any statute, nor was it devised by politicians. Gutenberg and Caxton were not ordered to make an art of printing, nor Columbus to discover America, nor Watt to invent the steam engine. And the same with scientists and discoverers of every kind; the same with traders in every line and every land, and the same with the workers in every form of production. All these people sought satisfaction for themselves or others, and their labors combined in ways which the wit of man could not have designed, and now cannot explain, to make abundance of everything for the satisfaction of want in the economic field.

Now come forward the self-satisfied wise ones with their schemes for the division of this plenty. They would pass laws, establish bureaus, appoint workers of every kind at the public expense, and all with the childlike belief that they, the wise ones, know exactly how to direct the multifarious actions of men to bring about a right distribution of all this wealth. It is easy to see that had such people been allowed to interfere with the production of wealth, they would have done what their kind in a hundred extinct civilizations actually did—they would have made production impossible and would have destroyed the natural and voluntary relations which are of the very essence of economic life.

Henry George shows that the same law of simple justice that has produced the abundance of today can be trusted to distribute that abundance far more equitably, far more equally, far more to the benefit of society and the members of society, than can any presumptuous meddling on the part of the supposedly wise.

Let us greet the world as wholly converted to Henry George's first proposition, that modern methods of production can abundantly supply modern demands. Henry George used to say, "Men and brethren, the future is ours." That future is the present. This is the "Golden Age" upon which mankind have looked back; it is the "Good Time Coming" to which they have looked forward. Events and our own efforts have convinced the people of the fact of plenty, which is the first part of the truth that we have always proclaimed. Surely this is no time for apprehension or discouragement; it is a time for renewed confidence and more earnest, joyous effort.

All the "fixers" in the field of economic reform are thinking the thought of dead and gone leaders who opposed Henry George half a century ago. Every scheme of theirs is based upon the assumption that dearth, not plenty, is the basic condition. Examine their schemes one by one and see if this is not so: tariffs (even with easements of guarded reciprocal trade); taxes on industry in any form; money and credit proposals with their infinite regulations and fine adjustments; and all the rest. Viewed in the sunlight of Plenty, these schemes are seen to be obsolete, absurd, impossible.

People must be won to straight thinking on economic matters. They cannot start wrong and go right. The basic fact of modern economic life is that which Henry George was the first to demonstrate as a matter of science, the fact that Plenty is the natural condition and Dearth is an artificiality, the outcome of violation of the natural order of society. A bitter experience has taught the people that plenty actually exists, even though its benefits are withheld from many. They are ready for a new evangel, and I would like to see that evangel preached in the name of the man, Henry George, who revealed it to all thinking minds more than fifty years ago. That evangel I would declare as "The Gospel of Plenty." A. C. CAMPBELL.

Ottawa, Canada.

A Reply to Professor Fairchild

THE article "The Fallacy of Profits," by Henry Pratt Fairchild, in the February number of Harper's, is just one more example of the attempts of economists to lead a thinking public away from the real cause of depressions. The writer was greatly pleased with the way in which Professor Fairchild started out, and he found everything that the professor said for part of the journey to be unassailable from any angle.

The professor states a truth that should guide all students of economic problems when he states: "Discover th way to restore purchasing power and you have discovere the remedy for the existing depression. Find out how t maintain purchasing power and you have found out ho to prevent depressions in the future." With such a goo beginning it is a pity to be disappointed as one reads along Gradually it dawns upon one that the professor in seekin to show that profits are not necessary in a more evenl distributed purchasing power has made the subject mor difficult than simple, and one wonders why these leader of thought seem to enjoy confounding the issue for th average citizen who is floundering about in a sea of perplexity, ready to grasp at any straw.

It is not necessary to go to much length to show tha profits are unnecessary. The example of the child pickin berries is as simple an illustration of land and labor applied to it as can be found. The berries are the child' wages. No profits enter into the simple demonstration o land, labor and wages. If there were two children on picnic and one picked berries while the other picked woo for the fire or carried water there would be no profit in a even distribution. One would pick berries for two an the other would fetch water for two. When society an methods become more complex it is easy to see that i spite of all the complexities there should be no profits unless some one is getting something for nothing, and in th case someone is receiving nothing for something.

In a simple system of society any production over an above immediate necessities of life means a surplus to b applied to living needs when production is impossible b cause of unfavorable environmental conditions. This su plus is difficult to apportion in a vastly complicated s ciety, but the basic principle is the same. If any ind vidual or group of individuals gets any more of the surplus than is rightfully his, others get less than their share; they are said to be underpaid. Their purchasing power is less. The purchasing power of the others will be greater, of course, but when these others, individuals or groups, are a very small fraction of all the people it is idle to think that they will consume as many goods as the larger number with the smaller purchasing power would consume if their purchasing power were greater.

The professor could have explained this in less than two pages of Harper's and in language perfectly comprehensible to a high school student, but that evidently is not the way of most of our present-day economic teachers. He has to lengthen his article, and in doing so he makes some assertions that are open to debate if not downright fallacious. For example, he lists five factors of production—namely, land, labor, capital, organization and ownership. Although the professor explains that organization is necessary to combine land, labor and capital into an effective unit, this directive skill, initiative and control are nothing but labor when everything is said and done, and, as labor, will share in the product of labor and receive wages. The sales manager, publicity agent, advertising manager, superintendent and any other of the directive force constitute labor just as much as do the lathe hand, fireman, engineer and porter. What is gained by calling organization a separate factor in production?

All honor to those who do not consider ownership a separate factor. It shows that some day we shall arrive at a better understanding of economics since we are not completely muddled yet by the mass of terms used by economists. One cannot think of ownership without thinking of something having been exchanged for the privilege. Money or its equivalent in goods or service are the commodities usually exchanged. When ownership began with purchase or with money used to develop a business we speak of the money as capital invested, and as capital it receives a return for its use—interest. No one can think of ownership being exercised as separate and distinct from the money value of such ownership, money of course representing wealth. Therefore the owner is always the capitalist, and whether he built up the business step by step through long, painful years, or bought a controlling interest by purchase of stock, or inherited it from his grandfather, the ownership represents capital invested, and thus we see that in spite of Professor Fairchild the only factors of production are three—land, labor and capital. When the budding young economists realize that, it will be a day of hope for all of us.

The professor says that there is a vast amount of muddy thinking on the subject of wages. He belittles the phrase "labor's share of the product," and is at great pains to show us that labor never at any time has any ownership of any part of the product. He says that "only in a figurative and moralistic sense has labor any share in the product: out of the product labor receives its compensation. But this is not because of any ownership of the product but because labor's contract with the owner calls for compensation, and the owner has nowhere else to get it from than the product." Does a modern and complex society alter basic principles? The product of labor in the simplest sense is wages. With complex methods it includes interest and rent. When no interest is exacted and no rent is paid the entire product of labor is the wages. The child picking berries again, his wages are the berries. If he borrows someone's basket he pays the owner of the basket with berries. This is interest and what is left is his wages. If he enjoys the privilege of picking the berries on cultivated ground he probably pays in berries picked for the privilege. This is rent. In modern society a shoemaker adds value to leather, thread, nails, etc., when by his labor he turns out a shoe. That part of the value of the shoe when sold, aside from the interest on the capital invested and the rent for the land, is the shoemaker's as his wages. He owns part of the product. Whether he gets all that is his is another matter. He receives his share in money, of course. What use is it for Professor Fairchild to becloud the issue by denying this truth? Labor does own a share in its product, and labor just about half sees it now in spite of the efforts of our pseudo economists who preach tariffs, overproduction, low standards of living and what not. One of the main causes of the current depression is the fact that labor's share has been diverted elsewhere.

The professor expresses a wish for a more even distribution of purchasing power. He says it is time to realize that this is essential to the maintenance of prosperity and the preservation of economic stability in the most realistic sense. How can that realization be brought about to the satisfaction of all of us when directors of economic thought in our high schools and colleges go to great lengths to mislead the youth by such befuddled thinking as Professor Fairchild exhibits in this article?

Profits are incompatible with a just distribution of purchasing power. That is what he wanted to say, and in doing so he stated untruths, the belief in which has enslaved man for centuries.

The real causes of depression are that for centuries labor has received less than its share of the product, thus allowing wealth to concentrate in the hands of a few with a purchasing power vastly in excess of their needs or their ability to use in a lifetime, and the fact that publicly created land values are allowed by law to be privately appropriated, thereby placing both labor and capital under a handicap. Any reference to the land owner in the article is conspicuous by its absence. Labor and capital have been the goats long enough. Where labor gets its wages and capital its interest without any part being taken for no service whatever there are no "profits," but such a condition will come only when the economic rent, the site value of land, is collected by the government for the benefit of society.

JOHN LUXTON.