

Landfall After the War

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A BUFFALO BANKER told The American Management Association at its New York meeting not long ago that the survival of the free enterprise system in this country depends very largely upon the steps which private industry takes now in preparing to make jobs during the post-war period. The speaker warned his hearers that the government already has plans for doing the whole post-war job if it should be necessary, and added that "it is just this probability of government being forced to take over the whole job that we must avoid."

The banker was right. Government taking over the job of finding work for millions of men home from the wars and other millions no longer needed in defense plants is indeed something to be avoided.

For the simple truth is that the government can create jobs on a nation-wide scale only by becoming a nation-wide employer. When government is a nation-wide employer, call it what you will—state socialism, social gains, collectivism, regimentation, planned economy, New Deal—what you have is a situation not differing greatly from that prevailing in the totalitarian states of the world today.

But what is the alternative? That industry will provide the jobs? In what way is industry better fitted for the task than is government? The fact is that in recent years the government *has made* jobs, through WPA, CCC and similar agencies. Those activities not only could be, but, unless we are on our guard, very likely will be enormously expanded when the problem of post-war unemployment has to be faced. That, as the banker from Buffalo said, is the thing to be avoided.

But industry is helpless. Industry is nothing more nor less than a collection of business, large and small, engaged in making and selling things for the gratification of human desires. Those things are made for use. To talk of making things for profit rather than for use is absurd. If things are not useful, they won't be bought and they can't be sold, and there will be no profit.

Things that enter into trade *are always made* for use. Otherwise people would not buy them. And when they do buy there is a profit for both parties to the trade. If each party did not get something he values more than he values the thing he gives up, there would be no trade. Goods are always made for use and there are two actual profits in every trade.

But industry cannot sell goods unless people have the money with which to buy them. Idle men do not have the money and there is nothing industry can do about it.

Unemployment, aside from being stupid and cruel, is completely unnecessary. It arises only because men in their folly and ignorance have wandered away from Natural Law. They have denied the existence of Natural Law, or they have believed it could be flouted with impunity. No more tragic mistake was ever made. As Oscar Geiger has written:

"If there is one principle more important than any other principle in the economic affairs of men, it is that the Earth is the birthright of all mankind, and that all have an equal right to its use; and if there is one violation of Natural Law that is more devastating in its consequences than the violation of any other Natural Law, it is the private ownership of land."

There is just one body of men that can end unemployment without disturbing our democratic system of free enterprise. That is the lawmakers. Let them comply with Natural Law by enacting man-made laws providing for the collection of economic rent in lieu of the multiplicity of taxes which now oppress labor and restrict enterprise. Such a change would make all the idle and inadequately used land in the country immediately available for use.

The result would be akin to that described by the old-time Georgist in his story of the mythical island. "Imagine," he would demand of you, "what would happen to employment and wages in this country if a fertile island, half the size of the United States, should pop up out of the ocean, and any one who liked could be transported there instantly, and could take up, without cost, all the land he could use."

The old-timer would have you there, of course, for a moment's reflection would show that in such a happy event unemployment in this country would disappear and wages would rise sharply, while in the new island it is obvious that there could be neither unemployment nor low wages.

The lawmakers could, in effect, bring such an island into existence, end unemployment and raise wages, by the simple expedient of shifting taxes from labor products to land values. Then the lawmakers could take the further step of abolishing all tariff barriers and trade restrictions—since both parties to every trade benefit, the more we can trade the better off we are—and we could trade freely with all the other nations of the world. Having done those two things, the lawmakers could rest on their laurels a while for they would have done away with the principal causes of unemployment and war.

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