

Land and Freedom

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Comment and Reflection

IS it harder to think straight than to think crookedly? Is it easier to tread the labyrinthian caverns of what goes on under the name of economics and social philosophy than to make obvious deductions from the working of the factors in production and distribution that are right under our eyes? Is the definition of terms and their understanding so difficult that we must seek out esoteric meanings, new complexities, verbal profundities to conceal the simplicities of production and distribution everywhere?

FOR despite certain appearances to the contrary, industry in its seeming complexities is as simple as it ever was. We are warned against financial control of production through holding companies or through banking organizations. We see the growth of corporate forms of business ownership; we see the increasing number of chain stores, and other symptoms of cooperation and the cooperative spirit. We hear this manifestation hailed from one quarter as monopolistic, and therefore insidious and dangerous, from another as a healthy manifestation of social coordination in industry. Few seem to be sure of it.

WE should be able to discover that these manifestations of modern industry where they are unimpeded are healthy manifestations; we should be able to determine that where they are harmful it is due to the monopolistic basis of society common even to the simpler forms of industry. That is, if we are patient and reduce it to simple terms. If these great corporate forms of production and distribution possess powers of oppression it is not because of the inherent capabilities of combination to oppress the smaller industries but to the absence of that very freedom of competition which these purblind economists stigmatize as laissez faire.

COMBINATION and competition are two sides of the same shield. Monopoly is not inherent in combination. The two first named are natural laws. And here is just where the modern economists fall down. Monopoly is man-made and not natural. It is not possible

to establish any real monopoly without calling in the law to perpetuate it. There is no monopoly where the natural laws of production and distribution prevail. Cooperation and competition see to that.

HERE is what is the matter with present day economic thinking. If there is not a natural law of distribution the way is open for all manner of invention to secure desired equity and we cheerfully concede that this is the motive actuating many of these thinkers. It may serve to explain some of the Roosevelt policies. But unless there is some sensing of the nature of cooperation, competition and monopoly—if we start with the presumption that competition is wholly bad, and thus mistake its real function—we are betrayed into all manner of makeshifts that result disastrously, and when exhibited in panorama, as they have been in the last three years of the Roosevelt administration, seem like a Chamber of Horrors. One series of fantastic invention has followed another until we do not know what to expect next.

THESE men are amazingly ignorant, despite their pretense of learning, despite their degrees and the high regard in which they are held. Writers like Stuart Chase, and even the more persuasive Walter Lippman, have capitalized the little they possess to unheard of figures. Possessed of undoubted talent, though talent of a tenuous quality, they might easily have attained to influential thinking. But they do not know where they are headed. There are no laws and principles by which they might be guided and thus no real destination. Laws like competition and its complement, combination, or cooperation are anathema to them; all our troubles are attributed to them; they sneer at laissez faire without knowing what they are sneering at.

ANY knowledge of what actually has taken place in history seems also to be unknown to them. They think prices can be regulated; nothing is clearer than that they cannot be; they think—Mr. Roosevelt does—that prices are connected somehow with prosperity. He talks about returning to the price level of 1926 as if there were something epochal in that. He has not, like his friend Upton Sinclair, talked about profits as if profits were not

wages, or interest, or rent or all combined. He has not talked in socialistic jargon of "production for use" and not for profit, but he came perilously near to it. Some of his friends say it for him. These men are not only ignorant of natural laws; they do not know the meaning of terms.

THAT there are large groups ignorant of the fundamental laws of political economy is proven by the half-baked theories which are current and are urged as panaceas. The money theory of prosperity held by these ill-informed gentlemen, of whom Mr. Roosevelt is one, is at the basis of most of these theories. There are groups, mutually destructive, who advance theories of money with the object of doing away with interest, forgetful that interest is not paid for the use of money but is the return to capital; that if we had no money at all interest would still be paid for the loan and use of capital.

THE prevailing confusions are numerous and many of them, as we have said, self-destructive. The real factors in distribution are calmly ignored and explanations for the existing depression in the oracular style are constantly forthcoming. Thus William Truant Foster says in April *Survey Graphic*, concluding an article entitled "A Bill for Hard Times," "All of which means that every major depression is exclusively a mismanagement of currency and credit."

NOW to deliberate further. That less than five per cent of the people are receivers of economic rent paid by ninety-five per cent; that the richest resources of the earth are held by the few; that industry is burdened by excessive taxation and commerce throttled by tariffs, mean nothing to these wise pundits who find it easier to think crookedly than to think straight; easier to put aside all these plainly obvious violations of natural laws and their outcome, and wander into labyrinthian caverns for explanations that lie wholly within the shadows and are only a pale reflex of prevailing conditions in which all economic laws are violated or set at naught. This is the explanation of the amazing profundity of these "thinkers" who are held in such high esteem by their equally ignorant disciples who think what is taught must be profound in that is bottomless. Marcel Proust has said: "Each finds lucidity only in the ideas that are in the same state of confusion as his own."

IT is true that the poorest may now in certain ways enjoy what the richest a century ago could not have commanded, but this does not show improvement of condition so long as the ability to obtain the necessities of life is not increased. The beggar in a great city may enjoy many things from which the backwoods farmer is debarred, but that does not prove the condition of the city beggar better than that of the independent farmer.—"PROGRESS AND POVERTY."

Intellectual Malnutrition

AN EVIL ARISING FROM THE DEPRESSION
THAT IS MORE SINISTER THAN
PHYSICAL STARVATION

By JOHN LUXTON

(Concluded)

IN the same number of *Harper's* appears a discussion of liberty by Dr. Alexander Meiklejohn, formerly president of Amherst College. It is entitled: "Liberty—For What?" It is plainly an expression of the confusion in his own mind of the various concepts of liberty held by Americans, especially those of our scholars and practical men who call themselves "realists," and an attempt to justify his own concept of liberty, equality, fraternity, and the sum total of these, democracy. He is sound in his own concepts. We would wish for no better result of the American educational system than that each and every young American should leave school with the concept of liberty possessed by Dr. Meiklejohn. But we feel that the doctor has treated us to some mental food that will counteract the effect of his very sound doctrine. We do not see why he needed to do this. In education it is never wise to present conflicting ideas or theories when the intention is to have the students reject the false by logical reasoning unless the true is well supported by facts. Yet the doctor admits that his evidence in support of his assertion that Americans still love equality and fraternity is not of the laboratory type, but merely his own interpretation of events of history and of the state of mind of the American people. Who would ask for better proof? The Chinese do not attempt to prove by laboratory methods what is perfectly obvious. Even as they, the doctor is depending upon something inherent in all men, intuition, but his admission weakens the case in the eyes of many who will say that his belief is merely his own personal opinion.

The doctor speaks of the paradox in our interpretation of liberty. It is that liberty forbids the interference with certain of our activities and requires that we interfere with others. The First Amendment to the Constitution prohibits Congress from interfering with religion, the freedom of the press, or of speech, or with the right of the people to assemble peaceably, and to petition the government for a redress of grievances. These are things in which we are guaranteed absolute freedom. The Fifth Amendment, says Dr. Meiklejohn, suggests that people may be deprived of life, liberty, or property, *with due process of law*. Later on the doctor explains this seeming paradox by showing that the Constitution guarantees in the Fifth, and in the Fourteenth Amendments, in regard to ownership and management of property, not freedom from restraint, but restraint in conformance to justice and regularity. He does not attempt to explain