

The Single Tax Review

VOL. XIX

NOVEMBER-DECEMBER, 1919

No. 6

Current Comment

THE American Steel and Wire Company has a full page advertisement in the *Cleveland Plaindealer* of Nov. 2. One-half is given up to an article reproduced from *Harvey's Weekly* and consists of a statement from Judge Gary as to his attitude on labor unions. The other half of the page is devoted to a lengthy quotation from Henry George's Letter to Pope Leo XIII, in which Mr. George states *his* case against the labor unions. We quote in part:

"Aiming at the restriction of competition—the limitation of the right to labor—its methods are those of the army, which even in a righteous cause are subversive of liberty and liable to abuse, while its weapon, the strike, is destructive in its nature both to combatants and non-combatants.

"To apply the principle of trades unions to all industry, as some dream of doing, would be to enthrall man in a caste system. Union methods are superficial in proposing to restrain overwork while utterly ignoring its cause, and the sting of poverty that forces human beings to it.

* * * * *

"Labor unions of the nature of trade guilds, are necessarily selfish; by the law of their being they must fight, regardless of who is hurt; they ignore and must ignore the teachings of Christ, that we should do unto others as we would have them do to us, which a true political economy shows is the only way to full emancipation of the masses. They must do their best to starve workmen who will not join them; they must by all means in their power force back the 'scab,' as a soldier in battle must shoot down his mother's son if in the opposing ranks; a fellow creature seeking work—a fellow creature, in all probability, more pressed and starved than those who bitterly denounce him, and often with the hungry, pleading faces of wife and child behind him. And in so far as they succeed, what is it that trades-guilds and unions do but to impose more restriction on natural rights; to create 'trusts' in labor to add to privileged classes other somewhat privileged classes; to press the weaker to the wall."

THE American Steel and Wire Company deserves credit for placing before the readers of this widely circulated advertisement the weighty words of the clearest thinker of three decades. We note it as significant of the progress of thought among business men. One thing, however, needs to be said. In asking workingmen to renounce their one weapon of compulsion with which, in the union and the strike, they can avail themselves, are the great business corporations, of which the American Steel and Wire Company is one, prepared to abandon every vestige of monopolistic privilege, every instrument of monopoly for the similar

exercise of which they arraign the labor unions? Are they prepared, in the event of workingmen renouncing the arbitrary methods of dictation through labor unions and the strike, to make common cause with them against those institutions of privilege which oppress both capital and labor?

We welcome this action of the American Steel and Wire Company. But will they not see that the other half remains to be said? All that Mr. George says here regarding the labor union would be almost meaningless if the solution had not been in his mind when he wrote. Indeed, if this solution is not what he indicated the trades unionists are right. It is then war, and war to the knife, for the control of all industry by the unions. Slavery is a *fait accompli*. It is because Single Taxers see this that they are opposed to monopoly, whether it be that of earth-owner or trades-unionist. The fight is not against trade unionism, *per se*, but against monopoly, and in this fight the interests of the men at the head of business corporations, whatever the less keen sighted among them may think, and their workingmen are identical.

IN announcing the candidacy of Mr. A. G. Huie, for the Western Suburbs electorate of Sydney, Australia, under the proportional system, the *Standard* says: "There are many *Standard* subscribers in the electorate. They will have a chance of voting for a straightout Single Tax man on his own merits, regardless of the political machines." How good that sounds! Single Tax men here have been long voting for the political machines. Even in the recent election in New York many have seemingly preferred to continue voting for the machines. We shall see whether the Single Taxers of Sydney, having the chance to vote for a Single Tax man of Mr. Huie's stamp, will do their duty at the polls.

THE *Mining and Scientific Press*, of San Francisco, says: "Our entire system of distribution, local as well as trans-continental, is glaringly inefficient, and it plays into the hands of manipulators and profiteers. It seems reasonable to suppose that some of these defects and wrongs can be corrected by means of legal enactments already available for that purpose, and it is fortunate that some of the measures for price-control placed in the hands of the Government during the war are still at its service at this time."

It is indeed true that our entire system of distribution plays into the hands of profiteers and manipulators. But to adopt the devices of price-control, which seem to be the only remedies that occur to the government at Washington, is to embark on a dangerous policy. Why not recognize that our system of distribution is at the mercy of those who can command scarcity, who control production at its

source? Is there a natural law of distribution? Why not seek for it then? Is there profiteering? If there is, how can it continue to command a rate of earnings higher than the average return? Does not the return to capital tend to a level if allowed to flow freely? Is there a profit in making cotton cloth greater than is to be secured, for example, in making silk or cretonne? Capital will scent the advantage and flow there. Is there a greater return to capital in the building of houses than in the construction of automobiles? All the Henry Fords, little and big, will discover the fact, and the return to the industry of house building will drop to normal again. And so on through the entire gamut of industry.

What causes profiteering, as distinct from profit-earning, is the powers to command scarcity by those who control the sources of supply, taxes, and the restrictions imposed by taxes. With their removal no profiteering, wholesale or retail, can continue beyond the time needed to establish the normal equilibrium.

DOES it not seem strange to our readers, at a time when the world has become more adventurous, essaying new paths into what was once the *terra incognita* of economic and social experiment, that Single Taxers should become more and more timid? We cannot arrest the hurrying, mad world that is hesitating at so little now, with faint and cautious whispers of tax reform, tax exemptions, and the clipping of percentages from income and tariff-tax provisions. Are we fearful of our doctrine? Surely the world seems fearful of little. Without "batting an eye," to speak in the vernacular, America destroys millions and millions of property invested in the brewing and distilling industry. Without so much as "by your leave," at one stroke it renders all this investment valueless. And we, who would destroy nothing, take nothing, even for the state, that can rightly be called property, ask nothing that is yet in the possession of the landlords, but merely that the income from land rent that accrues next year shall be paid to the State in lieu of all taxes—we, of all people, to indulge in low, cautious and hesitating whispers! How the gods must laugh!

OUR government is ready to apply drastic methods to the striking coal miners. The mines will not close down. President Wilson has declared it. The government, with its armies and its courts, will compel the opening of the mines, because, as one metropolitan newspaper expresses it, "110,000,000 Americans must have coal. No small percentage of the people must be permitted to control the output."

But this is what a small percentage of the people have been doing. Mines have been shut down and kept shut by a handful of coal mine owners in order to produce a scarcity of coal. Forcible measures of compulsion to force these mines to open were never thought of in their case. It is only when the workingmen attempt to close down the mines by withdrawing from work that the President issues a forceful presentation, press and public fume, and the power of courts and army is invoked.

Big Business and the Crisis.

NOT so many years ago, Big Business was accustomed to manipulate Congress, Government and even Judicature, to its own advantage. Such was then the accepted order of things. It was a blunder of big business.

Today, thanks to the growth of popular education and a democratic interest in government, Big Business finds the tables turned: Congress, Government and Judicature are daring to manipulate Big Business (railroads, telegraphs, mines, packing industry, etc). This may be a blunder of Democracy. We incline to think it is so.

In facing this new situation there does not seem to be any unanimity of opinion amongst the leaders of big business. In a previous issue we gave John D. Rockefeller, Jr.'s broad policy of admitting to a share in profits the four contributing factors in industry: Capital, management, labor and the community. More recently we have the Warfield plan, proposed by the Association of holders of railroad securities, advocating a substantially similar adjustment. But against this we have to place the powerful and reasonable plea advanced by Swift & Co., who refuse to see in government direction of business anything but retrogression and decay. We reproduce entire one of the bulletins which Swift & Co. are spreading broadcast through the press of the country. Under the caption "Is it possible to Legislate Life and Brains?," it reads:

"Swift & Company is primarily an organization of men, not a collection of brick, mortar, and machinery.

Packing Plants, their equipment and usefulness are only outward symbols of the intelligence, life-long experience, and right purpose of the men who compose the organization and of those who direct it.

Will not Government direction of the packing industry, now contemplated by Congress, take over the empty husk of physical property and equipment and sacrifice the initiative, experience and devotion of these men, which is the life itself of the industry?

What legislation, what political adroitness could replace such life and brains, once driven out?"

With the above position we are in sympathy. It is a great pity, however, that the intelligence which organized and directs the vast and intricate manufacturing and distributing service known as Swift & Co., seems alive only to the palpable, obvious peril of collective ownership and remains blind to the less obvious but sufficient causes of the present crisis. It is natural and right to be alarmed over a case of typhoid in your household. But is it intelligent to ignore the infected drain that made the disease inevitable? Is it to the credit of the intelligence of big business that it has ignored the fact that our whole fiscal environment is and has been hostile to all productive enterprise, whether large or small? Is it nothing to the directive heads of business that, in every instance, the enormous fiscal pressure of organized government passes clear of the non-producer and falls heavily on the producer?