

The President Inquires

Forty-two witnesses from industry, finance and the government have been invited by the so-called Temporary National Economic Committee to help it answer some questions propounded by the President, to wit:

1. Why has investment lagged?
2. Have we seen the end of our dynamic mass production, based on lower prices and more employment?
3. Are we in for stagnation or decline?
4. What is the proper function of government when investments lag?

What a pity the President did not select a few students who have completed the study of "Progress and Poverty" to help him solve these problems. Expense to the taxpayers would have been saved, for these students would gladly have paid their own expenses for the pleasure of helping out the bewildered President, and the answers, based on fundamental principles, could have been given in the time it takes to have a cup of tea. Here they are:

1. Investment has lagged because there is no market for investment. There is no market because the production of wealth is at low ebb. Remember, Mr. President, all returns on investments, whether in Industry or in Privilege, come from production. When production is low, interest is low; when interest is low, capital stops working. Capital will continue idle until a market for its products can be found. The market for all products is—Wages. Until

that market is revived, Capital cannot go to work. You are in a quandary, Mr. Roosevelt, merely because you learned at college that Wages come out of Capital. Get over that notion and you'll solve all your economic worries.

2. This is a puzzling question. Sounds very much like an economics text book. But it might mean: Have people stopped wanting things? Have they a surfeit of automobiles, clothing, candy, books, fishhooks, rare stamps, homes, and all the other things people usually want? Frankly, Mr. President, anyone who thinks that, is an idiot. There is no end to man's desires. And since the object of production is to gratify man's desires, there cannot be an end or surplus of production.

3. Yes, Mr. President, we are in for stagnation and decline unless we let men go to work to produce the things they want—and to keep them. Now, the reason they are not working is that a few people who own the earth have placed a price on permission to work. (Of course you know, as a farmer and a fisherman, that all work starts on the land.) It's a stiff price and leaves to the worker very little Wages to live on. When Wages are low you have evidence that production has declined. That's why our economy is stagnant and declining.

4. That's easy. All the government has to do is to collect the rent of land and give it back to all the people in social services. Then the land owners, Mr. President, cannot withhold the Earth from use; cannot collect tribute from Capital and Labor. Production will keep pace with desires. All of production will go to Wages and Interest, none to Tribute. Oh yes, you will not be bothered with taxation, for the rent fund will take care of all our social needs. Abolishing taxes will increase the purchasing power of Capital and Labor.