

EXPLAINING HARD TIMES.

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In the face of the colossal and unparalleled productive powers of the twentieth century civilization, local causes cannot explain the commercial depression. Nor can the silly explanation that "the democrats are in power again," clear the situation. It will only befog it.

The causes of hard times are economic; they are not political. "Hard times" is an economic phenomenon.

The explanation is simple. Good times are dependent upon the purchasing power of the masses. It all depends upon that, and real statesmanship would concern itself with increasing the "purchasing power" of the great mass of the people to the highest possible point; but the economic forces at work in the world to-day tend to reduce the purchasing power of the masses to a constantly lower level. The trade unions are the only agency in society to-day that offer any resistance to this tendency. At best trade unions are weak, ephemeral. In no large way are they competent to operate against economic forces which are at once in-

visible, impersonal, institutional, intangible, subterranean, automatic and irresistible.

There are only three factors in the production of wealth, and three only in distribution, and the whole problem is involved in distribution. Distribution is wrong, that is why times are hard.

These three factors are labor, capital and land. They produce everything and they get everything. Labor gets wages, capital gets interest; land gets rent. Wages, interest and rent get 100 per cent of everything produced, be it little or much. "Wages" go to labor for work done in the past. "Interest" goes to capital for the use of stored up work, also done in the past. All real capital is stored up labor. Land is not capital, although it is capitalized and yields rent. "Rent" goes to privilege, to legal monopoly, which does nothing. Wages (which measures and represents the purchasing power of the multitude) tends steadily downward. Hence the need for unions. If wages tended upward, there would be no unions. Interest, on legitimate capital, tends steadily lower, as capital becomes more abundant. Rent tends steadily higher,

as land gets scarcer and ever higher in price. There is nothing so irresistible as a tendency, and no tendency can be coped with until understood.

Land is a fixed quantity. Labor is not and capital is not. Both can be and are steadily reproduced; land cannot. There is no more land here than when Columbus discovered this country, but there are 100,000,000 more people, \$45,000,000,000 more capital and about \$80,000,000,000 worth of land monopoly. Rent has got ahead of business.

About two-thirds of our so-called national wealth is not wealth at all, but is tribute levying power capitalized into unthinkable sums and owned by a fraction of the population. Land values can be indefinitely inflated. Labor cannot be inflated at all, neither can capital. Monopoly alone can be inflated, overcapitalized, watered. There is no speculation in labor, nor yet in capital, but there is in land.

The only way to make business good and keep it good is to reverse the present tendency—that is, to raise wages and lower rent. This would take the increased wages out of the fund which

creates most of our millionaires. Speculation in land must be destroyed.

It is utterly impossible to have a prosperous people and at the same time pay rent on \$80,000,000,000 worth of monopoly. Our productive forces are not great enough, and we cannot increase production fast enough to get ahead of monopoly, because inflated land values are capable of indefinite and infinite expansion. It can always get ahead and keep ahead of business.

Monopoly produces nothing. It is entitled to nothing, and under a sane civilization it would get nothing; while today it gets the lion's share of everything. The revenues of monopoly should be taken to sustain government and taxes upon business should be abolished.

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