

This Thing Called Capitalism

Put a Socialist, a Communist, a Republican, a Democrat and a New Dealer in a room together and ask them what Capitalism is. You'd get a couple of fist fights and a dozen definitions, fourteen of which would be wrong. JOHN HARRINGTON knows, as you will discover when you read this article. He was started on the way to knowing many years ago when, as a student at the University of Wisconsin, he heard Henry George lecture. His chief impression of George, he now relates, was the man's attractive personality. Mr. Harrington's home is in Oshkosh, Wisconsin, where he has been engaged in the practice of law for more than fifty years. He is the author of that excellent pamphlet, "The People's Land," which was reviewed in THE FREEMAN for February, 1943.

★ THE WORD "CAPITALISM" is much in use in current political and economic discussion in the newspapers, magazines and pamphlets of the day. In the same literature we find the expressions "Free Enterprise," "Rugged Individualism," "The American Way," and like expressions, used as more or less synonymous terms; intended as describing the freedoms, individuality and initiative existing in this country as contrasted with the way of life of the "common man" in other countries. Also as contrasted with the principles and policy known as Socialism.

Capitalism is especially applied to our system of production and distribution of wealth, the product of our labor and enterprise, and physical resources. The term Capitalism is, of course, derived from the word Capital, a word of blessed connotation, the third of the factors of production. Without the invention of capital, man would never have arisen out of the savage state. For capital includes all the buildings, machinery and tools of production from the fish-hook, spear, bow and arrow and canoe of the savage, down to the most complicated machinery of today. Hence the attractiveness of the name Capitalism.

In recent years Capitalism has been taking on a more sinister meaning, especially in certain levels of society. The hungry, ill-clad and ill-housed blank per cent; the dwellers in the slums of our great and medium cities; unemployed labor, sharecroppers, the under-equipped physically and mentally—among these there is growing suspicion that Capitalism is not a blessing to them, but in some way a burden of which they are in some measure the victims.

And they are right—for Capitalism wears a false front in its name. The assets of what is commonly referred to as Capitalism consists chiefly of Capital and

Land. These assets in large part are buildings and machinery, railroads, ships, docks, wharves and other structures. These constitute capital.

The Land element consists of extremely valuable city locations; railroad locations and rights of way, street railway, telephone, telegraph franchises; mines and mineral lands; oil, coal, iron, copper and other metals and minerals; water powers, water fronts, forest and grazing lands, and other natural resources. These lands and rights to land are probably greater in value than all the capital. Capitalism could with equal accuracy be called "Landlordism." And Landlordism throughout the world has anything but a savory reputation.

The procedure necessary to re-establish the good name of Capitalism is to take land out of the present unholy union. This can be accomplished only by educating the people to the knowledge that land belongs to the people. Land is a free gift of nature, the Creator, to the human race. It is governed by a different set of natural laws from those governing capital.

Socialism is not the remedy, for its proposal is to take over all the means of production and distribution, capital and land, to be operated for the equal benefit of all. This makes the state the owner and manager of all, and the people the slaves of the state. It may be a benevolent slavery, but is still slavery. Observation tends to convince us in such case that the state tends to become one man who must be "heiled" with the up-raised palm.

Capital belongs to the man who made it or who paid for the making. This is the natural law. The child who makes a doll or a bow and arrow knows who the owner is. But land belongs to the people. It was here before man. These truths are not yet taught in the schools. Capital is always in demand. It wears out, disappears, and needs to be replaced. The land remains. From the land comes all livelihood; and all are entitled equally to life, and are therefore entitled to free access to land.

When Capitalists are assured of their right to their capital, to its possession and its earned interest; and when they are deprived of their land, except on the condition that the excess value, ground rent, be paid into the public treasuries for the use of all the people, then Capitalism will be a blessed thing, and Landlordism will have disappeared. That will be when children are taught in the schools that the land belongs to the people. That a man shall live by the sweat of his brow implies that he need not pay another for a piece of the earth on which to work. Simple as this truth is it is difficult for men to see it. Such is the power of habit and custom.

What an astounding phenomenon, that producers of wealth are everywhere poor, and continually becoming poorer, while non-producers are continually becoming richer!

—OSCAR H. GEIGER