

more serious deterioration of the moral and ethical standards of a substantial segment of our citizenry. What we have created is not a good climate for the souls of men."

Just as the application of natural organic substances can restore richness and vitality to thin, impoverished soil, so can the application of a natural, organic method of public revenue restore harmony to the physical environment. To tax sites at their full annual rental value while removing taxes on improvements, would do away with the incentive to maintain slums, for slums are chiefly the result of land being held for speculative purposes and not improved. It would

encourage home-building by depressing inflated land prices. It would rescue the countryside from suburban sprawl. To substitute the public collection of ground rent for all the multifarious levies which now stifle incentive and strangle production, would generate useful employment for all who care to work. It would prick the bubble of inflation, and exorcise the specter of depression which is inflation's legacy. It would reduce the causes of industrial strife.

—From an address by the director of the San Diego extension of the Henry George School, to the Congress on Balanced Living in Los Angeles in February.

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## Competition

by ERICK S. HANSCH

COMPETITION is one concept that has caused me much wonderment. Is it really all that which it is claimed to be?

Writers who try to glorify the economic system that is mislabeled capitalism (it should be cannibalism; capitalism is a nondescript term meaning that capital is being used in the production of wealth, and all economic systems, in so far as they deserve to be called systems, use capital) refer to competition as the indispensable ingredient for making the Western economies the most successful of all possible varieties. I beg to differ.

European economies, which we must include in the Western world, have never really shown strength and health pervading them from top to bottom. They have often produced enough sparkle at the top to make the whole thing look glamorous. But the only time there was a convincing display of sufficiency, if not super-abundance, was when the North American

continent was being settled. There was land for any and all comers, and if wages were not high, there was yet hardly any sign of poverty.

With the disappearance of free land, free for taking possession of it, this situation has changed, and it is found that our economy, on close inspection and upon discarding superannuated illusions, resembles very nearly the European ones. The German economy, for instance, has apparently done better for its members than we have for ours.

We know how the situation can be improved. But with the solution of the land problem, what of competition? Does competition lead to social or unsocial behavior? Will it play the same role under site value taxation as it is said to play under the landlord system? Can Georgists conceive of other motivating impulses for economic behavior than competition? It would be interesting to know how readers feel about this.