

without their knowledge and consent) are *mutual*, and that whatever may be *just* to one *must* be just to *all*. Furthermore, if and when the utilities realize that the philosophy of Henry George is sound and just and they, too, shall put their shoulder to the wheel, with us, to effectuate just laws, we shall wholeheartedly and unstintingly welcome their cooperation.

## The Present Paramount Issue

THE reply made by Henry George when told that the Single Tax is no panacea, "No, but liberty is," is often quoted. This signifies what we are apt to forget, that the Georgean philosophy is broader than the Single Tax doctrine. It means complete economic freedom. This freedom cannot be secured by the mere adoption of the Single Tax.

Land is but one of the factors of production and the interference with economic freedom caused by the private appropriation of rent is but one of such interferences. Other interferences are equally unjustified and may at times be even more harmful.

How much liberty does another factor, capital, enjoy? Almost everywhere we find laws restricting the rate of interest, on the theory that the owner of capital is presumably an extortioner and must be discriminated against. Some ridiculous results follow. Brown cannot borrow money of Smith or Jones because they prefer 6 per cent with good security to 7 per cent from Brown. They cannot take 8 per cent per annum from Brown, for the law says that is usury, deserving of severe punishment. However, they can form the Smith-Jones corporation and make the loan at  $2\frac{1}{2}$ ,  $3\frac{1}{2}$ , or perhaps 5 per cent per month.

So far is this hampering of capital carried by discriminatory laws, moratoriums, etc., coupled with the policy of making the creation of debt easy, through installment buying, supersalesmanship, etc., that the middle class has practically quit accumulating capital. As might be expected, thrift is more and more a thing of the past. We all have heard dozens, perhaps hundreds say, "Hereafter I am going to spend all I make. It doesn't pay to save." So those already rich do the saving and capital remains in the hands of a few, making control more easy.

But there is another and much more serious interference with economic freedom. Labor is the most important factor in production and in economic life; and it is subject to the greatest interference. For years we have been told that labor is not a commodity, that it should not be subject to competition; that it is all right for the value of a bushel of wheat to be fixed through competition, but that man's labor should be protected from such competition. It is as logical to argue that if a man and a bushel of wheat fall from a cliff, the law of gravitation is unjust if both strike the ground below. If the producer of any commodity finds that his reward depends

on the operation of economic law, it is equally fair that he who produces that commodity for another person at a certain wage should have that wage fixed by economic law.

So many people think they prove they are soft-hearted because they want to protect the laborer from the effects of economic law. They only succeed in proving that they are soft-headed.

Some no doubt will say, in fact have said, that in both these cases economic law should be set aside and satisfactory rewards fixed by arbitrary group or governmental action for both labor and commodities. This of course is also impossible. Interference with economic law cannot prevent its operation. It can only cause it to operate in a manner that harms instead of benefits. Before we make such an attempt let us think the problem through.

We have recently seen the enactment of a national wage and hour law. This is not the first but the latest of a series of interferences of similar nature with the operation of economic law. For many years, by governmental or group action, through the efforts of unions, strikes, coercion, regulatory laws, licence ordinances, or other governmental aid or connivance, one group after another has managed to have competition set aside. In the greater part of the industrial world, labor seems to succeed in maintaining wages 50 to 100 per cent higher than would result with free competition. What has been the result? Every few years the higher prices made necessary by this policy check demand, so-called overproduction follows and a crash results. Sometimes this takes several years. In the 1920's the industrial workers secured the greater part of the total wealth produced and lived better than ever before. Through installment buying and the general extension of credit the period was prolonged and when the crash came it was so much the greater. In the past few years we have taken another step in the same general direction. We practically say to the workers, "You are exempt from the operation of economic law. If nobody will pay you the wages you think you should have, stop working and we will feed you till somebody does meet your demands." Naturally under such conditions unemployment has become a permanent and increasingly difficult problem.

What would the Physiocrats or John Stuart Mill think if they could behold the present situation and then hear some so-called "liberal" complain about the failure of laissez faire economics. There has been no such failure. At no time and in no nation has the laissez faire doctrine advocated by the real economists of former times ever been given a trial. Nothing could be further from that system than the conditions that have arisen since the development of labor unions.

Perhaps we can see the situation more clearly from another direction. Last year our national income was about 60 billion dollars, of which labor received between 30 and 40 billions. In 1929 the total was 90 billions. We are now easily capable of producing 120 billions.

Now suppose that every law, agreement, limitation or restriction which now helps to keep wages above the competitive level were abolished and that all "relief" were also abolished, so that everyone in order to live must work for whatever he can get. What would happen? Wages would go down, way down. And employers would all be making big profits. Exploitation, many would say. But what would happen next? New employers would appear, wanting a share of the big profits. And all employers would want more workers in order to make more money. But they would all be at work already. The increased demand for labor would inevitably bring a rise in wages. At the same time increase in production would bring prices down, until checked by the rise in wages.

Under such conditions, is it reasonable to suppose that labor would get only the 30 or 40 billions that it does now which would be less than a third of the increased amount produced. Such a result would be impossible. Beyond a doubt, labor's share would be about twice that. The free interplay of economic forces would insure such a result. In short, laborers, employers and everyone else would be about twice as well off as they are now. There would no doubt be more millionaires. But who cares, if we are all more prosperous? Investigation will show that few millionaires have taken their millions with them to the next world.

It is true that with land values still in private hands the producers' share will still be less than it should be. But, as Harry Gunnison Brown has shown, our land system alone does not prevent prosperity. Though the landowners get 10 or 15 billions they should not have, they must spend it for something, if not for the same things that wage-earners would buy. Production and prosperity would continue so long as labor prices, like commodity prices, could respond freely to fluctuations in supply and demand.

On the other hand, could even the Single Tax bring permanent prosperity if labor conditions remain as at present? Is there any reason to believe that organized labor would not demand more and more and force prices up if allowed to monopolize the labor market? Perhaps it is fortunate that the Single Tax has not been adopted, under present conditions. The more immediate need is the abolition of the power of organized labor and their sympathizers to prevent the natural operation of natural law in the field of labor. Mr. Nock has pointed out the unfortunate result of Henry George's alliance with the United Labor party. And Mr. Beckwith points out the unfortunate result of the recent California proposal being associated with the labor movement. But it is not enough to simply be free from such alliances. We must by word and deed oppose those forces whose interference with economic freedom is more harmful than is that resulting from the private appropriation of rent. This

means that we should demand the prevention, by force if necessary, of sit-down strikes and other illegal acts of labor organizations, should encourage and protect those who take jobs vacated by strikers, and should demand the abolition of outrageously unjust labor legislation, in the Wagner law and elsewhere, and should use non-union-made commodities whenever possible.

Our country and the world has suffered long enough from attempts to prevent the operation of economic law, attempts made alike by the so-called "friends of labor" and by the so-called, or rather self-called "economists" whose knowledge of economics is limited to a knowledge of some of the unimportant details of that science based upon no comprehension of its fundamental principles.

Those who truly understand economics know that the efforts of this class of political leaders to lead the way to a better life have only resulted in leading us into a deeper mire of depression, and that the so-called "friends of labor" are in reality the worst enemies of the laborers themselves as well as of society in general.

Those who believe in the doctrines of Henry George cannot fail to see this situation clearly and realize its critical nature. If we are consistent, and if we wish the Single Tax principle to be effective for good, we must fight for economic freedom in every phase of economic life.

RAY ROBSON.

## Economics vs. Atheism

By MINNIE G. ADAMS

THE religious issue projected into any organization soon transforms it into a mad-house of whirling, howling lunatics. The Georgeist movement would be no exception if it considered economics other than a science, but the atheist establishes his position upon a foundation, economically speaking, which deserves analysis and consideration.

The so-called Christian nations, having adopted the old Roman system of land tenure have found it expedient to maintain the clergy for the purpose of convincing enslaved humanity that destitution is brought about by *sin* though the certified list of sins is common to both rich and poor alike. Persecution ceased when emphasis was shifted from social justice to eternal damnation.

Religious practice includes a huge round of social affairs—belonging to this and that club or society which gives diligent study to legions of isms, ologies and doxies instead of social and economic problems which eventually determine Christian destiny.

Programmes relating to share croppers and tenant farmers are solaced by harmless platitudes or insistence that God deliver them, ignoring the lesson in the reprimand