

## Correspondence

### MISTAKES OF PROF. WHITEHEAD

EDITOR LAND AND FREEDOM:

A word might be added to the excellent review of "Adventures of Ideas," by Alfred North Whitehead, that appeared in the Sept.—Oct. issue of LAND AND FREEDOM, to show how easy it is for a philosopher to fall into conventional errors when dealing with political economy. Thus Prof. Whitehead uses the familiar example of the shocking factory conditions in England in the early days of the Industrial Revolution to prove that "the mere doctrines of freedom, individualism, and competition, had produced a resurgence of something very like industrial slavery at the base of society."

The assumption that individualism was on trial at that time is of course absurd. The enclosure of the commons had tightened the grip of land monopoly, and the factory workers were the victims of this invasion of individual liberty. A system based upon privileges, the very antithesis of *laissez-faire*, must bear the responsibility for the enslavement. The workers were not free because the natural alternative of self-employment on the land had been taken away from them, an alternative that would have enabled them to exact higher wages and the safeguards that became the object of factory laws.

Prof. Whitehead believes (p. 44) that a "directive agency" is required to help mere individualistic competition to produce a satisfactory society, but being blind to the part that land monopoly and trade monopoly play in the economic world, he is either unaware of the argument for equal freedom or does not consider it worthy of attention. In common with many so-called economists, he ignores a fundamental factor in the problem under discussion. This leads him to suppose that "such sharp-cut notions as 'the economic man,' 'supply and demand,' 'competition,' (are) in process of dilution by a close study of the actual re-actions of various populations to the stimuli which are relevant to modern commerce."

Commerce produces different reactions under restraint and under freedom. History furnished numerous examples of the attempt on the part of governments to ignore the natural laws, but the price has always been oppression and strife, a price that is being paid today by unfortunate populations in many parts of the world.

It is the hope of those who still believe in equal freedom that, with the removal of privileges and monopoly, competition would produce in society the desired equilibrium. Although Prof. Whitehead is of the opinion on page 70 that compulsion is necessary to overcome anti-social tendencies, on page 105 he points out that "the worth of men consists in their liability to persuasion," and on page 213 he quotes Plato's final conviction "that the divine element in the world is to be conceived as a persuasive agency and not a coercive agency."

The test of any economic system must rest finally upon its power to win universal acceptance, and therein lies the strength of the ideas developed in the 18th century by the Physiocrats and Adam Smith, and clarified by Herbert Spencer and Henry George. Unlike Socialism or Fascism, the demand for equality of opportunity must repudiate violence, and depend upon justice and fair play to win approval. Its platform, the earth, is the only one broad enough to hold the entire human race.

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### ACTIVITY IN CALIFORNIA

EDITOR LAND AND FREEDOM:

For several years past the real estate boards of California have been engaged in an able and skillfully managed campaign, as they claimed, to relieve real estate from its "burden of taxation." They interested with them some of the farm organizations and also succeeded in entrapping the state organization of building associations and other bodies. Altogether they presented a very formidable appearance. In carrying out their plans a determined pressure was brought to bear upon state officials and the state legislature. The result of all this was

that two of the state officials, the comptroller of the state and the head of the State Board of Equalization, gave their names (Reily—Stewart) to an amendment of the State Constitution which was duly submitted to the people in June and carried by a considerable majority, the people not being clearly informed as to the nature of the measure upon which they were voting. This amendment, although containing some apparently good features, had as its real object the limitation of taxation upon real and personal property to an amount not to exceed one-fourth of the sum appropriated for all State purposes and with power in the legislature to authorize the counties and cities to limit their taxation on such property to a similar one-fourth of the amount of their appropriations.

Of course the net result of this would be to make necessary a transfer of taxation, for the most part, from the shoulders of those who may be called the "possessing" classes on to the shoulders of the poor.

That this statement is correct is shown by the fact that the legislature, anticipating the adoption of this amendment, provided California with a two and one-half per cent retail sales tax, which tax for several months has been in operation.

The realtors and their assistants overplayed their hand, and the citizens of the State of California have learned through daily experiences just what this sales tax means, for it was indeed presented in its most objectionable form and without disguise. The state of public feeling is such that it has seemed to a number of those really acquainted with the subject of taxation that the present was the most opportune time imaginable for the pressing of real reform in taxation.

Acting upon this belief, there was presented to the State Federation of Labor, meeting at Monterey, a resolution which, omitting the "Whereases," in its final form read as follows:

"Resolved by the California State Federation of Labor that we demand such a constitutional amendment as will forever prevent the imposition of any sales tax, either direct or indirect, increasing the price of commodities, will repeal so much of the Reily—Stewart amendment as limits taxation upon property generally, and an amendment which will lead to a progressive reduction and the final extinction of taxation upon improvements and all forms of tangible personal property, including the crops and fruit trees of the farmer and all he has to buy, of the results of our industry."

This resolution was introduced by Mr. Jost, a delegate from Palo Alto, favorably reported by a committee of which Mr. John F. Dalton of Los Angeles was a party, and unanimously adopted after a discussion in which Paul Scharrenberg, the Secretary of the Federation, and Jackson H. Ralston, who had been invited to address the convention, took part.

With this condition existing, and at the suggestion of representatives of different organizations in San Diego and Los Angeles, an initiative amendment was prepared to be submitted at the election of next year, which covers four points:

1. The repeal of the recent sales tax law and forbidding any like attempt in the future in any guise whatever.
2. Doing away with so much of the recent Reily—Stewart amendment as limits taxation upon property to one-fourth of the amount of the appropriations and it empowers the legislature to carry this out as to counties and cities.
3. At once exempts \$1,000 of the assessed value of the improvements on any homestead from taxation.
4. Provides for a progressive abolition of county, city and taxing district taxation upon improvements and tangible personal property. This to be at the rate of twenty per cent per annum for five years, at the end of which no such taxation would exist. The same rule is directed to be followed by the state.

There are other provisions to make this effective but not calling for particular comment at this time.

This proposed amendment received the unanimous approval of a large meeting of people interested in tax and land reform of the city of San Diego, and like favor at the hands of a very representative and