

# Land and Freedom

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## Comment and Reflection

**N**OW, Mr. Trades Unionist, let us have a word with you. Perhaps you are satisfied that you have kept your wages up even at the expense of other workers' wages. As things are, every increase of wages in your craft must result in increased cost, though this is frequently compensated for in increased efficiency. On the whole, however, increase of wages secured by labor combinations must result in increased cost to the general public. The cases where this does not occur appear to be negligible.

**T**HERE is another aspect of the question that does not occur to you. Suppose it were possible for wages generally to be increased by the unions. What would be the result? It will be strange to you to be told that you would then be no better off. We are speaking now not of money wages but real wages, or what money wages will buy. We are considering the resultant increase in the cost of commodities. We are considering something more removed, but something that is inevitable. It is rent, economic rent, which demands and must continue to demand until conditions are remedied, the lion's share of any general wage increase.

**I**T will be news to the trade unionist that he would be working for the landowner were any general wage increase at all possible. With every stroke of the hammer, with every fall of the pick, the toll to the landowner must be paid. Rent, economic rent, is the monster whose food is every increase of wages, every addition to production, every machine, even every cultural advance. When this is diverted into private channels it is the engine of enslavement for the worker, and what might be his beneficent servitor is in fact his merciless Frankenstein. He cannot escape it.

**I**T sounds strange, this talk of "the dignity of labor," which must be maintained by "collective bargaining." That dignity is evidently of a very tenuous nature that has to be maintained by trade union devices, by these efforts to extort some slight percentage of wage

increase. And there is another reflection that should occur to you. It is that as a trade unionist you give tacit consent to more than one economic fallacy. The first is that wages are paid by the employer—in other words, are drawn from capital. Does labor with its "dignity" believe that? Evidently the trade unionist does. Otherwise he would see the futility of the trade union idea to bring about any permanent improvement. The gains that have been made are pitifully small.

**T**HE last resort when collective bargaining fails is a kind of civil war. Can that be reconciled with any reasonable solution of the labor problem? This arraying of labor against capital cannot be the solution of labor's difficulties and is surely not in accord with the idea of the dignity of labor, for it is a confession of a subordinate position that lacks all dignity. It lends strength to the patronizing attitude of politicians in their professed eagerness to "do something for labor."

**I**S there any recognition among the labor union leaders of the true relation of labor to capital? Is capital recognized as the associate with labor in the work of production, and not labor's "boss?" If so we do not know of them. The labor unionist merely seeks to extort more from capital by threats of combination, by collective bargaining, and at the end the last resort, a strike. Strange reflection this upon the so-called "dignity of labor."

**N**OT labor unionism but a true political economy restores this dignity. It shows that wages are not paid by the employer, are not drawn from capital, but are a part of the product, less that which goes to capital as interest and to land as rent, the last of which belongs to all men who labor to be expended for communal expenses instead of being appropriated by private persons. It is the exclusion of men from the land, the denial of a place to work, that robs labor of its dignity and makes him a suppliant to capital which must also bargain with the land owner for a place to work. Does the labor unionist recognize this? He does not. If he wins he is satisfied with gains so pitifully small that his own con-

temptible position, and not his "dignity," becomes to those who will really reflect his chief outstanding characteristic.

**W**ILL he never see, he of all men? What he has is only his labor, we hear it said. To a well man the greatest power in the world. He is the organizer and producer of all wealth on earth. On him all capital depends for maintenance and employment. On him every revolution of the wheels of industry depends. When he is denied the use of the earth capital can make a hard bargain with him. The man out of work at his elbow is bidding against him for employment. He cannot overcome this condition to any great degree by combination or collective bargaining. There are too many for him. He cannot hurt capital by combining—capital is already hurt by divorcement from the land, from which all things are produced. Only here and there can capital take advantage of the necessities of labor. Without labor it slowly diminishes. Nothing is more expensive to the owner than idle capital.

**M**R. HARRY WEINBERGER wrote the following letter to Arthur Brisbane:

In today's *New York American*, you talk of Mayor LaGuardia and state:

"You wonder how they (economic problems) were solved by the early pilgrims arriving on this land with nobody offering dole or relief. They went to work—and nobody gave them a job; they had to create jobs."

The answer is simple. Land was free in the early colonial days and even with the crudest machinery or almost with bare hands, every man could support himself and support his family.

A similar situation could be brought about by taxing land at its full rental value and abolishing all taxes on improvements. This would force all land into its fullest economic use, creating more jobs than men, and the unemployment problem would be solved.

Yes, it is your old friend, "Single Tax" and I need not tell you that Henry George's "Progress and Poverty," which if you overlook the date seems to have been completed yesterday to make this morning's newspapers, contain a complete plan to solve the present depression.

To this Mr. Brisbane responds as follows:

There is plenty of land free in the United States now, and you can get to it by motor, train or air more rapidly than the early Americans could get from Boston to New York. I knew your friend Henry George, helped support him for Mayor in New York. I know also that Americans of today do not want to go beyond convenient reach of a moving picture and drug store. How many do you think would clear and develop a piece of wild land if you gave it to them, and "support themselves?" How many would sit and wait for the land to go up in value and then sell it?

**T**HIS letter of Mr. Brisbane's is an intellectual curiosity. "There is plenty of free land to be had in the United States." Is there indeed? There is no productive or accessible land that is not appropriated. The

owners demand either a rent or purchase prices from labor and capital for the use of such land. None of it is free. And when it is suggested that the earth might be released to labor and capital, that the earth may be handed over to these productive forces without any payment save that of its annual rental to the state in lieu of all taxation, Mr. Brisbane childishly suggests that Americans want to be near a drug store or moving picture theater! He thinks that many would wait for the land to go up in value and then sell it. But if the economic rent is taken they could not do this. The sale price of a piece of land is what remains after the annual economic rent is taken, and if all is taken there is no sale price. Does Mr. Brisbane know better? We think he does. His letter is pure evasion of which not even the veriest "logic chopper" would be guilty.

## An Objection to Land Value Taxation Answered by the Facts

**A** COMPREHENSIVE study of the relation between State and local expenditures of the forty-eight States and the economic structure of the United States, the first of its scope made on the basis of American expenditures, has just been made public.

The research, which throws important light on the problem in public finance raised by Henry George, whether the yield of land value taxation would bear some direct relation to needed current public expenditures, was undertaken during 1934 and 1935 by a seminar in public finance in the Graduate Faculty of Political and Social Science in the New School for Social Research in New York, the University in Exile.

Prof. Gerhard Colm, late of Kiel University, an expert in public finance and world economics and a specialist in unearned increment taxation, conducted the seminar, one of the members of which was the present writer.

"General expenditures were more closely correlated with income and wealth than with industrialization, it was found, and there were many indications that "the expansion of governmental services is not determined solely by the economic necessity of these services."

"Quantity and quality of public services are chiefly determined by the abundance of (tax) resources. Social expenditures were relatively higher in the wealthier than in the poorer communities. The traditional statement that in private finance, expenditures are determined by the revenue, in public finance revenue is determined by the expenditures, is not correct. Public expenditures are predominantly determined by the potential resources.

These quotations are taken from a summary of the results of the survey, written by four graduate students of the University in Exile, which is published in the current issue of *Social Research*, quarterly publication of the New School for Social Research.