

## Cause of Business Depression

AMERICA inherited the Roman or quiritary system of land tenure from Britain and France. The old Saxon system of England was superseded by that of the Normans. The common lands were gradually enclosed and turned over to favorites of the Crown. One noble received this, another that forest, a county to another, etc. The Duke of Sutherland is said to own one-fifteenth of Scotland. A Scottish noble recently declared that there are a million morons in the Scottish Highlands. The Duke of Westminster, whose ancestral holdings originally consisted largely of a swamp, is now the principal ground landlord of London.

America disposed of the people's patrimony with still more lavish hand. When the Roman empire fell 1,800 men owned practically all of the known world. But the Romans were "pikers" compared with America's billionaires. The iron and anthracite coal deposits were turned over to Morgan, Carnegie, Schwab, et. al., the oil deposits to the Rockefellers, Doheney, Sinclair, Whitney, et. al., the timber (75 per cent of America's logging timber, according to a recent magazine article) to Weyerhaeuser, the Alaska pulp timber to Zellerbach, the power-sites to Stone & Webster, the silver, copper and lead deposits to the Guggenheims and Morgans, etc. The Vanderbilts, Astors, Van Courtlandts, Rhinelanders, Wendels and others of that class control the land in the populous centers. The railroads and the utility corporations generally, through their right-of-way franchises, which in normal times are much more valuable than their physical properties, levy hundreds of millions annually. In addition to these monopolies of natural resources, their beneficiaries possess tariff, patent and other privileges and advantages that give them additional private taxing powers, with the result that most wealth gravitates to a few hands. And this seems quite proper in the eyes of such men as Ogden Mills.

Brisbane declares that eighty-seven men own one-fourth of America's wealth; 504 persons fifty per cent. Federal studies show that one per cent of the people own fifty-nine per cent of the wealth and thirteen per cent of this one per cent, about 160,000 persons, own nine-tenths of the fifty-nine per cent, or fifty-three per cent of the total wealth. While these official figures show better than Brisbane's, still they are bad enough. About the time of the Wall Street crash James W. Gerard declared that fifty-nine men rule the United States. O. O. McIntyre, quoting from the U. S. Chamber of Commerce, says eighty-seven per cent of the men of America have incomes of less than \$2,000, while twelve per cent have between \$2,000 and \$10,000 and one per cent have over \$10,000. A north-western daily recently stated: "Probably twelve men CONTROL, although they do not own outright, the bulk of the national wealth." A recent magazine article declares that the Mellons control nearly eight billion dollars of America's wealth.

In one day recently in the State of Mississippi, 39,699 families were dispossessed through tax and mortgage foreclosures. With ten per cent of the people of this one State losing their homes in one day, how long will it be until the American farmer and homeowner will be reduced to peonage comparable to that which obtained during the decline of the Roman empire, when twelve miles of tables, accommodating 100,000 at a sitting, afforded free meals to the poor of the City of Rome, or to that of England, where, during the thirty-six year reign of Henry VIII, every tenth man was hung—in chains—for the crime of begging? This followed the enclosure of the last of England's common lands. A leading Russian paper declares that two million Chinese have recently died of starvation in one province and thirteen million in another. Is America going the same way?

In six or eight years of comparatively good times the parasitic class collects from the producing masses scores of billions of dollars. The producers cannot buy this surplus back. So-called overproduction(?) follows. Several years of depression are required, with lessened production and waste, such as destruction by rodents, insects, rust, rot, and fire, to reduce this surplus, before capital and labor can again be profitably employed. Schwab recently declared: "We must not complain if we have five or six years of very great depression."

Some attribute industrial depressions to machinery, which they declare displaces labor. But China and India have very little machinery. Others lay our troubles to our finance system. Britain and Canada have not had a bank failure during the past decade, while America had over 9,000, yet times are worse in Britain than in America; worse in silver standard China than in gold standard America. Some would solve the unemployment problem by legalizing intoxicants, but that has not proved a solution in Germany or Britain. None of these proposed remedies recover to society the ground rent which represents nearly one-third of labor's product now taken by a parasitic class, which renders no equivalent.

A recent article in the *Literary Digest* says: "In Britain one family in twenty owns its home. Two families in twenty own unencumbered homes in America. In France sixteen families in twenty own their homes." Perhaps this is the reason why twenty per cent of the bread-winners of America and Britain are idle, as against two per cent in France, a country that has been devastated by war in nearly every generation. Since the revolution of 1790 France has risen after each catastrophe, like fabled Antaeus, who renewed his strength when his feet touched the earth.

The U. S. Census reveals the comparative rates of returns on capital invested: Railroads: three per cent; National Banks: six and three-quarters per cent; Insurance: eleven per cent; Manufacturers: fourteen per cent; Mines: 182 per cent. The returns on ore, oil and coal (minerals) represent mostly economic rent.

Total taxes levied in America in 1931 were \$13,048,-

000,000. Economic or ground rent collected approximates the same amount. If this were taken by society taxes could be abandoned. Less than thirty per cent of ground rent goes into public coffers, by far the larger part being retained by a class which, in an economic sense, is parasitic. If ground rent were thus taken by society and taxation abolished, the tendency would be for unused natural resources to be abandoned. The margin of production or rent line would be contracted onto better land. Beyond this line labor would receive its full product. The earnings of labor would multiply. Labor would accumulate and receive its returns. Employers would be in the market for labor, instead of labor seeking employment. This is the natural order.

The cause of industrial depressions is the monopoly of the people's heritage. The remedy is to abolish this monopoly. All other proposed remedies are futile. The fundamental monopoly must be removed first, before other reforms can have perceptible effect. Henry George has indicated the first and all-important step towards general and permanent prosperity. Only ignorance and selfishness stand between the people and plenty. Until this first step is taken practically all other reform work in the economic field represents lost motion. We are just traveling around in circles.

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## A Midnight Reflection

(A VISION OF THE WORLD THAT IS TO BE!)

THE Psalmist hath said, "Whither shall I flee from Thy Presence. If I fly to the uttermost parts of the earth Thou art there; if I make my bed in hell behold Thou art there."

In the spirit I winged my flight to the distant Dog Star, a constellation immeasurably larger than our solar system, and landed on a planet approximating our Earth's climatic conditions, with fertile plains, mountains, rivers and seas. I found a civilization some thousand years older than the Earth's. I looked on the scene with amazement, which grew to wonder and admiration as the marvels I there beheld unfolded themselves to my vision.

The inhabitants were free, independent, upstanding men and women, with a nobility of features which attests their high moral standard and cultural development. There was no fear of want or poverty depicted upon their features; the problem of production and distribution was satisfactorily solved; hence vice and crime due to want and the fear of want was passed, for why steal if he who produced was assured undisputed possession of his product? Nation no longer made war against nation, for Internationalism had been established and tariff barriers abolished, and I found a world where the battle flag was furled in the Parliament of Man in the Federation of the World.

Trade was universally free as it was between the states of the United States and was a great aid in production, bringing the "spices of Media and Persia and gold of Ophar" from the uttermost parts of the planet for human needs.

In such environment no wonder that my spirit took on body. "For of the soul the body form doth take, for soul is form and doth the body make."

I was pleased with my new experience and sought further to ascertain the source of the universal peace and happiness. They had a philosophy of reason: causation and effect were recognized as basic principles. They accepted as axiomatic that the earth is the source of all wealth, hence it belonged in usufruct to all, the unborn had a patrimony right which the living could not dispose of; none claimed prior rights to the soil. It was common property—it was ours. They accepted the Trinity of possession: Mine Thine and Ours. Land rent not being capitalized, each had inalienable right to apply his labor to land in producing wealth (with rights to all). The product of labor (wealth) could not be taken from them. Each granted this same right to his fellows. We thus discovered their strict observance of possession, mine and thine. Land, the passive element in production, yielded what is called economic rent, which rent was based upon the least productive land in use to the most highly used land found only in the densely populated centers; it is properly called people's value and since all contribute to the same, all have an equal share therein. It sufficed for the running expenses of the government. Tax assessors found all their work out-of-doors and the principle of individual liberty was conserved, no prying into private affairs, incomes were left to those who made them, and a hoard of petty officers assessors, accountants, were thrown into the channels of production; government was thus simplified.

If a young couple desired to build a home, they were not obliged to pay tribute for site location, but acquired possession of any desirable location by paying the annual rent of the same into the communal fund, and were free of all taxes. Wealth used in furthering production was called capital, by which means the dreams of philosophers were materialized. The golden age had indeed arrived, labor's burdens were lightened with none to molest men in full enjoyment of the fruit of their toil, the ground hog was eliminated, spurious interest had vanquished for there was no further need or incentive to borrow credit for private business or corporate uses. By what subtle alchemy can lender of credit extract annual interest until the principal be paid in interest and the principal still remains unpaid. Why borrow if your credit is good? Money was only medium of exchange and not a standard of deferred payment. Money was a scientific currency predicated upon the economic rents and remained stable, ebbing and flowing with population's needs. However, it occasionally happened that a more avaricious individual essayed to become