

"THE INDUSTRIAL AGE"

EDITOR LAND AND FREEDOM:

In your recent editorial "The Superstition of the Street," you very properly destroy the illusion of "Wall Street" as a determining economic force in the welfare of the country. There are other similar illusional psychological phenomena of the masses that produce wordy debates, that result in wrongly applied retributive or corrective action. The frequently repeated use of the term "Industrial Age," like that of "Wall Street," has given it a degree of false authenticity so that extensive experiments costing billions of dollars have been undertaken with no stronger basic reason than a romantic fantasy, namely, that this is an "Industrial Age."

Industrial Age, like Iron Age, Bronze Age, and so forth, indicates either an outstanding characteristic of a period of time or a defect in our knowledge of more important characteristics of that time. As a matter of fact the terms are purely romantic and reveal if anything a lack rather than a plethora of information.

Industry is only a phase of labor and represents mainly that portion that uses the capital of others to produce wealth, as in mills, railroads, mines, and so forth, and does not include the independent day laborer, business man, professional man, farmer, fisherman, hunter, stock raiser, teacher, carpenter, and so forth, in fact the great majority of productive laborers.

The attention of our mass mind has been caught by the flashing lights and spinning wheels of industry, so that it reacts hypnotically whenever industry is mentioned. The illusion is pretty so long as it does not become the basis for action and vast spending. It should be known, however, that it is secondary or lower in the economic scale and is not a significant or determining economic factor. It is as futile to attempt to bring about "economic recovery" (?) through industrial increase as for the tail to try to swing the elephant.

Appleton, Wisconsin.

WM. J. HARRINGTON, M. D.

PROSPERITY BOUNCES BACK

EDITOR LAND AND FREEDOM:

Again we are facing "a more abundant life." Good news has come to us from our Secretary of Commerce. He informs us that *only* nine millions of workers are now out of employment.

Is not your heart gladdened?

These nine millions idle persons (and their dependents) means that there will be needed *only* 36,420,000,000 free meals during the next twelve months. *Only* 72,000,000 feet will need shoes between them and the cold pavement this winter. *Only* 72,000,000 hands will need mittens to keep fingers warm as they brave February's fury. Not over 36,000,000 suits of winter clothes will be needed to shield shivering bodies from biting blasts, because many of these may be seeking straw hats, gay parasols, linen suits and perforated sandals to keep the scorching sun from burning blisters on their backs, fronts, tops and bottoms.

Less than nine millions of homes will be needing oil for Yankee lamps or two-bits for soulless gas-meters week in, week out. *Only* nine millions of landlords, at the most liberal estimate, will need to worry about collecting the week's rent. Probably less than 2,000,000 farmers (if there are that many) will need to fuss about disposing of surplus crops. *Only* nine millions of times, each day, will our captains of industry need to look up from their desks to say "No, we aint got any job for you."

Is not your heart gladdened?

Fall River, Mass.

THOMAS N. ASHTON.

THESE FALLACIES RECUR IN MANY FORMS

EDITOR LAND AND FREEDOM:

There appears to be a feeling among followers of Henry George

that the Wage Fund Theory and the Malthusian Doctrine do not dominate social thought today to as great an extent as they did at the time Henry George wrote and for that reason "Progress and Poverty" should be revised with a view to bringing it up to date. This attitude is not only impractical in view of what is taking place in the world at the moment, but it betrays somewhat of a kinship with those people outside the movement who believe that conditions are so different today from what they were in the last century that George's ideas are no longer applicable. It is true, furthermore, that he thoroughly exposed these theories as fallacies, but in spite of this fact, current thought, when critically analyzed, is seen to be completely impregnated with them. While they have been formally rejected in academic circles, most professional economists, nevertheless, unconsciously believe in them. And there, I believe, is where the danger in large part lies—in the unconscious acceptance of such unscientific theories.

The average person unquestionably believes that capital employs labor and that before labor can be employed or can employ itself, there must first be capital available for the payment of wages. They also hold the opinion that capital profits at the expense of labor. Thus the trend throughout the entire civilized world is towards communism or fascism, for both of these "isms," in the last analysis, spring from a belief in the Wage Fund Theory. In my opinion, acceptance of the Malthusian Doctrine, conscious or otherwise, is also world-wide as evidenced by immigration laws, birth control agitation, the craze for colonial expansion and the agitation for the retirement of men at the age of sixty-five, and for the displacement of women in industry by men. Even many of those people who profess to be followers of Henry George unconsciously pay homage to these fallacies. I have met many who, after finishing a course in "Progress and Poverty," express sympathy for a protective tariff, for the curbing of chain stores and for such artificial devices as the NRA and AAA. Obviously they have learned nothing about economic science, for they have memorized their lessons parrot-fashion; but unfortunately they go about miseducating everyone with whom they come in contact. And are we not frequent witnesses of the curious spectacle of earnest individuals advocating land value taxation, income and inheritances taxes, public spending and government regulation of industry all in one breath?

There is no doubt that the Henry George movement is encountering greater opposition today than it did fifty years ago, because the entire world is drifting rapidly away from ideas of freedom and natural law towards a pathetically defeated attitude engendered by an intense belief in these age-old fallacies. The recent election indicates that our own country is following in the footsteps of Europe, trying the same things, making the same mistakes; and we might as well realize that economic planning is firmly in the saddle and will not be ousted until the United States has also gone the limit in social welfare experiments and, through extreme taxation, reduced the middle classes practically to the bare subsistence level of the poorest classes. But how can we have any real understanding of the issues at stake if we fail to recognize the underlying cause of this trend? We are well satisfied with ourselves that we know the truth, and we have a sublime faith in its ultimate triumph if we can only rally enough people around us to give it holy lip-service, serenely unaware that, at the same time, these people are naively supporting the very fallacies that have plunged the world into its present state of economic insanity and that are distracting attention from our own movement. In adopting such an attitude, are we not, therefore, partly responsible for the direction in which our country is headed?

Mere reiteration of the chief tenets in George's philosophy is not enough to overcome this trend. That sort of approach makes the support of the philosophy something of a cult, and the world is already suffering from too many cults. Henry George was not content merely with repeating his conclusions and ignoring the weaknesses of the opposition. He was constantly exposing the fallacies that prevented

people from understanding those conclusions. That is our job—to expose the weakness in the opposition. Economic science is not a static body of knowledge. It is constantly growing and pointing the way to deeper implications, to a wider extension and application of the principles already known. What we should do is to use our knowledge as an attacking weapon by seeking the cause of popular ignorance, focalizing our attention on it as the weak spot in the opposition and hammering away at it until it breaks ground.

The basic error from which all others stem is the persistent confounding of money with wealth, and the Wage Fund Theory and Malthusian Doctrine owe their existence to this source. Therefore, contemplating the Georgeist philosophy in general and a revision of "Progress and Poverty" in particular, due consideration should be given to this angle of the question. Instead of losing their influence, these fallacious theories have actually been increasing their dominance over current thought.

Brooklyn, N. Y.

RAYMOND V. McNALLY.

THE INTEREST QUESTION AGAIN

EDITOR LAND AND FREEDOM:

In criticising the meaningless "Production for Use" slogan (Sept. 1917, p. 10) you say: "And capital would not work if it did not earn interest. Could it now?" May I submit this answer of a common capitalist for fair consideration?

The normally prosperous man will naturally save to provide against forced or desired retirement; and as unused wealth naturally depreciates or must carry care-taking costs, he will naturally put his wealth to use as capital on the best terms securable *even if* such terms should be reduced (as by wide-spread prosperity and resulting large supply) to mere risk-insured return without interest. Any assumption that he would not, or that he would stop saving, is against the dictates of common sense.

(He would in fact *have to save more* for his *personal insurance* purpose.) Of course, inert or senseless matter (wealth) can neither "work" or "earn," properly speaking; only *use* of it by human beings enabling earnings by them (wages). As to whether or not Nature's gifts (other than rent) create an "interest fund" which goes to mere owners, *another question*, answerable only by scientifically determined natural facts; but in any case such fund cannot be properly called earnings."

George himself never stood for his interest theory after "Progress and Poverty,"—and standing instead for free use of capital, and of individual earnings from such unmonopolized use, raises the real issue against Socialism without foolishly arousing antagonism and with sound appeal to users of capital.

Reading, Pa.

WALTER G. STEWART.

RENT AND PRICE

EDITOR LAND AND FREEDOM:

The price question seems to me not to have been clearly handled by any of your correspondents. Mr. Burke comes closest to hitting the nail on the head. He correctly states that price is nothing but value measured in terms of a common medium of exchange, but he seems to me to be in error when he says that land rent enters into price as much as the others who say that land rent does not enter into price.

From what I deduce of the factors in production and distribution, rent of land comes from wages and interest, viz., wages plus interest equals wealth minus rent. Therefore rent comes out of the wealth produced at the cost of the efforts of labor and capital. Rent has nothing to do with the price which is merely a common measure of exchange.

When labor and capital receive only a small part of the wealth produced they command the same small part in terms of exchange, or in money. The price or measure of exchange is not altered by the amount of wealth labor and capital receive or what part land gets. It is fixed by the relative demand and supply of goods and services in terms of the money medium. Therefore prices may be high or low irrespective of rent.

When rent of land is high, the share of capital and labor being less, they get less of the money medium in exchange, but that smaller share necessarily affects the price of articles or services which they buy.

New York City.

FRANK BERMAN.

RENT AND PRICE AGAIN

EDITOR LAND AND FREEDOM:

Rent paid must be produced. It is a part of production. It is paid for something received, otherwise it is inequitable. What does the payer of rent receive? The answer is, he gets the use of land, the sum of its advantages and public services rendered to that land to facilitate his production of private wealth.

Undoubtedly, that payment enters into operating cost. But the payment, being a purchase of facilities or economy of production, reduces relative costs. That being so, price, the measurement of exchange, would be lower than it would have been if rent had not been paid. Therefore rent paid enters into cost but reduces price.

Summit, N. J.

C. H. KENDAL.

NEWS NOTES AND PERSONALS

OUR attention has been called to page 412, article 3, of the New York Supplement to the Record of the Law Courts of New York State. The case in question in Monroe County Court concerned a certain book regarded as heretical in religious circles. A bequest was left for the publication and circulation of this book. Surrogate Feely allowed the bequest, and compared the case to one of many years ago when a sum of money was left by a New Jersey farmer to Henry George for the propagation of his ideas. Surrogate Feely said: "The genesis of this book resembles that of another self-educated carpenter (?), the one who wrote 'Progress and Poverty,' but this book will never come anywhere near the eminence of Henry George's masterpiece." This remark of the Surrogate had reference to an opinion by Chancellor Bird of New Jersey opposing the bequest to Henry George on the ground that George's theories were opposed to public policy. After considerable expense Henry George finally won the case and made over the estate, or what was left of it, to the widow. George then had to sue his former attorney for the money. The widow received seventy dollars total, and was later forced upon public charity. From time to time Mr. George sent her small sums of money. Some of our readers may remember the case and George's remark that Chancellor Bird was "an immortal ass."

ADMIRAL WILLIAM S. SIMS, war-time commander of the United States Naval forces, died in September of this year. He was for a number of years, while a resident of Newport, a subscriber to LAND AND FREEDOM. This distinguished naval officer was a free trader and presumably a Georgeist. He was seventy-seven.

THE Lethbridge, Alberta, *Herald* contains a report of a dinner given by Mr. and Mrs. J. B. Ellert of Milk River, to the students of the Henry George School in that enterprising town. Fred Pease who was converted to the doctrines of Henry George in 1891 while living in California, addressed the diners. Other speakers at the Ellert dinner were Rev. T. Taylor, Miss Betty Taylor, Mr. Heirath, and