

The Smoke Screen of Liberalism

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PEACE without justice is impossible, as the present state of mind proves. Complete security and freedom can never be promised within the framework of special privilege which has brought many of our problems upon us.

We have a higher degree of freedom from state control in production than Communist subjects do, but our pot is somewhat blackened for are we not largely subject to state control with a tendency toward more of it? Furthermore, people designating themselves as liberals are urging more and more state control, and surely this a smoke screen, for this brand of liberalism aims at exterminating freedom.

What are we doing to free industry from the brake which land speculation imposes? Our freedom of production is hedged in by the private appropriation of the economic rent of land which leads to inflation of land prices and to enabling land holders to collect this payment for public service which materializes as ground rent in all organized communities. This spirals the mounting cost of government, public debt and debased currency.

Peace is not to be won by our taking turns with the Communist nations in accelerating military striking power. We have piled up the cost of government in the attempt, but the land problem pursues us and grows more insistent as we pretend to deny it exists.

Primarily it may be assumed that the Marxists aimed at solving the poverty problem. Our hope and chance of averting catastrophe lies in solving the poverty problem within the framework of a society free from special privilege and free from meddling state control, putting our faith in competition as the just and impartial distributor of wealth.

What an example we could set if we were to stabilize our economy by making the surface of the earth available to all on equal terms by the device of public appropriation of the rent of land. Were our lawmakers competent to comprehend this subtle yet simple and just relationship, we could rapidly and with a minimum of disturbance position ourselves not merely to out-distance the Communist states in production but to show them and others how to have peace with justice.

Taxes at today's levels spawn freakish devices for sheltering compensation from the punitive rates. They divert an inestimable amount of business effort into a game played with the tax collector—perfectly understandable from the viewpoint of the individual company entitled to minimize its taxes within the law, but totally unproductive for the economy as a whole. They distort the pattern of economic activity by causing business decisions to be made on the basis of tax advantage. For the individual in the maximum tax bracket of 91 per cent, it is more than ten times as important to save a dollar of tax as it is to earn an additional dollar of income. Even at the corporate rate of 52 per cent, a dollar saved in taxes is worth more than two dollars earned in income before tax.

—From the Morgan Guaranty (Trust Company) Survey