Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

VOL. XXXVI JULY—AUGUST 1936 No. 4

Comment and Reflection

JUDGE MAXEY of the Supreme Court of Pennsylvania, is quoted as saying: "There are bodily ills which no medicine can cure and social ills before which all governments stand powerless." But is it not an indictment against all governments that they "stand powerless?" Obviously government is powerless because as an instrumentality of society neither society nor its servants (governmental officials) seem capable of thinking. Perhaps they do not care to think. Thinking may be dangerous to a politician and politics infest governments and public servants are politic. Thought ultimately must emerge as legislative proposals from the people. Politicians are no wiser but more cautious than the people.

WE said two years ago in these columns that "the present depression caught the world without any economic knowledge." There appeared recently an issue of the *Rochester* (N. Y.), *Democrat* called the "Gannett Survey Section." It has a host of contributors who propound reasons for the depression and propose remedies for it. It will be of interest to examine them. One writer—a Farm Finance Expert—advocates a dollar with a gold content not fixed but varied to keep its purchasing power "stable." It is a pity that the writer seems to be obsessed with what we have termed elsewhere "the money theory of prosperity," for he emphasizes the need of a gradual reduction of tariffs.

A BALTIMORE MERCHANT is similiarly obsessed with the money theory of prosperity and says there is not enough gold and silver in the world to do the business of the world. A teacher in an Olean, N. Y. High School, asks for the control of currency, leaving the standard of value as it is. An Ohio Attorney says the primary cause of the depression was the World War, but he does not enlighten us further. We have pointed out in an earlier issue of LAND AND FREEDOM that the economic factors that are with us at all times, though interrupted by the chaos of war, began their work the minute the flags were furled. Twenty years ago the war was over. Its economic effects were cleared away in the few years succeeding. The World War is no more to be blamed for the depression than the recent eclipse of the moon.

A VEGETABLE CANNER in Brunswick, Maine, contributes the extraordinary discovery that depressions are "man made," which at least is a step in advance of the theory that God is responsible, which also finds its adherents. Edward C. Stokes, former governor of New Jersey, thinks that we should not open the doors too wide for imports, thus permitting foreign exporters to throw our people out of work. "A Well Known Baker" says that we must find out what is wrong with our economic system," which evidences a glimpse of sanity. He says he does not fully understand it, so there is hope for him.

A WAY out of the depression is indicated by a College President who thinks that by educating and evangelizing primitive peoples we could create foreign markets, and thus bring about better times. We have been doing something like that for a long period without any apparent results. He does not explain how evangelizing primitive peoples would increase their buying power, so, that is just another of these futile guesses. Peter Hewitt, great grandson of Peter Cooper, thinks our tax system is "all wet." Henry George told that to his grandfather in 1886. He is opposed to a high inheritance tax and a high income tax. He proposes an "expenditure tax" to take their place, whatever that is. But he sees a few things. Another contributor discovers the trouble in "human instinct" but fails to be explicit.

MR. GANNETT contributes his own solution, which is the restoration of the gold standard to predepression value—again the money theory of prosperity. He does, however, discount the overproduction theory. We have merely lost our buying power. How we have lost it he does not say. There is little in Mr. Gannett's article which discloses either the cause or the remedy for the depression. We wonder what he thinks as he reads the conclusions of his contributors. He must be conscious that these writers are floundering in a sea of words, that the reasons given are fearfully inadequate, that the only expressions of opinion worth while come from those who say frankly that they do not know. And this is the Babel of confused opinions that is recommended to the Republican Party as antidotes for the, Roosevelt policies.

Is it with this conglomerate mess that Mr. Gannett expects the Republicans to ride into power?

THE real solution of our difficulties is so simple in its essentials. Where do we find even a hint in any of these contributions of the distinction between public and private wealth, of the values created by the activities of the community and other values produced by the labor of individuals? Instead of this we are deluged with words. We hear much from Senator Borah of "monopoly," but monopoly of what? Does he mean monopoly of natural resources? If so why does he not say so? That is the giant monopoly. Other monopolies are almost negligible or dependent upon this fundamental monopoly. Is there a word anywhere from these Republican spokesmen that this is a human problem and concerns man's relation to the earth? Until a practical solution of this question is found nothing else really matters much.

PERHAPS the most pitiable figure in American political life is Senator Borah. With a sincere desire to improve conditions he flounders ludicrously in seas of confusions. The plank for which he asked recognition in the Republican platform urged the application of the criminal law against monopoly. If he knew what monopoly was he would know that that was not the remedy. Every monopoly exists by reason of legal privilege. They flourish only within the shelter of special privilege created by law. The primary monopoly is the monopoly of land about which Mr. Borah says nothing.

HE speaks of "price fixing" which he would correct, placing it under the ban of the law. He has seen the futility of price fixing under the NRA and has very properly condemned it. But he does not see that the law of competition tends to correct all such abuses automatically. Of course such competition must be free and certain obstacles must first be cleared away. But Mr. Borah can see no remedy other than the most stringent regulation, including a resort to the criminal law. Think of discussing monopoly intelligently and at the same time ignoring tariffs, taxes, and the private control of natural resources! Poor Borah!

WALTER LIPPMAN is only a little better than Borah. He says that "probably the whole thing (price fixing) is based on a false theory." Then he proposes a programme for the conservation of natural resources. He says: "If there is overproduction of coal in the sense that more coal is mined than can be sold at a profit then it may be better to induce the States, perhaps even to subsidize them, to buy out the marginal mines and close them down and take care of the displaced miners until they have been transferred to other jobs."

WHEN we consider the millions of people who will be cold this winter for want of coal there is an unconscious wickedness—a certain thoughtless cruelty in this recommendation, which is to be attributed to no unkindliness of heart but to what Dr. John Dewey calls "cockeyed economics." And this muddled economic thinking will continue until certain fundamental natural laws are recognized and we begin to formulate conclusions based upon human rights and common sense.

THERE is little difference in essentials between the economics of Lippman and that of Tugwell. They both ignore fundamentals. Land has no place in the economic category of either gentleman. Mr. Lippma commends with limited encomiums the planning of the administration but takes no account of the planning which was begun before economics were formulated or books on the subject written. The planning was done by the Almighty himself in the natural laws governing society. He formulated these laws at the same time He planned the movements of the stars.

IT is Henry George's great merit that he did not start out with a plan of his own. He started out to discover the plan of God in society. We think he did a fine and almost perfect piece of work. He linked the Ricardian law of rent with the law of wages—that was his most important discovery. And if men and women had been able to understand it the Tugwells and Lippmans would have passed out of the picture. But it was within the rule of destiny that his triumph would not be immediate. And for this Machiavelli has furnished the reason.

THIS Florentine philosopher and diplomat, who lived about the time of Columbus, in his book "The Prince," for which he has been reviled for centuries, said in substance that there are three orders or classes of men One man understands things by studying them for himself. Such men are exceedingly rare. Another understands them after they are explained to him. Such form a select and highly meritorious minority. A third does not understand them at all. Of such are the masses The Machiavellian political policy is based on this classification of men. The wise prince will adopt the interest of the first class as his own. The third class is negligible —not to be depended upon as friends and not dangerous as foes. They may desert a prince if they like him not but the superior class in such case will not only desert him, but conspire against him, which the masses cannot do effectively.