

DIALOGUE ON POLITICAL ECONOMY

(from pg. 14)

emigrants in order that settlement might be compact, were in vain. Mr. Beard may have additional comments to add.

CHARLES A. BEARD: As population increased along the Atlantic coast, speculation in western lands was one of the leading activities of capitalists. Large areas had been bought outright for a few cents an acre and were being held for a rise in value. The chief obstacle in the way of the rapid appreciation of these lands was the weakness of the national government which prevented the complete subjugation of the Indians, the destruction of old Indian claims, and the orderly settlement of the frontier.

MODERATOR: I recognize Frederick Jackson Turner.

FREDERICK JACKSON TURNER: Most important during the period of settlement of America has been the fact that an area of free land was continually laid on the western border of the settled area. Whenever social conditions tended to crystallize in the East, whenever capital tended to press upon labor there was this gate of escape to the free conditions of the frontier.

MODERATOR: When did this situation begin to disappear? Mr. Galbraith.

JOHN KENNETH GALBRAITH: Until the Civil War and even after, what distinguished the American scene was a spacious abundance, a prospect of income and opportunity for farmer and worker, as well as businessman and capitalist, unimaginable in England or on the Continent. If the worker could at any moment express his dissatisfaction by deserting to the frontier, there was not much foundation for a theory of wages. If farmers could own and farm their own land, there was no need for a theory of rent.

MODERATOR: So, a serious examination of political economy had to wait until land became a scarce commodity? What would account for the intense speculation in land by every generation of Europeans who set foot in North America? Mr. George?

HENRY GEORGE: [I]n communities like the United States, where the user of land generally prefers, if he can, to own it, and where there is a great extent of land to overrun, [speculation] operates with enormous power. I feel certain that Frederick Jackson Turner's research confirms this.

FREDERICK JACKSON TURNER: "It is a proposition too plain to require elucidation, wrote Richard Rush, Secretary of the Treasury, in his report of 1827, "that the creation of capital is retarded rather than accelerated by the diffusion of a thin population over a great surface of soil." Thirty years before Rush wrote these words Albert Gallatin declared in Congress that "if the cause of the happiness of this country were examined into, it would be found to arise as much from the great plenty of land in proportion to the

inhabitants which their citizens enjoyed as from the wisdom of their political institutions.

MODERATOR: So, the advantage people had in the United States was as much the opportunity to acquire land at affordable prices as the rule of law? Is that your opinion, Mr. George?

HENRY GEORGE: We had for our public domain the best part of an immense continent. It had been our boast that here every one who wished it could have a farm. We have not merely common schools, but high schools and universities, open to all who may choose to attend. Yet here the same social difficulties apparent on the other side of the Atlantic appeared. It is clear that our democracy is a vain pretense, our make-believe of equality a sham and a fraud.

MODERATOR: Mr. Durant.

WILL DURANT: The relative equality of Americans before 1776 has been overwhelmed by a thousand forms of physical, mental, and economic differentiation, so that the gap between the wealthiest and the poorest is now greater than at any time since Imperial plutocratic Rome.

MODERATOR: Yet, within the mainstream of political dialogue the discussion rarely, if ever, gives serious treatment to the issues we have raised here today relating to land and resources provided to us by nature. We do tax land to some extent but at a far lower level than its full rental value. What about us, Mr. Shaw, causes us to favor land ownership above other assets and rent above wages?

GEORGE BERNARD SHAW: Unfortunately, the ordinary man is an Anarchist. He wants to do as he likes. He may want his neighbor to be governed, but he himself doesn't want to be governed. He loathes tax collectors. This Anarchism has been at work in the world since the beginnings of civilization. Perhaps Henry George has a different view on the nature of our species.

HENRY GEORGE: I believe a civilization is possible in which all could be civilized. But it must be a civilization based on justice and acknowledging the equal rights of all to natural opportunities.

MODERATOR: Well, gentlemen, we have reached the end of our allotted time together. I thank you for your insightful contributions to this discussion. We have, perhaps, renewed an ancient but essential dialogue on the foundations of political economy.

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