

We Must Learn, or Else...

WE must be on guard to protect our way of life—to analyze our position and be aware of our weaknesses—for free enterprise is on trial, and constant efforts are made to dilute it with various socialist schemes.

We all realize the injustice of the private ownership of the human factor in wealth production known as chattel slavery. Few, however, see the equal injustice in allowing private ownership of the other source of wealth production—the land—when the socially created rent of it is not returned to society.

Land titles, privately held, take an estimated 25 per cent of all wealth production for no service rendered—an unbearable toll on our free enterprise system. Land must be privately used, of course, but it becomes the greatest of all monopoly privileges if the socially created values are not collected for the community.

This monopoly of privilege is creating fictitious speculative prices in land, our greatest resource—enriching a few but burdening 90 per cent of the people unjustly. Furthermore, this speculation in land—a perpetual necessity for survival—is endangering the stability of our government and free enterprise system.

Land is still plentiful in the United States, but the present system of taxation is making it artificially scarce and high priced. Older civilizations with denser populations have long suffered under the oppression of the landlords. In England the exploitation of labor began with the enclosure of all the common lands. This forced many people to work in mines and factories for low pay.

In the production of wealth there

are three factors: land, labor and capital. Labor earns wages, capital earns interest, and both arise out of individual enterprise; but land yields rent, and rent is socially earned or created.

If society took in taxation this socially created rent of land exclusive of improvements, it would not need to levy taxes in normal times on the earnings of labor, capital, business or buildings. Thus we could have real free enterprise. Wages and interest would tend to a natural level and unions would not be needed.

In the past century wages have doubled, while interest has remained about constant. During the same time rent of land has increased a hundred times and more. Thus the rent of land is the natural source of revenue for government, and with taxes gradually removed from wages and interest, a balanced and generally even distribution of wealth could occur. We have abundant production of wealth. Our fault lies in its distribution.

Since most of the accumulation of capital accrues to land holders instead of the producers, they are crying for all sorts of socialist panaceas. Socialism is a false remedy as proven by history. If free enterprise is to be saved, this basic injustice of a 25 per cent toll on all production going to land holders for no service rendered, must be curtailed. If we will not recognize this and learn the lessons which history has taught, we will have to repeat past mistakes. This is why it is often said that if our government is ever destroyed it will be by our own hands, through injustices and mistakes internally.

—Fred W. Workman

"The greatest underdeveloped resource on our planet lies in the minds of men."

—Erwin D. Canham