

the newly invented trolley car of the late '80's and early '90's that had increased land values, with the inevitable land booms and land speculation of that day.

It should be noted that then our gold reserve was very small and we had no Federal Reserve System and half the gold supply of the world as at present. But we made a quicker recovery because land value inflation and speculation did not reach such extreme heights, our tariff was lower and we did not try to keep up wages, rents and taxes by executive decree and enormous federal, state and municipal loans and expenditures.

Now, if all ground rent was collected by the public for public purposes and all taxes on labor, capital, thrift and their products were abolished, speculation in land could not exist, rents could go no higher than public services and conditions warranted and the rent payer would get back what he paid in service, would not have his money tied up in land nor confiscated by taxes, and as no land could be held out of use by exorbitant private demands every one would have access to the earth and its natural resources at a reasonable rent paid to the public in return for public service and all people could employ themselves; furthermore, not having a large part of their earnings confiscated by ever increasing taxes, people could produce a steady purchasing power, increasing

steadily as their industry, efficiency and thrift increased.

So far, with the exception of the "Moratorium", "Credit Corporation" and "Finance Corporation", and they are only temporary palliatives, every thing that has been done has been wrong.

First, we enact an exorbitantly high tariff that shuts out imports, prevents our debtors from ever paying interest or principal on what we have loaned them to help them get on their feet, causes ill feeling and retaliatory tariffs and is an incentive to other countries to erect tariff walls that have paralysed world trade. In this we have acted as a bank which loans money to a man to produce a crop and then when a good crop is harvested and ready for market said bank tries its best to prevent the sale of said crop. Of course no bank was ever such a fool, but the U. S. Government has done just that with the Hawley-Smoot tariff bill.

Next, federal, state and municipal governments have borrowed billions of money to build good roads and other public works in order to give employment to a comparatively few thousand people, with the result that ground rents have been kept up or increased and taxes have been and are being increased to the point of confiscating whatever is left to the few thrifty or few who are still able to keep employed and earn a living.

There are two ways, and only two, by which to get out of the present mess.

First, the right way, one that will end it and prevent any recurrence, namely, that proposed by Henry George some fifty years ago: have society collect the whole of ground rent which, being a socially created product, naturally belongs to the whole people and is the only proper revenue for social or governmental needs, and abolish all taxes and interferences with trade.

Second, the way that has been followed in the past and which will only cure for a time and by which a recurrence is inevitable, namely, let prices, wages, rents and taxes fall naturally to their lowest level; then slowly build up again until we reach another era of so-called prosperity to be followed by the inevitable collapse. This latter course means necessarily much distress and suffering and loss of life and property either passively or violently.

We have had over two years of experience of the futility of both the "let's hope it ain't so" method and the socialistic method of the people borrowing money from themselves to keep themselves employed.

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Permanent Prosperity Possible Unemployment Unnecessary

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To Whom it Should Concern:

IN NOVEMBER, 1929, the New York stock market gave conclusive proof of the fact that mankind cannot ignore with impunity economic law any more than natural physical law, such, for instance, as "gravitation".

Though conditions have gone steadily from bad to worse and the end is not yet in sight, in the intervening two years we have had many prophecies of the imminent return of "prosperity" from pretentious statesmen, so called, politicians, professors of economics, "captains of industry", financiers and experts of all kinds, all of which have proved false. During the same period there have been innumerable opinions from the same authoritative sources as to the cause or causes of the calamity, and in some instances the remedy or remedies were specified, both for curing the present and preventing future "depressions."

In many instances what were given as causes were mere statements of existing effects; in

others, the causes were not convincing because they were self contradictory and did not explain anything; and all the suggested remedies were complicated variations of socialism and communism with their crushing burden of bureaucracy, tyranny and transparent futility.

Dr. Nicholas Murray Butler, alone, of all those who are in the public eye or have the attention of the public ear, had the wisdom and courage to publicly remind the graduating class of Columbia University last June that such a man as Henry George had lived, had written a book "Progress and Poverty", and had enunciated a philosophy which was well worth examining and re-examining as it might well be found to be the answer and solution to our present difficulties. Dr. Butler practically repeated the advice to a group of American business men in Paris a few weeks later. It is a sad commentary that the "press" gave scant space and attention to either announcement.

Now it is not surprising that those who have made false prophecies or suggested unsatisfactory causes or remedies had neither the ability nor wisdom to think out the real cause and cure; because God or Nature in Their wisdom grant it to few to be a Moses or a Galileo, a Kepler, a Newton or a Henry George, and such minds do not occur once in a century.

But those in high places are open to criticism who, through their higher education or oppor-

tunities for having known or heard of Henry George and his philosophy, do not re-examine his works and his proposal, so clearly, logically and irrefutably demonstrated, and then proclaim it to the distracted, ignorant and groping world.

It is no longer a matter of opinion, nor is it a question of whether we like or dislike the great economic law that Henry George demonstrated with such clearness, logic and mathematical exactness and finality. We may not like the law of gravitation nor Kepler's laws, but any builder who attempted to ignore the one or any astronomer who attempted to ignore either or both of them would not get very far and would be considered a fool in these days, and yet they would be no more ignorant and foolish than those who expect to carry on governments or civilization while ignoring the fact that the rent of land belongs to the people and the first duty of society is to collect it and abolish all taxes and interference with trade.

The ignoring of this law satisfactorily explains the downfall of every civilization in the past as well as every period of unemployment and depression that this or any other country has had to endure. The old English legal authorities, Coke, Littleton and Blackstone, have said in so many words that there can be no such thing as private property in land in

England for all land is held of the Crown (the people).

Three of these United States have also recognized the same law in their official designations, namely:

"The Commonwealths" of Virginia, Massachusetts and Kentucky.

"The Commonwealth of Massachusetts," literally all that portion of the earth and its natural resources contained within the recognized boundaries of the state and therefore the property of the people of Massachusetts; and each and every holder of title to a portion of it, therefore, should pay annual ground rent to the people of the state, proportioned to the unimproved location value of such portion and all taxes should be abolished.

The present "depression", as all other "depressions", comes from unemployment; this arises from labor and capital being shut off from access to the earth and its natural resources; this came from unprecedented inflation of land values caused by greatly increased powers of production, distribution and communication because of invention, discovery and applied science during the past ten years; the automobile and enormous expenditures on good roads greatly extended the radius of suburban habitation and power of distribution of people and goods, with resultant great increase of land

values and the inevitable speculation in same, driving values to absurd heights; consequently rents and taxes were enormously increased; result, first, small businesses failed by the thousands, throwing all their owners and employees out of work and creating thousands of unemployed; this curtailed purchasing power began to react on land booms and cause them to collapse; this caused more loss and unemployment and loss of purchasing power which then began to be felt by large manufacturers who had to curtail and throw many more thousands out of employment, and so, like a rolling snow ball, unemployment steadily increased; buildings of all kinds became vacant as people gave up business and withdrew into smaller manufacturing, office or dwelling space; high ground rents and high taxes caused vacant land in cities, towns and country, and vacant idle land always means idle men and idle capital, for man can only live and employ himself and his tools on and by means of the earth and its natural resources, and when denied ready access to them must become idle, lose purchasing power and cause what is called "business depression".

The big corporation with its laboratories, "fact finding" and "scientific management" is as helpless as the smallest business.

The "depression" of 1893 was caused in like manner, only then it was railroad building and