

Land and Freedom

FORMERLY THE SINGLE TAX REVIEW

VOL. XXXIV

JULY—AUGUST, 1934

No. 4

Comment and Reflection

WE have received the following letter from Benjamin L. Yarnall, of Philadelphia:

"In presenting the Single Tax question here I have come across a number of persons who have been brought up in the Catholic faith, and they tell me that they are forbidden to read anything on that question. They tell me further that Henry George's works are on the Index as forbidden. Another person tells me that the priest came around and ordered all of George's books burned. Is there anything on record as to how the George-McGlynn controversy was settled? I have been telling them that when Dr. McGlynn was restored to the priesthood there was no condemnation of Henry George. Will you kindly let me know the facts in the case?"

CATHOLICS who talk this way are uninformed. It is unnecessary to review the events leading up to the refusal of Dr. McGlynn to go to Rome at the command of Archbishop Corrigan, and the imposition of the minor ban of excommunication imposed on the Doctor for such refusal. It may be said that the question was one of church discipline, not of any economic tenet. On the question of the propriety of Father McGlynn's refusal to obey the order of his ecclesiastical superiors there may be room for difference of opinion, but we hasten to the incident of the visit of the Apostolic Delegate, Monsignor Satolli, and the reopening of the case, with which duty he was charged.

AT Monsignor Satolli's direction the doctrinal statement which follows was prepared by Dr. McGlynn and submitted to the four distinguished professors of the Catholic University at Washington. The names of the eminent doctors follow: Rev. Thomas Bouquillon, (Dean of the Theological Faculty); Thomas Gorman, D. D., (later Bishop of Sioux Falls, S. D.); Charles F. Grannan, D. D. and Edward A. Pace, D. D. The statement, an eloquent exposition of our philosophy, was found to contain nothing contrary to Catholic doctrine, and was so declared. Catholics are free therefore to reject or accept it. Following the friendly interposition of Monsignor Satolli, Dr. McGlynn went to Rome and in an interview with the Holy Father reiterated his faith in the canons of his church. He also avowed his belief in the economics of Henry George and was dismissed with the Pope's blessing. He was reinstated with the full honors

of the priesthood, and officiated both at Roundout and Newburgh. Over the body of his great leader he pronounced that wonderful oration with its memorable declaration which thrilled all present: "Here was a man sent of God."

HERE follows the great doctrinal statement of McGlynn which, with the assent of the distinguished doctors of the Washington University, leaves every adherent of the Catholic Church the freedom to accept or reject it. Any statement to the contrary emanating from any source is to be attributed to ignorance of the facts. One cannot but applaud in sincere earnestness the greatness of the Church in making its position clear and in finally sweeping away all the unfortunate misunderstanding that had arisen on what, as we have said, was after all merely a matter of church discipline.

"All men are endowed by the law of nature with the right to life and to the pursuit of happiness and therefore with the right to exert their energies upon those natural bounties without which labor or life is impossible.

"God has granted those natural bounties, that is to say, the earth, to mankind in general, so that no part of it has been assigned to anyone in particular, and so that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples.

"But it is a necessary part of the liberty and dignity of man that man should own himself, always, of course, with perfect subjection to the moral law. Therefore besides the common [equal] right to natural bounties, there must be by the law of nature private property and dominion in the fruits of industry or in what is produced by labor out of those natural bounties to which the individual may have legitimate access, that is, so far as he does not infringe the equal rights of others or the common rights.

"It is a chief function of civil government to maintain equally sacred these two natural rights.

"It is lawful, and it is for the best interests of the individual and of the community and necessary for civilization that there should be a division as to the use and an undisturbed, permanent, exclusive private possession of portions of the natural bounties or of the land; in fact, such exclusive possession is necessary to the ownership, use, and enjoyment by the individual of the fruits and products of his industry.

"But the organized community through civil government must always maintain the dominion over those natural bounties, as distinct from the products of private industry and from that private possession of the land which is necessary for their enjoyment. The maintenance of this dominion over the natural bounties is a primary func-

tion and duty of the organized community in order to maintain the equal right of all men to labor for their living and for the pursuit of happiness, and therefore their equal right of access directly or indirectly to natural bounties. The assertion of this dominion by civil government is especially necessary because, with the very beginning of civil government and with the growth of civilization, there comes to the natural bounties, or the land, a peculiar and an increasing value distinct from and irrespective of the products of private industry existing therein. This value is not produced by the industry of the private possessor or proprietor but is produced by the existence of the community and grows with the growth and civilization of the community. It is therefore called unearned increment. It is this unearned increment that in cities gives to lands without any improvements so great a value. This value represents and measures the advantages and opportunities produced by the community, and men, when not permitted to acquire the absolute dominion over such lands, will willingly pay the value of this unearned increment in the form of rents, just as men, when not permitted to own other men, will willingly pay wages for desired services.

"No sooner does the organized community, or state, arise that it needs revenues. This need for revenues is small at first while population is sparse, industry rude, and the functions of the state few and simple, but with growth of population and advance of civilization the functions of the state increase and larger and larger revenues are needed. God is the author of society and has pre-ordained civilization. The increasing need for public revenues with social advance being a natural God-ordained need, there must be a right way of raising them—some way that we can truly say is the way intended by God. It is clear that this right of raising public revenues must accord with the moral law or the law of justice. It must not conflict with individual rights, it must find its means in common rights and common duties. By a beautiful providence that may be truly called divine, since it is founded upon the nature of things and the nature of man of which God is the creator, a fund constantly increasing with the capacities and needs of society is produced by the very growth of society itself, namely, the rental value of the natural bounties of which society retains dominion. The justice and the duty of appropriating this fund to public uses is apparent in that it takes nothing from the private property of individuals except what they will pay willingly as an equivalent for a value produced by the community, which they are permitted to enjoy. The fund thus created is clearly by the law of justice a public fund, not merely because the value is a growth that comes to the natural bounties which God gave to the community in the beginning, but also and much more because it is a value produced by the community itself, so that this rental value belongs to the community by that best of titles, namely, producing, making, or creating.

"To permit any portion of this public property to go into private pockets, without a perfect equivalent being paid into the public treasury, would be an injustice to the community. Therefore the whole rental fund should be appropriated to common or public uses.

"This rental tax will make compulsory the adequate utilization of natural bounties exactly in proportion to the growth of the community and of civilization, and will thus compel the possessors to employ labor, the demand for which will enable the laborer to obtain perfectly just wages. The rental tax fund growing by a natural law pro-

portionately with the growth of civilization will thus be sufficient for public needs and capacities and therefore all taxes upon industry and upon the products of industry may and should be abolished. While the tax on land values promotes industry and therefore increases private wealth, taxes upon industry act like a fine or a punishment inflicted upon industry—they impede and restrain and finally strangle it.

"In the desired condition of things land would be left in the private possession of individuals, with full liberty on their part to give, sell, or bequeath it, while the state would levy on it for public uses a tax that should equal the annual value of the land itself, irrespective of the use made of it or the improvements on it.

"The only utility of private ownership and dominion of land, as distinguished from possession, is the evil utility of giving to the owners the power to reap where they have not sown, to take the products of the labor of others without giving them an equivalent—the power to impoverish and practically to reduce to a species of slavery the masses of men who are compelled to pay to private owners the greater part of what they produce for permission to live and to labor in this world, when they would work upon the natural bounties for their own account, and the power when men work for wages, to compel them to compete against one another for the opportunity to labor, and to compel them to consent to labor for the lowest possible wages—wages that are by no means the equivalent of the new value created by the work of the laborer, but are barely sufficient to maintain the laborer in a miserable existence and even the power to deny to the laborer the opportunity to labor at all. This is an injustice against the equal right of all men to life and to the pursuit of happiness, a right based upon the brotherhood of man which is derived from the fatherhood of God. This is the injustice that we would abolish in order to abolish involuntary poverty.

"That the appropriation of the rental value of land to public uses in the form of a tax would abolish the injustice which has just been described, and thus abolish involuntary poverty, is clear; since in such case no one would hold lands except for use, and the masses of men having free access to unoccupied lands, would be able to exert their labor directly upon natural bounties and to enjoy the full fruits and products of their labors, beginning to pay a portion of the fruits of their industry to the public treasury only when, with the growth of the community and the extension to them of the benefits of civilization there would come to their lands a rental value distinct from the value of the products of their industry, which value they would willingly pay as the exact equivalent of the new advantages coming to them from the community; and again in such case men would not be compelled to work for employers for wages less than absolutely just wages, namely, the equivalent of the new value created by their labor; since men surely would not consent to work for unjust wages when they could obtain perfectly just wages by working for themselves; and finally, since what belongs to the community shall have been given to the community, the only valuable things that men shall own as private property will be those things that have been produced by private industry; the boundless desire and capacities of civilized human nature for good things will always create a demand for these good things, namely, the products of labor—a demand always greater than the supply; and therefore for the labor that produces these good things there will always be a demand greater than

he supply and the laborer will be able to command perfectly just wages—which are a perfect equivalent in the product of some other person's labor for the new value which his own labor produces."

KEEPING in mind the full freedom for the acceptance or rejection of the doctrines of Henry George permitted to those of the faith, it may be of interest to adherents of the Catholic Church to listen to what eminent divines and prelates have said on the land question.

First, Gregory the Great, in these memorable words:

"Those who make private property of the gift of God pretend in vain to be innocent. For in retaining the subsistence of the poor they are the murderers of those who lie every day for the want of it."

And Cardinal Newman, one of the sweetest characters in the history of the Church:

"The history of the gradual, stealthy but really nefarious evolution in which *landlords*, by their own legislative power and their influence over lawyers, changed themselves into *landowners*, needs to be popularized."

Cardinal Manning believed that the Encyclical Letter of the Pope which Henry George answered in "The Condition of Labor" was really aimed at Henry George, but he said that "between the postulates and the deduction Henry George could drive a coach and four," (see "Life of Henry George" by his son.) It should be remembered by non-Catholics that an encyclical letter is not binding on those of the faith, and so Cardinal Manning had a right to express his own convictions.

NOR should we forget the remarkable letter of Bishop Nulty, of Meath, Ireland, to the clergy and laity of his diocese, written before he had read "Progress and Poverty" or perhaps even heard of Henry George. In the course of this lengthy letter Bishop Nulty said:

"The land, therefore, of every country is the common property of the people of that country, because its real owner, the Creator who made it, has transferred it as a voluntary gift to them. *Terram autem dedit fillis hominum.* Now, as every individual in that country is a creature and child of God, and as all His creatures are equal in His sight, any settlement of the land of a country that would exclude the humblest man in that country from his share of the common inheritance would not only be an injustice and a wrong to that man, but, moreover, would be an impious resistance to the benevolent intentions of his Creator."

EVERYTHING that we learn of the physical sciences points to the purposeful operation of natural forces. A faith in these forces born of actual knowledge, brings with it a faith that, if not the immediate fruit of knowledge, is no less real in the domain of what Einstein has happily called "the cosmic spiritual sense." From observation of these natural forces, this irrevocable order of the universe, springs a new confidence in an intelligence that is

above the world. A new reality is given to faith, a faith which is now endowed with all that we comprehend in the word "evidence."

IN the field of economics it is not conceivable that in the forces that are in play we are dealing with a "planless" universe. Here as elsewhere there is a natural order, here as elsewhere natural forces operate. All the laborious efforts at government planning presupposes an artificial, not a natural order of the universe. Substituting for present injustices the observance of a few natural laws that we may recognize in society, we arrive at a conception of government and social development which leaves little room for regulation and regimentation.

WE may anticipate the objection that will be raised. How are these natural laws to be discovered and in what do they consist? We begin by postulating that any system which makes private property of the planet is contrary to natural law and the law of justice. As generation succeeds generation, each must have its freedom to determine the conditions under which it may best thrive and prosper. It cannot thrive and prosper where it finds title deeds plastered over the earth's surface that forbid the free exercise of man's labor save by permission and exactions of the title holders. This is a denial of the right to life. Progress is halted where men must share the fruits of their labor with those endowed with the power of legal blackmail on every unit of wealth produced.

THIS may seem an extreme statement to many. It will not seem so to those who have given thought to the question. There are three partners in the distribution of wealth where there should be but two. The third partner who takes economic rent is an illicit intruder. The landowner as owner of the land makes no contribution to the resources of this ill-assorted partnership. It is true that he is supposed to furnish the land. But he did not make the land and its value is not due to him. Population gives it such value as it has, and this value increases as population increases and diminishes as population diminishes. That it does not go to the people who create it constitutes what Graham Peace calls "The Great Robbery."

PROF. Irving Langmuir, winner of the Nobel Prize for chemistry in 1932, comes out with a really interesting proposition, this being that we cannot discover the cause of depressions because it is impossible to improvise an experimental slump. In other words, that as no laboratory demonstrations of a depression are possible, therefore economics is not a science. From which it would follow that nothing is a science that cannot be proved by laboratory experiment.