

Land and Freedom

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Comment and Reflection

ROGER BABSON is a curious type of thinker. Not that he is much different from the usual run. He is as wordy as most of them. He speaks of those who put their trust in economic laws, among whom by inference he includes himself. But he does not say what these laws are. He sees the nature of a "boom" and warns against its coming. He seems to think that a spiritual awakening might avert it.

IT appears from Mr. Babson that we hold in our hands the power to direct us to or away from the depression which he thinks might be possible, and which would be "deeper by five fold any depression that we ever knew." Listen to him:

"Ours is the decision, not as a preacher or as a prophet, but as an ice-cold statistician, I give you my formal report that essentially the so-called business cycle is a revolution of character. Its pulse is our human heartbeats. Its rotation are the wheels in our own hands."

NOW let that percolate for a moment. To say nothing of the loose English, what under the sun does it mean? And this is accompanied by some more observations, a development out of the old copy book maxims. "The rich should not evade their obligations." "Employers and labor leaders should see each their point of view and cooperate in an unselfish way." And more of the same sort. Not the faintest intimation of any economic laws which he speaks of in the beginning.

IT will probably surprise Mr. Babson to be told that the rich have no obligations—no more than those who are not rich. If their wealth is unearned then the obligation of both rich and poor is to see that the maldistribution of wealth is remedied. It is no special obligation of the rich—it is an obligation of society, rich and poor alike. The very mention of economic laws suggests that if these laws are regarded at all they must be considered without reference to who is rich and who is poor, but only the *why* of such disparity as exists.

WE are rather attracted to Mr. Babson's statement that a spiritual awakening is needed as a remedy for the economic ills that afflict us. If a spiritual awaken-

ing will arouse a knowledge in the minds of man that God has provided abundance for the needs of all, and that the only thing that stands in the way to prevent this is our disobedience to God's law—that is something. But this is not, we suspect, Mr. Babson's meaning. Just what he does mean it is impossible to say. So many of the writers of today have a rush of words to the head that it is difficult to attach to them any definite meaning.

NEVERTHELESS, we do not summarily dismiss this idea of the need of a spiritual awakening in man, but we ask Mr. Babson to consider that the first thing man needs is a job. No matter how spiritually awake he is he must first find food for his body, clothes for his back, and shelter for himself and his family. With his spiritual awakening must also go an understanding. Unless he understands, his faith will not long sustain him.

MR. BABSON fears another "boom." He does not quite know why. But he is apprehensive. It is a queer whirligig world in which some people fear depressions and others fear booms. That is because people sense booms as the cause of depressions. But why should booms cause depressions? Evidently it is because speculation leads to continuous demands upon labor and capital—more than these two productive factors can give and continue to produce. Now observe that speculation in commodities has a way of curing itself,—but speculation in land is different, for that takes from both labor and capital, halts the industrial process and leads to collapse. This is what happened in 1929 and it is what Mr. Babson fears, though he does not understand much if anything about it.

HE thinks that all our industrial troubles are due to a law of action and reaction—whatever that means. Laws of action and reaction are not something in themselves. They must have causes that set them in motion. What these causes are in his present state of confusion Mr. Babson does not see. Illustrations of the muddled state of his mind may be cited. As the following:

"It is easy to understand why it is hard to guard against a boom. The seeds of recklessness and greed that breed booms are not streams from without. They germinate within the human mind. Only as the hearts of our people are cleansed of evil can we hope to avoid falling into evil.

A permanent economic revival depends upon a spiritual renewal. Furthermore let me add that I believe this may be in the cards."

HOW to properly characterize this and continue to be polite is a problem. So we shall fall back on Charles Lamb who asked us to extend the same measure of commiseration to an apparently maimed comprehension that we extend to the physically disabled. But perhaps this would not be polite either.

MAYOR LA GUARDIA said in a recent talk: "An economic background with some college degrees are certainly a big help to a fellow. If I had said the economic system was screwy everybody would call me a radical." The Mayor need not fear. No man who knows the meaning of the word radical will ever accuse him of being one.

WHEN this very well meaning political opportunist was floundering around for some avenue for political preferment we landed him in the office of Borough President. Mr. LaGuardia was elected by nine hundred plurality. Running on the Single Tax ticket the editor of LAND AND FREEDOM got several thousand votes drawn for the most part from the Democratic nominee. In this way Mr. LaGuardia was elected and his political career begun. And for a time Mr. LaGuardia, opportunist always, flirted with the Single Taxers and acted as if he might know what it was all about. But of course he didn't. However, the accident that started him on his political career is not forgotten. In the steady trend of economic thinking in our direction now so plainly obvious the incident is not important.

DOROTHY THOMPSON, for whom we have an unstinted admiration, speeds around on her flashing skates on very thin ice at times. When she says with an air of finality, "I have decided that public ownership of property is a complete mirage if unaccompanied by political freedom," we want to add that before property is defined, public ownership must always be a mirage. For the public ownership of property, unless we first agree on what is property, is wholly destructive of political freedom. Economic freedom is the basis of all liberty. If Miss Thompson will sit down and read "Progress and Poverty" she will add to her repertoire of significant truths a new foundation for her often interesting and occasionally brilliant speculations. Remember, Miss Thompson, "Progress and Poverty" is THE BOOK OF A THOUSAND YEARS. No one in the days to come will influence civilization in any way comparable to this humble printer who blazed for us a new world. No one can afford to be ignorant of these slowly gathering forces which are remaking for a happier civilization all

the nations of the earth in which his teachings have found a lodgement.

PERHAPS it is a mistake to emphasize too strongly the benefits that will go to capital as a result of the taking of economic rent for public purposes and the abolition of all taxes. What capital per se will gain is purely incidental, though it will gain much. When Henry George wrote "Progress and Poverty" he was not thinking of capital—he was thinking of labor, of labor underpaid, of labor robbed of its inheritance in the natural resources of the earth, of the unemployed, of the steady pressure of poverty upon all those who work for a living.

OF capital he was not thinking, particularly. He knew, as all of us know, of the power possessed by so-called capital where and when it bargains with labor for employment, which is due of course to the helplessness of labor divorced from the land. Karl Marx saw it too, but belatedly—too late to revise his earlier conclusion. We refer our readers to the last chapter of "Das Kapital" in which he declared that the divorcement of labor from the land was the basis of exploitation.

THAT "capital" will benefit by a free world economy is conceded, but it will be deprived of certain powers it now possesses, which are the vantage grounds of all contracts it makes with labor for employment. Such advantages are but temporary, it is true, since capital sells its products and cannot afford to lower the general level of wages which is its market. But temporarily it is a very real power, and this deceives the mind that does not look below the surface. It does not see that the causes that determine and make inevitable the inequalities in any bargain for employment finally react to the disadvantage of capital in restricting its market.

CAPITAL merely assist labor in the work of production. It has no other function. It neither determines wages nor pays them. Causes independent of both capital and labor determine wages. It is not to the advantage of Capital that wages should be lowered. Nearly always the true interests of Capital is to conserve wages of superintendence and the return to the entrepreneur, about which so much fuss is made by certain economists who do not clearly apprehend the relation. For there are only two returns outside of rent, and no other return is conceivable—wages to labor and interest to capital.

THAT justice is the highest quality in the moral hierarchy I do not say; but that it is the first. That which is above justice must be based on justice, and include justice, and be reached through justice.

—HENRY GEORGE, "Social Problems."