

# Land and Freedom

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## Comment and Reflection

THE Florida land boom having subsided we now have the aftermath. The Coral Gables Corporation have started suit against several thousand delinquent purchasers. The aggregate of the suits begun amount, it is stated, to several million dollars. Hiram F. Harris, Vice President and Controller of the Corporation, states:

"In the main these suits are brought against people who, by their own actions, signify that they were gambling with our property—purchasers who were willing enough to hold the land in expectation of ultimate profit but are unwilling to pay for the privilege."

GAMBLING with "our land"! What did he suppose they were doing? The Coral Gables Corporation offered just that inducement. Now that the gamble has resulted in a loss they turn on their investors and add to the possible injury of a suit the insult of abuse. Gamblers indeed! Of course they were. But so too was the Coral Gables Corporation. And had these investors won they would not have sent up this piteous squeal. They would have taken back the lots and pocketed the profit from the increased land value.

BUT it turned out otherwise. The investors played the touted thing; they put their money on the wrong horse. Of course they are not willing to "pay for the privilege" they thought they would secure and did not, the privilege of buying land and profiting by the increase in value due to the labor of others. "Gambling with our property," say the touts. Who made it theirs? Florida was here when God fashioned the world, here when Columbus landed, here when the devoted Jesuit fathers carried their missionary labors to the Seminoles. No man's labor has added anything to it, and generation after generation of men, done with earthly activities, have been consigned to its bosom. It belongs not to the Coral Gables Corporation, nor to the deluded investors tempted by them to bargain for choice pieces of it, but to all that inhabit it. This is the one thing that among all things uncertain and variable is a fixed and immutable truth.

IN a recent number of the *Yale Review* President Arthur T. Hadley discusses "Principles and Methods of Rate Regulation." In his article he says many things that are important and well stated. The defect is that the admirable things he says of the law of competition and

its beneficent operations as applied to production of commodities do not apply in the same degree to railroads and other public service utilities that require the use of land. President Hadley's conclusions are vitiated by the ignoring of this essential difference.

WHEN a commodity becomes scarce and prices rise, capital flows into that industry. There is no need for regulation of prices of these commodities produced through the ordinary channels. Values are determined by demand and supply and the value of anything is measured by its cost of production. There can be no long continued scarcity of anything that labor can produce and where the element of monopoly does not enter. But railroads cannot be produced in answer to demand, like chairs, tables or houses, nor is the rate of transportation fixed in anything like the same degree by the factors governing production or service in other lines.

PRESIDENT HADLEY seems to think that because business units today are necessarily large "free competition in the old sense is impossible, that the steam engine and the puddling furnace make it difficult to apply the principle of competition." If it is the size of business units that makes competition impossible the argument for price regulation is indefinitely widened and we are landed, willy nilly, straight into the socialist camp. But happily it is not so. No matter how large these business units—if size and nothing more important is involved—the principle of present or potential competition persists. And it is not puddling furnaces nor steam engines that make railroads—it is *rights of way*. And not the size of business units, but the exclusive character of the privilege granted is the important consideration. And it is because of this that what President Hadley has to say has little bearing on the subject he is treating. There is a "missing middle" in an otherwise interesting discussion.

CLARENCE COOK LITTLE, president of the University of Michigan, says: "We are likely to go tumbling straight back to fundamentals." That is to be classed among the statements that are important if true. As a prediction it may well turn out to be a true one. The world cannot always content itself with the superficialities of modern life; there must come a reaction for something real and permanent, something that will respond to the uneasy consciousness that all is not right with the world despite the fact that God's in His heaven.

WE are surfeited with statistics, talks of the incidence of taxation, usually quite superficially treated, the smartness of economic and political thinkers more anxious to "show off" than to get to the roots of truth, strutting, vain, pompous in littleness, scrappy, and ostentatious with mere surface thinking. Santayana says, "Never was the human mind master of so many facts and sure of so few principles." This admirably summarizes modern tendencies. Yet the pendulum must swing, as Dr. Little predicts. We shall go "tumbling back to fundamentals." And this will be our opportunity and this is our hope.

ALL the more reason then for Single Taxers to refrain from the temptation to restate the principles of Henry George in language to conform to the ephemeral dialect of a superficial decade. The old formulas in the word of Progress and Poverty do not need to be reconstructed, but only restated in the clear luminous language of its author. The primitive strength of our English tongue was his; the throbbing, exultant note of the prophet was sounded by this master of style. His style served him perfectly as the instrument for the inculcation of the great truth he sought to popularize; no one can hope to improve upon it. And we shall return to it; it will not seem foreign to us. It is the language that Bacon spoke, and Carlyle, and we are concerned, not with the trifling literary feats of superficially clever men, but with the great fundamental truths that are not for the age but for all time, and ring as solemnly down the ages as the language of King James' version of the Bible. And if these wonderful scholars who took the message of the Hebrew prophets and enshrined them into the English that still enchants, were inspired, so was Henry George.

LAWNDALE, CALIFORNIA, has hit upon a unique kind of taxation, if anything in the way of taxation can be called unique. It taxes funerals that pass through its streets, and the town expects to raise enough revenue from this source to meet all expenses. San Mateo county is also collecting one dollar for each funeral passing from San Francisco county. It is perhaps singularly appropriate that the citizen should be reminded as he makes his exit of the system that taxes him from the cradle to the grave.

MR. STEPHEN BELL, in *Commerce and Finance*, a paper which we have had many an occasion to commend, comments in a recent issue on the curious contradiction that we look upon ourselves as a singularly gifted and superior people and at the same time hold tenaciously to the belief in the need of a protective tariff. He calls this a "baseless superstition." There is surely something amusing in the spectacle of a people who think themselves smarter than any race on earth crouched

tremblingly behind tariff walls. But this is not all that is amusing in the tariff superstition. It is necessary, we are told, in order that labor may be "protected."

IT ought to be clear that it is not to protect labor, but to prevent labor from doing something that it would otherwise do. A thing is made, some form of wealth is produced. It exists as a concrete product of wealth, a chair, a table, a watch or a piano. The maker of this thing does not wish to possess it himself, but to exchange it for something else. How can he be protected or in any way benefited by denying him the opportunity to exchange it at the best possible advantage to himself? What are national boundaries any more than state boundaries to him, if somewhere other laborers offer in exchange something he wants more than the thing he has made? It is clear that to interfere with him is to place him at a grave disadvantage.

ALL this has been said before many, many times. It ought to be obvious to a child. Yet around the denial to labor of this inherent right to dispose of what he has made to the best advantage to himself has grown up a wonderful philosophy, a host of self-contradictory propositions embodied in big books, and taught indeed in some of the universities. Bedlam will be searched in vain for anything to match it. Differing wage rates in different countries, standards of living, diversification of industries, "the foreigner pays the tax"—all serve to bewilder the poor simpleton who takes his economic philosophy from the political party to which he pins his faith. But not a single one of these arguments is relevant. The right of man to exchange the product of his labor for the product of another, though that other resides at the "ends of the earth," is not only an inherent right, but it is the basis, along with other things, of all enduring prosperity.

NO work has been written in modern times so searching in its analysis, so piercingly destructive of this curious superstition, as Henry George's *Protection or Free Trade*. As one reads the scales drop from his eyes, the whole fabric of superstition known as "protection" crumbles away. Other useful works have been written on this subject, Bastiat, Sumner, Taussig, General Lieb—all have administered more or less telling blows to the fetich. But George did more—he demolished the whole structure. No greater work of its kind has ever come from the hand of man—it is *sui generis*.

IN another column we print the Memorandum addressed to the Economic Conference of the League of Nations convening at this writing in Geneva. The agenda of the Conference explicitly raises for discussion the whole question of protective tariffs, trade barriers and other restrictions upon the freedom of intercourse between peoples.