

## A Challenge To Pessimism

By W. R. B. WILLCOX

IN its generous and frank presentation of views of the speakers at the recent Henry George Congress, the September-October LAND AND FREEDOM offers sad, if salutary, testimony to the present state of progress towards Henry George's goal—the governmental collection of the Rent and the abolition of Taxation.

However, the noticeable disuse of the term "single tax," which some may regard as of very minor importance, should be distinctly encouraging to others. In 1934, a contributor noted that in the previous issue the factor Rent had been mentioned four or five times, while the term "single tax" had appeared no less than 138 times. In the last issue (except for a dozen appearances in the names of Single Tax Clubs) the term is used only 10 times. One may rejoice to think that it may become obsolete in another year or two, removing the embarrassment of explaining that "the single tax isn't a tax, anyway—it is Rent."

Otherwise, Georgeists may well be filled with consternation if they reflect seriously upon the direction in which they are moving. Henry J. Foley in your "The Road Ahead" number, believes "that in our efforts to spread the doctrine of Henry George, we are now engaged in sweeping back the tides." Benjamin C. Marsh, after citing existing conditions and trends, said: "Readers may think I have painted a rather dark picture. I hope events may prove me wrong, but I doubt it." Sanford J. Benjamin said: "There is a dangerous growth of optimism among Georgeists at present which bodes ill for the success of the movement." He cites as reasons for his apprehension that "the conditions of a privileged economy do not permit peaceful reform," that "Georgeists fail when they speak about peaceful solution of the world's evil through the ballot." He quotes Marx as authority for the view that "Transfer to power can only be accomplished through force," and asks: "How can we expect that Georgeists will not have to take up arms to free the land?"

But those who think they see the bright star of Henry George's goal; who think that through the years they have been plodding towards it; who, within their lights, have striven to dispel the fog which obscured it from others, should search their souls as they read the following paragraph from Mr. Benjamin's "The Price of Freedom."

"First, no special privilege is as time honored by rich and poor alike as land ownership. In fact the privilege of owning land is considered a successful goal. One does not have to be a Georgeist in order to predict that land owners would fight land reform. The Spanish civil war was essentially an uprising of landlords when the government attempted to break up their estates;

and far from acknowledging the right of the people to cultivate the land, the so-called democratic nations backed the insurrectionists. It should not be overlooked that, in order to hold on to their privilege, the land owners called in foreign soldiers—a lesson Georgeists should ponder when they think of achieving their reform in any one country."

Where has it more clearly been implied that Georgeists are a body of land reformers, a minority in opposition, fighting against "landlordism" which they see as evil, instead of for the governmental collection of the Rent which they know is righteous? This evidence of obsession with "land" disinters ideas which have lain dead since the days of "Progress and Poverty." Whose task, but that of Georgeists, to revivify them? Let us look at some of them as questions to be answered.

To begin with, why do Georgeists antagonize, or want to fight, landlords? Will there not of necessity always be landlords to administer the land to which they hold titles? Will not landlords be necessary to collect the Rent from tenants and to turn it over to the government, together with the Rent they themselves owe to society in the services which society renders to both of them? Why inconsistently call landlords, "land owners"? Do Georgeists believe there are such things as land *owners*? Is that the reason they can look forward only to the necessity of taking the land away from landlords by force? If they will mistakenly call landlords by that name, a number of questions are bound to arise in the minds of the ignorant. How are these questions to be answered?

Would Georgeists object because an automobile owner gets the Rent paid for the use of his automobile? If not, why should they object because a land owner gets the Rent paid for the use of his land? Would they contend that the public should get the Rent paid for the use of an automobile owner's automobile? If not, on what grounds would they contend that the public should get the Rent paid for the use of a land owner's land? On the other hand, would Georgeists contend that the land owner should not get the Rent because he does not own the land? If so, would they contend that the public should get the Rent because the public owns the land? Does the question as to who shall get the Rent rest upon a decision as to who owns the land?

Georgeists should know that the so-called land owner's claim to ownership, weak as it is, is far stronger than that of the public. He usually can submit a title deed in legal evidence of ownership, which in most instances is more than the public can do. Would Georgeists contend that

so-called land owners should not get the Rent because they are fewer than non-land owners; hence, that (in a democratic country!) a majority, properly propagandized, could vote to take the land (and the Rent) away from a minority by taxation? Do they agree with so-called land owners that for the public to get the Rent by taxation is to "confiscate" the land of these land owners?

If force is to be the arbiter in this case, Georgeists should know that the decision will go to these land owners, who have all of the legal, educational, financial and military, power in their hands; and that to oppose this power means persecution and civil war. But do Georgeists agree with those they call land owners that a nation, by conquering the people of another nation, becomes owner of the land of the conquered people? That to be patriotic, people should be willing to fight to get the land of another people, or to hold it for their own land owners? That to live on this earth some people either must fight, or pay, other people before the land can be used?

Do Georgeists agree with those they call land owners, that holders of titles to areas of land, to that extent, are owners of the earth—owners of climates, views, mines, forests, harbors, rivers, soils? That fighting for, or paying for, land affects the land? That people pay Rent because the earth, with all of its natural elements and forces, *exists*? That people pay Rent for the use of the *land*? Why longer "kick against the pricks"? Does hope lie in this direction?

But there is hope! The star which Henry George beheld still shines. Its penetrating rays illumine still farther reaches of the path which he discerned. Shall men not venture nearer to the goal he sought; beyond the point which he attained? Would he not bid them push on? Men know not the purposes of creation. They never may know how men came to inhabit this earth. But they know, if they are to live, that their livelihoods must be toiled from the earth; that they must have access to the provisions of nature—the land. Therefore, men want land! So desperately do men want land that, down through the ages, if not otherwise to be had, men have fought—and still fight—to possess the land. If, as a result of accumulated knowledge and experience, men learned that it was not necessary to burn buildings to provide themselves with roast pig, may not the accumulated knowledge and experience of the present day teach them wisdom as to how to obtain their livelihoods without fighting, or paying, to possess the land?

Is it possible that any considerable number of Georgeists are becoming merely another group such as socialists or communists—blindly, fanatically, adhering to still another "ism," hypocritically denouncing the evil doctrine of Karl Marx of the inevitability of a class war between Labor and Capital, while, as short-sightedly, propounding a doctrine no less evil, the inevitability of a class war between land-

lords and non-landlords; that people must continue to be plunged into new hatreds and civil war? Have any considerable number of Georgeists lost faith in the power of Truth and Justice to bring Peace to this world?

Can this explain the paradox, that while a great array of eminent men, for decades, have acclaimed the outstanding mentality of Henry George, and the luminous quality of his social philosophy, they have ignored its possible implications, and have refused to investigate the causes of its lack of practicality in the progress of civilization? These discuss endlessly the relations of Labor and Capital, and the use and productivity of the land, but tacitly ignore the essentiality of the factor Rent which is present in every social and economic problem. Is it a consequence of the failure to search out the true nature and significance of Rent, that people have resorted to every variety of Socialism—communism, fascism, nazism, New Dealism, and a host of other "isms;" that they have discarded the tenets of the Declaration of Independence and the Constitution of the United States, and no longer crave the personal freedom and individual initiative of true American democracy?

In view of the present social and political chaos, would it not be wise, for the moment, for those who call themselves Georgeists, to hold in abeyance the prejudice that Rent is due to the relative productivity of nature, that it is a "gift of nature" without cost to mankind; and instead, (as worthy of investigation) to view it as a measure of the worth, only, of social and governmental advantages—advantages produced at the cost of human toil and necessary to the procurement and use of the provisions of nature? Whatever the cost of a title to land, it is, after all, the cost of the title, not the cost of the land. Land is not produced, furnished or changed, by an exchange of wealth for a title to land.

By processes no man could devise or energize, the mysterious elements and forces of nature bring forth the fruits of the land. Their growth costs men nothing. But to possess these fruits—the results of this inexplicable metamorphosis—men must toil. If they toil not, these "increments," due to the ceaseless processes of nature, will, as men say, wither away, when by no manner of toil can men possess them. The "gifts of nature" are free to men to possess, but to possess them men must toil. For mankind there is no "unearned increment."

In the light of this reasoning, Hope returns! Rent becomes compensation, solely, for the labor and capital expended in providing social and governmental services. Security of possession of land, attested by a title deed, is one, and only one, service of government. Without this service, a title deed would have neither value nor efficacy as protection of the results of toil on, or in, the land to

(Continued on page 190)

strong organization could in time be developed, strengthening the Schalkenbach Foundation, enabling it to expand and develop.

The new association would be but little different from the foundations of today except in stability, vigor, more general appeal and in the possibility which it would offer to secure better co-operation and more adequate financing for our great task. What possible objection can there be to such a program?

Albany, N. Y.

GILBERT M. TUCKER

With all respect for Mr. Tucker's views as above expressed, we believe the Robert Schalkenbach Foundation is doing a splendid work, and should continue to function in its present special field.

ED.

### AN AUSTRALIAN VIEW ON INTEREST

EDITORS LAND AND FREEDOM:

Your July-August issue contains an interesting article on a "Theory of Interest" by Mr. Gaston Haxo. He is sound in his statements that interest is not due to the reproductive forces of nature; also, that the contract (interest) freely entered into by borrower and lender, both of whom benefit therefrom, is equitable; and this custom is not likely to cease. Payment for service rendered, and it is commonly so understood, is the justification for interest, and the average rate is determined by competition between lenders. The return to lenders is their own concern.

I purchase a machine (capital). I purchase it from my own funds. It is mine for all time. That is just. But again, I borrow money not for itself, but for the service it supplies and I buy the machine. It is not mine. I pay for its hire. That is just. Service for service—interest.

Surely Mr. Haxo's statement that interest as an institution is "but the evil fruit of an evil economic system", and is "unearned increment" is wrong. It largely arises from his treating money as if it purchased only capital. If I, a land speculator, buy and sell vacant lots I do not spend money in purchasing capital. I purchase land—a wide distinction. If I buy a block, erect a building upon it, and let the whole, I am paid in money; I receive so much in interest on my building (capital). *This is just.* And I receive so much in land rent. This is due to society, and I have no just claim to it. Mr. Haxo makes no such vital distinction.

There is little doubt the enormous land rent incomes of Astors, English dukes, German junkers, etc. are invested by them partly in purchasing additional land—not capital. They also invest land-rent money in capitalistic enterprises, claiming "interest" and also in interest-bearing Government loans, stealthily reducing the masses to slavery. The whole world is the sufferer.

The investment origin is land rent privately appropriated. Only in this sense is Mr. Haxo's statement correct that "interest as an institution has its roots in land monopoly and the resultant exploitation of labor". This investment of the people's values we must put an end to. We must eliminate all land rent from private incomes.

Then will money lent be invested in capital alone, which, with interest thereon, Mr. Haxo endorses as just. Long-term interest on debts would disappear and back debts be paid off, for a new world of prosperity would prevail. The effect of breaking up land rent monopoly would be the same as witnessed in early "Go West" days before land speculation got the mastery and brought the United States to its present condition of progress and poverty. George would be vindicated. So great would be the demand for labor and capital, that wages and interest (both just, and the same in origin) would rise together, and with land rent collected and the abolition of monopolies, parasitism would be ended.

Melbourne, Australia.

F. T. HODGKISS

### "CORRECCION"

EDITORS LAND AND FREEDOM:

Mr. Joseph Sinnott, in his article "The Land Problem in Mexico," displays a remarkable knowledge of this country and the rapid development of its national economic life in the course of one century. I should like, however, to correct a few errors in the article.

In the first place, the name Anahuac which he applies to one of the strong tribes in pre-Columbian times is wrong. Anahuac was the name of the luxuriant valley on which the City of Mexico is situated; it means "near the water," in reference to its many lakes. The tribe he mentions was named Nahuatl. This really was a generic name including several of the best cultured tribes, and it means "one who speaks well."

The labor movement under Lombardo Toledano which Mr. Sinnott refers to favorably, has been only a political trick to give power to a group of workingmen's leaders leaning strongly to Bolshevism. Toledano himself and President Cardenas seem to believe in the efficacy of Communism and have fanatically worked for its spread. As often happens, the new Frankenstein has become too strong for them, and they no longer know how to wield it. Fortunately there is a large amount of common sense among the common people, and workingmen have begun to see the uselessness of Marx's theory.

I, too, have regretted that our presidents "do not know the way." But we should not wonder; in Cardenas' cabinet figure men who are professed Georgeists. Why have they done nothing toward the subdivision of large estates by means of the fiscal weapon, as Henry George advises? The other way brings a neat sum into the private pockets of functionaries. The temptation is too great. Then, what use would a copy of "Progress and Poverty" be in the hands of Mexico's leaders? They won't read it. I wonder whether the leaders of the United States have ever studied it.

Monterrey, Mexico

PROF. E. T. WESTRUP

EDITORS LAND AND FREEDOM:

We are very pleased with the spirit manifested in your editorials. They remind us of Louis F. Post's *The Public*. While always forceful, Post was never bitter or rancorous.

Pasadena, Calif.

MR. AND MRS. FRANK H. BODE

(Continued from page 183)

which men might claim title. Security of individual liberty, attested by citizenship, and encompassing freedom to enjoy all other social and government services, is another, and paramount, service for which Rent is compensation.

Were these truths understood and recognized by all—what man, or group of men, would have the face or un-wisdom to precipitate a war, to preserve to themselves the privilege of ignoring their obligations to society, the payment of Rent in full to the government? By unitedly promulgating the truth that men must toil to possess the "increments" of nature, might not Georgeists again start mankind on the march towards the goal of Henry George—the public collection of the Rent and the abolition of Taxation? Might not such a program remove obstacles to the solution of the land problem, and disclose the insanity and futility of war? Would they deny this to have been his goal?