

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-

ment nor by the individual. They may be followed or obeyed, but they are not obedient to any impertinent suggestion from us as to how they should behave. Economic forces have a way of their own; to try to control them is like trifling with a buzz saw. Pretty nearly all our troubles are due to attempted interference with them. To illustrate: It is an economic law that man seeks to gratify his desires with the least exertion. But we erect tariff walls to make it difficult to satisfy desires without a great deal of exertion, and above all we fence the land away from him, which makes it well nigh impossible to gratify any desire without great sacrifice. We constantly violate economic laws or forces, to our great sorrow and confusion, be it added.

SECRETARY ICKES is especially angry with the advocates of "rugged individualism." It is instructive to note how many well meaning emotionalists are under the tyranny of words. We exalt the "rugged individualism" of the pilgrims, of those who blazed the pathway to the great untrodden West. We still use the names of Daniel Boone and Sam Houston and many others. And the characteristics of those national heroes which we most admire are their rugged individualism. It was not until the Roosevelt administration that subtle assault upon the language began which seems gradually destined to deflate the meaning of terms. If we oppose any of the features of "economic planning" we are "Tories." The men who propose to hamstring industry are called "liberals," and those who question the wisdom of much that is being done or who would revert to the older and freer traditions of our country, are set down as "reactionaries." Has language no meaning any more? Must we accept new definitions in lieu of the old? Must we relinquish the dictionaries?

THEY are all alike, these strange planners who would ignore the plans of nature, economic laws planned from the beginning of the world. Listen to Mr. Ickes: "The meaning of the word liberty varies with time and circumstance. It may be said that the more civilized we become the greater must be the restriction placed upon the individual for the common good." And Mr. Richberg, who belongs to the same school of thinkers, referring to the critics of the New Deal: "They talk as though all rights were inherent in the individual. They are not. The rights of property did not come by nature, they were created by law."

JUST the contrary is true. All rights are inherent in the individual. It is not possible for government to create a right of property. That right began when the man of the stone age sharpened a piece of flint to spear a fish for his dinner and called that sharpened flint and

the fish his own. The rights of property exercised by government flow from the individual in whom all rights are inherent. Such rights as are exercised by government are *delegated rights*. It is quite clear that the social philosophy of the doctors at Washington is not only undemocratic—it is un-American. We venture to quote from Alexander Hamilton who said:

"The sacred rights of mankind are not to be rummaged for among old parchments and musty records. They are written as with a sunbeam in the whole volume of human nature by the hand of Divinity itself and can never be erased or obscured by mortal power."

WHAT is the real trouble with them we think we know. Let us quote Mr. Ickes again and see where his mental trouble is. He says: "It is easy to excuse these pioneer forefathers of ours who seeing before them apparently illimitable natural resources, proceeded to exploit these resources. We cannot hold it against them that they failed to foresee the seemingly inexhaustible provided by the bounty of nature would be nearing the point of exhaustion."

THESE inexhaustible natural resources are still practically inexhaustible. They have almost neared the point of *total appropriation*, but that is another matter. They may be recovered by any generation that has the wisdom and the courage to try it. And they will be. Nothing is more certain than the ultimate recovery of our natural resources by the people to whom they belong by that inherent right of property which both Mr. Ickes and Mr. Richberg fail to discern. These inherent rights are the right of property in what the individual creates and the right of the community to the value it creates, a right of property not law-created but inherent in the individual.

HOW both Mr. Ickes and Mr. Richberg come without meaning to do so to the defense of communism! For if the right of property rests only in the creation of man-made law then there is no real reply to communism. We shall not, however, so soon abandon the case. We will leave communism to its latest advocates, and we are sure that the well meaning groups of our communist friends who are blackguarded and defended in turn, will appreciate the arguments of their latest protagonists who tell them after all there is no real rights of property save that which the law creates. But ere the communist party proceeds to act upon the advice given them by their latest defenders, Messrs. Ickes and Richberg, we appeal to the communists to reflect that there is a sacred right of property that depends upon the creative right to the thing produced, a right of the individual's access to the earth, and the public's right to the public values it creates.



THIS is to be considered. As it is something not well understood it may be desirable to stress it. *If Roosevelt should succeed he must fail.* It is not possible of course to bring us out of the depression through the adoption of the devices entered into by the administration at Washington. But it is conceivable that natural forces may work something of revival to be followed by another era of depression, deeper and more general than that through which we are passing. For such temporary revival Roosevelt partisans will claim all the credit and he will be acclaimed as the great leader who has conquered the depression. But all to no purpose as time proceeds and the destructive forces again get in their work.

IT is all very simple to those who will study the matter. Land values are the lifeblood of the community. Normally they are beneficent in their operations. Business generally can carry the normal economic rent. Instead of being a burden on industry rent determines the most profitable locations where industry can be carried on. It marks the arteries of a city's commerce and determines the sites of a city's activities, the direction of its transit lines, the distribution of its population. Rents are the natural planning or the natural direction of it.

ANYTHING that interferes with the normal pulsation of land values through a city's arteries causes a disarrangement and interruption of the orderly processes of industry. The whole natural process is now destroyed and will not work because of the element now introduced. Speculation now sets in, and this speculation in rental values strikes at the very heart of the well-being of a community. An element is introduced destructive of all normal development. Industry is now called upon to pay in excess of the normal rent. There is less for interest and wages and more for the silent partner who contributes nothing to production, the receiver of economic rent, now speculative rent. Capital and wages face diminishing returns. Failures and bankruptcies follow and these results occurring from the same cause in other cities where similar phenomena are taking place, produce depressions. Finally the lifeblood of the community, land values, runs sterile.

THIS is the terrible cycle in which communities are involved. There is no remedy save the absorption by society of those social values which society creates, making forever impossible the recurrence of the present dislocation of industry and wide spread unemployment. This can be done through the taxing power. And at the same time all taxes which bear so hardly on industry can be abolished, and their abolition is the other half of the answer to the problem or solution for the condition in which we find ourselves. This need not be done at once

perhaps but can be done gradually, and with every step in the process capital and labor will be lightened of its burden.

## Dictatorship or Single Tax<sup>\*</sup>

By HARRY WEINBERGER, of the New York Bar

A PEOPLE who are an-hungered cannot stay free. Occasional brave souls may starve and struggle to the end to maintain liberty and democracy. Large groups may fight while starving, and die in the struggle, it being:

"A short life in the saddle, Lord,  
Not a long life by the fire."

For an entire nation, unemployment and starvation however will lead that nation inevitably to accept dictatorship in preference to hunger; whether that dictatorship is in the form of Fascism, Naziism or Communism.

Today the American people are engaged in a great struggle against economic depression—a struggle as great as the Revolution of 1776, a struggle as depressing as the Civil War of 1861, a struggle in some ways for millions of our people as horrible as the World War. If hunger and unemployment continue, will the blind Samson of hunger pull down the Temple of Civilization?

This present depression is testing whether our nation conceived in liberty, faced with world economic forces, can long endure without a dictator. Nation after nation has succumbed to regimentation or civil war. Will history recall that our democracy as well as that of other nations was only a passing phase to mark the transition from the divine right of kings to dictatorship?

Shall we allow that it is necessary to set aside the principles of individual freedom and regiment a nation in order to promote experiments to improve economic conditions. A small group in Russia, by force and terror, took from its people liberty, and promised to return it some day. More than fifteen years have elapsed since that time and liberty has not been returned to the Russian people. The Fascists of Italy and the Nazis of Germany have taken away liberty without even a promise of its return. They liquidate their opponents in Russia, castrate them in Italy, shoot them in Germany, put them in a Code in the United States as the opening step for a regimented nation. Only three of the great nations of the world are still really democratic—England, France and the United States.

If we have now in the United States a government of men and not law, if the Constitution of the United States guaranteeing freedom, protecting private property, protecting contracts, has been abolished or is in the process of being abolished, tomorrow or next year

<sup>\*</sup>This address of Harry Weinberger was sent to the Henry George Congress after he found it impossible to attend. Owing to the great amount of business before the sessions it was not read.—Editor LAND AND FREEDOM.