a developing society, or from that of society at any given moment, the general form and content of the chart have, I think, a clear, symbolic validity. The dotted line on the right, labeled "Suggestion of Increments to the Population," indicates a normal expansion of activity taking place on all levels at once. Whatever would restrict the free expansion of new people on new increments of land brought into use, as land speculation does, would tend to force all new increments of population into all other levels -- levels of activity not requiring individuals to acquire land. And indeed that is the case; except in those professions requiring long training and great fortitude and hard work, there is great over-production and over-staffing, great fear of unemployment and resistance to technological progress. Those unable to acquire land or natural opportunity, so as to be self-reliant, simply have to work for, or accept terms offered by, those who do own land.



New Hampshire and Vermont, especially the latter, used to be thought of as strongholds of democracy, independence and self-reliance, pockets of a rear-guard resistance to the march of a debilitating modern age of interdependence, stultifying mass-production, monopoly and bureaucratic management of economic life. Calvin Coolidge, Daniel Webster, and even Bernard De Voto, spoke and wrote eloquently of the resolute courage and other unique virtues of the people of those states. Personally, I doubt if they had any more fortitude or brains than did those who peopled the mid-west. But anyhow, the "fight" is fast being drained from them now. The effects of forces tending to render obsolete their small industries and agriculture and quiet way of life are being further enhanced by the rising price of land due to speculation, making more and more hopeless any attempt at independent economic life, putting land out of reach of the coming generations of people who are young, active, perhaps even idealistic and, against some odds, wishing to establish themselves, ready to help do the work of the world and bless their communities with their new blood, but who are naturally not yet able to pay today's inflated land prices. No matter how satisfactorily that burden on youthful economic activity might seem to be "financed," nevertheless it is there, and it is piled on top of the usual burden of unjust taxes on all industry and the inflated capital costs afflicting new industry and agriculture, all to be described later. Such desirable people are being constantly excluded or driven from the countryside for lack of broad opportunity, gravitating to cities, to live as tenants and to work as dependent employees. This is happening all over the country; I see it especially in New England.

Up at Burlington, Ethan Allen would indeed stand up in his grave, toppling the tall shaft of his monument, and let out a yell if he knew how those "Yorker speculators," literally and figuratively, have gotten in here after all, and helped run up the price of land, creating an artificial scarcity of natural opportunity. And our leaders have been just as little awake to this trend and its effects and how to stop it, as if they too had long lain "six feet under."

But in the cities, where the advantages of progress tend to be centered, there especially the price of land reflects not only the value of these advantages, but it reflects also the expectation of still greater progress. This applies to business and residential areas alike. In the latter it should be added that the minute subdivision of land into tiny lots by speculative developers practically assures future depressed and slum conditions and all the social problems associated with them.

All lands bearing valuable resources, regardless of where they are, but if accessible at all, are prime objects of speculative investment and of the tendency to withhold from use for future, higher prices, or are monopolized and used by favored industries based upon them.

Often the rising price of land is "pointed to with pride" and thought of as a good thing, a sign of the progress of a community. Of course in a way it is, but only for the fortunate few who own land in the direct path of the growth of that community, whose land has been made valuable for them by the rest of society.

But the overall effect of high land prices and speculation is to divide society into a smaller and smaller land-owning class and a larger and larger tenant class, tending to make the earth, on which all must live, the property of a few. How far this tendency might go was shown some years ago by a world-wide study, indicating that the land of England was owned by 1.6% of the people of England, of Germany by 5%, and of this country by 10%. By a recent estimate, most of the land of Peru, South America, with an area of 514,000 square miles and 10,000,000 people, is owned by about 25 families, whose control of most of the jobs there illustrates how the control of land, or natural opportunity, enables a few hundreds to control the lives of millions. And these are only a few examples of the extent and meaning of the concentration of land ownership that exists in varying measure all over the world. Whatever the exact facts and figures may be now, this tendency is not in accord with AMERICAN IDEALS of justice and equality of opportunity.

It should by this time dawn on us that the general restriction in the free and expanding use of land by a growing country, caused by land speculation and inflated price, could not help being a large part of the cause of poverty amid plenty; of our division into rich and poor; of our unemployment and depression; our largely vacant and decaying rural areas, and our over-grown, over-crowded, slum-ridden cities.

Recalling the general symbolism of the chart, I am reminded of a remark once made by Henry George, replying to someone who had spoken of our abundant opportunity. He said: "It is often stated optimistically that there is always plenty of room at the top, but I say the trouble is that there is not enough room at the bottom."

It is reported that in India there are 155,000,000 sacred cows, eating off the scarcity of that poverty-ridden country and made no use of whatever by the people because of religious reasons. We think that is stupid, and make a sorry joke of it.

Now in this country, our idea of what is sacred is the possession of the value of land, created by all society, by individual title holders and their right to hold unlimited areas of it.

Are we in a position to call the Indians stupid?

Before we do, we should put our own house in order, re-examine our best ideals, and see how to implement them by just and expedient laws and customs.

The earth was not created by any of the people, but is indispensable to the lives of all of them alike, so must be recognized as their common heritage. The value of land is created by all people collectively and so should be shared collectively. Wealth is created by the labor of people individually and so should be possessed by them individually.

These are the essentials of public and private rights, and are the economic basis of our ideals.

How to put these into practice is discussed in the next chapter.

CHAPTER VIII
THE ESTABLISHMENT OF PUBLIC AND PRIVATE RIGHTS
The Basis of the Solution of Problems of Economic Justice, Poverty and Business Depression

In this work, so far, I have indicated certain individual and public qualities which, when we consult our consciences, we know to be worthy ideals; how our adherence to them has deteriorated; and how we are afflicted by many problems not befitting a well-balanced society. I have shown how a farmful though legal phase of land tenure has retarded the natural growth of society, tending to enrich some, to impoverish others, and to lead to a lopsided society with too many concentrated in cities and with a loss of personal independence throughout.

I believe the separation of people from land, and the denial of their rights to its values, are largely the cause of their poverty and lack of independence and opportunity to be productive, which in turn has given rise to the growing burden of a government of tyrannical paternalism to which they futilely look for a presumed security. Lack of personal imagination, initiative, and energy has blinded them to what many could do for themselves.

The final chapter in this essay deals with improvements in life that lie within the reach or power of individuals. This chapter and the one following deal with reforms depending on public action.

Taking up the "land question," so-called, I refer once more to the reason for land speculation: the chance that present policies and arrangements afford to individuals to collect the publicly created value of land.

After acquiring land for this deliberate purpose, or simply continuing to hold land after long possession, one may reap the rewards of title to land in two different ways between which he will choose, according to his particular ideas or circumstances, but both of which will tend to yield equivalent results:

1. He may simply hold title for a period of time, awaiting the growth of the community, and then sell at a profit. This is certainly so axiomatic as to need no illustration at this point.

2. On the other hand, he may lease the land to others, either with or without improvements, and collect the rent of the land, in periodic payments, from them. If the improvements are his own, then a part of what the tenants pay him will be for interest, depreciation and taxes on the improvements. Furthermore, if he maintains and services this property, then a part

will be for the wages of labor.

To illustrate this set of conditions, let us consider the business of the owners of hotels and of the lands on which these stand, located in various sized places and in which I have seen that services rendered are of practically the same quality. (Charges were recently quoted on the same day, for single room and bath, by room clerks.) Assuming that the total costs of interest, wages, depreciation, and taxes (IWDT) might be about $3.00 in the case of each room -- and they would be somewhere near the same -- we may arrive at figures which reflect actual land rent in those several communities, as shown in the following table:

TABLE 1

PLACE	POP.	HOTEL	CHARGE	IWDT	LAND RENT
Manchester, Vt.	2,500	Old Tavern	3.50	3.00	.50
Bellows Falls, Vt.	4,000	Windham	5.00	3.00	2.00
Manchester, N.H.	85,000	Carpenter	6.50	3.00	3.50
Boston, Mass.	1,000,000	Manger	8.00	3.00	5.00

In the bigger cities there is more business, greater demand for transient room space -- as for all other space -- than in small; therefore, in such places there is a tendency to make a more intensive use of area by bigger, higher buildings with more rooms, thus multiplying the number of people paying for the use of the same ground area. The owners of the several hostelries listed in Table 1 do not, of course, reap returns for land ownership represented by the figures for Land Rent but by figures (not shown here) representing whatever is left in each case after subtracting each room's proportionate share of the taxes on the land on which the hotel stands. But the well-known high price of land, in big cities and their growing environs, shows that a considerable share of land rent is, indeed, left in private owners' hands and is expected to be so left in the future.

It should be easy to understand peoples' perfect willingness to pay -- even though for the same quality of room service -- varying charges reflective of higher land values in bigger cities; in a place like New York, one can see greater sights and patronize a greater and more lucrative market than he could in one like, say, Scalp Level, Pennsylvania -- if such there be.

It is important to see clearly the relationship between rent, taxes, and prices of land. Let us consider the use of a lot in the business district of a city where, over the years, those men in the business community have come to feel that $1000 a year is a fair average amount to pay the owner for the great advantages of using a lot located here as compared to the use of a very cheap lot located at the outskirts, or margin, of town, where, with the same

investment of capital and employment of help, business might just barely break even. We will think of an owner leasing the lot to a merchant for $1000 a year. The owner, thinking of 5% -- a figure taken here for simplicity in figuring -- as a fair average rate of interest, would regard this $1000 of annual income as the equivalent of the interest on any other equally safe investment of $20,000, and would, therefore, think of this amount as the value of this lot to him -- that is, if no land tax were imposed by the city. But, since some tax is always imposed, as we know, then some lower figure for the value of this lot would actually apply.

Let us see what the facts would be when various amounts of taxation are applied to this lot.

In the tabulation below, with taxation running from zero to $1000, we see corresponding figures for the net return to the owner and for the capitalization of such returns.

TABLE 2

Merchant's Payment To Land Owner	City Tax On Lot	Resulting Net Return to Owner	Capitalization of Net Return
$1000	0	$1000	$20,000
1000	200	800	16,000
1000	400	600	12,000
1000	600	400	8,000
1000	800	200	4,000
1000	1000	0	0

If we assume that all other factors were to remain constant, then each of the figures in the last column represents the market value of this lot to the owner under the corresponding taxes.

From this tabulation we can observe an important rule: <u>The market value of the private ownership of a piece of land is equal to the capitalization of that part of rent that is not taken by taxation</u>.

The observation can be made, from Table 2, that taxation impairs or destroys selling value. It is important to understand that the taxation of the lot in the illustration, if not carried beyond the rental value, does not in any way affect its value to anyone <u>actually using</u> it. The user is going to pay the full rental value in any case; just what proportion of this is retained by the owner and what proportion is collected for the public treasury is of no direct concern to him.

Let us consider the possible sale of this piece of land. If the city tax imposed on this lot were, say, $400, then the net

return to the owner would be $600 per year which, capitalized, would indicate that the land was worth $12,000 to the owner as an investment.

Would the owner be willing to sell for that amount?

The answer would depend on many things.

If he were old, in failing health, pressed by creditors, or felt that the community was declining so that any future users of his lot would demand a reduction in rent, then he might sell for $12,000 or less.

But if he were young, in perfect health, full of hope, ambition and energy, not in any need of ready cash, and had great faith in the future growth and bright prospects of the community, then he probably would not sell for that amount.

In either case, the owner would of course be influenced by the possibility of taxes being increased or decreased.

People tend to notice the increase in the prices at which land has been sold in the past. They project the rate of increase into the future. Receiving a certain offer for land in a growing community today, the owner realizes that at some future time he could undoubtedly get more. The taxes, though they are an accumulating cost to him, have not equaled in the past, hence probably will not in the future, equal the gain in value. So, very sensibly, if not in immediate need of money, he is most likely to say: "No, I think I will not sell at present." That lag of taxes far behind the gain in value of land is at the heart of speculation.

There is no conscious conspiracy among land owners, but all are acted upon by the same natural laws. The price which they will be able to get for their lands at a given time is the result of the competition among prospective buyers to get the best lands, and the simultaneous competition among owners to get tenants or purchasers. The resulting general level of prices will tend to equal the capitalization of the excess of rental values over the respective taxes. These rental values can never be known with perfect accuracy, but the collective wisdom of men in the business community is fairly well revealed, very much as at an auction -- a sort of continuous auction in this case -- one in which all lands everywhere are under the constant scrutiny of all prospective buyers, resulting in land prices reflecting maximum economic values. Of course, "asking prices," in anticipation of future values, have a general tendency to be higher, because of speculation; this is universally true in all areas that are in the path of general growth and progress of society.

It is here contended that the rental value of land should go to the public that created it rather than to private title holders who, merely as such, have done no more than any others of the entire general public to create it. The question is often asked: If taxes were increased, so as to take from owners more of the rental value, would not owners simply pass the added taxes on to the tenants? No, they cannot do that. Through the tendencies of the "continuous auction" of all lands, mentioned above, tenants are already paying the full rental value of lands; knowingly they will not, and economically they cannot, pay more than that. Increased land taxation tends to reduce net returns to owners, but gives owners no power to collect more in rent from tenants than tenants are now paying. If any one owner attempted to pass on to a tenant an additional tax imposed on his land, this would simply drive tenants away; if all owners did it at once -- actually an unlikely event, since owners are in competition rather than in conspiracy -- tenants as a class would tend to leave land entirely, or emigrate, or become too impoverished to pay any rent at all, or become thieves or public charges bringing production to a standstill, or otherwise attempting to surmount the impossible.

To SUMMARIZE the unjust and evil phases of land tenure today and what should be done about it, I would state:

1. It is unjust for owners of land, using it themselves, enjoying special advantages of its rental value, to do so without paying the full value to all society.

2. It is unjust for owners of land, collecting the full rental value of it from tenant users, to return only part of it to society, in taxes.

3. It is unjust as well as positively damaging to society for owners of land, asking more than the present advantages are worth, to price it out of use to prospective users.

4. As stated at the end of the previous chapter, the value of land is created by all people collectively, and so should be shared by them in that manner as a public right.

Therefore, for the sake of justice, the needs of a growing society for additional increments of land, public rights and expediency, there can be but one conclusion:

THE FULL RENTAL VALUE OF LAND SHOULD BE PUBLICLY COLLECTED.

Next let us consider what are the basic PRIVATE RIGHTS AND DUTIES of individuals and how our present policies do or do not accord with these.

As stated at the end of the previous chapter, individuals (or groups) produce wealth. Since what a man makes is rightly his, to do with as he chooses, unimpaired, none of the products of his own efforts should be taken from him. He does of course suffer many incidental losses; termites eat into his sills, road salt corrodes his sheet metal, chemical food adulterants attack his body, "obsolescence planners" and other thieves rob him. However,

"You may search everywhere
But None can compare ...."

in amount and regularity, to the systematized exactions of the public taxing authorities, when it comes to taking private earnings for public purposes. There seems to be little if any rhyme or reason, justice or accuracy, in our present manner of levying taxes.

Our economy is of the type called "mixed," that is, having some private and some public enterprise. Most goods and services are produced by private enterprise. But a few goods and many services, such as police and fire protection, our public schools and state universities, streets and highways, water supply and sewerage, distribution of the mails, and others, are carried on by public servants and all paid for, in largest proportion, by taxation.

The amount of benefit rendered to each citizen by all these public services -- as well as by the presence of all private services and the social and cultural propensities of other private citizens -- essentially depends on the degree of convenience of the location of his living and working with respect to these services and values, whether he is in a great city, a suburb, a rural village or a relative wilderness, and along good or bad arteries of communication with the rest of society. With very little thought this can all be seen as axiomatic; any real estate agent can quickly point out the relative advantages conferred by society, through its public and private enterprises, upon anyone occupying different locations.

Aside from some, relatively small contributions collected directly from patrons of public services, such as water rents, tuition fees, postage, and the like, public services are, in the main, supported by taxation. How should this burden be distributed among the individual citizen beneficiaries?

Our present manner of taxation pays small attention to matters mentioned in the preceding paragraph. In some applications it is perfectly arbitrary; in some it is direct, in others, indirect. It is characterized by multiplicity, and presuming in part to follow the socialistic criterion of "ability to pay," governed to some extent by the need to arouse a minimum of effective complaint, all summed up by one way as "the most feathers with the least squawk."

In judging different individuals' "ability to pay," traditional public policy requires assessors to go by such things as how well a man has built or kept up his buildings; how well he has stocked his store to serve the public efficiently; how much capital he has accumulated so as to work effectively and render good service; or how hard and efficiently he has worked of late in the service of society by contributing to the general pool of wealth and service as evidenced by net income. The incidence of the taxation of these desirable activities resembles a schedule of fines for working, saving, improving, producing, employing, or otherwise being a provident, constructive, useful, self-respecting citizen and a credit and benefit to society. (Here is a tiny but typical illustration of this: I once needed immediately a new snow-tread tire. My garage man said he could get me one in a week. I said, "You mean to say you don't have these on hand, right in the middle of the winter?" He said, "That's right. If I did I would be hit hard by the stock-in-trade tax." A perfect example of the destructiveness of the taxation of desirable things and activities!)

Some present taxes have a seeming expediency resembling justice. An outstanding one of these is the INCOME TAX. If you have income you will have money to pay the tax, but if you have no income -- well, at least they stop just short of the final edict in the "Parable of The Talents." But whatever measure of expediency this indicates tends to be offset by difficulties for the taxpayer in figuring gross income and all expenses of operation, and for the collectors, in making sure of honest returns. Net income is thought by many to measure the relative abilities of all citizens or corporations to pay taxes. This is so only superficially if at all, inasmuch as any of these payers could have decided, or may decide, to work either more diligently or less diligently, or even not at all, regardless of ability to work, and regardless of a presumed duty to help support government. This tax must be to some extent a deterrent from working, since small matters often make the difference between success and failure, or between the decision to go, or not to go, into some line of work. Who is to say what a deleterious effect this sort of burden of computation and taxpaying, however small in the lower brackets, may have had, may have now, or in the future -- steadily, as by a fine, reducing incentive to work or the chances of honest success? Whatever part of net income is the proceeds of special privilege -- which the exclusive holding of land of any value is -- is indeed a measure of society's benefits to the individual and should, by all means, be taken into the public treasury by taxation; but whatever part is due to individual productive effort and economy in the service of society -- which most ordinary work is -- is clearly not such a measure, and to take any part of it by taxation is an injustice having a burdensome, illogical duplicity: The requirement that the individual shall help support society according to how much he has already supported society!

Since the payer of a tax -- graduated and based on his income -- sees it as based on matters that are subjective with respect to his own private affairs rather than being based on matters connected with society's services to him, he is likely to resent official pryings into all his tangible and intangible affairs -- matters he rightly feels are not of concern to society and none of the government's business. If he is at all industrious -- and he should be encouraged to be so -- he will resent the socialistic efforts of governments to "level" his rewards with those of men of lesser industriousness. He will come to think of income tax collectors as being "on the other team" of two teams unequally matched in a contest unfair to the extent that they have full right -- by statute -- to investigate his affairs while he has little if any ability to investigate theirs and no opportunity whatever to designate what public projects -- sensible or foolish -- he would willingly support. This puts him on the defensive, with all its psychological implications, perhaps even feeling that government demands for full declarations of the state of his affairs are similar to a violation of the Fifth Amendment, with the more favorable of his admissions as to his affairs meaning the worse for him! All this, added to his observance of the wasteful extravagance of governments on all levels, is sure to lead to disrespect for government and to the sense of there being a basic antagonism of interest between himself and those we <u>should</u> be able to regard as honest servants of him and all the rest of society.

These are the factors that underlie the popular but blind, unanalytical resentment against taxation whose weight and incidence is destructive of IDEAL qualities in American life -- a resentment so prevalent today.

A few weeks after the "New Hampshire Grants" in June, 1777, took the name VERMONT, its Council of Safety was in desperate straits for money to pay for defense. In one heated session the Council challenged Ira Allen to think of some way to raise cash. He asked for a few hours to think it over. In the morning he announced a way: CONFISCATE TORY PROPERTY. That was done. Humorous as that diction now seems, nevertheless, "confiscation" has remained an essential element in "desperate" public financing; and ours is indeed just that -- desperate -- carrying a burden of interest on total state and national debts of around $400,000,000,000. Added to all our other public troubles, it might be said that that amount represents how far behind we are in our affairs, and the interest payments are just a penalty for being behind, a payment for nothing in return. Modern chiselers and other enemies of society, within and without, may have replaced the chilling threat of Burgoyne's army as it was poised ominously on the margins of our scattered northern settlements in 1777. Yet that is no excuse for our continuing to appropriate private wealth for public purposes, overlooking the <u>natural</u> source of public revenue

and a just principle for distributing the burden of public expenses.

It would be amusing if it were not so disappointing to hear politicians promising "tax reform." What is meant by them is the perfecting of the present hodgepodge, multiplicity of levies of all kinds on every level of government -- direct, indirect, above-board or hidden -- by doing such things as "plugging the loop-holes," or "spreading the tax base." These are, at best, mere refinements in digging it out of the same old parties that have always paid: the consumers and taxpayers. There is no official thought of tailoring taxes to the varying measures in which people are rendered advantages by the public and private services of society, nor of asserting society's right and duty to collect more of the rent of land, for its rightful revenue and to prevent land speculation.

When you pay your grocer, your plumber, or anyone else who has done you a service, there is supposed to be a moral basis for their charges -- so many hours labor, or so many of this or so much of that, at such and such unit prices, all adding up to such and such total charges -- that both parties to the deal recognize face to face. But is it so in the affairs between the citizen and the government representing the society of which he is a member? No, there is no such thought. Even though people seem to agree to present tax practice resignedly, yet in a vague way they resent it. They know there is something wrong, unjust and inexpedient, in being taxed according to incomes, houses, barns, cattle, cars, clothes, cameras, meal tickets, theatre tickets, train tickets, tractors, stock in trade, pay rolls, gifts and inheritances, and so on. And there certainly is no moral basis for this sort of tax structure -- or if there is, it is down on the shabby level of morals on which I once could have acquired a few quarts of paint: A rich client of mine told a hired man to go with me to a distant barn and get some paint for marking woodlot boundary line trees. In the barn, after selecting what was needed for our job, the man said, "Hey! Why don't you put a few quarts in your car to take home?" I said I did not need paint that badly. He said:

"WHY GO AHEAD. HE'S GOT PLENTY. HE'LL NEVER MISS IT."

I maintain that there should be a solid, recognizable, moral basis to the affairs between citizen and society, something comparable to ordinary, good business practices between one citizen and another. I am sure people would agree to that. But to most of them no rational basis has ever been presented.

To the question of what public and private rights and duties are, or what is rightfully public property and what is private, people seem never to apply anything that could be called analytical, dispassionate thought or study.

As stated in Chapter V, regarding freedom, under that social philosophy a man has the supreme right to himself and his products. Society has certain rights too, and among these is that of charging all citizens the rental value of their lands, which value is its creation and its natural revenue for public expenses. Further, it is society's duty to do so, to preserve peoples' right of access to land by preventing the speculative withholding of land from use.

The right way to effectively recognize private rights through public policy should be simple and obvious: exempt from all burdens of taxation all the products of individual enterprise, all results of peoples' working, saving, improving, employing, stocking and equipping so as to serve and produce and otherwise be useful citizens.

IN SUMMARY of the philosophy herein advocated, I would say:

THE RENTAL VALUE OF LAND SHOULD BE PUBLICLY COLLECTED BY TAXATION. ALL PRODUCTS OF INDIVIDUAL ENTERPRISE SHOULD BE EXEMPT FROM TAXATION.

Great as this reform would be, in the field of taxation alone, yet study will reveal a greater efficacy, that of extensively improving affairs between citizens and society; in its effect on production and distribution of wealth; on the spread of population in more desirable patterns; on the implementation of greater freedom of choice in economic and social life, and ultimately, on the values that people learn to pursue.

The reform here outlined will be discussed further, in the next chapter, with respect to the several standpoints from which it is most frequently questioned.

CHAPTER IX
STANDPOINTS
From Which The
PUBLIC COLLECTION OF THE RENT OF LAND,
In Lieu of All Other Taxation,
Is Most Frequently Questioned

JUSTICE

Enough has been said already about taking a publicly created value as public revenue and leaving in the hands of private producers the full rewards of their labor and capital.

It is asked, "If this measure were to abolish the opportunity to enjoy the rent of land as private property, would not those, long accustomed to that privilege, suffer injustice and hardship if not compensated?" No, they would not suffer, nor would it be an injustice. If it has been an injustice for them to live thus on a value created not by their own efforts, but by the growth and advantages of the community, then it could not be called unjust to abolish that special privilege. They would not suffer a hardship. The broadened field of economic opportunity, which will result from the abolition of the incentive for some to hold large amounts of land out of use, as is now the case, will be an advantage to all society in which they will share; they will live in a more stable, less criminal, less potentially-revolutionary society, because of a more equitable distribution of wealth and power resulting from greater equality and abundance of opportunity.

This reform is one which would be instituted gradually; there would be plenty of time for all people to adjust to new needs, new work, new opportunity, exactly as people in this generation are adjusting to the obsolescence of old industries and skills being replaced by new -- all accepted as part of progress in which all are presumed to share.

Justice to society would of course require that the rent of all lands be taken by taxation, whether such lands were used or unused. All the public facilities in the vicinity of vacant, unused land cost just as much and render as much potentially usable advantages as when in the vicinity of lands in intensive use. The simple result of people being taxed for lands, whether used or not used, would be that they would tend to hold only what lands they needed for their own use, making all other land available for others, especially for the new members of society. And a moment's reflection should hardly be needed to see that any complaint about being taxed for land held but not used would be as unjustified as that of one who, having paid to have a box reserved for him at the opera, next day asked for his money back because he had not attended.

It might be thought at first that the collection of the rent

of land only, by taxation, would unjustifiably exempt all non-owners from their fair share of public expenses from which all are presumed to benefit. They would not be so exempted. Everyone uses land. Non-owners would pay their share of rent just as now, as a part of house rent, apartment rent, shop rent of office rent (for the moment using "rent" in its popular sense), thus sharing the payment of the taxes on the lands on which these quarters stand. Even the traveling salesman -- the classic example of a prosperous, care-free man on the loose -- uses land and would pay rent. As a member of a business organization he shares the land his company uses; staying nights in hotels, he pays, as a part of his bill, a share of the rent of the land on which the hotel stands.

Inherent in this philosophy there is one more great element of justice. All people, wherever they are, rich or poor, old or young, by their actual or potential present or future needs for the products of the great deposits of the natural resources of oil, coal, gas, and other minerals, have each had a part in creating the immense exchange or rental values of such special offerings of nature. At present, these values flow, in large measure, into the pockets of the fortunate few who hold title to such lands, but these special lands were no more intended for their special advantage, by our Creator, than for anyone else. When a just manner of collecting these values as public revenue is applied, and the proceeds are expended for public services used by all, then we shall have distributed to all people, in equal measure, values they have all, each in essentially equal measure, helped to create.

EXPEDIENCY

Under this reform, taxation will be greatly simplified. As items of private wealth, tangible and intangible, are exempted, less and less personnel and machinery of collection will be needed. We already collect part of land rent now; it would be no added trouble to collect it all. If all the complications of Income and General Property taxation were replaced by, or reduced to, the simple collection of land rent only, taxation would be freed of most of the effects of human frailties; land, the subject, is out in the open, unconcealable, easily measured and assessed. The number of people to be consulted by tax officers would be but a small fraction of the number they must see now. The life and business of the taxpayer would be greatly simplified, as would be the work of government.

It might be asked, "Would it not take a big staff of government men to determine just what the actual rental value of land was in every place?" No, it would not; only a socialist could think so. The criterion here would be the lowering of land

prices. Table 2 shows the effect that increase of taxation has on capitalization of net return, the basis of price. With increased taxation land would be conveyed at lower prices. As selling price approaches zero, the tax will be approaching the full economic rent, as judged by those in the business community, under the competitive effects of the "continuous auction" mentioned earlier. The state of the land market is common knowledge in any community, and does not need any staff of big experts to point it out.

The reform here advocated does not in any way include or anticipate government ownership and leasing of lands -- except possibly in some special types of cases -- and properly carried out it will avoid any such tendency. It will be wise, therefore, while increasing taxes on land and using prices as a sort of "thermometer" for gauging effects, to stop somewhat short of reducing prizes to zero, so as to leave in the hands of private owners just enough of the rent of land to maintain an incentive for private title to all lands. This would not be enough to give rise to the evils of speculation and monopoly, but would obviate the hazards of government ownership.

THE EFFECT ON THE FARMER

Many have thought that the farmer, necessarily using much land, as compared to his city cousins, would be hit unfairly by taxation taking only the rent of land. He would not be. Farm land is in the country, not among the concentrations of progressive society; it is in "low-rent" areas, having low "site-value," so to speak, so that taxation on such land is naturally low. Also, it must be emphasized that the farmer is a capitalist and a laborer in even greater measure than he is the owner of valuable land. Under the reform here urged, he would be freed of all present accumulated taxes included in the costs of his capital purchases, and freed of all taxes on his buildings, stock, machinery and personal income. He would be getting the sort of relief he deserves, rather than the protective regulations, aids, and subsidies, furnished at the expense of the taxpayers, which have, up to now and against his will, brought chaos to his business -- chaos due greatly to government supports that have misdirected the natural action of the law of supply, demand and price, leading to overproduction and political corruption. The collection of the rent of land in the manner described earlier would equalize the opportunity for farmers to make a living on the wide range of qualities of land -- beginning with the best -- necessarily brought into production to produce a total crop equal to the demand.

By breaking up the tendency toward monopoly, land would be more widely distributed among actual <u>working</u> farmers, rather than narrowly, among rich land-holders, large plantation owners or "agricultural business men." Farms would be far more numerous,

medium in size, and not requiring the ridiculously high capital investment needed in many lines today to be competitive. Farming might not necessarily be more technologically efficient than now, but in the end would be cheaper for taxpayers and consumers, taken as a group; and, for the farmer himself, farming would be a more stable employment, a more orderly manner of making a living -- one of those types of living meaning most to those engaged in it.

We should think of the farmer as a human being, of a personal type most versatile, in a work most essential. Large, flat, fertile acres are not the only requirement for his full living. Reasonable proximity to rich variety in society and human culture are equally important factors in realizing the values that are the ultimate object of all human endeavor -- objects far above and beyond mere "dollars per hour" or "bushels per acre." From the isolated farms in northern New York state, Vermont and New Hampshire, milk is hauled hundreds of miles over the road in tank trucks, passing thousands of square miles of idle, neglected land as it approaches the great markets of Boston and New York. Some effort is made to equalize the varying costs due to varying distances of farmers from market; but nothing could compensate society as a whole for the fact that land costs and speculation keep producers far from markets and deny potential users access to vast amounts of desirably located land; nor for the general tendency, here, as in every line of production, to keep producer and consumer far apart, physically, economically and spiritually. You, the reader, may not agree with these judgments of mine, but you must agree that the widest possible freedom of choice of location for farmers, as for all other users of land, is a desirable IDEAL, an ideal not attainable at present.

The desirability of the interspersing of areas of farming among areas used for all other activities, or the diversification of activities, including farming, in all areas -- implied here -- is supported by the views of the noted scientist, Rachel Carson, in her famous book, "Silent Spring," on the ways in which Man is tending to seriously disrupt the natural balances of nature.

There is a natural law of wages (whose complete description time and space in this essay do not permit) stating that where land is subject to ownership and rent has arisen -- as in all countries now -- wages, throughout the economy, depend on the margin of cultivation, or upon the produce which labor can obtain on the poorest land in use, where rent is zero. (Rent paid for all better classes of land will depend on the superiority of the produce -- or the advantages -- of each class over the poorest in use.) Therefore it is socially desirable that the poorest land to which people are forced to resort shall be of as high a class as possible. Therefore any factor, such as speculation, that holds much of the better and the best lands out of use, as is the case in all our growing areas, is a bad thing, forcing

resort to lands much poorer than necessary, holding wages down. Thus we can see that the full-time farmer, the subsistance farmer, and the potential refugee from urban pressures, along with all workers everywhere, would all benefit from the application of the reform here urged, rendering speculation unprofitable.

THE PROBLEM OF SLUMS

"Slumlords" are speculators, holding their lands and buildings, expecting the values of their lands to increase. Theirs is a partial use of land, differing only in degree from the holding of land completely vacant. An owner's total income from slum quarters, though perhaps not large, is usually enough to meet what taxes he does have to pay, enabling him to hold his land longer than he could otherwise, and so reap an even greater reward, as land values and prices are being increased in the area surrounding his land by the active factors in society.

Humanitarians curse owners of slums. I do not hold such owners in the very highest esteem, either, but, is any one of them actually to blame for general conditions of poverty -- conditions under which the alternative to occupancy of his quarters might be to move to worse? Now, what if such an owner tore down his reeking old fire-trap and put up a new, safe, clean apartment building, modern in every respect? Having read this far, you know the answer already: taxation of his investment and added income would hit him hard for the first time, like a fine for the good he had done, except, differing from an ordinary fine, the charge would be imposed on him year after year after year!

Therefore, the slumlord should not be individually blamed for his neglect under a public policy of taxation that offers him little if any incentive to make appropriate improvements.

Some believe that private enterprise is "not equal to the task" of housing and that, therefore, there should be public housing.

Private enterprise requires economic motivation, that is true; such motivation it often does not have, as in the case of the aforementioned slumlord. Now, public housing requires political and socialistic motivation and plenty of money; public authorities have those. So, <u>they</u> can proceed under uneconomic, unregenerate public policies where private enterprise will not venture, leading many to think public housing is the answer to the needs of housing.

THE "EXPLOITATION OF LABOR BY CAPITAL" (See Appendix E, 1.)

This presumed phenomenon has long been a preoccupation of cynics, humanitarians and reformers, and some have asked if the reform in taxation here advocated would help solve that problem.

The ownership of capital alone confers no power on anyone to exploit anyone else. In the great classic examples of the appearance of such exploitation, brought to public attention by strikes and violence, where employees' low wages and poor conditions of living and working were revealed, in coal fields, factories, and other huge works, it was often true that employers treated labor badly while profiting themselves. But, merely as capitalists these employers had no power to make their employees work for them. We do not draft labor in this country; we do not chain workers to their jobs like Roman empire galley oarsmen. We have no legal statutes compelling men to work for Ford, Chrysler, G.M., G.E., U.S. Steel, Bethlehem Steel, Pullman, Herrin Coal Co. or any other employer large or small, for as much as one day longer than they personally decide to. The force that does compel men to work under conditions they view as unsatisfactory is to be found among the transcendent factors of economic life surrounding them and their employers alike -- most specifically the lack of broad economic opportunity for an expanding, progressive society, which ready access to land of all classes would furnish if available to all men on equal terms. But under present conditions land is not so available. A chronic condition of insipient unemployment constantly exists; any prospective employee, as he approaches a prospective employer, has a weakness of bargaining power due to lack of broad alternatives. But employers -- who may or may not be capitalists also -- are, on their side, also victims of chronic depression, and so are entitled to our consideration. And neither labor unions as now directed and led, nor government measures as now conceived, can do anything at all to correct these general conditions of restricted natural opportunity for employers and employees, who, under the circumstances, resemble a bunch of dogs, ordinarily friendly but rendered desperate by hunger, in a quarrel, over too few bones, in which the small are most likely to suffer.

In this connection, consideration should be given to the inclusiveness of that entire class in economic society who are, at any given time, looking for satisfactory, remunerative opportunity. It includes the young who are just embarking on active, adult life, it includes those who have worked but are at this time out of work; and it includes all those who are working at present but who would like to make a change -- in many cases having much executive experience and perhaps the highest abilities, those abilities required for initiating and successfully directing or otherwise performing not only the simple work in small business, but that in the largest and most sophisticated enterprises as well. Within this entire class there always exist all the talents re-

quired for starting and carrying on the increments of new business and production needed to meet the new increments of economic demand, as society progresses and grows. As a group they are prospectively available to prospective employment in industry already established on lands already in use; also, they constantly compare that field of established industry with what possibilities there may be for establishing themselves in new industry on new land they might acquire and put to use.

Now, I say, the degree of availability of new land determines the degree of bargaining power this class of people, collectively or individually, has, when confronting established industry and "looking for a job," so to speak. If land were readily available, as conceived in my philosophy, then land would constitute as an unlimited field of employment, a constant competitor to established industry, forcing all industry to offer to all employees wages and conditions equal to what such people could create for themselves independently. This would be a condition not only under which even the semblance of "exploitation of labor by capital" would disappear, but one under which the very real stagnation of industry and society by restrictive land holding would disappear also.

When we consider the latent talents of all Americans and the great natural opportunities in this country which will some day be released, from bondage to present land-holding policies, there is seen a great vista of ULTIMATE HOPE for our prosperity and domestic peace, however long human ignorance may postpone the realization of that release.

SUFFICIENCY OF THE RENT OF LAND FOR PUBLIC EXPENSES

This has always been questioned whenever the tax reform, here urged, was considered purely from the standpoint of raising revenue.

Obviously the amount that lands today would have to be taxed, in order very largely to abolish selling price, would be very great. An enormous amount of money would be collected in this way, without in any way affecting the value of land for use. Various economists claim to have calculated that the rent of land would alone support all public expenses. Whether they are right or not, in any case some qualifications must be made when formulating an answer to this question of sufficiency.

I firmly believe it ultimately possible to bring society's public expenditures into balance with the rent fund alone as the source of revenue. But "ultimately" will be a long time, of course.

Every honest individual is expected to hold his expenditures and his legitimate income in balance, for economic and moral rea-

sons; there is no reason why a large group of people, constituting a town, state, or nation, should not do the same. It would be a very salutary thing for legislative and administrative leaders to have to feel that there was some natural limit to the total of public expenditures they might propose. At present there is no economic criterion or moral guide whatever, except possibly an immediate political expediency.

It is our duty to try to conceive of a truly ideal society, in the affairs of which an ideal set of public functions and expenditures would be met by an ideal source of revenue. Such expenditures will certainly not include costs of war, relief, crime, public graft, overgrown government, subsidization of production, or foreign aid, in any such measure as we support these unnatural burdens now. The laughably obvious fact that such an ideal society is not immediately attainable is no reason for not trying to visualize it, for the value that an ideal has in guiding our intermediate steps and reforms, on the long road to a state we wish to reach.

Only popular ignorance, slow to eradicate, of course, need delay our increased collection of the rent of land. In the desirable, simultaneous exemption of all products of labor and capital from taxation, we should go as far as we can, even though perfection may not be immediately possible.

HAS THIS PLAN OF TAXATION EVER BEEN TRIED?

In varying degrees and in various places large and small, both here and throughout the world, it has been applied. But in no place that I know of has it ever been tried -- nor would it have been possible to try it -- to the complete extent of application which I envision and have described. It has not been possible -- or those of influence have not seen fit -- to apply it as a truly "controlled experiment" or exclusive social order, which, if that had been done, might tend to show its effects disengaged from those of the varying measures of socialism and welfarism which have also been applied. Nor has it been possible to shield the people or the economy of any place large or small from the burdens of war and world-wide tensions which, directly or indirectly, affect the lives and affairs of everyone everywhere.

My personal feeling is that, though the results of the partial applications of this philosophy have been proclaimed good, still, they have, at best, had only a qualitative, not a quantitative, significance -- that is, they seem to show it is good, but not how good. I would refer readers to a small volume, Land Value Taxation Around the World, published by the Robert Schalkenbach Foundation, 50 East 69th Street, New York. But I would not for one moment accept the findings of that study as a true picture

of the potentialities of the entire philosophy as I have estimated them and described them in this essay, nor do I think its authors would either. However, the general tenor of the findings could be said to be encouraging and favorable, at least.

WHY IS THIS PHILOSOPHY NOT TAUGHT IN THE COLLEGES?

Only a partial answer can be given here; it is harder to say why something is not done by a large, impersonal class of people than to say why something is done, whichever the case is.

To a very limited extent, and by a few teachers, it is taught and advocated on the true basis of its justice and expediency.

Also, one fact -- basic to the validity of this philosophy as a just mode of taxation, even though not usually brought up on grounds of justice -- which is generally stated in text books on economics, is that the public collection of the rent of land actually and ultimately is paid by land owners as a tax which they cannot "shift" on to tenants. The reduction of land price due to increased taxation of land is also generally conceded. But they state these things with the dispassionate impartiality of a gunsmith, who may show you how your revolver works but does not question what use for it you have in mind.

One reason, which I know applies in several cases, is that this philosophy was never really studied. Many economics majors I have met have never even heard of it; if they had heard of the name of the man most famous for its promotion, Henry George, it was merely to hear him relegated to history, a man of ridiculously simple ideas of questionable justification, altogether irrelevant in the modern age.

One opinion, once widely held by people interested in social questions, as to the reason why colleges avoided the advocacy of changes in our laws or public policies having anything to do with the present distribution of wealth, was the fear, on the part of those responsible for the financial support of colleges, that any such advocacy would arouse the antagonism of wealthy benefactors. That view was, and is, obviously of some importance. Regardless of how significant this reason is as compared to other reasons, it is easy to see in which direction college management and policy would be moved by caution and wisdom regarding such delicate matters, when we realize the increasing extent to which all institutions of learning are beholden to wealthy, influencial foundations, corporations and the like, and the decreasing proportion in which they are supported by parents and students merely interested in an education.

While on the question as to why texts or other books and

articles on economics do not describe economic justice, I would also ask why they do not even deal with economics better than they do. Statutes of the New Deal type seem to be conceded as much authority as the law of supply and demand. All natural law seems something not so much to be understood as be counteracted, whenever the "government knows best," all as a part of the successful triumph of Man over Nature, I suppose. Clear sets of definitions of terms are never given.

Colleges perhaps might claim that there is little demand for courses outlining abstract matters like justice and ethics, saying that today students want to study economics, if at all, for vocational or business reasons. It is true, of course, that young people are given far less stimulation for the idealism that is natural at their ages than for the desire to get ahead in a material way. But who, more appropriately than those of college age, could ask why, amid progress and plenty should there be poverty, depression, crime, and war? What could be more important to their futures than the character of society in which they are to live? They will be asked to fight against their country's enemies from without; why not train them in study of our internal problems as well? When, if ever, are they to be introduced to a rational fusing of economic science and human rights and values, by which to maintain their idealism and their hope of a better society? I think, in these matters, that young people get badly short-changed, especially in college, which, though it is not the source of knowledge, is one of the storehouses of knowledge and ideas, with supposedly able assistants to help in the search for relevant truths, the guides to a better life. But teachers of philosophy continue to rake over the diggings in abstruse theories of the past, while economists, like the gunsmith minding his own business, stick to their graphs and mechanics. For them, as for anyone else, life is, of course, smoother and more placid when controversial issues are avoided.

Few and fortunate are those who can speak and write freely, describing human affairs as they see them, letting the chips fall where they may.

Many more questions can of course still be raised regarding the mode of taxation here urged and regarding the entire social philosophy of which it is an essential.

Not all questions can be answered to the immediate satisfaction of anyone having read of the matter here for the first time. In fact it should be added that at best this philosophy itself is not the answer to all social and economic questions; it is here claimed that it is only the foundation of a free society and its appropriate institutions. This is intended as a philosophical essay, written with full realization that no one has all the an-

swers, but with the hope that its readers will, with fresh interest and hope, continue the study of social questions from a new viewpoint.

I think that in society's usual, academic-type study of philosophy too much emphasis is put on abstruse theories regarding remote, unanswerable questions (often seemingly posed for intellectual exercise only!) to the neglect of its great values and practical uses.

Philosophy is the search, discovery, and uses of truth. It is that branch of learning which seeks to evaluate all other branches. Its study and its attitudes should aid Man in the selection and appreciation of his life's objectives, or, it should help him evaluate his prospective pursuits as a guide for his individual life -- a life of satisfaction through adherence to reason and a knowledge of ultimate reality.

Philosophy should likewise be a guide for society toward worthwhile objectives and values, and toward justice in its public policies and laws. The relationship of the true philosopher to the rest of society can be likened to that of one who, out of a number of lost, bewildered people vainly groping about in a forest, climbs a tall tree, scans the horizon, and then, regardless of the roughness or uncertainties of the intervening terrain, calls to those below and points in the direction of a familiar landmark near home.

CHAPTER X

THE FIELD OF INDIVIDUAL RESPONSIBILITY AND ACTION

"...And I believe the time for me to begin to practice this creed is not at that illusive moment in the future, when I shall have greater influence, but NOW ." Robert A. Bakeman

Assuming the presence of the abundant gifts of Nature -- which, in this country, we have -- the good life for the people of any society depends on two things:

1. Good public policies and management of public affairs.
2. Constructive actions and attitudes of individuals.

These two are of course closely interrelated; neither could progress much without the other.

All past chapters have led up to the description of a certain manner of taxation believed here to be the most fundamental reform needed in the entire field of public policy, -- fundamental because it would release land, the basis of all human life and activity, from speculative withholding from use, and it would release to people the full rewards of their labor. Only a people with these natural rights will have the initiative to make other reforms; without them, they will sink into indolence and corruption. That is why this public reform, far from being the only change needed in our institutions, is, however, the central reform, the one that is basic to others, and hence the one most necessary to pursue.

This final chapter is devoted to the constructive actions and attitudes needed in individuals.

Whether or not readers agree with the alleged reform here urged, they certainly will agree that it will be a long time before that measure, or any other for the same purpose, is effectively applied.

In the meantime we shall have to live as best we can with conditions about as they are. The good grace and energy with which we do this will make a great difference, not only in how well we attain personal satisfaction but in how well we do our parts for the common good. This would be true under any circumstances, good or bad, for we know that many men with good family background, education and economic prospects have, through indolence and a selfish spirit, made failures of their lives, while others from poor homes, without formal educational opportunities or good economic prospects have, through their own determination,

intelligent efforts and generous, cheerful spirits, overcome all initial handicaps and continuing adversity, attaining personal satisfaction and public usefulness. These considerations throw the burden of responsibility for his own destiny squarely on each man himself, precluding his blaming society, his country, or his family for his failures. At least it will be practical for him to plan his life as if this were completely true!

To be appropriately reconciled to living in this very imperfect world, a many-faceted attitude of faith, hope, magnanimity, perseverance, and self-reliance must be developed.

Margaret Fuller, transcendentalist and literary light of Concord, is said to have said, in 1840, "I accept the universe." Emerson, hearing of this later, said, "By Gad, she'd better!" And that is good advice for us to take, but not without the resolve to do what each of us can to improve that universe, nor without heeding the prayer:

> Give me the strength to change what must be changed,
> The faith to bear what cannot be changed,
> And the wisdom to distinguish one from the other.

Accepting life's seeming hardships as something to be courageously overcome when possible, or adjusted to when not, will probably do us more good than to have been born into a world complete and perfect in every way, with nothing further to do. If we, in the midst of each tough situation, could look ahead to the time when we shall be looking back at this as one more situation or problem met and conquered, with its lessons tucked under our belt, we could at the time be more cheerful and less afraid; we could gain greater strength, knowledge, character, and grace. In fact, looking back, we see that we often gained most from experiences we would have tried hardest to avoid!

Unfortunately, one of the faults of progress, as we have conceived of it, is that each generation tends to smooth the way, to make easy the path, for the next, removing the needs for exertion of body and mind, reducing and simplifying its experiences. We think it a valid endeavor to spare the young all wonder and illusion, all hardship, thought, pain, and disappointment.

But I would go along with progress as far as to reduce unwarranted hardships due to lack of justice and natural opportunity. As each player makes his entrance on the great stage of life, let it be one of free and equal chance for all, with success or failure being matters of personal responsibility, and with hope based essentially on one's own efforts. At any point we may reach in our progress toward this "fair field and no favors," we shall

always have to be accepting the then existing hardships, natural or otherwise, because Man was never intended to have supreme dominion over his world. His habit must be to say, "Thy will, not mine, be done," and to search continuously to know that "will." Only by accepting the beneficence of an objective set of natural laws and events outside his own making, and by recognizing that "Obedience to Law is Liberty," will Man gain the warmth and comfort he is entitled to as a duly humble child of his maker, avoiding the bleak and cold war with all objective circumstance that will follow his every attempt to play God.

There is great need for patience and humility as we look at public institutions we wish could be changed, reformed, improved, or abolished. Though the vast "web" of customs, beliefs, and practices, developed over generations and into which we are born and by which we are so largely governed, tends to resist needed change, still it also tends to hold the constructive gains of the past and to prevent any sudden retrogression. It even has a tendency toward net progress, as it allows time for needed evolution of truth and for the weaving of means of communications and effective relationships so necessary to a peaceful, interdependent, productive, trading society. Wherever that "web" is violently torn as by force and revolution led by those without patience, love, humility, or knowledge of history, then violence and chaos, suffering and sorrow are likely to result. Violent revolution is not the thing; where this has been the approach to oppression and injustice, leaders are all too often motivated more by hate than by love, and in the end there is likely to result less liberty and justice than before, not more. I think we in America have seen enough of revolution throughout the world to know that this is so. And while there may be in our country no incipient revolutions of the sort seen elsewhere for us to guard against, yet we can see many lessons to be learned about where the failure of individual life can lead, all the way from the case of Adolph Hitler down to those of lesser, misguided malcontents.

The sharing of the common problems of society is traditional, though not exclusively with us of course, in America.

But another tradition especially revered here is the devotion of a man to his own best interests and special aspirations. "Life, liberty, and the pursuit of happiness" are rightly sacred to us, and, when enjoyed by each with full respect for the equal rights of all others, their preservation is seen as essential to the good of all citizens and of society as a whole. The intelligent study and pursuit of one's own interest is the basis of all self-reliance and character. It is even essential to the practice of the Golden Rule -- criterion of all morality -- and of the admonition: "Love thy neighbor as thyself," for if you had no clear insight into self-interest nor knew how you would want to be "done unto"

you could not possibly know how to be just to anyone else, nor could you establish valid relationships with others. You know how to offer love only if you have received and felt love. You cannot be generously outgoing and public spirited if your own life is not one of fulfillment and satisfaction, constantly regarded as your own first duty.

The rulers of collectivist states would not agree to this, as we know, they having branded independent initiative in the pursuit of self-interest as being opposed to the interests of society; in their view, the citizen shall work for society and it will in turn determine and serve his interest. But we put the life and active initiative of people first, and the form of social organization second. The interest of the citizen is most intimately known, most intensively felt, and most directly, efficiently, and democratically served by him, while to the officials who manage public affairs, that interest can only be known indirectly and served "in the mass," so-to-speak, being to them essentially of political interest only.

In a free, successful, and stable society, it is not so much the openly selfish, mean, perverse, and obviously bad that we have most to fear; they can be dealt with, avoided, ostracized, or incarcerated, without too much trouble. But those we do have most to fear are the unhappy, the discontented, the unhinged hence the neurotic, impatient, hateful, brutal and potentially revolutionary -- those, in short, who have no stabilizing, satisfying, happy, centered, individual, private, richly fulfilled lives of their own.

Ironically and unfortunately, those whose private endeavors are failures and whose inner lives are most barren of love and absorbing intellectual pursuits, and who are most dominated by an acquired, cynical competiveness are often just the very ones who work their way into political office or other positions of dominance -- for wealth, power, and prestige -- where they naturally apply to public affairs the same personal qualities that have already degraded their private lives.

All people in public affairs are drawn from private life. So we can see how vitally important it is that the "springs" from which all talent for the service of human life can alone be drawn shall be kept pure, unpolluted by factors that wreck the economy, harden the heart, starve the mind, narrow the view, stifle the initiative, or divest of joy the lives, of people, rendering them unable to successfully serve either their own interests or those of their community, their country, or the world. Thus we see that the good individual life is not only the "end" to be attained, but that it is an essential element of the "means" as well.

What can anyone do, here and now, on his own, to move toward

that end? The millennium will not come in his lifetime; any appeal to society to promptly reform its institutions will be but the "Voice of one crying in the wilderness." But even if not, we are bound to see eventually that neither society, nor any branch of it, such as a union, a church, a government, a corporation, or a family, can live a man's life for him. It cannot serve as his conscience, nor can it plan his life for him without destroying his initiative and sense of responsibility. He simply must exercise a sense of direction of his own if he is to live much more fully than a domesticated animal.

I realize that to undertake, even in a limited way, to tell anyone else how to take his own life and problems in hand is dangerous ground, to be trod, if at all, only with care in avoiding what may always be matters purely of personal taste, staying well within the accumulated, conservative wisdom of the race, indicating the sort of things a prudent person would do, no matter how individualistic he wanted to be otherwise. I venture on this ground at the risk of being chided, by some, for stressing the obvious, and for being "puritanical," by others who, I say, have never sought natural principles by which to judge what responsibilities are rightly public and what are private.

The self-reliant mind gets little encouragement in this age, for the whole trend of mass thought, especially that in this decade called "liberal" on the part of those wishing to plan or govern, is that all but the most solidly entrenched must be cared for, saved for, and planned for, by programs of aid for these, aid for those, aid for the others. I claim this need not be so for those determined that it shall not be.

From among the innumerable objectives for which people work, strive, and hope, three appropriate examples are selected for discussion here; they are important in themselves, and they illustrate well the essential place of personal effort in the support of private lives as compared to any place public action may have in the support of private lives. I refer to health, education, and welfare.

These three words suggest to Americans a huge government bureaucracy whose growth is the very symbol of the increasing tendency for personal responsibilities to be regarded as government functions. Though granting that some services for the common good might, if divorced from the pressures of politics and special interests, be well rendered or aided by government, such as medical research, drug analysis, and protective laws for sanitation and safety, nevertheless it is here contended that health, education, and welfare are essentially private functions, properly rendered by people to themselves. Popular thought, however, seems to be

that more money will surely mean more of such attributes enjoyed by people. There also appears to be the belief that money, if collected from people by taxation and expended by government officials as they estimate relative needs, is more effectively expended than if the same money were left in the hands of the citizens. We know, of course, that people like to get something for nothing, and that government officials like to augment their spheres of influence, their prestige and power. But how important these tendencies are is debatable. Some people, even with apparently "no axe to grind," seem habitually to think the government must know best or must have a more broadly based and dispassionate judgment.

But now let us consider the great extent to which health, education, and welfare -- not as vast programs, but as the attributes of the lives of people -- are actually dependent not upon money but upon subjective factors, such as the energy, intelligence, study, wisdom, and perseverance of each person himself.

Consider health. It is true that some physical things -- food, clothing, shelter, medicine, dietary supplements, and various mechanical, optical, or electronic attachments to the human body -- can be bought with money. But all these will come to naught if the subject himself does not "live right," so-to-speak, that is, if he buys and eats foolishly, abuses himself, becomes addicted to drugs and stimulants, over-works, under-works, takes no physical exercise, fresh air or needed sleep, and harbors debilitating thoughts of hate, selfishness, inferiority, and fear, and, above all, if he has no great, absorbing, worthwhile interests to maintain an eagerness for living and doing -- doing for himself, doing for others. When he lets himself down in these ways, then he begins to say he does not know what is the matter; he blames anything but himself, and soon becomes an object first of sympathy, then of pity, finally of aid in some form, becoming a burden to society. The things that could be rendered to him from outside himself could perhaps keep him up and dressed, but they alone could never give him an impelling purpose for living nor the zest, let us say, to bounce out of bed long before breakfast, get out in the morning air and "split up a pile of hickory logs."

Consider education. (Vocational training is outside the scope of this work.) A liberal education, either formal or self-directed, is a most central attribute of a person's development, and is the basis of the attainment of most all other satisfactions and achievements. It consists, in part, in an accumulated body of knowledge and skills, and the ability or the propensity, through reading, study, thought, observation, consultation and discussion, to add constantly to that accumulation. To progress in education depends on having a respect for the value of time, and on not having the common, habitual predilection for the purely diversionary pasttimes that consume the leisure of most

people. It depends on an habitual preference for an atmosphere of peace and quiet untortured by puerile entertainment or idle, contentious talk. It depends on an eager grasp of ever new fields of knowledge and thought such as to broaden one's outlook among people and matters not previously seen, understood or enjoyed. It depends on being at ease with many sorts of people, especially those able to impart knowledge and understanding, and on being entirely free of a neurotic and pointless sense of inferiority in the presence of those of education, accomplishment, and greatness. And finally, the gaining of education depends on a true sense of personal dignity and the appropriate, sincere, and entirely unostentatious ambition to make something of one's own life, and on the realization that nothing need stand in the way. In all of this, I conceive the highest desire to be for the actual substance of education, not merely the outward symbols of it -- the citations, certificates, diplomas, degrees, and titles.

Perhaps our most urgent, specific concern about education now is that our children may get into high school and college, find satisfaction and success there, and later put to good use what they gained, in rich, useful lives. Whether, or how well, they do this depends on the efforts, tastes, love, common sense, and foresight of ourselves, their parents. Attitudes of amiability, good cheer, self-confidence, helpfulness, honesty, family loyalty, intellectual curiosity and industrious activity must all begin in the home, and practically at birth. Parents should, themselves, take an active interest in all serious interests of their children, especially their school work, helping them grasp principles of academic study, creating a home atmosphere conducive to mental concentration, giving scholastic accomplishments a worthy status in the eyes of the impressionable young. Children and young people should be introduced courteously to guests and encouraged to take their part in the conversation and other amenities, just as if they were people. Yet we know the proportion of American homes in which the atmosphere is one of noisy, competitiveness, of impatience and anxiety, continuously tortured by hideous "programs" -- anything but conducive to serenity, studiousness, or independent thought. When there are guests, children are ignored, shooed out of the room, or otherwise treated in undignified ways destructive of any development of poise, social grace or desirability among worthwhile companionship. Social training, of a simple, basic, loving nature is well within the capabilities of all parents who realize it and are determined on the best for their children. But the golden opportunities pass unrealized. Then later, teachers, principals, and deans all complain -- with entire justification -- that they are now expected to train students in such elementary matters as sex, common courtesy, social etiquette, how to read, how to study, and many other matters and attitudes all of which are actually attributes that should have been the natural by-products of proper home and family life.

Good schools and money to buy some things all have their place, but without dynamic inner attitudes, personal abilities, and an awakening to broad, worthwhile interests and ambitions, they are powerless to educate. We can lead a horse to water but we cannot make him drink; we can lead a boy to college but we cannot hope that he will drink at the right sources -- those of wisdom and knowledge -- unless we, his parents, have, from his earliest childhood, done our part for his well-rounded up-bringing. The schools have their place in education, obviously. But all they can build on is whatever parents and society have already instilled into children's characters. In saying this, we are exactly within the subject of this chapter, the field of individual responsibility and action.

Consider welfare. I suppose "welfare" could include every phase of peoples' well-being, and that in every case it is the total effect of education, personal endeavor, economy, common sense, health, good luck, and so on. We have seen for a generation and more how, increasingly, peoples' conditions are regarded as due to forces beyond their control, and how government -- local, state, and federal -- is coming to mean "all things to all people."

The great extent to which people accept these suppositions of their own helplessness at "face value" is undermining their determination to do all they could for themselves. This is weakening them, rendering them more and more sheeplike, while promoting the growth, power, cost, all-pervasiveness and eventual tyranny and corruption of government. That is a major complaint to be expressed about Americans. It is true that in an advanced, exchange economy like ours, material sustenance can be bought with money, and government can collect money and dole it out for our sustenance. But through no such process can we obtain the conditions, the atmosphere, the use of the mind, the freedom to err, to learn, and to live, nor the challenges to be met and intangible satisfactions to be gained, which differentiate the proper destiny of Man from that of the dumb animals.

Of course the theory of public welfare, or of the action of public agencies for such a purpose, is that from those who can spare it shall be taken part of their earnings to be distributed to those in desperate, undeserved need, all done in the name of a humane society, and purporting to affect a more expedient distribution of wealth. But public distribution of wealth is wrong in principle, and every system based on it is, in the end, abused, and corrupted and naturally so, for no one retains any incentive to stand on his own feet and meet what are rightly his own personal problems. The padding of welfare rolls is notorious, as everyone now knows, and government officials have, if any, only an indirect, political incentive to restrain abuses or to discip-

line people; their largesse with public funds circumvents Nature's discipline. There are good, honest workers in the field of public welfare, but the system, the whole general principle of "welfarism," attaining the proportions it has, holding the place it does -- from Social Security down to aid to dependent children -- in the expectations and plans of most people, and assuming the place it has in the economy, is a monstrous thing.

Where individual responsibility and action -- and the natural incentives and inspiration for these -- are lacking, then personal attributes, such as health, education and welfare cannot be attained, nor can any other attributes depending on personal effort.

But on the encouraging and positive side of this matter, we can say that these elements of personal well-being, and most all others as well, are indeed within our own capabilities to attain.

I believe we have become too deeply entangled in the competitive struggle for material things, measuring the value of every activity by the "ledger," sacrificing leisure for luxury, turning economic life into what is today called "the rat race." Strangely, our political leaders urge still more of this, stressing more "gross national product" and faster "economic growth," which means more specialization, centralization, and urbanization, even though such progress and change have already been stimulated to the point of chaos, or to a condition to which the large numbers of those of merely ordinary ability simply cannot adjust. This seems largely unreasonable to me. Competition and industrialism, within reason, have their rightful place in our way of life. But unfortunately much of it has been built up on the involuntary participation of those who earliest succumbed to the many forces tending toward centralization of all functions of society, largely becoming "factory hands," "organization men" and the like. Though many may seem financially better off than they would have been a century ago, yet they have lost most of whatever they might have had of independence, and now live in ways that hold them in strict conformity to conditions of living and working rigidly established for them, accepting the values and thoughts of those around them, with fortunes geared to the vicissitudes of the market over which they have no control.

A growing number of people are beginning to realize this, and some are deliberately making a change, which, typically, is a move from city toward country, where they can have more room and more personal freedom; where they can perform many services for themselves in which, also, children find outlets for their immature powers, joining with their parents in what can be the companionable struggle with Nature. That struggle is a noble one and entirely normal in the economic life of Man, in contrast with the unnatural, "bumper to bumper, dog eat dog" struggle of man against man so characteristic of the fiercely competitive commerce in the world's

goods amid the crowd and din of smoke-filled rooms and teeming streets -- a contrast so well expressed by the words of Walter Rauschenbusch:

"The world of men is made of jangling noises.
With God is a great silence."

This move that a few are making is in the direction of sanity and peace and one which the individual may well try to make without hopelessly waiting for society to agree with him or his sense of values. If you can live in a manner and a place such as to be able to meet at least some of your own needs, with such goods and services not having to pass through the channels and vagaries of the market -- our exchange economy -- you will broaden your own powers and outlook, improve your health, increase your sense of oneness with other people, and bring meaning and variety to your work. True, you will sacrifice some of the technical advantages of modern specialization, but be freer of its strains, closer to your family, closer to Nature -- the shade of trees, the songs of birds, the sight of wild flowers, the softness of green grass, the clean air, the "great silence," "the hills," and "still waters."

I realize fully that many people could not possibly understand or do this; they would not have the wit, the strength, or the imagination, perhaps not even the slightest feeling of need for a broader, more varied outlook or for a relief from modern tensions. And I do not propose or envision a full-scale movement "back to the land," a dream that many have long entertained; but some modified move of that nature I certainly do, carried in individual cases as far as each person sees fit to go. And I know that many agree with this, and some are taking action. Many did so, long ago. And to the extent that they succeed they may develop a trend, even giving "status" and hope to the very idea of recovering and enjoying in this lifetime some desirable measure of that personal independence and peace we think of as an American ideal.

Of course in the actual attempt to find and acquire land enough for that feeling of space for peaceful, varied living, as envisioned here, you will run smack into the "land question," and perhaps learn more in a day than you have from this work of mine!

It should seem practically axiomatic that the quality and the future hopes of any society are measured, in part, by the proportion of its members who are so grounded in morality that they will regularly do the right and honest thing, <u>just because it is right</u>, whether or not their acts are known by others with

or without authority and whether or not any legal statutes cover the field of their actions. As Americans, we have so much to be thankful for and to preserve and improve that each of us should feel deeply inspired to take our places among such members and to do our best, for the sake of the integrity of our consciences, our children's future, our self-preservation, our loyalty and sacred honor, perhaps remembering the words on an old New Hampshire grave stone:

> Honor and shame from no condition rise,
> Do well your part, there all the honor lies.

The reform I have urged has been often resisted by those who would have granted its validity had short-sightedness not caused them to fear any change in the traditional patterns of the distribution of wealth and advantage. It is to be hoped that these and all others desiring a better society may gain the faith that under a more just dispensation they would be fully assured all their rightful deserts and would live in a better, safer, happier state of society whose benefits they would share. Attaining and practicing this faith would indeed be a perfect example of following one of the greatest of precepts:

> Seek ye first the kingdom of heaven,
> And all these things shall be added unto you.

Only do we ourselves, sitting alone with our inner secret consciences, know how diligently, how unselfishly, how by our own initiatives, willingly making sacrifices, we have done all we could for truth and justice.

But, if religion be brought to bear on this matter, <u>were</u> we actually alone, and <u>is</u> that such a secret place?

In the background of this entire philosophy stands God, seeing and knowing all things, past, present, and future, and who has ordained the laws of our being, which, if we learn to live by them, prove His wisdom and equal love of us all. The collective perception of this by the race has been expressed in the irrefutable words of the Psalms: "Thou hast searched me and known me...thou understandest my thoughts afar off, and art acquainted with all my ways ...If I ascend up into Heaven, thou art there...If I dwell in the uttermost parts of the sea, even there shalt thy hand lead me... Try me, and know my thoughts, and see if there be any wicked way in me, and lead me in the way everlasting."

Surely no one can gainsay these words of vision and faith!

I realize we get the results of our acts and attitudes more

or less as we go along, in this life. But I find it intriguing -- and perhaps it would be salutary -- to contemplate that long prophesied Judgment Day, when we shall stand before our Creator and be asked to prove that we are "...fitted for service above.". In our last days on Earth all that will have proven of value will be the love of our fellow men, any "victories" we may have "won for humanity," our simple acts of kindness. These alone could have given us "An holy boldness in the day of death." But now, our very approach to the Judgment Seat, the Throne of God, will have divested us -- as by "the refiner's fire" -- of confidence and pride, and of the sophistries we might have used in earthly courts, leaving us duly humble and contrite. As all from America, the land that had been unusually blessed, are asked to stand forth, within sight and hearing of those from all nations, races, creeds, and stations, our minds will, perhaps for the first time, stand at respectful attention in the presence of the supreme dominion of our loving Father. This moment of confrontation might once have been imagined as "terribly awful," but I think would be quickly succeeded by the flow of justice, mercy, and reason, as He will say,

> "YOU KNOW THE SUBSTANCE OF THE COMMANDS -- TO LOVE THY NEIGHBOR AS THYSELF, TO DO GOOD TO THOSE THAT HATE YOU, TO OVERCOME EVIL WITH GOOD, TO DO JUSTLY, LOVE MERCY, AND WALK HUMBLY WITH ME. IF YOU ARE NOW PREPARED TO SO ACT, THEN WE WILL REMEMBER NOT PAST YEARS, BUT YOU WILL ENTER HEAVEN, JOINING ME IN THE PURSUIT OF THINGS ETERNAL, CASTING OFF THE HOLD OF LESSER THINGS AS DID MY SON WHEN HE SAID, 'I HAVE OVERCOME THE WORLD.'"

No one can say that this is not the way it will be.

If we could look ahead to the time when we shall be looking back over life, and see God's commands as the precepts by which we should all along have been guided, as ultimately we shall be, then why not begin practicing them NOW ?

APPENDIX

A. DEFINITIONS OF TERMS

SOCIETY: All people, taken generally.

ECONOMIC SOCIETY: If it can be considered separately from Society, means all people engaged in the production of wealth or the rendering of services. Practically all people working do so in a realm of "specialization and exchange." Each person tends to do one kind of work, becoming relatively expert in it; he exchanges the results of his efforts for those of others, thus supplying all his own needs indirectly. Expressed in another way: All men put the products of their labor into a great pool of economic values, the market; then each draws out from the market just what he needs to supply his own wants. Obviously, justice demands that in the long run each shall draw out not more than he has put in. This is kept track of by the use of money and by the constant accounting of credits and indebtednesses of all people.

POLITICAL ECONOMY: The science of the nature, production and distribution of wealth in a society practicing specialization and exchange. It is not supposed to be any part of politics.

Having to do with people and their varying natures, it is not one of the exact sciences, like mathematics or physics, but deals with general tendencies. We cannot say that under certain circumstances such and such will always take place; practically always we are limited, in truth, to saying that there will be a tendency for such and such to take place. Yet economic tendencies are powerful and of vast total effect. Millions of people, twenty-four hours a day, are acted upon by the same forces, the same desire to get all they can in the easiest way.

Even lying awake nights, people "figure all the angles" of every situation and opportunity. So what we can style only as rules or tendencies are of very great and usually predictable force and direction, making the "laws" of political economy worthy of the same respect as those in other sciences.

ECONOMICS: The science of the conservation of scarce means, of the avoidance of waste, of attaining the greatest effect from the least exertion or expenditure. (Perhaps the "political economy" of a one-man society!)

WEALTH: All material things produced by human labor for the satisfaction of human wants. It is not a class of people. It does not include money or credits, which are merely evidences of claims, on the part of their possessors, to the products of the labor of others; it is the actual, tangible goods themselves. It includes "consumers goods" -- food, clothing, shelter, and all

other direct, material needs. It includes "producers goods" -- capital, hereinafter defined.

LAND: All the material universe available to man, exclusive of his own products. Practically speaking, it is the surface of the earth and all materials upon it. It is the gifts of Nature to Man just as we find them. It includes every class of land from city to wilderness, and considered separately from any improvements made by Man. It is not to be confused with any part of wealth or capital, no matter how "wealthy" a man may be by its possession, and no matter how logically a capitalist might count his land as part of his business assets.

LABOR: All human exertion, mental or physical, managerial or otherwise effective or useful, in the production of wealth. It is the entire human and active factor in production.

(Land and labor are the two fundamental factors.)

CAPITAL: That part of wealth used in the production of more wealth. It is "producers' goods" -- not money, but actual, tangible, material things themselves, typically the tools, machinery, buildings, stocks of goods, etc., used by industry and commerce.

Capital does not employ labor. Labor produces and employs capital.

Land, labor, and capital are the FACTORS OF PRODUCTION.

Rent, wages, and interest are the AVENUES OF DISTRIBUTION.

RENT: Payment for the use of land. It can be made in periodic payments, perpetually, which are usually paid in money but which, in the case of agricultural lands, are often paid in a share of crop. Rent can also be paid, once and for all, in the shape of a purchase price whose amount is likely to approximate the capitalization of the total periodic payments for a year but possibly modified by speculative considerations. In economics generally, and in this essay exclusively, "rent" means payment for land only.

WAGES: Payment for labor. Since most men work for employers, they are usually paid in money; such payments include not only wages for common, physical effort, but also salaries, commissions, store owners profits, etc. -- any payment at all for services rendered by people in the production of wealth or services.

Wages also includes the products of a man working for himself, producing goods for his own use, in his own shop, in his own garden, in his own woods. The importance of this is commonly overlooked in social philosophy.

INTEREST: Payment for the use of capital.

The last seven terms defined can well be grouped as follows:

Factors of Production	The Product	Avenues of Distribution
LAND		RENT
LABOR	WEALTH	WAGES
CAPITAL		INTEREST

MISCELLANEOUS TERMS

PRODUCTION: This includes all work or services required to extract raw materials from the earth, to transport, refine, manufacture, package, warehouse, store, retail, display, or otherwise deliver goods to ultimate consumers.

IMPROVEMENTS: Include buildings, grading, fertilizing, fencing, or other products of labor put on land to facilitate its use.

PATH OF PROGRESS: Lands lying in the immediate vicinity and direction of expansion of populous places; lands bearing natural resources for which society has growing uses; talents of people for which there is a certain and growing demand. This is a term devised for use in this essay.

REAL ESTATE: Land and Buildings taken together.

(CAPITALISM Is a term used by most people in referring to our philosophy of free enterprise and private ownership and management of capital, presumably in competition with others and for profit. I do not consider it a properly descriptive term and so do not use it, any more than we would, except in humor, use O'Henry's designation of Manhattan: "An island off the coast of New Jersey.")

B. BASIC LAWS OF POLITICAL ECONOMY

1. MAN SEEKS TO SATISFY HIS DESIRES WITH THE LEAST EXERTION.

2. MAN'S DESIRES INCREASE WITH THE POWER TO SATISFY THEM.

3. THE LAW OF RENT.

Rent has been defined as payment for the use of land. It is of value to understand what facts tend to determine the amount of rent, or, economic rent.

Within any interdependent, economic, trading area, it can be imagined that certain total amounts of land would be required for each of the many different lines of productive work to meet the total demands for the respective products. In agriculture can be found a good example. Consider a country like ours, in which

there is much more land of every kind than is yet needed.

The total amount of land that must be cultivated to meet the demand for, say, wheat, would include lands of differing degrees of productivity. Soil fertility, workable terrain, and convenience of location would all contribute to overall, productive advantage.

All men, in competition with one another, seeking to obtain good lands, will, in the long run, tend to offer to pay rents -- in periodic payments or in purchase prices -- roughly corresponding to the overall advantages, as these are measured by productive results of equal expenditures of effort.

Suppose that, on the poorest class of land resorted to -- at the MARGIN so-called -- for which no rent could be demanded because of the superfluity of that quality of land, a given application of labor and capital could produce 10 bushels per acre. Suppose, too, that on the very best land the same application could produce 100 bushels; also, that on all intermediate qualities, correspondingly intermediate yields would be produced.

No rent could be asked for marginal land, as any producer could take up such land for himself free. For land producing 20 bushels per acre, or 10 bushels more than is produced on the poorest land in use, a rent measured by the value of this excess produce could be asked by the owner, and paid, as an economic proposition, by the user. In the same way, rents could be asked and economically paid, as follows: the value of 30 bushels for land producing 40; 50 bushels for 60 bushel land; 90 bushels for 100 bushel land -- the best in this example.

Rents and productivities may not correspond exactly to this rule everywhere and always, because of many factors; but, due to the tendency of all men to offer to pay whatever the special advantages of different lands are worth, we can make the following general statement:

THE LAW OF RENT:

THE RENT OF LAND IS DETERMINED BY THE EXCESS OF ITS PRODUCE OVER THAT WHICH THE SAME APPLICATION OF LABOR AND CAPITAL CAN SECURE FROM THE LEAST PRODUCTIVE LAND IN USE.

This general rule is accepted by all economists whether in favor of the general philosophy of this essay or not. The general idea of what rent in any case depends upon, as expressed above, applies to all lands, whether used for farming, storing, banking, mining or even residential purposes.

C. A STATEMENT BY MARX AND ENGELS

This is an extract from the Communist Manifesto of 1847, inserted here as authoritatively representative of their conception of socialism.

"The proletariat will use its political supremacy, to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible.

"Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production, by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order, and are unavoidable as a means of entirely revolutionizing the mode of production.

"These measures will of course be different in different countries.

"Nevertheless in the most advanced countries the following will be pretty generally applicable:

"1. Abolition of property in land and application of all rents of land to public purposes.
"2. A heavy progressive or graduated income tax.
"3. Abolition of all right of inheritance.
"4. Confiscation of the property of all emigrants and rebels.
"5. Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.
"6. Centralization of the means of communication and transport in the hands of the State.
"7. Extension of factories and instruments of production owned by the State, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.
"8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.
"9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of population over the country.
"10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc., etc.

"When, in the course of development, class distinctions have

disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character.

"Political power, properly so called, is merely the organized power of one class for suppressing another. If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organize itself as a class, if, by means of a revolution, it makes itself the ruling class, and, as such, sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms, and of classes generally, and will thereby have abolished its own supremacy as a class.

"In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association, in which the free development of each is the condition for the free development of all."

D. RISE OF LAND PRICES DUE TO THE COMING OF TRANSPORTATION

- A Striking Example -

With the completion of the transcontinental railroad to Sacramento, California, in May, 1869, the prospect of its soon reaching the coast at Oakland caused land prices, even in the outskirts of that city, to reach high figures. Henry George, living there at that time, frequently rode out into the country, "for mental change." Those days, as during nearly all his life, he was constantly pondering the problem of poverty amid advancing wealth. Writing of what occurred on one of these rides when he had stopped to rest his horse, he said:

"I asked a passing teamster, for want of something better to say, what land was worth there. He pointed to some cows grazing off so far that they looked like mice, and said, 'I don't know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.' Like a flash it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay more for the privilege. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since."

E. COMPETING PHILOSOPHERS AND THE LAND QUESTION

1. KARL MARX (1818-1883), the principle oracle of socialism, who in 1867 brought out his main work, Capital, revealed in his

final chapter, using a striking example from Australia, that he saw, at least fleetingly, that readily available land made it possible for men to be free, immune to exploitation. But having no faith in the possibility of attaining a good society directly through human liberty, he seems to have shown no interest in how land might be made available to all men. I suspect he thought men's attainment of freedom and independence would, as a halfway measure, delay or forestall the institution of the right and ultimate solution of poverty and injustice -- in his eyes, socialism. A controlled, centrally directed economy and social order was at least his immediate objective. If he ever gave any inkling of his conception of the good life for the individual -- other than what you can infer from his recommendation of "industrial armies, especially for agriculture" -- I must have missed it, along with whatever he meant by "the free development of each," in spite of studious efforts on my part.

2. Henry George (1839-1897) made a more thorough study of the land question than did anyone else I know of, the results being published in his most important work, Progress and Poverty, in 1879. He believed the way to attain a good society was through individual human freedom, which, in turn, depended, as he saw it, on ready access to land for all men on equal terms and on the undisturbed right of every man to the full rewards of his labor. The means he urged for affecting this was the abolition of all taxation of the products of labor and the public collection of the rent of land as the sole source of public revenue.

George was not the first to recognize the importance of rights in land and of the taking of rent for public revenue; but he did most, for those of us living in this century, in clarifying fundamental relationships between the factors of production and distribution of wealth, and the requirements of justice and expediency in public policy.

George never claimed his doctrine was a cure for all ills -- as some of his followers have been ridiculed for doing. He did believe his doctrine to be essential to the life of free men, and he trusted free men to sensibly govern themselves and institute just laws and a good society.

His philosophy is an integral part of my own, and I regard it -- in combination with an enlightened individualism and a strengthened personal fortitude -- as the ultimate hope, if there is any, for the preservation of American ideals.

As for Marx and George, each is reported to have had a low opinion of the other and his doctrines. It is said that Marx called George's work "the capitalists' last ditch," and that George referred to Marx as "the prince of muddleheads,"

I agree with them both.