

Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

Vol. XXVII

NOVEMBER—DECEMBER, 1927

No. 6

Comment and Reflection

THE following is an extract from a letter by Prof. John R. Turner, Dean of the Washington College of the New York University in the *Christian Advocate* of October:

Much has been written and said about the right of the community to the increase in land values which attends the growth of a community. We simply wish to point out that any scheme which may look toward appropriating values created by social growth should in all justice look toward some plan for compensating the individual who suffers from decreasing values in property—the decrement that not infrequently enters into the picture. The point is that any plan which attempts to appropriate excesses over a "normal" is in justice forced to make returns to those who secure returns below that normal.

In fact, many of the gains and achievements which we accept in society are in one sense unearned. Elihu Root, for example, could never have secured big fees for legal service if he had remained in a small town, and the inventor of the latest refinement in radio reception in a sense appropriates the accumulated improvements of preceding inventors. Moreover, civilization itself appropriates all the accumulated knowledge and technique which the preceding centuries created. In other words, unearned increment is not a rare but a rather an everyday experience.

WE would compensate the landlords who "suffer" from decreased land values by taking less of the economic rent. There is no reason why society should make returns to those who are disappointed at the results of their investments in "values created by social growth." The admission is unfortunate for the Professor's argument. Values created by social growth should belong to society—the phrase carries with it its own connotation. The only justification for compensating landlords for unfortunate investments would be that land values belong to them and are not the "result of social growth." The Professor's argument is bad ethics and bad law.

ELIHU ROOT'S big fees for legal service are in "one sense" unearned. But not in the sense that Professor Turner indicates. In a plutocratic state of society those who serve plutocracy are certain to receive big fees. But after all these are the result of Root's ability, which must be conceded, and the exercise of certain faculties—not all admirable. But they were at least all his own. And he served. In a society founded on equity he would have served the cause of justice maybe—at somewhat smaller

fees, no doubt, for there would have been less of the value "created by social growth" in private hands to reward Mr. Root for his questionable services to monopoly.

THE last point made by Prof. Turner is a stupid fallacy. But as it seems an obsession with certain minds it is only necessary to point out that the body of knowledge and achievement which constitutes civilization is a universal inheritance. It is not a monopoly. Nor can advantage be taken of this accumulated knowledge without the exercise of labor. In other words, whatever profit or income results from the application of any part of this knowledge and technique to production is most emphatically earned and wholly unlike the income that flows spontaneously into the pockets of idle landowners and land speculators. It takes a professor to argue that because the generations have left us their garnered store of knowledge therefore landlords should be permitted to gather the economic rent of land due to the present activities of all the people now living and working!

THE trouble with our "prosperity" is that it establishes a condition in which no one wants to suggest anything that might interfere with it. It is so delicate a plant that even to breathe upon it might wither its branches. It opposes a wall of negation against every proposal for change or improvement. It serves to perpetuate and make static age-old legislation; to keep administrations in power; to encourage superficial thinking on problems of "business" and government.

HALF of the people think business is a matter of politics, not economics. Less than one per cent. of the people know anything of the "laws" of economics. The "patter" of the newspapers further tends to confuse the minds of their readers; meaningless volumes of statistics and learned essays on the business "cycle" add to the mass of inconsequential thinking, or no thinking at all, on the really simple problems of production and distribution. While men engaged in most of the professions know something of the laws underlying them, medicine, architecture, engineering, etc., those engaged in business know nothing of the laws which make good or bad business.

THEY do not even stop to inquire if there be any such laws. Prosperity emanates either from God Almighty or the Republican party—to them be the praise! Yet they do not look for the long continuance of prosperity—some time God perhaps will fail them, or the “party of prosperity” will be defeated in some presidential election. They do not know why they look for periods of depression to succeed good times, for they know no more of the reasons for depressions than they know of reasons for prosperity.

IT is curious that where business prosperity is elevated in the minds of our people to a position in which so much else is superceded, ignorance is confessedly of the profoundest kind. Densely stupid as is your business man in his attitude toward the laws underlying the getting of a living, he is a very arrogantly superior person. He has a supreme contempt for socialism and bolshevism, though he couldn't define a single phase of either teaching. Engaged as he is in the making of an honest living, he is quite unable to discriminate between his fellow competitor in legitimate business, and his real enemy, the land speculator and rent receiver. So he cultivates a delightfully conservative frame of mind toward every proposition for social reform or economic change.

IF he were not such an egregious ass he might some time look out upon the world and watch men growing rich on what he and his fellowmen are doing. He sees land values rise in his community, and even when he has no share in it whoops it up for the prosperity of his township or city. He sometimes talks about the land speculators' “foresight” and it is not unnatural that he admires it, having so little of his own. He sees lots going up in value while his potatoes, or flour or carpets, or hardware, or whatever it is that he sells, remaining at the same price or receding. He does not know that if some men grow rich without work men who do work must grow poorer. Profits from land holding and land speculation are, for all he seems to know, just manna fallen from heaven instead of a deduction from his own income.

AND in the meantime he is taxed to provide improvements that redound to the profits of land owner and land speculator. For there are bridges built, subways constructed, roads projected and equipped, to swell the landlord's profits that he, the business man, pays for. His is the earned wealth that flows into the pockets of the men who as landlords contribute nothing to the community's stock of worldly goods.

TO return to the thought in our first paragraph. Knowing not why we are prosperous, or why such prosperity is sure to be short-lived, a fact which he is compelled to

accept from experience, the average man pursues his daily vocation with eyes shut to the phenomena that passes on around him. He is violently opposed to change—he would have protested against the scheme of cosmos had he lived when it was created out of chaos. He would have been a stanch friend of all things chaotic, believing that as chaos had been long established it must be the correct thing. It is true he complains of his landlord as a greedy and grasping person, but he never complains of landlordism. The system that robs him is part of the established order and he is a great stickler for law and order. And because he is a fool and blind is why progress takes a thousand years.

WE hear complaints constantly of the multiplicity of statute regulations, of legislative interference with business and matters of private concern. Everywhere the governmental busybodies are at work. Who knows if in the appalling number and excess of such legislative enactments may not lie the seeds of their own undoing? Who knows if out of the general contempt for laws may not spring a new respect for *law*?

WE have grown careless of authority. The young especially are demanding their own credos, are setting up new standards of conduct, are in revolt against the old teachings. The world can never be the same again to those who have broken away from the old restraints. If with these have gone something of value, something of the old moralities, some also of the household gods, we need not despair. Indeed there is something in it to hearten us. For all the pretentious humbuggery of popular leadership that once had power to sway the masses, is dying out. The young laugh, for they scent its insincerity. The old shibboleths have lost their power with the jazz-loving, pleasure-seeking youth of our generation.

THERE is something healthy in their contempt and thoughtlessness. They are glorious in their reliance in their own strength and the joy with which they flaunt authority. They condemn the old learning—and indeed has it made the world any better? The old scholarship was selfish and self-seeking. They distrust the wisdom of kings and presidents, senators and congressmen, the old men who drove the young men into the wars, who may do it again but not so easily, for the spell of their influence is not so potent, nor ever will be again.

THE fact of which we hear complaint that we have no popular leaders today is part of the general outlook upon life. There is no popular following to trail behind the leaders because there is a general indifference regarding them. Half of the people do not even trouble