

he economists begin to apply the spirit of scientific inquiry to the phenomena which are their especial province?

—JOSEPH DANA MILLER in *New York Times*.

## Land Readjustment Mexico's Real Problem

“WE are not in favor of indemnifying the landowners for the expropriation of their land. And we are not, because it does not appear to us that one section of society shall be sacrificed in order that the landowners may not lose money by what, according to the very terms of the Law itself, is only a restitution of property which belonged before to those who now demand it. On the other hand, the loss which the landowner experiences in the redistribution, in which he is deprived of a part of his property, does not ruin him, as, in the majority of cases, it leaves him enough to live with relative comfort. On the other hand, the indemnizations for land expropriation, when added all together, may sometimes represent for the people a tremendous burden and delay the economic rehabilitation of the nation.”

—MIGUEL SANCHEZ DE TAGLE, under the title of “The Agrarian Bonds,” in the newspaper *El Universal* of January 16, 1929.

In what appears to be an authoritative article, by Engineer F. Palomo Valencia, published in the March, 1929, issue of the *Revista Mexicana de Economis*, the ultimate total amount of expropriations anticipated and to be guaranteed by Agrarian Bonds is estimated to reach \$1,226,000,000.

It is a singular fact that, in the fundamental readjustment sought by the Mexican people in their relations with their national heritage, the land, it seems to have occurred to no one in the National administration that this readjustment might be achieved, simply and with perfect equity, by the instrument of Taxation,—an instrument already applied by national, state and municipal bodies to practically every object and activity within the Mexican border, except that of land, its ownership and use.

Why is this instrument, Taxation, overlooked in the settlement of the fundamental, social and economic problem? Every student of economics is acquainted with it. Why is it not faced frankly in the Mexican Economic Review, from which we have quoted? Is the intellectual courage of the professors not equal to that of the common people who, on both sides of the late civil war, showed themselves capable of any sacrifice?

THE land problem has underlain Mexico's troubles since prehistoric times, though its importance was never fully grasped by the chroniclers.

ERNEST GRUENING in the *Nation*

## The Riddle of Modern Society

CARL MARFELS

ADDRESS AT THE ENDINBURGH CONFERENCE

WHEREVER we may look among civilized countries we find the same paradoxical conditions; on the one hand highly-developed scientific and technical knowledge, which makes it possible to produce the necessities of life and luxuries in excess of the needs of humanity. On the other hand poverty among the great mass of the people which cries aloud to Heaven for redress. It is true that in the past there have been periods in which mankind suffered temporarily from want and privation, but it was then usually a case of bad harvests which, owing to the backward state of transport, could not be counteracted by importing supplies from lands with good harvests. Sometimes it was a case of objects in daily use not being manufactured on account of poorly developed mechanical knowledge. In other words: in earlier days mankind suffered want because enough could not be produced; today they suffer want whilst too much can be produced.

The most preposterous thing, however, is that widespread unemployment should obtain. Last winter the number of unemployed in Germany alone was not less than 2½ millions, without taking into account the large number of workers on short time. At the same time, poverty—that is to say, lack of the products of work—also prevails. In other words: there are millions of people who need housing accommodations and the necessities of life, whilst these same millions would willingly produce all such things, but find no opportunity to do so. Why cannot demand and supply be brought into touch with each other?

The answer to this question is of extraordinary urgency as the discontent among the masses in all civilized countries is assuming alarming proportions; and not only in the ranks of wage-workers, but also in the ranks of self-supporting manufacturers, tradesmen and merchants.

If one watches the efforts of statesmen to remedy these evils, one must be astonished at the absolutely useless measures and ineffective remedies proposed in order to combat the danger. It might well be understood that the two great problems of our day have not yet been solved, viz.: Why, notwithstanding the gigantic technical progress which has been made in the last hundred years, and despite the resultant increase in wealth-producing power, the wages of workers have not only not risen, but have, calculated on the basis of real comforts, even fallen; and how it happens that millions of men who are willing to work can find no work to do, when “work” means—apart from a few negligible exceptions—the production of food and the necessities of life? With such widespread poverty and misery a great task faces every sincere reformer.

With the exception of the English and Danish Parliaments, and the local councils in such countries as Australia,

so far as I am aware, the teachings of Henry George are ignored. In "Progress and Poverty" Henry George has given a concise and clear answer to all the foregoing queries. But he is hardly ever mentioned. Are his teachings not known in other countries, or have people not the courage to acknowledge such teachings? Perhaps the reason lies in the fact that, when choosing the nation's representatives, the people lay no emphasis on that quality which should in reality form the main and centre point, viz.: the candidate's knowledge of matters of political economy. Indeed, people appear to attach no importance whatever to the politico-economic knowledge of the candidate to be elected. Otherwise it is incomprehensible why legislative bodies should show a complete lack of understanding and such helplessness in the face of unemployment and poverty. Technical resources are so numerous that if full use were made of our mechanical power a sufficient supply of the necessities of life could be produced so that every man might have a superfluity. And yet there is widespread want. In the year 1900 the political economist, Theodor Hertzka of Vienna, calculated that with full use of our machinery we were in a position to produce so much wealth every year in the shape of houses, food supplies, clothes and other objects of use, that their values would represent £400 (English pounds) per head of the population, or for a family of four, not less than £1,800.

In any case, the following idea forces itself upon the unbiased observer: If it were a case of solving a problem, involving difficult bridge construction, for instance, then decidedly a skilled expert, and not a layman, would be called in to advise. And so it should be with all important problems. Only in the most important task of the nation, that of choosing national representatives who have to make decisions of vital economic importance, is there no question asked whether the candidate possesses the most elementary knowledge of his subject, namely, the science of political economy! The results are as might be expected! Fifty years ago Henry George published his great work, "Progress and Poverty," and almost as early he wrote his equally masterly book, "Protection or Free Trade." Yet it is still being debated in Parliaments which is better for a country—protection or free trade!

Even today we can hear from politicians the view that it is desirable for a country to export more than it imports. Even today one can often hear superficial suggestions to the effect that present-day distress arises from over-population, from over-production, or too rapid increase of machinery. In the meantime, the distress becomes more acute. The nations cut themselves off from each other by high duties; the struggle for existence becomes increasingly sharper; large undertakings combine with still larger ones, without regard to the best interests of humanity; poverty becomes intensified. Regulations of one kind and another lead to the ruin of trade, and to such conditions that it is hardly possible for a man of 35 to find a

situation. General discontent and crime are increasing, to such an alarming extent that even the middle classes driven to despair, no longer shrink from Bolshevik ideas and the legislator stands impotent in the face of all that has been described.

If only a serious effort could be made to discover the reasons why, in spite of the fact that the earth can produce many times its present yield, millions must go hungry why, although more houses could be built than there is any need for, yet there are millions who cannot find a house and that, in spite of the fact that more clothes and other necessities of life could be produced than are required yet millions are suffering for want of these.

Then it would have to be acknowledged that the underlying reason for the threatening phenomena of our times is rooted in the present-day monopoly of land, and that it is nonsense to proclaim "Freedom and Equality of Mankind" as the basic principles of Democracy when at the same time mighty capitalists groups possess unlimited power over the sources of all the raw materials and most of the property. Is it not indeed an untenable position for one group to possess all the coal fields; another all the petroleum wells; a third the ore deposits; a fourth the diamond and gold fields; a fifth (as in the U. S. A.) gigantic forests; and for the surface of the earth to be owned by a minority who grant the liberty to live and work on it under conditions of ever-increasing tribute, which leave to the users of the land only the minimum necessary to maintain existence? Henry George, one of the greatest thinkers of all time, has shown in the already mentioned unparalleled book, "Progress and Poverty," that even without expropriation or division of the land and without resorting to Nationalization, a basic reform of the present evils could be effected, which would bring benefit to all classes. Then it must not be overlooked that the millionaires of today cannot enjoy their lives free of care; they feel that we are dancing on a volcano and unless some alteration is effected the worst is to be feared. The example which disinherited Russia has given us must always be for us "*Mene, mene tekel upharsin!*" which it is impossible to take too seriously. Moreover, Bolshevism in spite of the educated people who support it, cannot bring a solution of the social problem any nearer because instead of freedom, which must remain for its supporters a political ideal, it has created a rigid and coercive economic entity which cannot endure.

The Edinburgh Conference promoted by The International Union for Land Value Taxation and Free Trade has as one of its objects the important mission of informing the world that neither the niggardliness of Mother Earth, her alleged over-population, the presumed over-production, or the world war, are to blame for the ever-increasing misery of our time and the dangerous situation into which the civilized world has drifted; but that it is due solely and wholly to land monopoly. Material progress has not raised the wages of the workers while millions

f those willing to work cannot find employment. Private ownership of land—which by all the laws of God and right should belong to all—is alone the reason why innumerable people live in want and misery. Our “culture,” which stands so high in the branches of physical science and technical knowledge, but in regard to economics is still in the infant school, is leading us towards an ugly state of chaos.

But the Edinburgh Conference will probably express itself very emphatically in regard to another point of the utmost importance, viz.: The fact that the origin of the horrible war of our time was closely allied to the land question. Land monopoly led to unemployment and to the present misery of the masses, and this to a desperate economic struggle which, in its turn, resulted in higher protective tariffs. In this way a poisonous atmosphere was created between the nations; the one regarding with envy the rich storehouses of the other—its mineral and coal fields, its petroleum wells, its potash deposits, and so on—and simply waiting for an opportunity to obtain possession of them for itself. These tendencies were increased by the short-sighted and false egoism of the countries that think of themselves only, and believe that if they segregate themselves by high tariffs they will enrich themselves at the cost of other countries. If the sources of supply were not in private hands, but belonged to the community, it would be much easier for countries to come to an agreement as to the quantity of raw material needed by them, and the present inflammatory conditions would be eliminated from the world. *Videant consules*

## New York's Prize Essay Contest

THE Prize Essay Contest in the New York City high schools on the subject of “Economic Law as Expounded by Henry George” conducted this Spring under the auspices of the Board of Education resulted in the submission of more than fifteen hundred essays from the pupils of twenty-three high schools. On Graduation Day representatives of Dr. Mary D. Hussey Prize Fund distributed the prizes to sixteen students. Details of this contest will be given in our next issue.

IN the ancient city of Nuzi in Mesopotamia, 1500 B. C. we are told it was against the law to sell land. This law was intended to prevent the ownership of large areas of land by single individuals. It is curious to read that some Nuzian attorney figured out a way to get around the statutes. Land could be transferred from one relative to another, but it could not change hands, so people who wanted to own land had themselves legally adopted by people who had it!

FARM relief already includes the creation of eight new Federal jobs.—*Dallas News*.

## Henry George and Adam Smith

ELBERT HUBBARD, in his “Little Journeys to the Homes of Great Reformers,” tells how Henry George, at the age of twenty-one, then a compositor in San Francisco, lodged at the best hotel there, owned by a man named Woodward, who was considered eccentric. No woman was allowed to stop there or work in it; the hotel was run on absolutely temperance principles; and the third thing was, and it was for this George consented to pay the high charges, there was a fine library of a thousand volumes—the only public library at that time in San Francisco.

While Henry George was staying at the “What Cheer House,” an English traveler added a volume to the little library—“Buckle’s History of Civilization.” Woodward tried to read the book, but failing to become interested in it, handed it to a waiter, saying, “Here, give it to that red-hair printer; he can get something out of it, if anybody can.”

Henry George took the book to his room, and that night sat reading it until two o’clock in the morning. That statement of Buckle’s, “Adam Smith’s ‘Wealth of Nations’ has influenced civilization more profoundly than any book ever written, save none,” caught the young printer’s attention.

The next day he looked in the library for the “Wealth of Nations,” and sure enough, it was there! He began to read. He read and re-read. And whether Buckle’s statement is correct or not, this holds: Adam Smith’s “Wealth of Nations” influenced Henry George more profoundly than any book he ever read.

This is the 50th year of the publication of “Progress and Poverty.” George had submitted the MS. to Appleton’s, who consented to publish it if he would supply the money for the typesetting and making of the electro-plates therefrom. George could not afford this, so he diligently started to do his own type-setting, working an hour in the morning and two hours at night. On account of his eloquence, he was often asked to speak at public functions. On the occasion of the funeral of a certain tramp printer, Henry George officiated, and preached a sermon which rang through San Francisco like a trumpet call, extolling not what the man was, but what he might have been. This may explain why a genial electro-typer offered to help with the electro-plates for “Progress and Poverty,” on the condition that Henry George would give a funeral oration over his grave at the proper time and place. George agreed to this cheerful arrangement, so the work went merrily on, and the plates were shipped to New York early in 1880.

—*Progress, Melbourne, Aus.*

IN the seventeenth century no one in Rome was permitted to hold vacant land if not improved within a reasonable time. This was by papal decree.