

A Word With You

By ROBERT CLANCY

A friend writes: "I've been critically watching our literature (i.e. Georgist literature) for some time . . . Whenever emphasis is placed on altering conditions, it is always on what the government or the state should do—never, so far as I can recall in any one instance, on what the individual should do—except, of course, buy our literature and swell the attendance of our schools . . . Even when, a couple of years back, Highland landless crofters 'squatted' on the lands stolen from their grandfathers, and were subjected to official persecution, our literature did nothing to encourage these men in the exercise of their natural rights."

If my friend means that we are not telling individuals, to assert, as individuals, their natural right to land, then we had better examine this defection of ours.

First, we must show individuals what their natural rights are. A rabble-rouser could say: "You have no house. That man has a house. You have a right to go in and take over." That is a false idea—and making the distinction clear is a matter of education.

Offering a course of action to individuals involves a responsibility. If action is urged that runs counter to the laws of the land, and such action is met with punishment, what is the answer of him who did the urging? That the laws are wrong? Then the laws ought to be changed, and this becomes a matter that must be appealed to the people—eventually to the government.

This does not rule out those brave deeds of individuals who defy an oppressive order—a William Tell, a Robin Hood, a Christian martyr. But such deeds are matters of intense personal conviction—and none of those heroes asked anyone else to pull their chestnuts out of the fire.

Suppose we were to encourage some landless person or persons to illegally occupy a piece of unused land privately held. Would the right to land that should be recognized then be asserted? Not unless all men were accorded the same right—otherwise it would just be another special privilege. Also, the exercise of the right to land involves the payment of rent to society. But today society doesn't seem to be interested in that rent. We had better educate society!

I do believe, however, that when such instances occur as Highland

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Gems for Georgists

By NOAH D. ALPER

"What's the only form of taxation that will not restrict production or decrease the income of labor?"—From a term examination paper given at a university in St. Louis.

Msgr. L. G. Ligutti Speaks

"Democracy and Christianity must work together to offer the world's farmers a new system of land use to counteract Communist 'agrarian reform' . . . The major problem of the world today is a problem of the land and the people of the land. The land is not used as well as it should be used.

"Seventy per cent of the people in the world are farmers or peasants. But they are the ones who own the least land. They are the ones with the poorest housing, and a high percentage of farm and peasant people are illiterate . . . It is no wonder that Communists now devote the major share of their effort to converting farmers and peasants."

Major A. W. Falvey of Omaha, Nebraska sent in this clipping from the Omaha World Herald. Msgr. Ligutti addressed the Consumers Co-operative Association meeting in Kansas City in December.

Social Termites at Work

"Robert Gerholz, of Flint, offered the Economic Club a George definition of Utopia . . . compounded on 1951 wages, 1932 prices, 1929 dividends and 1910 taxes. Dreamer!"

"This 'dig' given to the very influential Detroit Economic Club," says Robert Benton, Detroit extension director, "is an attempt to turn people away from George with jokes." But maybe it's not such a bad way of picturing prosperity under Henry George's theory at that!

Symptoms of Land Infection

Peter Otway Smithers, Conservative member of the British Parliament, said [St. Louis Star-Times, January 5, 1951]: "The world struggle is above all for people and natural resources."

E Pluribus Unum?

"Jeremiah T. Brosnan, comptroller of Columbia Steel Tank Company, testified today in the income tax evasion trial [Kansas City, Missouri] of George R. Clark, former Jackson county assessor; that payments totaling more than \$9,000 were made to Joseph R. Cusack to obtain lower county tax assessments.

"James H. Hatch, vice president of Union Wire Rope Corporation testified his firm paid Cusack more than \$41,000 from 1944 through 1948 to obtain lower tax assessments. The fees were one half the amount of tax that Cusack saved for the firm, Hatch said."—From St. Louis Post Dispatch, January 16, 1951.

Material to Think With

"The idea of *Commentary*," says Editor [Elliot E.] Cohen, was 'not to tell people what to think but to give them the material to think with . . . We think of ourselves as trying to be the best possible teacher talking to the best possible student . . . Education is slow, but what is faster?'—Time magazine, January 19, 1951.

Raymond Clapper, famous columnist, once said something like this: "Don't underestimate the people's ability to think but don't over estimate their information."

To induce basic and correct premises as starting points from which to think is the goal of education in the science of economics.

A Wildcat and Radium

"A long-lost Ozark's cave, believed to contain valuable radio-active ore, has been located, and digging or blasting to reach it will begin soon," states an item in the St. Louis Globe Democrat of January 17.

Shares of the Radium Spring Mineral Water Company in over-the-counter transactions have gone up from \$1 a share to \$1.25. "Nine days of hunting the cave with electrical resistivity tests proved successful."

The cave, it seems was first found in 1879. Three farmers followed a dog which had chased a wildcat into a cave and emerged some distance away, and saw inside, pillars of glittering crystal. All three became ill and one died later of sores similar to burns. Another farmer got into a quarrel over the title to the cave and sealed it up. Before that however, samples had been tested by Arkansas geologists who believe it may be radium.

"The supreme court ruled that price-cutting in good faith to meet competition is not a violation of the antitrust laws . . . the heart of our national economic policy long has been faith in the value of competition." William E. Clement sent this from the New Orleans Times-Picayune.

Econo-quiz

By HENRY L. T. TIDEMAN

The question this month is contained in the following letter from Noah D. Alper of St. Louis:

In the November, 1950 News the question is asked in the Econo-quiz Column, "Why cannot a planted crop be accounted capital, defined as wealth in the course of exchange, from planting time until it comes into the possession of the consumer?"

The answer is given, as "Were the question to be affirmatively answered, then in the question before us, rent and interest along with wages would have to be considered as drawn from capital; for they would each be a part of the crop."

I admit being puzzled at this answer and as long as I doubt I shall consider such a planted crop as capital, as wealth not yet in the hands of the consumer. Why would such a concept involve the thought that "rent and interest along with wages" are drawn from capital?

If distribution is made during the growing process by sale, only current values, less speculative possibilities, are involved. If distribution occurs at the time of sale, assuming the crop is such as to meet obligations and not to involve losses due to certain risk elements or poor farming, then capital is replaced, the rent given up, and the net distributed as wages and interest. There is no less capital.

If the net is reinvested there is an increase of capital. The total farm process considered, capital may be shifted to the planted crop from other situations. For current expenses the farmer may borrow on his growing crop in which the capital of others replaces his own. The landowner, the worker and the capital owner, one or different people, may all consider the crop as capital until they make other decisions.

Answer. A brief suggestion is offered in reply. As labor produces it, wealth automatically falls into the distributive categories: wages and interest (plus rent, if any). None of it should be treated of as a factor of production until it can be considered as having been graduated from these categories.

To illustrate—part of the growing crop will be an increment of interest originating from the capital used in its production. Such interest is not a return for the use of the crop. I will concede that the crop can become capital. The producer may change the form of his wages by selling the growing crop. Then, having been placed into the course of exchange and giving the buyer the advantage of present over future use—thus commanding interest—the crop becomes capital.

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crofters squatting or Italian peasants entering unused estates, or Pennsylvania miners operating abandoned mines, it does present an opportunity to speak out on behalf of the rights of man and to show society how to correct its mistakes. (If my friend will again peruse our literature, he will surely find something of the sort.)