

America's Vulnerability

By JOHN R. FUCHS

THE Russians denounce us, or think they do, when they call us, and other free democracies, "capitalistic nations." They say that capitalism is evil. We say the term is synonymous with individualism—and when capitalism is correctly understood it is just that.

People who think that capital is their enemy do not know that it is special privilege, not capital, they should fear. We tend to treat as private capital something that is not capital at all. This "something" is land—a part of the earth. True capital is the wealth produced by labor applied to land, but land itself was not produced by either capital or labor. Land is the product of nature's God—and its value—its economic rental value—is created by the people, and therefore belongs to the people.

Pragmatism demands that possession of the land must be secure in the individual. It is one thing to guarantee exclusive possession of land, and in return require for the people's government the full payment of the value of such privilege. But

it is quite a different thing to grant the control of land titles to the individuals, as owners, and allow them to harvest the economic rent of land which the people created. This is the vulnerable spot in our economic system.

Due to this system we are forced to resort to all kinds of oppressive taxes that penalize labor and capital, the dynamic elements of production. Not until we restore to individuals that which belongs to them, will we present a solid front to the communistic ideology. In the meantime we ourselves are practicing a form of communism.

Ideals are stronger than any weapons we can manufacture. When we abolished the divine right of kings and established a republic, crowns began to topple all over the world. Similarly, when we abolish the divine right of owners of land to usurp and collect the peoples' economic rent, communism too, will lose its hold on people. Weapons will not defeat it but ideals will. Thoughts are still mightier than the sword.



TEN ECONOMICS LESSONS

1. Land, Labor, Capital are only factors of production.
2. Wages and Interest are total product on worst land.
3. Rent is excess product of better land over the worst.
4. Progress raises rent but lowers wages and interest.
5. Depressions are caused by lowering wages & interest.
6. All other remedies fail to raise wages and interest.
7. Land value is created by and belongs to the public.
8. Abolish all taxes except those on land values.
9. Available land lowers rent, raises wages & interest.
10. Untaxed production on fairly-taxed land is Freedom.

—Henry George School, Detroit