

city of real capital. The truth is that there is a great overabundance of capital, whether we use that word in its proper sense as meaning wealth devoted to production, or in the erroneous sense that money or currency is called capital by the professional economists, bankers, and newspaper editors. Our mills, factories, mines, and farms can produce far more than the people are able to buy. This state of affairs is due to the simple fact that by legalized forms of theft and crooked methods of taxation the wealth producers are robbed of so large a share of their product that they are unable to buy all the things they need. It is not lack of capital, but of purchasing power on the part of the 110,000,000 American consumers, that is bringing about the coming business depression. With a productive capacity in practically every line of industry far greater than present effective demand for goods, our editorial, professional, and political owls blink, and say: "We need more capital." What we really need is freedom of production and exchange of goods, including freedom from the exactions by the hordes of parasites, pap eaters, and privileged interests. Then the "capital" bugaboo will be found to be merely the invention of fools or scoundrels who are interested in maintaining the present system of economic injustice.

Letters to a Socialist Friend

III.

My Dear Bob:

IN my last letter I dwelt upon the law of property, arising from the natural instinct that impels a man to say of a thing, "that is mine," and the social and individual well-being that obedience to this law conserves. I indicated that to ignore this law is to face inevitable social disintegration, that no scheme of economic reconstruction that is not based upon a just conception of property rights can hope to establish itself as a working system. This idea of property does not include all of the things regarded as property. Man and land must at the outset be excluded from the category, though both have been considered property at certain periods of the world's history.

There are certain laws of economics which are to be conserved along with the true law of property. These, it so happens, are the very ones against which socialists inveigh. I have heard you condemn what you call the "cruel" law of competition, and plead very earnestly that this law be substituted for a law of cooperation.

It seems to me that this involves a certain confusion, a lack of exact definition. If competition is a natural law its consequences are not to be got rid of. And the presumption is that if it is a natural law its consequences must be beneficial.

What blinds some of our socialist friends is the working of a onesided competition. It is a little curious to hear socialists fulminate against both monopoly and competi-

tion. These two economic laws are in conflict. But socialists say that competition leads inevitably to monopoly. But how can one law that is in conflict with another tend to results that represent the exact tendency of the opposite? Something is wrong with the process of reasoning by which this consequence is predicated.

The explanation is simple. Competition, full and free, has obtained at no time in history where economic factors can be reckoned with. Competition for employment where natural opportunities are held out of use, is only one kind of competition—and because of the withholding of land from use, an utterly unfair competition. For the owners of natural opportunities do not compete; here monopoly, almost unrelieved, prevails. Under such circumstances it is blindness to actual economic phenomena to call the system a competitive one.

The advantages of cooperation and combination are conceded. But because we have some degree of competition we have cooperation. If we had full and free competition the door would be open for the widest cooperation. It is only when the element of artificial monopoly is created that cooperation becomes impossible.

In the Single Tax Year Book I have devoted a chapter to this subject, and I cannot perhaps do better than to quote:

"Competition is often a painful but really a merciful process; it weeds out the useless and inefficient; selects unerringly its business leaders; destroys, but where it destroys builds up; rescues from the mass the individuals and processes most fitted to survive, and out of the chaos brings order. It replaces obsolete with more perfect organization, and where such organization becomes unwieldy it replaces organization with individuals, reverting to the earlier type of industry. Thus the country store is succeeded by the store in which is sold but one line of goods, and this is succeeded by the mammoth type of country store, the great city's department store; and the development of the last named seems again to revert to the second—viz., a congeries of stores in which each is distinct from the other, each attaining a reputation for competitive excellence in one line of goods, thus illustrating in the retail trade the interplay of the forces of competition and combination, or cooperation.

Just as there is a limit fixed to the bounds of competition, so there is a limit to the bounds of combination. The maximum of combination and the maximum of efficiency are not the same. There is a point in the progress of combination beyond which it does not, or would not naturally advance—and that is when it reaches the maximum of efficiency. It seems very likely that the element of monopoly in society today forces combination far beyond the point of the most efficient cooperation.

We hear much superficial talk about the "wastes of competition." Beyond the fact that competition has never yet been fully tried, that it has never yet been wholly free, and that such waste as it entails is inseparable from the natural process which weeds out the incompetent, the antiquated and the unskilled—a process of which the waste is but incidental to the conservation—is that these combinations do not seek primarily to escape the waste of competition so much as to avail themselves of those

artificial laws which prevent competition from doing its perfect work.

The term expressing the opposite of competition is not combination but monopoly.

Is competition or combination the beneficent law of industry? Both; for one is the complement of the other. They exist together; they effect the industrial progress of the world. But monopoly is the negation of both, since further combination or cooperation is no longer possible where monopoly is complete. And where there is competition there will be combination, healthy, rational, continuous, and competition will determine its development and direction. The defence of the so-called "trust" based upon the economic benefits resulting from the elimination of the unskilled is a defence of the principle of combination under free competition, and is in no sense a defense of monopoly of which what we know as the "trust" is the manifestation."

I do not think that I need to dwell at any greater length on this particular phase of our subject, but venture to summarize:

- (1) What you condemn as competition is a one-sided competition.
- (2) Real competition has never obtained—cannot obtain where natural opportunities, which we comprehend under the term "land," are held out of use.
- (3) Competition cannot be other than beneficial where men are at the same time free to cooperate; the law of competition is therefore a natural law and must, if unhindered, work out to the general satisfaction of producer and consumer.

JOSEPH DANA MILLER.

ALLOTMENT dealers are coaxing public school teachers to sell lots during the Summer vacation. In one advertisement, a subdivision man says:

"I will never forget how, just a very few years ago, I closed my school year as a high school principal, and began to look around for something to do for the Summer. I was offered a position with a real estate firm as a part time salesman; I accepted. I made such good money that I quit school work permanently. I have never been sorry since. I have made dollars in the real estate business where I couldn't make pennies in the school business."

He adds: "You can make \$1,000 to \$2,000 this Summer vacation." And he wants "salesladies" as well as salesmen.

This is respectfully referred to the National Educational Association for thoughtful consideration, now and at their next annual meeting. Supposing some teachers do receive commissions for inducing their friends and acquaintances to buy lots at speculative prices. Will they return to their work at school with higher ideals? Or will they regard getting something without rendering any real service as quite natural and proper? Will it make them better teachers?

The Elections in Denmark

ELECTION to the Danish Folketing, corresponding to the English House of Commons, was held April 11th. There are four big political parties here, the Conservatives, the Moderate Left, the Radicals and the Social-Democrats. The Moderate Left party formed the cabinet with Minister of Finance, *Niels Neergaard*, as Premier. That cabinet was supported by the Conservatives, while the Radicals and Social-Democrats were in opposition.

The cooperation between the Conservatives and the Moderate Lefts, however, was hampered by serious disagreements. The Conservatives were protectionists, while the Moderate Lefts were free traders. The result was that the Conservatives under pretence of the low rate of exchange of the Danish crown three times got higher tariffs on "luxuries" carried by a solid majority in both Houses.

Furthermore, the Moderate Left by their programme was bound to carry through "the equal tax on equal land" proposal. A bill for the rating of land values was already worked out, but on account of opposition from the landed interests in the Conservative Party, it was laid aside.

Last but not least, on account of issue of too much paper money, the Danish crown was steadily depreciating in value. The main cause of that was the speculation in almost everything during and after the great war.

All kinds of schemes (except the real remedy, gold exchange) were proposed to keep up our money value, but of course all to no purpose.

A haphazard and crooked policy was the impression it made amongst the electors of the old Left Party. An influential Government daily *Aalborg Amstidende* wrote: "If any member of our party once more votes for higher tariff, we are not going to support him for reelection."

The result of the election was a decisive defeat for the Government Party. It lost seven seats, and the number of the members went down to 45. The Social-Democrats gained seven seats, and it is now the biggest party in the House of Commons with 55 members. The Radicals gained two seats and the Conservatives one. The new parties, *Retspartiet* and *Landmands-partiet* (Party of Justice and Landowners Party) were according to their number of votes, 12,643 and 12,196 respectively entitled to one seat each, but on account of certain legal requirements no result ensued. For comparison it may be mentioned, that the German Party got a seat on 7,715 votes.

Premier Neergaard resigned with his cabinet and Mr. Stauning, the leader of the Social-Democratic Party, was called to the King. A few days later a Social-Democratic Cabinet was formed.

The Henry George Union before election sent out the following questionnaire to the candidates: Are you in favor of (1) that the rating of real estate be changed into rating of land values?

- (2) That the local authorities be given option to rate