

## Widows and Orphans Don't All Own Land

BY FRANK CHODOROV

A WIDOW showed me a letter she had from her broker, asking me to translate a long and detailed "letter to bondholders."

Her husband had left her a bond on a theatre in Seattle. The theatre's affairs were being handled by a bondholders' committee. This letter was their report on conditions.

The committee had leased the building to an operating company on fair terms, and had closed with the film producers for first-run pictures. During the first six months of this set-up the new lessee had paid his rent, an amount that would have permitted the payment to bondholders of a small dividend—if. The "if" was a landlord who had leased the grounds to the original builders (the bondholders) at ten thousand dollars a year. The rental received from the lessee of the building, based on the volume of business done, was not sufficient to pay for certain necessary repairs, after paying back rent on the ground lease. As the landlord was threatening to foreclose, the committee deemed it wise to pay him and to defer making the necessary repairs. But, as the building lease required the committee to keep the theatre in such condition as to meet with the requirements of the city, fire and health departments, there was some danger of the lease being broken.

Let's analyze this picture. The bondholders had built a theatre building. In so doing they had called forth labor—bricklayers, carpenters, bookkeepers, railroad men, miners, doctors and dentists. All these workers produced a building that enhanced the beauty of the neighborhood and provided a place of amusement for the citizens. Each of these workers received his share of the new wealth created in the form of a theatre; that is, each received wages. When the building was completed more workers had to be employed: ushers, charwomen, moving picture operators, managers, electricians. These bondholders had by their enterprise created an endless chain of opportunities for labor to produce—not forgetting the labor of musicians, actors and scenario writers.

But, before they could do all this they had to agree to pay a landlord ten thousand dollars every year for a long time. For this the landlord gave nothing except permission to go to work. Any way you try to gloss it over, what the landlord gets is tribute, blackmail, loot. For he gets something for nothing. He is therefore a thief; legalized, it is true, but nevertheless a thief ethically.

Among the bondholders was an honest working man who, solicitous for the welfare of his wife and child, put his

savings into this business enterprise so as to assure his loved ones of an income when he had gone. His savings, or capital, is part of his labor. It is wealth which he created by his effort, and he is entitled to a return on it if it is so invested as to enable workers to produce more wealth. This return on his accumulated wealth we call interest, but it is in fact only deferred wages. Without this investment the myriad of workers called into productive action in the construction and operation of the theatre may have been idle; as far as this enterprise is concerned they would have been idle. Therefore, capital served. Just as the worker is worthy of his hire, so is capital worthy of its hire. Payment for the use of capital is justifiable, and interest is sanctioned in moral law just as it is inevitable in economic law.

When the honest and thrifty husband bought this bond he may not have known that its safety was jeopardized by that bird of prey—the landlord. It makes no difference whether he did or did not know. There is no desirable foot of land in the entire country to which capital and labor can find access without paying toll to some landlord. Whatever enterprise he might have selected for investment would have been subject to tribute payments to a landlord. It is inevitable.

The husband dies. No doubt his last thought is for his loved ones, and his leaving is made easier by the recollection that he has provided for their livelihood. But, while he did protect them against the wolf of poverty at the front door, he did not protect them against the rapacious fox of landlordism at the rear door. He could not have done so had he tried. Not so long as the private ownership of land is legalized.

For a few years the widow received her dividends. Then came the depression, brought on by landlordism, people cannot afford to go to the theatre, ushers are laid off, less electricity is needed, charwomen are dispensed with, building repairs are neglected, wages are reduced, dividends disappear.

But the landlord must be paid. And the bondholders' committee makes a frantic effort to save their investment by reorganizing the venture, voluntarily taking a loss on their capital, so that the enterprise can be continued, labor can be employed, wages paid, and perhaps some dividends may eventually be paid. Also, mind you, there is the danger that the landlord may take away their building; he has a legal right to do so if they fail to pay him. Eventually they do manage to make some arrangement that will result in enough income to either pay labor for necessary repairs or pay the landlord what he has a legal right to demand. They have no choice. Labor must go idle. And the widow must hope that eventually there may be something for her, as her loving husband intended.

That's what I told her.