

# Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

VOL. XXXV

JANUARY—FEBRUARY, 1935

No. 1

## Comment and Reflection

IT is interesting to reflect how little real thought has characterized this era of experimentation. In all the linguistic fulminations and the stream of books that have come from the professorial groups prominent in the New Deal, how small is the element of reflection, of appeals to historic precedents, of research into the reasons for the failure of like social experiments with which the annals of nations are crowded. Not only have the advocates of democracy failed to voice their protests against the demonstrable economic errors of the present, but our scholarship, which might have drawn important lessons from the past, is silent as the grave. Everywhere we look we fail to discover a single eminent thinker whose words are sufficiently arresting to merit attention in this crisis. What is the matter with our system of education that so much of what we see everywhere in our legislative halls should go unchallenged?

HERE is another thought. Every generation provides its quota of economic works. We might say every decade. And ever so often these works are hailed by certain groups as epoch-making. But almost as quickly they are pushed off their eminence and drop into oblivion. Looking back into the late nineties we remember a few names that are as dead as last year's snows. Grunlund, Van Buren Denslow, George Gunton, Blatchford—conservatives and socialists alike—with many others that could be named are all forgotten. Yet what a noise they created in their day! Is there any greater assurance that Lippman, (though right once out of four times) Tugwell, Stuart Chase, Berle, Seligman, and all the flock of hybrid economists will meet with a dissimilar fate? Is there any difference between these men and their rather more popular and certainly more widely read predecessors? They are even duller, or most of them are, than those now consigned to oblivion. And they are a great deal more shallow.

THE trouble with them is that they do not know what they are writing about. Some of them are clever, but they have no fundamental knowledge of the things or laws they treat of. They have never really studied these problems. The very principles that would solve most of their difficulties are unknown to them. The few

who survive from earlier groups of economic thinkers are those who have in some measure contributed to principles. Adam Smith and John Stuart Mill emerge triumphantly and still survive. But how small is the number who merit even a second thought! Read Blanqui's *History of Political Economy* and note the names of those economists who spoiled much white paper and are now swallowed up. It reads like the epitaphs in a deserted cemetery. And if you look at what they wrote you will realize why they aroused the somewhat unreasoning anger of Thomas Carlyle. "Dismal" he called them. And you will have an answer to their disappearance.

AND because the writers of today on the problems of political economy and social science are all earmarked for oblivion—those we have named and legions of others—it behooves us rather to express sympathy than vent our anger upon them. For a veritable massacre at the hands of posterity awaits them. Let them not deceive themselves. The reputations of the nineties were greater than theirs by many degrees. And the time will come when even the casual reflections of Henry George will outweigh the tons of rubbish turned out in the name of social planning and economic philosophy.

A REVIEW by R. L. Duffus in the *New York Times Book Review* of recent date describes conditions prevailing in the Lowell cotton mills of years ago. The reviewer notes a report of a committee of the legislature which expressed the opinion that no legislation could provide a remedy, adding: "We look for it in the progressive development in the arts and sciences, in a higher appreciation of man's destiny, in a less love for money and a more ardent love for social happiness and intellectual superiority." This piously sloppy comment may give rise to a smile, but what shall we say of the reviewer who adds: "The profit system, as we might have foreseen, survived this insidious assault."

OF all the terms used to cloud understanding nothing quite equals "the profit system" unless it be "the capitalistic system." That at this time sixty years ago girls worked for twelve hours a day in the Lowell cotton mills at two dollars a week was due to something deeper than "the profit system," as "the profit system," so called, is due to something deeper still. That girls worked this

way for a meagre pittance was not due to the desire of the employers to make profits, but to the fact that labor was disinherited, and that the labor market was crowded. And the labor market was crowded because there were always enough girls out of work to provide the employer with a surplus to draw upon.

**C**ONDITIONS were deplorable in the Lowell mills at that day and are still deplorable. But we are to remember that two dollars per week, which salaries were pitiable enough, were what six or eight dollars would mean today. There has been no great change in conditions. It is very likely that conditions are even slightly harder and more unbearable, though working hours have been somewhat reduced and surroundings somewhat improved. But at any rate wages in 1840 or of 1934 are not dependent upon what Mr. Duffus calls "the profit system," but in the number of girls out of work bidding for the jobs of those employed.

**T**HE employer is not going to pay more than the market rate of wages, and these are not fixed by the desire of employers to secure profits, but upon labor conditions, chief among which is the number of men and women out of work, sufficient at all times to depress wages to the point of subsistence.

**T**O ask an employer to raise wages above the rate at which labor can be secured is to ask him to commit business suicide. He cannot pay higher wages than his competitors and continue in business. In exceptional instances he may be able to do this. Not so with the majority of employers. Employers everywhere are as much victims of the system as those who have only their labor. Both have to sacrifice a measure of their production, the wages of labor and the wages of superintendence—which is all there is in "the profit system"—to a third party who contributes nothing but land, which was here before Columbus, and the value of which the community creates.

**W**E do not have to invent terms for this partnership. It is all very obvious to those who will think. Mr. Duffus is quite capable of discerning it if he will. Let him ask himself how production can be carried on successfully with equitable shares going to this ill-assorted partnership. If a third partner who contributes nothing to industry levies upon this joint production less remains for those who make the entire contribution. Something must be deducted for the benefit of one who has no creative part or function in production.

**T**HE Lowell mill owner or any other employer does not create this condition. The economic doctors at Washington have done a great deal to confuse the prob-

lem by code regulation of prices, and code regimentation, and have led our people to forget the natural forces at work, and to ignore the functions of a very simple problem. Not one of these economic doctors has risen to the occasion with cries of "stop thief" to the absconding partner in this strangely assorted company of labor, capitalists and landlord. Indeed their very effort seems to be to conceal the social crime of this barefaced embezzlement. To further bewilder our citizens curious verbal inventions that have no relation to realities are conjured up like "the profit system," or "the capitalistic system"—phrases borrowed from the socialists—that cloud the understanding, as we have said, and obscure the perfectly simple operation of an economic pocket-picking that goes on everywhere in the domain of industry.

**T**HERE are three factors in production, land, labor and capital. There are three returns, rent, wages and interest. "Profits" is a bookkeeping term, but usually, as we have said, comprise or consist of the wages of superintendence. The proprietor of a store may receive all three returns, but the wages of superintendence, "profits" so-called, are his chief concern. And where his wages are high all wages are high. His profits are his wages when they are not economic rent. How absurd then to talk of "the profit system" when it is the wages system that is meant. And to advocate the abolition of the profit system is to advocate the abolition of wages, for anything that hits at the institution of profits is directed against all wages. Monopoly profits secured by the action of government in shutting out competition through patents or land ownership are another thing again, and are easily separable from real or legitimate profits. This will be made perfectly clear on analysis.

**I**N the arena of sports we at least hear the question, "Is it fair?" It comes up in prize fighting, horse-racing and base ball. "Is it fair?" Unless men and women ask themselves the question in the field of economics there will be no change. Justice, however, is a hardy virtue. It is a virtue of full grown men, not a civilization grown anaemic from long-time coddling under a wet nurse government. This government has visualized a citizenry that needs to be taken care of, rather than one to be set free. We shall perhaps pass through this era to one that will ask "Is it fair?" As justice not charity is the supreme law, justice demands a free earth not one in which we must pay others to live on or from.

**T**HROUGH public speeches and writings Secretary Ickes has urged what he calls "stronger control over the economic forces that affect the common man." Economic forces, being presumably natural forces, are not susceptible of control by anybody, neither by govern-