

## The Economic Ideal

**W**HAT is meant by the term, "The Economic Ideal?" Not alone the ideal economic principles which we think should prevail, but also the social and economic conditions which can be shown to be the necessary result of the supremacy of those principles.

The important and far-reaching nature of the great change that will result from the new and just economic set-up that is possible can only be realized if we thoroughly understand some things that are generally overlooked.

The nature of land, that is, its monopolistic nature, is recognized by practically all economists, but the man in the street, the average business man, and probably a great majority of writers, public speakers and public officials wholly fail to understand this significant fact. And a further fact of great practical importance is largely overlooked by economists as well, and even by many who thoroughly understand the nature of land and also accept the teachings of Henry George regarding the proper legislative attitude on this subject.

This largely unrecognized truth is the steady and inevitable growth and accelerated rate of growth of land values as compared with all other values. There is no way of interpreting wisely the tendencies that will control the future except by correctly understanding the tendencies that have existed in the past. When we truly appreciate the fact that land values have this inevitable tendency, we cannot fail to see the continued acceleration of the rate of growth of these values which must follow the future increase of population and wealth. We find that during the time in which our population has doubled, our land values, after making all allowance for changes in value of the dollar, have quadrupled. The same result must follow in the future.

When our population is 250 million, our land values will equal 600 billion, with a rental value of 50 billion annually. With our population again doubled, reaching 500 million, our land values will aggregate 2,500 billion, the annual rental value being 200 billion.

It may be argued that our population will never reach that figure. Some have claimed that it will not go beyond 200,000. If this proves true, it will be because economic conditions prevent the natural increase. There can be no question that this country is fully capable of the production of wealth sufficient to support in universal comfort a half billion people.

If we follow the same path as in the past, long before we reach that figure rent will absorb so great a share of the national income and labor will have so small a share that the increase of population and wealth production will cease, while our periodic depressions will become one continuous depression, hard times ever becoming harder, such as Europe has endured most of the time for centuries, except during the period when the European land monopoly was partially relieved by the discovery of America.

The operation of the law of diminishing returns may hasten this result. During the past century the effect of this law has been counteracted by our increased productivity. This increase is hardly likely to continue, at least at the same rate. Consider now the law of rent. As the margin of production, the wealth which may be produced on the best land to be obtained free, begins to fall, the share going to rent increases more and more rapidly, while labor's share declines with equal rapidity.

If we continue our present policies, is the prospect for America's future a bright one? What can long postpone the worst crash in history, quite probably bringing about the downfall and destruction of civilization?

But this need not happen. There is a possible alternative.

If we change our policy, and take for the community what the community creates, these stupendous land values will belong legally, as they do morally, to the people instead of to a few. That 200 billions of land rent will be no longer a burden but a blessing. This amount will provide about \$1,500 worth of government service per family. What does this mean? That just as government revenue now provides free education, police and fire protection, etc., so, in this ideal future, it will provide a great variety of such services—transportation of all kinds, water, light, power, communication by mail, telephone, telegraph, television, or radio, medical, legal and other services, perhaps some we do not now dream of, also cultural and recreational advantages of greater variety than wealth can now buy, as well as insurance, annuities and pensions,—and most of these either almost or absolutely free.

And with every hindrance to production removed, the cost of the necessities of life and other tangible commodities, even though still privately produced, will be much less than at present. The age promised by the technocrats will then be here, without control or planning, simply as the result of natural evolution. Eight hundred to one thousand hours of work per year will probably provide the average family with all the comforts and many of the luxuries of life. Few will work more than this, when not driven by necessity, except as they may want to work still less some other year. With no regulation of wages or hours, with absolute freedom for all to labor as and when they please, some will work 20 hours per week for 40 or 50 weeks, others 40 hours per week for 20 or 25 weeks, or by such other schedule as may be desired. With want and the fear of want removed, each worker would balance work and recreation to suit himself, doing the least work possible consistent with the securing of the greatest degree of satisfaction during the remainder of the time.

Is it a fanciful picture? Only if with our little faith we fail to make it real. Every feature of it is based on the soundest fundamental economic principles and the most inevitable of economic tendencies.—RAY ROBSON.