

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Because you too are a Presbyterian Minister I want to write you a series of personal letters. I know you are busy and will be tempted to put them aside because they seem too long. At this distance I can only beg of you to treat them with the courtesy which I sincerely hope they will deserve. To read each letter will require only ten minutes of your time.

This is an unusual procedure. But these are unusual times. Never before was it so imperative that the ministry think clearly on such matters as I propose to discuss. This is purely and simply an educational venture. I have no ax to grind except to declare what I have seen and to ask you to square it up with your own observation and to act upon it with your own independent judgment.

The story goes back to 1932. As a young man five years out of Wooster College and Princeton Seminary I was preaching in a large (1000 members) Presbyterian Church in a mid-western city. It was one of those cities that really suffered when all but one of its many banks closed their doors and left people in a state bordering on hysteria.

I was young in fact, as well as in name. Though my sense of justice had often been violated as I had observed the ways of men, I had never given economics too much attention. I had shared the sentiments of the crusaders against the so-called war system. I had seen plainly enough that most of the basic causes went back to economic practices but neither Wooster nor Princeton had made me particularly conscious of the malpractices of men in this field.

In those days I entertained certain professional ambitions. To be the pastor of a large city church was all I asked of life. I knew it would be a busy and absorbing way to live and I liked the prospects as I viewed the future.

Then the depression came. Some ministers took it with less of a struggle, but it sent me sprawling. It was then that I made up my mind to find out why things like this had to happen to men, who really, as I thought, deserved a better fate. Actually, men deserve exactly what they get.

I struggled with Karl Marx and Norman Thomas. I listened to Scott Nearing and Ham Fish. I sat at the feet of Reinhold Niebuhr and Stuart Chase. I wished wistfully at times that Stanley Jones knew as much about economics as he did about Jesus. I mean that as a tribute for he does know Jesus and that is much, indeed.

But the sums just wouldn't add up. Apparently there was confusion somewhere. Economics seemed to be a hopeless mixture of folkways and to hope it might be reduced to science seemed like baying at the moon.

The depression became more severe. People were getting desperate. In our town they were trying to make up their minds whether they would break into the stores and take the food that was being denied them, facing the violence that such action would produce, or whether they would leave the little homes they had built in the roaring twenties and go out to cheap land where they might at least grow enough food to feed their families.

Came the C. W. A., Roosevelt's historic break with tradition in dealing with the poor. Followed the upheaval of the N. R. A., and the New Deal was on its way. I breathed easier. At any rate we had escaped a violent revolution but the real sick-

ness was not being treated and when the poultices were removed the infection would break out again.

Preaching the gospel at \$5000 per year while half my congregation was worried sick lost its appeal. I couldn't understand how some of my classmates in similar positions could still entertain their professional ambition. I had lost mine in the bank crash and the crash of my confidence in the whole economic structure.

For a time I decided to give the cooperatives a fling. It seemed that salvation might lie in that direction. Two years later Kagawa came preaching and cooperatives were approved by the church at large.

Meanwhile my friend Robert McCaig, since deceased, had insisted that I would never know the real answers till I had read "Progress and Poverty" by Henry George. We spent a lot of time together and he seemed to know what he was talking about. I decided to investigate.

It's curious how a man feels when he stumbles on the truth. He can lift it up and say, "Eureka, I've got it." But do you suppose everybody comes a-running? No. They say, "He is a funny bird, isn't he?"

Five desperate years of persistent search and at last I find the answer in a book that has been gathering dust on the shelves of college and seminary libraries for years.

That, my friend, sort of winds up the introduction. My experience has taught me this. It is unwise, the church being the kind of institution that it is, to preach too much economics from the pulpit. No minister has the right to ride a hobby Sunday after Sunday. Other people have their interests too and they resent having to share his all the time. Moreover on Sunday his flock cannot talk back and if he has ideas like mine, this makes for a sense of frustration in the average church goer.

But every minister is a teacher and when a minister of Christ discovers why poverty exists and wars are fought he is not living up to his calling if he neglects or is afraid to teach it.

Fortunately in a class this can be done without offense. I have proved that. Last year I took three groups through "Progress and Poverty", using a specially prepared course supplied by the Henry George School of Social Science in New York. Now one hundred members of my church are educated in the fundamentals. Bankers, salesmen, housewives, teachers, executives are all convinced that I am not shouting about a mirage. There are a few exceptions, naturally. But the ones who understand it insist upon others taking the course too. Now I can say things in my church on Sunday and hope to be understood.

Despite the common opinion that economics is an amazingly complicated affair it is really very simple. What makes it seem complicated is that those who teach it in the universities seem deliberately to make it confusing by failing to define their terms precisely or by mixing the basic factors which they deal with in conjecture.

A chemist who carelessly mixes up half a dozen elements and proceeds to call it H₂O can expect to be confused if his experiments do not make sense. If your fundamental concepts are not soundly conceived you have no chance to think clearly in any field. That most of the conventional economists are guilty of this violation of the rules of logic becomes glaringly apparent after one has mastered the Georgian technique. It is little wonder that students can make neither head nor tail of economics with the sort of loose language and fuzzy thinking that goes into practically every college text book. It is no wonder that the universities have turned out a generation of thinkers who regard the whole problem as highly complicated. One minister once said, "I took economics in college and made up my mind that it was not a science and that it was useless to spend time in trying to bring order out of chaotic elements." No wonder! Had he been introduced to the Georgian brand of precise logic he would have felt differently about the whole affair.

Economics for all the dignified place it has as a study in our universities is still in the creeping stage. Its fundamental factors are not clearly defined or properly related in 95% of all that is written on the subject. This generation may be

George over-simplified the whole problem. When you understand it you realize this is not a fault but evidence of his genius.

Before we can hope to reason intelligently we must agree as to the precise meaning of the terms that we will employ. College text-books have confused their students by mixing the fundamental elements and so loosely defining their terms as to let one element overlap into another and the other to overlap into a third. In my library I have a book on Elementary Principles of Economics by a widely known economist from one of our great universities. He makes more mistakes in the first forty pages in his book than any professor has a right to make in a lifetime. Yet if I were a student in his class I would probably sit and wonder at the learning of this great economist and believe or try to believe everything he said. If you want to have a good laugh just sit at the feet of Henry George until you get his argument plain and clear and then run through some of the text books that are being used all over America today. Well, when you start checking their mistakes you might be too sick to laugh!

Three factors and three only play a part in the production of wealth. Now, wealth we must define first of all. Despite the declaration of our above mentioned economist land is not wealth. Wealth we must agree is "All material things produced by human labor for the gratification of human desires and having exchange value." Land is not produced by human labor. It has exchange value which is why some men think it must be wealth. When we speak of wealth we are speaking only of those things that man has produced by the application of labor to land and which have certain exchange value.

What then is land? The answer, "the whole material universe outside of man and his products". Whatever was here before man came is land. The sky, the ocean, mineral deposits, oyster beds, soil, forests, water falls etc. Here we must make a clean out distinction between the gifts of nature and the products of man's labor. This is vitally important if we would properly understand the laws of economics.

Next we define labor as "all human exertion which is devoted to the production of wealth." Our professor says that a slave is wealth. We beg to disagree. A slave is a man whose labor is being exploited and we would have to classify him under labor and not under wealth.

Under labor we include all forms of human exertion used in the production of wealth. Management is labor. Salesmen are classified under labor. An architect, hanging his feet on a desk and planning the drawing of a bridge, is classified as labor. Anyone making any contribution in exertion or thought to the production of wealth is rightly considered a laborer.

Capital is "that part of wealth that is devoted to the production of more wealth." All capital is wealth. Note the definition of wealth again. But not all wealth is capital. A horse drawing a milk wagon is capital. A horse drawing a family to church is wealth. Goods on the store shelves is capital. Those same goods in the handbag of a lady going out of the store is wealth.

How about an orchard? Is it land, capital or wealth? It might be all three. That part of the orchard that represents the bare land before cultivation is classified as land. That part which represents the improvement over the bare land represents capital. The bushel of apples just purchased from the farmer to be consumed on your table is wealth. How about a city site? The bare land minus improvements is land. The improvements in business building or factory is capital or if it holds a house in which a family lives it is wealth.

A little practice and one can spot any item in the whole economic picture quickly and can say instantly what it is. Land, labor, capital or wealth.

You have no doubt heard of the complicated maneuver of rolling off a log or know of the exhausting experience of learning to play chopsticks on the piano. Getting your fundamentals clear is just about that difficult.

There you have the three basic factors that produce wealth. Each factor must receive its due. Land receives its due in rent. Labor receives its due in wages. Capital receives its due in interest. There are no other avenues along which wealth is

distributed. Wherever it goes it goes to pay either the owner of land, the doer of work, or the lender or user of capital.

After wealth is produced, who gets it and why? That is our problem. No doubt many economists can explain the law of rent, the law of wages and the law of interest. If we find one of these three getting more than he deserves there should be, and there is a way of preventing this division. There is nothing hard about this problem and we can easily discover where the title to wealth goes. Strange, isn't it, that everybody doesn't know all the answers? But the fact remains that not one person in a thousand has the slightest idea where the money, which merely represents wealth, goes.

Henry George was not the only man who tried to explain the fact of poverty. Other economists had their own ideas and theories. In our next letter we are going to consider some of the false explanations that have cluttered up our text books and made us victims of badly conceived solutions.

One thing this course of study may do for you. It may protect you against those who would lure you down false roads. At least if you know the real truth about these matters you may be saved from wasting time and energy on useless or even dangerous cures.

Faternally yours,

W. L. Young

likened to the people in the pre-Copernican world. Men used to watch ships drop over the horizon without ever suspecting that the earth was a ball instead of a table. Millions for centuries did this. In all that time the true relation of the earth to the sun and moon was an unsolved mystery. Came Copernicus and after him Kepler, Galileo, and Newton. In a relatively brief time the science of astronomy grew up. When true and fundamental concepts supplanted the poor guesses of former days the whole theory of the universe fell into place and everything began to hook and eye together. As long as basic factors were ill conceived there was nothing but confusion worse confounded and I insist that this is the precise condition of affairs in the field of economics as taught today.

Our generation is not lacking in sincere and devoted people who have cultivated a social passion. Young people of college age have a natural sense of justice. They suffer the pangs of sensitive spirits as they see the inequalities and injustices which prevail. For lack of clearly defined concepts they conjure up all kinds of impossible cures for these evils. The most popular are those which come from the doctrines of Karl Marx and his school of believers. Indeed, though many leaders of thought have tamed down the Marxian attitudes and insist upon making them a creed for gentlemen of faith, most of the things that are being done to correct evils are being done because his doctrines have largely influenced the, shall we say sympathetic; instead of liberal mind in America.

As these words are being written America is in the throes of trying to decide which of two wrong roads to take. The one road calls for an extension of the power of government as it reaches out to control more and more of economic activity. The other road is the turning of economic clocks backward to the freedom of action that was enjoyed by Americans prior to the last depression, without making any essential changes to avoid the dangers of another similar crisis.

These are both wrong roads. The right road calls for a fundamental correction in the fiscal policy of our government, which, when it is made, will relieve government of its obligation to be ubiquitous and at the same time set men free to produce and distribute wealth without let or hindrance in a system that will provide equality of opportunity to all and special privilege to none.

Georgists are not in the "somehow or other" stage in their thinking. They know precisely what must be done before we can have that brand of liberty for which our boys are presumably fighting.

If your car stalls because some water has settled into the spark plugs you will not get it started by getting out and fooling with the tail light. There is one thing that is wrong. You must either fix it or wait until evaporation has dried the area about the cylinder head. This generation is overrun with poorly trained mechanics who insist upon fixing everything but the right thing. Most of us are like the average car owner who is himself incapable of knowing whether or not the mechanic is right.

So much by way of general introduction. Now, what could you do about this situation? First of all you could say to yourself, "He may be right. I will secure a copy of 'Progress and Poverty' and investigate for myself."

On the top shelf in my study is a whole row of books that touch on some aspect of this great problem. I am eager to share with you my findings in books. But, get this straight, I am not selling books! We are all supposed to be trained students. We ought all to be independent and willing to examine any suggestion for good. If you have never made an exhaustive study of Henry George for the love of truth won't you please do so now?

The thing I plan to do is this. I am going to hope that you will beg, borrow, or buy a copy of "Progress and Poverty". But just to be on the safe side I am going to assume that you will not and I am going to take up point by point the simple and clear argument of this great master of thought. If you read these letters and still refuse to give this great analysis a chance to solve for you the most pressing problem of our times--well, may the Lord have mercy on your soul! My sense of humor will be all I have left to keep from going stark, raving mad.

I have heard men say that they could not entirely share the position as presented by Henry George. Upon further questioning I have found without exception that they

had no comprehensive understanding of it. To me a man has no right to take a supercilious attitude toward anything that is honestly and intelligently presented to him without first making a fair and unprejudiced study. Is that not a fair position to take? Will you then take it with me?

I have arranged for you to receive a 50% discount on a special list of books which you will find enclosed.

Please believe me when I say that I receive no remuneration for the writing of these letters and absolutely no commission on the books. To set the record clear The Henry George School of Social Science - a non-profit institution chartered by the University of the State of New York - will pay the costs of printing and mailing these letters. My own students will help in the labor required to send them out.

Every minister should own a copy of "Progress and Poverty". It is a classic. To have it on your desk for reference as these letters come will be a great help.

Faternally yours,

W. L. Young

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W. WYLIE YOUNG, MINISTER

This is the second in a series of letters that I propose writing to you. If for some reason you did not read the first or consigned it to your wastebasket may I urge you both to read and save subsequent letters. It could be, you know, that I have something here that you could profit by reading.

We, upon whom society depends to organize thought and present philosophies which are in harmony with the Christian Tradition, have become involuntarily victims of a conspiracy of silence. Because of that conspiracy, whether deliberate or natural, we have been left to grope our way about the economic maze without plan or pattern to understand its mysteries. That pattern exists. The problem "Why poverty?" has been solved and certain recommendations have been on file for fifty years.

I was a Commissioner to the General Assembly last year. If I am any judge of what the leaders of our great church actually know about this particular analysis and its suggested cure I would say that not one in one hundred ever heard of it much less thoroughly understands it. Our church is moving almost enmasse toward the sort of solutions that have been concocted out of the philosophy of Karl Marx. We reflect the opinions which have laid hold upon the sympathetic and socially minded leaders of this generation. For lack of specific knowledge as to the real cause of poverty we are throwing the weight of our church back of movements that will only bring ruin and slavery to millions.

I entertain no prejudice against Marxian Philosophy because it was atheistic. After the way the established church in many countries behaved this reaction was inevitable. I oppose him because his analysis of the real cause of poverty is wrong and his solution will not make for liberty of action or supply the atmosphere for the recognition of the infinite worth of each individual soul in daily living. The Christian interpretation of life does not permit accepting his recommendations.

In my last letter I recommended that you secure a copy of "Progress and Poverty" by Henry George. I hope you have done so for if I have to rely entirely on my own skill in handling his argument I will be much less able to bring you into a knowledge of what I have seen. That book is a classic and with it handy for reference as I go along I know you will be greatly helped and I will be supported.

Yes, it was written fifty years ago. Then why in this day and age should we hope to find our answers there? Listen. We ministers ought to know that modernity is not the only test of truth. Indeed some of us are more than convinced of this fact. Jesus did his work several years before we were born and we hail Him as the authority of the ages past and yet to come. We should be the last class of men to fall into the error of thinking that a book has to be fresh off the press to deal with fundamental considerations. I once labored under the impression that a book over two years old was out of date. That was one bit of foolishness that Princeton took out of my system. Though I was not a fervent devotee of Alexander Hodge, I did learn to respect the thinking of many men who had long since been "gathered".

Henry George begins by stating the problem that he proposes to solve. To be able to state a problem clearly is often the first step toward a reasonable solution. He does state his problem with startling clearness. It took much thought just to reach the point where he could clearly see what he wanted to prove. His background helped him to see the problem.

As a young man he had walked the streets of New York and Philadelphia looking for work. A depression was on and he had looked in vain. As he looked he observed evidences of the existence of great wealth and also he noted that the mass of laboring people was poor and desperate. Plenty of wealth, but accompanying it, masses suffering from poverty. Why? He had shipped to California hoping to find gold but he was too late. Not too late however to be told tales of how cooks had earned \$20 per day in San Francisco restaurants during the gold rush. Strange, he thought, no evidence of great wealth as yet in lovely homes or great factories, yet, the laboring class was able to demand \$20 for a day's work, and there seemed to be enough for all despite the fact that means for producing wealth were as yet not highly developed. Why?

So the problem shaped itself in his mind. Why, he asked, does poverty seem to deepen and intensify as the means of production are improved and refined? Why is there seemingly less wealth for the people when progress in the arts of production has been achieved? Should not the opposite be true and all men be richly blessed with the products of efficient machines? Why does poverty increase as progress in civilization advances? If you will read the first chapter called "The Problem" you will find some deep and penetrating observations. You can imagine that it was written yesterday it is so apt in its description of modern conditions.

He saw one fact clearly. There seemed to be a wedge which was driven through society. Those on the upper side were increased in wealth beyond all thought of need and those on the lower side found themselves always struggling against minimum wages and able to make but a bare living. Apparently some factor operated to keep wages down to a minimum while the same force made inevitable increasing and unneeded wealth for those who were in a favorable situation. The problem then became "Why do wages tend to a minimum?"

That this is everywhere true is apparent to a careful observer of life. In India the wedge has been driven in as far as it can go. Laborers will not produce or reproduce for a mite less than they now receive. Indeed the wage is far below the point of reason and strength to labor is denied to many. In Europe this has been the story for centuries. Many a social idealist has kicked against the pricks to no avail. Such men, before America was discovered, died in dungeons and were done to death in a multitude of ways. America offered an escape hatch for the distressed people of Europe and here they came with their already developed ideas of democracy and fair play.

Unfortunately for our forefathers, and now for us, they did not understand the true cause of their plight. They had thought they could solve the problem of poverty with political democracy. But alas they conducted their business along the same lines as their European forebears and fell victims of the laws of economics that are as inexorable as the laws of gravity or friction.

Economics had not yet been reduced to a science. None had ever solved the problem of poverty and they could not be expected to know better. But for us to be in the dark there is no excuse. For us to be fumbling with the laws of economic life is a travesty against God who is the essence of truth. This truth has been revealed and both ignorance and prejudice have conspired to fool us into believing this truth to be invalid.

But, perhaps you still say "but this is a new and different world than it was fifty years ago". How could a man writing fifty years ago deal with an age that suffers from giant monopolies and international cartels, is afflicted with interlocking directorates and a maze of holding companies that even the men who set them up cannot understand. Listen! Don't let that cluster of boogey-boos throw you. For all the apparent complexity of this thing called modern business there are only three elemental factors in production. Only three! Other economists to the contrary notwithstanding, who seem to be determined to make it hard, and who try to argue that there are more, you can rest assured that three is the absolute maximum. They are Land, Labor and Capital.

A chemist has to worry about some 80 odd fundamental elements. These may be mixed in countless combinations and the science of chemistry may well develop a few complexities. When we reduce the fundamental elements of economics to three and declare that all actions and interactions are made up of these basic factors we can see that our problem is reduced to relatively simple terms. Some people think Henry

On the little island of Manhattan there is an assessed land value of eight billion dollars! On that land there is a great quantity of wealth, part of which we classify as capital. Without this accumulation of wealth, the land value would be reduced to almost nothing. It was once purchased for twenty-four dollars. A hundred years before that no one would have given a dime for it. The land itself if planted in potatoes might produce a sizable income per year, but compared to the land value of today, such an income would be infinitesimal. Can you really say that land is not an important factor in modern exchange when this is so?

When we talk about land we are not referring exclusively to farm land. Indeed the great land values are not on the farms at all. They are in the hills as minerals or on the hills as timber. They are in the market centers of the world where men gather to trade. They are flowing in black fluid beneath the Texas plains. They pour over cataracts or are accumulated in great dams. Hitler set out to corner the choice land areas of Europe and Asia. He made for the oil of the Balkans, the coal of the Ruhr. He reached out for the fertile plains of the Ukraine, and made sure of his access to the steel of Sweden. These are the land values that tempt the cupidity of men. To say they are relatively unimportant is to wink in the face of a lion.

As one man put it recently "But why do you lay so much stress on land? We are being crowded together more and more in cities and anyone can see that land is no longer important."

A factory uses an acre of land. Or does it? I know a textile mill that covers less than an acre but it takes into its mighty jaws each year enough cotton to require ten thousand acres to produce. What with our vast population and the modern methods of production, the demand for land is incalculable. New York sits on a few square miles of land but the demands of men living in New York lay a toll on the granite of New Hampshire, the wool of Australia, the fruit of Florida, the copper of Colorado, and so on ad infinitum. Land! Land!! LAND!!! It fairly screams at you, it is so vital, so indispensable. Its value makes up the whole structure of finance, for the great systems of finance are based upon its value. Stocks and bonds, mortgages and bank deposits, everything in the whole business scheme of things goes back to land, and land values. It was always so and always will be so.

That being the case, what would you say if it could be proved beyond the shadow of a doubt - so thoroughly proved that even the best of economists will admit it - that the factor of rent gobbles up almost the whole of the economic produce and that what is left is divided up according to certain well-defined laws between the pure-capitalist and the laborer?

If you will follow through with me on these letters I can show you how this is so; but now it will be necessary to take a short detour.

Political economists have not been blind to the fact of poverty. They have tried to explain why it was inevitable. That it was inevitable has been the conclusion of most of them. There seems to be a strong influence in high quarters to encourage this delusion. If men can be persuaded that poverty is natural they will be less liable to develop radical ideas.

But even the dumb man pauses to wonder why modern methods of production do not bring wealth for everybody. Any stupid fool can see that there is something wrong when giant mills can under war-time pressure produce vast quantities of destructive machines for destroying men and materials, and these same mills and factories are threatened with a gigantic shut-down as the war fades into the background.

It is high time that the doctors of society got their theories straight!

Warped and twisted theories have been our downfall. We believe and take for granted the most outlandish lies. Into every magazine go these basic theories, and thus confusion is added to confusion.

We are told, for instance, that capital is needed to hire labor and that when capital is lacking labor must necessarily suffer. We are also told that labor depends upon capital. "Lots of capital," they say, "will mean higher wages; scarcity of capital, low wages." It is very simple! "What," they say "would the laboring man do without capital?" The assumption is plainly that wages are drawn from capital. Is this true? Think! The assumption is that capital must be accumulated before labor can be employed. It would follow that more laborers could be employed at low than at high wages and that profits must necessarily be high or low as wages are low or high.

These are all fancy lies. Through the popular writings of the day their ghosts go wandering in and out.

Actually labor employs capital. Actually when capital is abundant, wages are low, and when capital is scarce, wages are high. Labor actually must always precede the accumulation of capital since value is always created by the laborer before wages are paid. To illustrate: at the end of the week labor has placed at the disposal of the capitalist an amount of wealth valued usually in excess of the wages he is paid. Actually more laborers can be employed at high wages than at low, and profits to pure capitalists are greater when wages are high.

Somewhere, somehow, some bright economist has put the cart before the horse. It sounded plausible, and all the other economists fell in line. For years this was the song they sang. Then came Henry George.

He observed that in New York where capital was abundant wages were low, and that in San Francisco where capital was scarce wages were high. Society was not behaving as it should, yet it has always been that way with old and new societies. In Europe the wages were depressed but in the new world they were definitely high. Why?

If the theory of the economist was correct and the presence of abundant capital meant that wages would be high it would logically follow that interest, by the law of supply and demand, would be low whenever wages were high. Actually interest is high when wages are high. If the theory were true, whenever capital was scarce wages would be low and interest would be high. Actually wages are high and interest is high. It would seem therefore that a scarcity of capital rather than an abundance of capital will spell higher wages for the laborer and higher interest for the capitalist. It would also seem to be true that the higher the wages paid to labor the greater will be the return to capital.

Lest you really cogitate on this a few moments and think of the fact that to-day, in war time, wages are high and interest is low, let me explain that our whole economy is out of focus at the moment. Billions of dollars are being pumped into the system to prosecute the war. At the same time artificial rulings have been passed fixing prices and placing ceilings on rents. This tends to completely negate many normal reactions and I must insist that as we go along in this argument, we agree to discuss economics "in the raw" and not allow these artificial conditions to confuse our thinking. Some day we hope to have this war in the background and then we will find strong influences brought to bear to force the government to retire from many of these areas. You may be disposed to think that it might be well for the government to continue its policy of management and centralized control. If so, we will come to that issue in due time. Just hold your horses.

If this all seems a bit too involved and I try to explain it in too small a space you will find it carefully covered in Chapter One of "Progress and Poverty." It may seem a bit involved at first, but just think what that fellow who hasn't been to church for years has to put up with when you start talking about ecumenicity! The words soon take on intelligent meanings and by the time you get to the middle of the book you are humming along at a great rate. It warms up decidedly toward the middle and at the end there is a bit of philosophy that is as profound as anything you ever read anywhere. I know one man who said he would rather have been the author of that chapter on "The Law of Progress" than any bit of modern writing in existence. Did you ever read it?

In our next letter we will proceed to move into the core and center of the argument, which when comprehended often changes a man's whole attitude toward social reform even as a good clear view of the cross has often effected the lives of devoted followers of Christ. A previous knowledge of Christ should increase the hazard of being changed by this revelation. Take it easy!

Faternally yours,

W. Lyle Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
SATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Winter 1944
Letter No.3

I have no doubt that by this time you have arrived at some conclusion as to the worth of these letters. Before you make what I would naturally think was the fatal error of pushing them aside may I endeavor to make a few startling and what to you might seem to be preposterous claims for the doctrines of Henry George. In an effort to challenge you to go on I will run the risk of being rated a bit on the balmy side.

If you would like to see a slum clearance program that would really work so as to enable the poor to move themselves out of the slums, the answer is here.

If yours is a rural parish and you feel the effects of the gigantic squeeze play that is on in our country, which results in our best rural families abandoning the farm in favor of huge capitalized combines or tenant farmers, as the case may be, and if the lack of money for and interest in cultural institutions makes you see clearly the crisis facing the church in rural America--may I suggest that the answer is here?

If you sense the threat to sanity and well being which living in great cities creates and wish some way could be devised to decentralize American population so as to enable ordinary people to own a house in the country with plenty of space in which to live and raise their families, again I say, the answer is here.

If you realize, as most of us do, that giant cartels and monopolies if unchecked will bring more and more suffering to the rank and file of men and if you would like a program that would automatically dissolve these monopolies without any governmental red tape so that they would melt away like the snows in April--may I suggest, the answer is here.

If you want a clear-cut solution to the problem of war, (and who doesn't?)--again I say, the answer is here.

If bureaucracy and its attendant evils give you occasional moments of despair,--I repeat, the answer is here.

If you are concerned about the rising tide of anti-Semitism, which is the resort of desperate men to lay the blame for trouble at the wrong door and to arouse race feeling by stirring up animosities which spread from race to race and invariably back-fire to bring persecution to all creeds and classes--may I implore you to examine carefully this analysis of Henry George, for the answer is here.

I could go on and on, for most of our troubles are rooted in the conditions arising from the maldistribution of wealth. Let wealth continue to clot in the hands of a few and misery and a host of interrelated calamities are always the result. Let wealth be distributed equitably so that each man gets what he rightfully deserves, be he lazy or industrious, capable or ineffective, be he laborer or philosopher, and instead of developing these trouble areas life smooths itself out and the natural love of justice that is in all of us will flower in a brand of faith in God and man with which this generation has had little experience.

I casually ambled up to a distinguished minister last summer and inquired if he knew much about the philosophy of Henry George. I had heard him preach and though his material was excellent and his sympathies were properly placed I knew he was not conversant with the argument. "Oh, Yes," was his reply, "but it is my impression that all those who follow his way of thinking are just like the 'Pre-Mills.'"

My astonishment was "utter". I said "What!!" Upon seeing my consternation he hastened to explain, "Well, I mean they are so confounded cock-sure of their theories and claim such outlandish things for them that they make themselves ridiculous in the opinion of most thinking people."

"Yes," I said, "I guess if that is what you mean by such a strange comparison you are right. But wouldn't it be a pity if they were the thinking people and you were allowing the prejudice in favor of more complex remedies to blind you to the simple truth?"

We who know what I sometimes call "the answers" literally suffer when we have to listen to men who have never found them. I have a very good friend whose common sense is violated every time I remark that it is apparent that so-and-so doesn't know the answers. The trouble is that my friend doesn't know them himself and so assumes that there are no simple formulas. Where he keeps his faith in the integrity of the universe is what puzzles me. The only reason I make bold to write these letters is that men like him are leading our church and the situation is getting serious.

We are the ministers of this age, the doctors of society, if you please. If by measuring our Christ-revealed principles against the basic principles of economics we can avert the threats that loom up on our horizon we will really have been instrumental in bringing salvation to this confused and befuddled world. Nothing will work that is not rooted in Christ. I make no appeal for anything that is not basically Christian, but I do insist that Henry George has the Christian answers.

Some people smile when a person claims to have the answer to as many problems as this. We are used to hearing extravagant claims made about Christ. Indeed we make them constantly. All I am saying here is that Christlike principles, properly applied, will solve all the riddles of our modern age. Have you ever noticed how believably we as ministers ramble on about The Kingdom of God and then how incredulous we look when someone mentions Utopia? Is there fundamentally any difference? Could men ever live in Utopia or attain it without accepting Christ in toto? The two are synonymous. If we believe in Christ we must believe in Utopia, or at the very least, in the possibility of little areas of Utopia all over the world.

In my last letter I spoke of the three factors in the production of wealth; land, labor and capital. I defined these three factors and promised to use them in precise ways. For most of us labor and capital seem important enough. We imagine mistakenly that there must be a great struggle on in the world between these two. Actually this is not true at all. Capital and labor are in the same boat and they prosper and suffer together - always together.

Remember, that in referring to capital we are referring to that part of wealth that is being used to produce more wealth. A pure capitalist owns no land. If he owns both land and capital our popular language always refers to him as a capitalist. This we will not do. He is either a land owner, or he is a capitalist, or he is a laborer. A man who owns his own store and the land on which it rests and who works all day as a clerk is all three. Part of his income will be collected in rent from his land, part in wages for his labor, and part in interest for his capital. Technically we must keep these factors separate even though a man is all three at one time. Wealth is always distributed in these three ways; by rent, wages or interest. We eschew the term profits as worthless since it is impossible to specify whether it represents rent, wages or interest.

Because of our persistent habit of identifying a capitalist with landownership we fall into the error of believing there is a basic conflict between capital and labor. The conflict is really between landownership on one hand and capital and labor on the other.

This leads us to a few reflections on land as an important factor in our modern world. All through these letters we will have to use the words land, and land value. We may as well get clear what we mean by both terms.

The uninitiated never seem to realize the importance of the land factor. "Is not the number of farmers diminishing with every year?" They say. Absolutely. But does that mean that land is no longer required in our economy? Think!

Land still remains the all-important factor in production. Indeed those who own most of it in any country never forget how indispensable it is for life. Let me elucidate.

This process goes on and on. Soon all four land is occupied and then our four landowner begins to profit from his strategic position, for when newcomers have no choice but to work for him or settle on three land he can do what the first settler did to him. He can now collect one in rent should any newcomer happen to prefer to work for him rather than to work for himself on rent and price free land. Meanwhile the owner of five land finds his situation improving and he can secure two in rent for he will have to pay only three in wages, since that is all that the last to come so far can make by working for himself. Meanwhile all wages on five and four land will drop to three.

This is not the kindergarten so let us skip on down to the land that yields one as a result of a day's work. Suppose you were unfortunate enough to arrive twenty years too late. You come, and lo, all the land that is worth anything is taken up. Here is a scrubby area that will produce one if a man works all day. It is free. No rent, no price. But who wants to work a hillside or waste time picking stones? Besides it is lonely out there and you are a gregarious soul and prefer to work in the company of others. You have your choice. You can work for the man who is on two land. He will pay you one for that is all you could make by working for your self. You can work for a three landowner and produce three by working all day but he will take two in rent and leave you one in wages. You can say "I don't like your taking ways. I will work for this distinguished looking man on five land. He is a good and a religious man. He will treat me right." You go and have a little chat. The kindly looking gentleman is glad to welcome you to the community. He even invites you to attend church on Sunday. You mention that you are unassigned and that your talents are available. "Fine!" is his reply, "I need a clerk in my dry goods store. I will hire you. You may start Monday morning. Your wages will be one each day."

You gulp! What, only one? "Onlyes," is the reply. "That is all any of our clerks receive." By this time the kindly churchman hasn't the slightest idea why it is so. All he knows is that nobody on the street has to pay any more for clerks. That is the prevailing wage. How it got that way is of no concern to him. He does not intentionally and with malice afore thought withhold more than his share. According to the prevailing system that is his share, he has already made certain commitments that make it imperative that he take every bit as much. By this time he has forgotten, if he ever knew, that this excess which he pockets - when every one of his employees produces five each day they work while he proceeds to keep four for himself and pay them one in wages - is really the result of his strategic position and technically should be referred to, not as profits but as rent.

What then is this law of rent? To sum it up in good technical language: "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use."

Of course all this could have no possible bearing upon the wage scales of today! We live in an age known as the "machine age". We boast of a complicated system of finance known as "high finance". Any fool can see that the owners of the machines and the manipulators of finance are the bogey-boos of this generation. Nonsense! At what point did we suddenly become ethereal and separated from the good earth? At what point did it become more important to own the machines than to own the land? If that is so why is New York land---just bare land---worth eight billion dollars? Just cancel that minor item from the accounts of the financial wizards of New York and look out below for the bankers will be jumping out of skyscraper windows by the dozens.

Then, there is that item called capital. Let us see if after all it is the capitalist who is the enemy of our friend the laboring man. Let me remind you again I am talking about "pure capital". There is no land factor here. Capital is wealth that is being used to produce more wealth. It is really so much stored up material and labor.

If the pure capitalist could, he would do the same as the landowner has been wont to do. He would take all except a bare minimum to pay rent and wages. But what is his predicament? Is he in a strategic position to make land and labor knuckle?

The best illustration to prove that his position is equally vulnerable with that of labor is given by Henry George. I tell it in my own words.

Two Indians ugh and ugh together. One has a fancy instrument with which he has been shooting six buffaloes a week. It is a cinch! He puts an arrow in a bow, pulls the string and without benefit of bang or puff a buffalo bites the dust. The other Indian has always used a club. He would hide behind a tree, wait for the buffalo to graze up close and then he would leap out and hit the buffalo in the head. This is slow and hazardous business. One a week is all he can average.

Now, he is pop-eyed! No more red points in his wigwam. In his imagination he has a bird's eye view of himself bringing his squaw a buffalo any time it is needed on the menu. What price bow and arrow? Must he work as hard as ever and by using this new weapon must he kill six buffaloes a week while the genius of the tribe sits back and claims five buffaloes in interest for the loan of the bow and arrow? Nay, forsooth! It is not so simple. The secret is out. The patent laws do not cover the situation. Our capitalist, the bow and arrow owner, will have to continue catching his own meat. Friend Indian with the dilated eyes will sit up late some night and make himself a bow and arrow. Then let the buffaloes beware!

You see, a capitalist has just so much detached land and stored up labor to his use. Unlike the land owned by the landowner this can be duplicated. This gives him no strategic advantage. Both the landowner and the laboring man can commandeer or spend so many labor hours and produce the machine or gadget that assists the capitalist in production. This automatically puts the capitalist in the same boat with the laborer. We hope some of them won't mind being consigned to such respectable company.

But this is only a fraction of the story. We must bow to the exigencies of space and time.

Fraternally yours,

W. Hughie Young

do no work himself. He presumably contributes the land. Don't laugh here! At any rate wealth is the product. Who will get it and in what proportions?

These are all nice people but in this world business is business. Of course if every one was perfect our problem may never have suggested itself. I say may, not would. But in the process of distribution one class will claim as much of the produce as its strategic position will allow. It will take it all if it can.

Labor must have land upon which to produce or it will starve. Granted the right of the landowner to push labor into the sea unless he is willing to work, the advantage seems to be with the landowner from the start. Labor must have food and shelter and therefore he works upon the land. His wealth is garnered. Comes the landowner.

"Well, I see you have finished. We will now sit down and calculate how much you owe me for the use of my land."

If the land is all of equal worth and all is owned by the landowner and the law of the land is fixed so that the landowner can take as much as his strategic position will permit he will take all except the barest minimum that would enable the laborer to continue to produce. Life is sweet to the laborer and he will continue to work because to stop working would be to perish. In such a situation the landowner, granting his ownership of the land, has the power to take all but the barest minimum. Witness India and her Princes who, minus their fancy titles, are just plain landowners.

Has the laborer any defense? None whatsoever. He may stop working but he will die. The landowner might be forced to labor on his own land but he could have all the produce so his predicament is not hopeless, only unfortunate for a time.

This however is not the way it really happens. It happened here in this wise. A vast continent rich in all kinds of resources stretched almost endlessly from sea to sea. Except for the sporadic resistance of a few savage and disorganized tribes of Indians the land belonged to the pioneer. For purposes of simplicity let us say the Indians were not there. Our forefathers rather baldly assumed that they had no right to be there. I do not argue the point.

Naturally the first to come looked about and took their pick of the best land. It was free. "Eureka! Not a landlord in sight." For dispossessed Europeans this was really something!

Shots are fired; traps are sprung; game is killed or captured; trees are felled; thickets cleared; cabins built; seeds sown. Everything that is killed, fashioned or produced is had as wages because the laborer is the owner of his land and there is no rent to pay.

Time passes. Other seekers of fortune arrive. The best land is eventually all taken up, but, until it is, no one needs to worry about the rights of a landowner to charge rent or price for land.

But now, our first to come discover themselves to be in a strategic position. Let us assume that they garner from their land an amount arbitrarily measured as five. They work all day and receive five in wages for themselves. When all the land that will produce five is settled or taken up and the only land available to the newcomer is land capable of producing four in one day's labor, a new factor, rent, enters the picture.

To this moment all the wealth produced was distributed in wages. Now the man who owns five land can begin to charge rent. The newcomer has two choices. Either he can settle, rent free and price free, on available four land or he can bargain to work on or buy land of five quality. Assuming that he prefers to work on five land and that he agrees to work for the man who owns that land how much will the landowner pay him in wages? He must offer at least four or his prospective employee will say "Sorry, but I can make more than you offer me by working for myself on free land." He does not have to offer more than four because that is all our newcomer can earn by working for himself where he can take all he produces in wages. Rent therefore becomes the difference between what the newcomer can make for himself on free land and what he can produce by working all day on five land. The difference in this case is one and since he produces five in his day of labor he can keep four for himself as wages.

THE STUDY
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W. WYLIE YOUNG, MINISTER

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Letter No.4

I left you last with a promise and a warning. The promise to show you one of nature's, and therefore God's, immutable laws. A warning that knowledge of this law is very apt to change your whole viewpoint on social reform. Honestly now, can you truthfully say that you stand ready to be changed if truth shall be your butler?

You may have decided already that cooperatives are the *summum bonum*. You may have eschewed all interest in matters such as this feeling, not thinking, that they are far removed from the center of your orbit. Some other mode of action such as Socialism, Dr. Townsend, Social Credits, may have won you to its cause. Are you set? Has the honest truth still a chance with your soul? If it has I do not fear the outcome. But if I have to break down an emotionally fortified conviction already formed you make my task doubly difficult.

Did you ever try to argue with a person who had arrived at a conviction through emotional rather than intellectual processes? Have you ever observed that convictions emotionally arrived at are seldom set aside by pure logic? Most of our convictions have been emotionally impressed. I appreciate how inevitable and how necessary that is, but it often keeps us from the good and the promising as well as the bad and the threatening.

I am myself persuaded that what our generation needs is a saving knowledge of the law of rent. If you do not already know it, I now propose to reveal to you this law's immutable and inexorable operations and seriously I pray that in this law you will "meditate day and night" until you fully comprehend its import.

Let us retrace our steps for just a moment. We have set ourselves to prove why wages tend to a minimum. We have defined our terms carefully and have eliminated all extraneous considerations. We have decided that there are only three factors in the production of wealth: land, labor and capital. We have declared that there are only three avenues along which wealth once produced can be distributed. They are the avenues of rent, wages and interest. May we put it in this form?

Land		Rent
Labor	Wealth	Wages
Capital		Interest

Wealth may be produced through the application of labor to land without the aid of capital. If such is done only rent and wages will be affected. This reduces our problem to its simplest form. If some straight thinker can explain how much will go to rent we will automatically know how much will be left for wages. Henry George did not discover the law of rent but he did spiritualize it. Ricardo was the first economist to see and explain this law. Leading economists grant that he was right. What did he see?

Let us suppose that society is made up of two classes: those who own land and those who labor. We leave capital out of the picture temporarily. These men collaborate to produce wealth. At least, that might be the general impression though the landowner will

find the landowner hugging the ground. Rent is down for land is plentiful and free. The landowner is very unhappy. The two on the other end are high. They take everything and the balancing process goes on between them. They do not even notice the landowner on the other end. They seesaw up and down and have a delightful time. But time passes. Land is taken up and soon the landowner begins to enjoy a ride. Gradually he goes up and up and as he goes up the other two come down. They have their little sport balancing things off between themselves and neither has any advantage over the other. Finally they both hit the ground and there is not enough leeway left for even a Sunday School picnic pastime. The landowner is high. He has leisure and a lovely view. He chuckles to himself and tells the press, which is standing by, to confuse the poor fools and make them blame their predicament on each other. So they call each other names, both threaten to get off and let the other down, and the joy of living is no more.

But we must now deal with the factor of material progress. We set out to answer the question "Why does poverty deepen as progress advances?" Why, when men increase in their power to produce wealth does wealth have a tendency to clot?

There are three things that contribute to material progress, (1) increase in population, (2) improvements in the arts of production and (3) improvements in knowledge, government and morals. The first we will consider by itself. The last two may well be treated together.

Malthus was the authority on population until Henry George arrived. Everyone acknowledged it. His doctrine had been law to the poor and Gospel to the rich, for Malthus proved (only to the satisfaction of his generation) that population naturally tends to increase faster than subsistence and that there is a law of nature which automatically condemns excess populations to be hungry. That was just the sort of sop that the rich man needed to stultify his conscience and blame his own greed on the Creator. He could live on the fat of the land by collecting the rent of the land and attend divine services on Sunday morning without a ripple of the conscience. It was God's own law! Or did Malthus figure that one out?

But Henry George took Malthus apart and dismissed him to the limbo of the quacks. He proved him wrong at every turn, though for years the theories of Malthus have been ghosting in and out of popular economic treatises.

In the first place Henry George proved that one hundred men working together can always produce more than a hundred times as much as one man working alone. What with the division of labor and experts in every field turning out the products of their skill, wealth increases by leaps and bounds and if there were never any fancy inventions to speed the process the very fact of cooperation would be enough to make wealth abound. Malthus said in effect that men's mouths were bigger than their hands. Henry George proved that two hundred hands could always produce more than one hundred mouths could eat. His treatment of Malthus was devastating.

But Malthus said things that seemed to fit in with other popular fallacies. Men used to reason thus: Just as the increase in population would necessitate the more minute division of subsistence, so would the increase in the number of laborers require a more minute division of capital. Pestilence, starvation, poverty, and war were the only means by which an over-balanced economy could be set to rights. The world is full of people who still believe that stuff today. Remember the exasperating argument against sending aid to famine areas in China? "What's the use...?"

If by the division of labor more of one kind of wealth is produced it will affect the whole quantity of wealth, for wealth is interchangeable. If two men hitherto working separately agree to specialize and in so doing increase the output of wealth, each will have more for his day's work if they divide their produce evenly. When large numbers of men work together to produce wealth and trade with one another, the very land upon which they congregate begins to have a value which it did not possess before. A city grows; simply because the city happened to spring up on a particular site that site begins to increase in value. Men can trade with greater alacrity and less effort if they are near each other and wherever they congregate increased value attaches itself to the land.

As population grows and as men's power to produce wealth increases by mutual cooperation and the division of labor, and as the proximity of trading centers affects the element of time in making exchanges of wealth, what happens? Two things, (1) certain lands become extremely valuable and (2) more and more land is called into use. What does our law of rent say about that? It says, that as the quality of land brought into

use goes down, rent in the better areas goes up, absorbing, as it does, all increased value, and wages invariably go down. A man will have to work for whatever he can make if working for himself on the least productive land in use. Therefore, though increase of population and division of labor makes man capable of producing more and more, only those who own the land in favorable spots are benefited. If wealth is not equitably divided some get more than they can use. With the excess they naturally buy up more land and if they are good at guessing games they can do quite well by themselves, thank you. Ever play monopoly? That game, I am told, was invented by a person who had a thorough understanding of Henry George.

The net result of our first factor in material progress, increase of population, is to increase the power of the landowner to take rent. It tends to increase the quantity of wealth as well as the capacity of all land to produce more wealth than before. Still, the advantage does not attach itself to labor. It attaches itself to land and land values increase as wages go down.

What about inventions and scientific improvements? This is the part of the story that is designed to break the heart of a sensitive person. Our natural assumption would be that great machines would be a boon to labor. As a matter of fact there are times when a man might better be a dog than a laborer. Is it possible that the same law operates here? As my daughters in High School would say "Are you kidding!"

By this time the formula should be familiar. An invention comes in to increase the output and to decrease the amount of labor needed to produce any series of items. For example, a machine and one man make five hundred bottles a day. An invention enables that man with another machine to turn out 10,000 bottles a day. What is the result? Well, to look at the pleasant side first, for it is not all gail from the start, wealth for the entire community will be increased by 9,500 bottles per day. Not bad. More laborers will be needed to dig and transport sand from the sand pits. Very good. More steel will be needed to make the machine and a new factory will be erected to make many more such machines and to put many more people to work, by starting many more cycles of activity. So far it is a "beauticious" circle.

But hold everything! What is this? Does all this activity happen on the same grade of land? No indeed. This is but one invention and there have been many similar brain children producing the same sort of effects in all lines. The margin of production has been crowded back because of the demand for land, and, for all the increase of work all along the line the level of wages, already depressed to where the margin of production was, has fallen steadily. Much, much more wealth has been produced. The laborer for all his reduced income seems to have made some advance for he enjoys gadgets and conveniences that his forefathers would have been wild with delight to possess but though his wages have been increased in quantity the proportion has fallen sickeningly. Thus, law of rent has done the trick again.

Meanwhile the value of land in city areas has greatly increased. All the wealth that these machines have enabled society to produce, instead of being distributed fairly among those who labored with brawn and brain to produce them, is tanked up in land values. Eventually these values become exorbitant and a frustrated society can no longer "make the payments" on the land it needs and at the same time have the products of its labor. A depression ensues. When this process has run its full course men grow desperate. When some less favored group or nation thinks itself ill-used and will stand it no longer either a revolution or a war breaks out and this idle wealth is invested in a standing army or in war bonds to pay the price of killing those who would upset the applecart.

Just to make the whole thing consistent and to come as near proving the theory of total depravity as a fundamentalist could ask, instead of putting the charge for such a war on those who have benefited so outrageously, it is saddled by taxation on the backs of the people who had to work to produce the wealth and whose sons had to die to maintain intact the right of one class to rob all others of their natural rights.

If this be true, and you will have your hands full trying to prove otherwise, what part in this nefarious business is the church supposed to play? Are we, the ministers, supposed to shut our eyes, look the other way and play the old hush, hush game until this country too has gone the way of European states; until our presumed freedom has been totally forfeited and the hope of ever seeing a "kingdom" on this earth is forever dead? The answer lies with us. We are the ministers of the church in this hour.

Fraternally yours,

W. Byrd Young



areas, regardless of the value of the land in any specific area, tend to the amount that an individual can earn at the margin of production. To keep this in mind is all-important.

Have you ever wondered why clerks who work in downtown stores and who sell daily large quantities of merchandise receive no more for their services than the clerks in out-of-the-way places? I know a shirt-store in Buffalo which pays \$17,000 rent for a small but valuable corner in the heart of the business district where clerks receive the usual wage that all clerks get, be they in a city of millions or a country town. Oh, yes, there is a slight variation due to various factors, but by and large the variation is in no way commensurate with the enormous difference in the amount of business that is done.

But the plight of the clerks is not my only concern. What about the capitalist? Is this all money and biscuits for him? Nay, for-sooth! He is just as much behind the proverbial eight-ball as are the clerks. Let us say that he rents the land and invests his own money in a huge quantity of shirts and elaborate show cases. He follows his money into the business with his brains and is daily beleaguered with a steady stream of headaches. Is there anything in his situation to make me wild-eyed? Can I accuse him, the capitalist, of taking advantage of his clerks? Not if I use my head. He is as lucky to be able to stay in business as the clerks are lucky to have their jobs. The law of rent has deftly piped the proceeds of the business into the pockets of the owner of the land. Thus the laborer and the capitalist are in the same boat. That is happening in the heart of Buffalo today.

Henry George has some very interesting and original ideas on the subject of interest. I do not consider it too important to discuss interest in detail in these letters. A word however might be in order since occasionally some dreamy reformer comes along and tries to convince us that interest is a curse. He is in a class with the one who insists that we will never be cured of our economic ills until the profit motive has been entirely removed. In my opinion anyone who imagines that the problems of economics can be dealt with intelligently without admitting the validity of self-interest is being ridiculous. I feel like saying to such a person, "Why be so difficult when with just a little more effort you can be impossible?" Frankly, I haven't time to argue the point and doubt if it would do any good if I did.

But to get back to interest. If there was no such thing in this world as natural increase, or limitless supplies of all kinds in the bowels of the earth, interest might be a curse. But as long as a man can plant seeds and receive some thirty, some sixty, and some a thousand fold, (Jesus lived in Palestine and had no idea what scientific farmers on muck land could produce) interest becomes a necessary and valid charge on industry. There will always be people who will have to live on stored-up labor and it is only right and fair that some system to make this possible be a part of the scheme of things.

Suppose you want to borrow money to buy a calf that you might feed and care for until the laws of growth have increased it to the status of a steer. Certainly you should be willing to pay a reasonable sum to the person who might be willing to do without the use of that sum until you could use your labor, his money, time and the laws of growth to your own advantage. What is wrong about that? Nature gives her increase and no one is impoverished. Both you and the capitalist have benefited and are agreed.

The capitalist is not in a strategic position to take the steer and leave you the tail. Indeed the amount he can take is determined by certain regulatory factors and in the final analysis by the margin of production. The regulatory factors are determined by the average power of increase which attaches to capital from its use in reproductive modes.

May I put it briefly in this wise. The margin of production being fixed, the amount that will be claimed in rent is determined. What is left must be divided between wages and interest. There is going on constantly a balancing process between wages and interest. If interest goes up, labor is simply set to work at producing more capital goods that the capitalist may take advantage of the situation. When an excess of capital goods causes interest to fall, labor will be withdrawn from the production of capital goods and will be used to produce consumer goods.

In a picture this is what I see. A seesaw with one person, the landowner, on one end, and two persons, the laborer and the capitalist, on the other with a little seesaw arrangement of their own on their end of the big seesaw. The first stages of the game

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W. WYLIE YOUNG, MINISTER

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Ministers have traditionally excused themselves of the necessity of knowing economics. It has not been a part of the curriculum of the Seminaries. The position taken by most religious leaders is that this is not "within their ken". They say that it matters little what the system is as long as all men are good. Meanwhile, for lack of specific knowledge, the very opportunity to have our religious institutions intact is being threatened. The time has come to change our ways and in my last letter I put my finger on the one thing that must be understood if good men are to continue to have their proper influence in this world.

There is a story told of a window dresser with a sense of humor, who placed a large picture of a woodland scene in his store window. Hidden, puzzle-like, in the picture was the figure of a cat. Stragglers stood about the window in groups enjoying the discomfort of their friends who were unable to see the cat. Occasionally light would dawn and a seeker would say, "Oh, there it is. I see it now as plain as day", and go away quite happy.

In my last letter I traced the bare outlines of the cat in the economic puzzle. Perhaps you have already seen it. Or perhaps you merely shrugged your shoulders and remarked, "All of which has nothing whatever to do with our modern problem." If that was your reaction please don't go away. I wouldn't bother to write this if I didn't think that it is entirely applicable to our modern situation. Indeed, it is because of the way the law of rent functions that slums are born and wars are fought. It is worth a painstaking examination by our class of men.

Ricardo, the first of the economists to describe the operations of the law of rent, worked it out in its agricultural setting. That this same law functions with its inexorable results throughout the orchestration of the grand symphony of modern business, with all its instruments of production and distribution in full fortissimo, is well known to the initiated. It is depended upon for all it is worth by those who benefit by its operations and unless we, as a whole people, understand those operations, we are doomed. As a natural law I have no quarrel with it. It is not only inexorable but it is inevitable. Our task is simply to understand it and to deal with it intelligently. It can become a boon or it can continue to be a curse.

But we are by no means finished with the description of it and we pick our story up where we left off at the conclusion of the fourth letter.

You will recall that, as time went on and population increased, more and more land was brought into use. The all-important factor in the process is what is known as the margin of production. What is that? It is the constantly fluctuating line of demarcation which divides the land in use from the land that is not yet taken up. Marginal land is the term used to refer to land, which, by nature of its location or its comparative uselessness, cannot claim any rent for its use.

Wages in both manufacture and agriculture tend to the amount that a man can earn for himself on the least productive land in use. Do not make the mistake of comparing the wages of skilled labor in a shop with the wages of ordinary labor on a farm. Keep your comparisons true. If you do you will recognize at once that the lowest paid laborers in city or country are about on a par, all things considered. It so happens that industrial organizations require a great deal more variation in skills than agricultural enterprises, and this tends to confuse the novice. You will recall that wages in all

areas, regardless of the value of the land in any specific area, tend to the amount that an individual can earn at the margin of production. To keep this in mind is all-important.

Have you ever wondered why clerks who work in downtown stores and who sell daily large quantities of merchandise receive no more for their services than the clerks in out-of-the-way places? I know a shirt-store in Buffalo which pays \$17,000 rent for a small but valuable corner in the heart of the business district where clerks receive the usual wage that all clerks get, be they in a city of millions or a country town. Oh, yes, there is a slight variation due to various factors, but by and large the variation is in no way commensurate with the enormous difference in the amount of business that is done.

But the plight of the clerks is not my only concern. What about the capitalist? Is this all honey and biscuits for him? Nay, for-sooth! He is just as much behind the proverbial eight-ball as are the clerks. Let us say that he rents the land and invests his own money in a huge quantity of shirts and elaborate show cases. He follows his money into the business with his brains and is daily beleaguered with a steady stream of headaches. Is there anything in his situation to make me wild-eyed? Can I accuse him, the capitalist, of taking advantage of his clerks? Not if I use my head. He is as lucky to be able to stay in business as the clerks are lucky to have their jobs. The law of rent has deftly piped the proceeds of the business into the pockets of the owner of the land. Thus the laborer and the capitalist are in the same boat. That is happening in the heart of Buffalo today.

Henry George has some very interesting and original ideas on the subject of interest. I do not consider it too important to discuss interest in detail in these letters. A word however might be in order since occasionally some dreamy reformer comes along and tries to convince us that interest is a curse. He is in a class with the one who insists that we will never be cured of our economic ills until the profit motive has been entirely removed. In my opinion anyone who imagines that the problems of economics can be dealt with intelligently without admitting the validity of self-interest is being ridiculous. I feel like saying to such a person, "Why be so difficult when with just a little more effort you can be impossible?" Frankly, I haven't time to argue the point and doubt if it would do any good if I did.

But to get back to interest. If there was no such thing in this world as natural increase, or limitless supplies of all kinds in the bowels of the earth, interest might be a curse. But as long as a man can plant seeds and receive some thirty, some sixty, and some a thousand fold, (Jesus lived in Palestine and had no idea what scientific farmers on muck land could produce) interest becomes a necessary and valid charge on industry. There will always be people who will have to live on stored-up labor and it is only right and fair that some system to make this possible be a part of the scheme of things.

Suppose you want to borrow money to buy a calf that you might feed and care for until the laws of growth have increased it to the status of a steer. Certainly you should be willing to pay a reasonable sum to the person who might be willing to do without the use of that sum until you could use your labor, his money, time and the laws of growth to your own advantage. What is wrong about that? Nature gives her increase and no one is impoverished. Both you and the capitalist have benefited and are agreed.

The capitalist is not in a strategic position to take the steer and leave you the tail. Indeed the amount he can take is determined by certain regulatory factors and in the final analysis by the margin of production. The regulatory factors are determined by the average power of increase which attaches to capital from its use in reproductive modes.

May I put it briefly in this wise. The margin of production being fixed, the amount that will be claimed in rent is determined. What is left must be divided between wages and interest. There is going on constantly a balancing process between wages and interest. If interest goes up, labor is simply set to work at producing more capital goods that the capitalist may take advantage of the situation. When an excess of capital goods causes interest to fall, labor will be withdrawn from the production of capital goods and will be used to produce consumer goods.

In a picture this is what I see. A seesaw with one person, the landowner, on one end, and two persons, the laborer and the capitalist, on the other with a little seesaw arrangement of their own on their end of the big seesaw. The first stages of the game

file in the court-houses, land of almost no worth had been forced into use while good land was being held out of use because the owner would not relinquish it without his pound of flesh,--legitimate rent.

This is not farm land I refer to. Take a ride through any city in America and look at the vacant lots. Fly over any city and ask yourself a sensible question, - "When did the Axis air force bomb this town?" All over the place there are big holes; fields right in the midst of big cities; occasionally an old wagon shed in disrepair decorating the lot next door to a well-kept home. Why? Oh, it's just the old game of "Pay me, brother, or else!" Go on out to the suburbs. Is the land taken up evenly? No more than anywhere else. Every city is ringed around with acres and acres of land that is being held for a rise in value. Why do people have to go miles out of a city to buy a home? Simply to get one for what they can afford to pay.

Is it good economy to extend sewers, streets, bus lines, gas mains, telephone wires, milk and delivery routes of all kinds past these vacant lots? Think of the waste in materials and time! It is insane! Our tax policy has aided the land owner in this needless waste. If he does not see fit to use the land his tax is relatively low. It is to his advantage to sit tight, wait until his land will bring a fancy price, and then sell. What happens then? Not only does the man who desires to use the land have to mortgage his future earnings by paying the "then" value plus prospective earnings for years to come, but the instant he puts the land to use the government pounces on his back and says in effect, "We consider it a criminal act for any man to produce goods or improve property; we therefore penalize you to the tune of .0244 per 1000 on all your improvements".

With the land owner gouging him on one side and the government digging him on the other the squeeze is on and the land user's power to produce is made extremely difficult.

What would happen if we decided that all land should be used for what men found it to be worth and that no one would have any right to hold out for a higher price than the land was actually worth today? Immediately there would be a great shift in the movements of people. Those who were able would move from land of 60 value to land of 100 value and those on the fringes of society would move in and occupy not land of 5 or 10 quality but land of 40 or 50 quality, and bring with them the margin of production.

What would be the result? Instead of producing 5 in a day's work, they would produce 40. Their daily wage would be increased by that much. They and all society would benefit. Think how vast an improvement would result if millions now producing 5 were all to begin producing 40 and really collecting it for themselves.

We now touch upon a point that may be a bit technical, but it is of great importance. When rent is no higher than it ought to be, the price of products to the consumer is not affected, but when it is possible for giant corporations to hold out of use many square miles of highly valued land, this monopoly power increases not only rent but the price of everything they have to sell. Imagine the power an aluminum company possesses to keep the price of its product up when it owns most of the best sources of raw material that go into the product. Much of the timber land in the west is held by a very few enormous companies. All these people have to do is stick together and they can make the price of home construction beyond the reach of the man who does the real work in this world.

It is true that the price of an article is not affected by rent if that rent reflects the true value of the land, but with the power granted by the State to hold large areas out of use, where can any true value be reflected? All rents are higher than they should be, and in consequence this has an effect upon the ultimate price of all things to the consumer. It is a vicious spiral downwards for the many and upwards for the few.

If it were possible to break the stranglehold of this land monopoly there would no longer be any need for labor unions. What we want is a condition where there are more jobs than men and a condition where a man gets what he really produces. All this business of labor organization would be out the window. No one would have to depend upon a union to help him get his rights. His rights would be written into the law of the land and in a free economy he could jolly well refuse to work for any one who would not give him his just reward. Moreover that reward would be so far in excess of anything that the C.I.O. even dreams of gaining for him that all labor organization both good or bad would be just so much wasted energy.

In our present economy who pays the bill when the labor union gains its way? Break it down. If you are in favor of labor unions and feel that there is no salvation unless labor has the power to bargain collectively, stop and analyze the problem. With the margin of production far down the scale and with wages relatively low; with land values barring the way to private enterprise and making men dependent upon those who own the land for a right to even produce at all; what good does it do to labor as a whole for one group of laborers to organize and demand higher pay? If the pay is granted, the increase is simply added to the cost of the products of labor and all the people have to pay more for the finished product.

When the price of the finished product is increased what effect will that have upon the demand for that product? Certainly not to increase it. On the contrary it tends to diminish the demand and eventually to give the laboring group thus organized less work.

Please do not misunderstand me. I am concerned about the laborer. That is why I say let us give the laborer what he really deserves. When we decide to do that the laborer will have so much more than he ever dreamed of having that all the bitterness and bloodshed that has gone into strikes and lock-outs will be a thing of the past. Would that or would that not be a spiritual triumph for mankind?

Our General Assembly finally went on record last May in support of Labor Unions. It did so without realizing that there was an infinitely better way to give labor its rightful share. In doing so it gave sanction to the fact of conflict between two classes of men, both of which are members in the Christian church. It granted the fact that this conflict was inevitable but I DECLARE THAT THIS CONFLICT IS TOTALLY UNNECESSARY. It is the direct result of the power of one class to grind another class into the dirt because we, the public, have sanctioned the principle of private ownership instead of private use of land.

Here, as Winston Churchill says and knows, is the mother of all monopolies. When a few corporations can buy up all the oil lands and keep vast areas out of production they can limit their output and up their price, automatically curtailing their own market but collecting such fancy incomes that they need not bother to produce one fifth as much as men might actually be willing to consume if they had a reasonable chance.

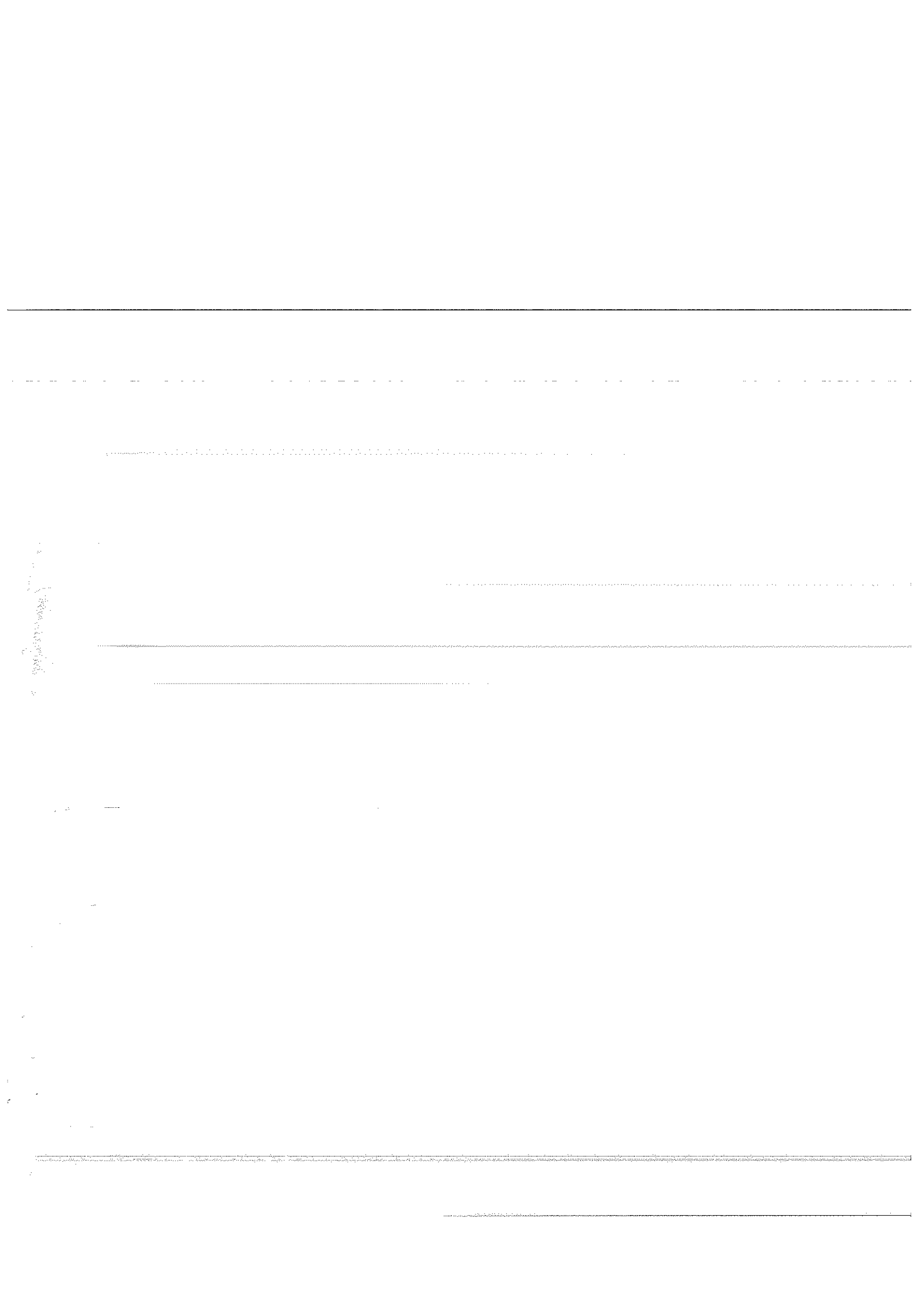
But you may say perhaps men would consume all the oil in one generation! As if we were not trying to do that in this war and killing the flower of every nation off in the process! Had we taken care of this monopoly in land and had the people enjoyed equal access to the land, war would be the farthest thing from the thoughts of men. Wars are cooked up in the warped brains of men who see the power of land monopoly to make them gods upon earth that all other men may bow down and worship them.

Look at Hitler. What he wanted was the fertile plains of the Ukraine, the coal of the Ruhr, the oil of the Balkans, the ore of Sweden. With these rich resources under his control he could with wages so depressed get men to work in those rich deposits and by producing 1000 each per day he could pay them 10 and take the rest for his mad-dream, the State. Break that monopoly in land and you break the potential that breeds war or revolution. Play along with it, refuse to deal with it, and what do we get? Periodic depressions, misery, suffering, strikes, lockouts, revolutions, wars, bringing in their wake mounting debts and a host of interrelated miseries that have to be controlled and managed by an ever growing bureaucracy that threatens to become the tail that wags the dog. We play along with this land monopoly, grimly refusing to let go. We say give us our slums, our wars, our strikes, our hates, our debts, our burden of taxation. Give us all these things, but do not take away our right to own and speculate in land.

We ask our boys to die on battlefields for a country which by its stubborn willfulness refuses to drop the snake that bites everybody within its strike. To die for a country which in its paroxysms of pain twelve years ago was given the needle of state charity and the patent medicines of New Deal correctives. Because these things never can and never will stop the pain there are thousands of well-intentioned but still blind leaders itching to get their hands on the laces of the strait-jacket of Statism; and when those cords are pulled tight you can kiss your liberty good-bye forever. If you still suspect that Statism and Democracy are even distant cousins I beg you to think this problem through to its logical conclusion.

Fraternally yours,

W. L. Young



men to love, to sacrifice, and to serve. The cross has become the symbol of the Power of God to give men life. The true believer serves because that is God's will for him but God would have him sacrifice and serve that all His loved creatures might have LIFE. Sacrifice and service, and the spirit of Christ-like love which prompts these, are the ultimates in value. Christianity uses the cross as a symbol to remind men that true life lies along the paths of love, service, and sacrifice.

Jesus said, "Seek ye first the Kingdom" but He did not stop there. He continued with a very important "and." He saw the vital connection between the individual sacrifice and the attainment of life,--rich, abundant, free. First, said Jesus, establish righteousness, and then all these things shall be added. The plea of the social gospelers is always in that order. Yet they are always being accused of being concerned with mundane affairs. As if this were not one world and so much a mixture of what is often called the spiritual and the material as to make it impossible to determine where one begins and the other ends! Jesus was a true Jew in that he thought of all life as religious. He never separated the spiritual and the material. It was all God's world.

An intelligent understanding of the law of rent will result in the self-interest of the majority asserting itself, prompting men to put a stop to this unnatural flow of unearned wealth into the pockets of the land-owner, and to pipe it with more regard to equity into the pockets of all who deserve a share in its distribution. The selfishness of the few must give way to the self-interest of the many. It is futile to scorn the factor of self-interest. It is realistic to harness it in such a way as to make it serve the best interests of all.

But we have by no means told you the worst about the operation of this law of rent,--perhaps we should say the worst of this business of sanctioning the private ownership instead of the private use of land. We are now about to speak of the two things that we permit in this world which make us fit subjects for the insane asylum. Wasn't it George Bernard Shaw who remarked, "If the other planets are inhabited surely the earth must be the lunatic asylum of the universe?" When the palpable folly comes over me of our permitting these next-to-be-mentioned conditions to exist, I always shake my head in uncomprehending puzzlement at man's low mental estate.

Two things are dead wrong. 1. Our allowing men to speculate in land. 2. Our insistence upon taxing commodities and improvements made on land to defray the costs of government. These two things may not seem to be closely related at first. We shall see, however, that they are the two prongs of an economic pincers movement and that all but a few of the people suffer from the resulting squeeze.

You will recall that in introducing you to the law of rent I first showed that the land owner was in a strategic position to take all, even to crowding labor into the sea. Then you will recall that I said, "It did not really happen that way", and proceeded to show what took place as land was gradually taken up and poorer grades of land were brought into use. The margin of production kept going back and down and all but out. When it reached its lowest point, wages were determined by what a man could make for himself on the least productive land in use which could be had without paying rent.

Having explained the law without allowing too many complications to confuse us we will now have to say again, "It really did not happen that way!" What actually happened was that as men came to settle and take up land, they declared themselves the owners of as much as they thought they could reasonably defend. Those who arrived later did likewise, until all the land was owned by someone. The earliest settlers of America, with grandiose visions of becoming the landed gentry of the new world, often bit off more than they could chew. For a fascinating account of this, I refer you to "The History of the Great American Fortunes" by Gustavus Meyers. Having no army at hand to defend their presumed claims, other settlers frequently came in and made themselves at home. But, with private ownership of land an established institution, everywhere the pioneer went great sections were held out of use for future speculation. As newcomers came into a community, they either had to pay the full price for land of the best quality, whether it was being used or not, or they had to settle on land of lower productive capacity.

All the early settlers were smart enough to know that as population increased and progress advanced, the land would increase in value. Therefore it was the smart thing to lay claim to, or buy up as much good land as they could possibly afford. The land could lie fallow. They had all they could use anyway. But the ones who came on a later boat or who were born in later years would have to pay and pay not only the "then" value but in addition the price justified by the anticipated increased population and envisioned advance in progress for years yet to come. If the newcomers were willing to gamble on the prospects of greater progress, they could expect their land eventually to increase in value for them in the same way. Consequently, long before all land was put to use all land was taken up. Most of it was held out of use in prospect of an increase in value.

What would this naturally mean? It would mean that those who did not have the price to pay for highly valued land would have to settle on land of lower quality. It would mean that their wages would be lower, since their wages would be all they could produce in a day's work on their cheap land. Finally, when all the land was surveyed and fenced in by deeds on

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 6

My dear Friends or Colleagues: -

As I start the sixth in this series of letters I begin to realize the plight of those who write long books. There is so much to say and so little space left in which to say it. I feel impelled, therefore, to urge once more that you secure a copy of "Progress and Poverty". Though I can do little more than sketch the outlines of this picture, Henry George was not so limited. You will find his style smooth and his care in covering all details most satisfying,--should this letter still find you in a doubting or a resisting mood.

May I suggest that if you find the first part of "Progress and Poverty" too technical and somewhat verbose, you might profitably, now that you have read this hurried sketch, start with Book IV and read to the end of the volume. Having carefully analyzed the problem and having fixed the blame where it belongs, the author writes like a man inspired. I never tire of rereading this book and never do so without expressing amazement at the power of his mind to seek the answer out and to make the whole argument so utterly irrefutable. I know of no comparable example of sustained logic in the English language.

In my last letter I tried to show how the operation of the Law of Rent pipes wealth into the already overloaded coffers of the owners of highly valued land. Though the worst is yet to come and the most grievous phase of this law has yet to be delineated, I pause here for another station announcement.

We, the ministers of this age, by a ghastly error, have been lulled to indifference toward exercising our intelligence in the economic field. As a class we have fallen into the habit of generalizing about social sins. How often have I listened to ministers solve all the economic problems with a sweep of the arm and the declaration that human selfishness is the one and only cause of all our ills. Since human selfishness seems to be such an impossible enemy to conquer, the minister implies that it is forever impossible to deal with social sins. He shrugs his shoulders in effect and says to his listeners "You can see for yourselves what we are up against",--and all the people find the "Amens" sticking in their throats! Of course human selfishness is the cause of all our trouble. But for the love of truth can we not be more specific about it than that? Jesus did not deal in generalities. He dealt in specifics. That is what got Him into trouble with the authorities. "I bring you a sword," said Jesus, "and He knew what He was talking about."

I realize the power of selfishness, but too long have we swung our guns all over the horizon without using our heads to discover from what point the enemy was shelling us. That this bombardment breaks down the morale of men and drives them to evils that they would never think of committing under proper circumstances only makes our task as ministers many times more difficult than it should be. Moreover the constant barrage destroys men's faith in the effectiveness of the church as a bulwark against evil.

What outrages my sense of the fitness of things is that so many people who live on this earth are being ground down by the operation of an unnatural man-made rule which makes the game of life about as equal as a football game would be with seven husky linemen and four galloping backs pitted against a team of undernourished freshmen with galloping consumption.

There is a relation between selfishness and self-interest which we must understand. Selfishness is always bad, but self-interest is essential to life. All creatures of nature are endowed with self-interest for without it any natural species would disappear. Every man must look after himself, and his very desire to secure the most for himself with the least possible effort impels him to establish community with his fellows. If life could best be served by every man living apart from others we would all be hermits to the Glory of God, but self-interest dictates that we live together. To do so successfully requires that we master the art of living together. This calls for voluntary sacrifice and the rendering of service. Since our dominant passion is to live, religion in its purest form calls upon all

men to love, to sacrifice, and to serve. The cross has become the symbol of the Power of God to give men life. The true believer serves because that is God's will for him but God would have him sacrifice and serve that all His loved creatures might have LIFE. Sacrifice and service, and the spirit of Christ-like love which prompts these, are the ultimates in value. Christianity uses the cross as a symbol to remind men that true life lies along the paths of love, service, and sacrifice.

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What would this naturally mean? It would mean that those who did not have the price to pay for highly valued land would have to settle on land of lower quality. It would mean that their wages would be lower, since their wages would be all they could produce in a day's work on their cheap land. Finally, when all the land was surveyed and fenced in by deeds on

Our failure to distinguish between the two kinds of property, land and commodities, and our failure to see the moral principle involved in man's relation to these two kinds of property, has cost more lives in war, famine, malnutrition, and disease, than any other single blind spot in our line of vision. As men of faith, we can have our neatly packaged theory of individual salvation done up in fancy ribbon, but if we as social creatures do not realize this truth, we are still "dead in our sins." We will go blindly on, participating in the process that makes for war and desolation everywhere. All our presumed knowledge of the power of grace to flood our beings with life will be useless to redeem us from the treachery of our laziness, selfishness, or just plain stupidity, that would blind our eyes to this truth about how we should relate ourselves to property.

Because we say man has a right to own land, what happens? As land increases in value (which often runs into millions of dollars for small plots), individuals get what rightfully belongs to society. The land where coal is mined in Pennsylvania is enormously valuable. There is as much or more coal in the mountains of Wyoming, but there, it has scarcely any value. Why? Because millions of people in the East demand Pennsylvania coal. Society created the value of that land. Individuals collect it in rent. The New York Central Railroad leases the land upon which stands the Waldorf Astoria Hotel, and that hotel company had to pay one million dollars a year in rent for that block of land. No wonder the capitalists who built the hotel had to declare bankruptcy! Whether it is an individual or a corporation that collects makes no essential difference. Society, not the stockholders of the New York Central, created the value of that land. By the operation of unjust laws, we, the members of society, were cheated out of a value which rightfully belonged to us, for we created it.

Again, because we say man has a right to own land, what happens? Every so often we are plunged into a depression that is heart-breaking and life-thwarting to millions. Why? Because of the speculative rise in land values. All authorities admit that speculation in land is the prelude to depression. All Georgists declare that this is the root cause of both acute and chronic economic pain. Wherever poverty has become a chronic condition you can look and see land monopolized by the few. A sure sign of an acute attack of economic pain is the artificial rise in land values.

For instance, assume that conditions have made a good market for potatoes for two consecutive years. The story gets around that one James Ewart bought a farm for ten thousand dollars and paid for the whole thing in two years. At last, the day to buy potato farms has arrived. Men who like that sort of life go out looking for good land. What do they find? Farms like the one Jimmie bought two years ago for ten thousand dollars are now only to be had for twenty thousand. The landowner is asserting the power which his strategic position gives him. Still, it looks like a good buy. A man may have to work four years instead of two to pay off the mortgage (sometimes twenty years is considered a reasonable period) but still it is a happy prospect. As the landowner joyfully notes the gleam in the public eye, he bites off the end of another cigar and makes a thousand dollars. Everywhere land goes up in price. Land for attractive homes has been bought from land speculators in the suburbs of the city. Not having that much money, but still lured on by pleasant prospects, land buyers turn to the banks for credit. Huge loans are contracted, loans that need never have been contemplated, and to the high price of land is added the burden of interest.

It is here that the curse of interest reveals itself. Here we make the point: Take care of the land problem and the interest problem will take care of itself, because everywhere, in both city and country, high land values and hope for future returns send men to the banks for credit. Always the banks must have the best of collateral. That is natural enough, but the excessive price of land makes borrowing and interest paying necessary. Inflated land values, plus high interest payments, eventuate in a condition which sees all the would-be potato kings or what have you, saddled with debts and having to pay out such sums of money as to have very little left for furniture, clothes, education, or what they hope to have when they pay off the mortgage.

Then money becomes scarce. The market begins to sag. Families pull in their belts. Potatoes go down in price - for they are not in such great demand. Money to exchange for goods becomes more and more scarce. Suddenly a shuddering tremor runs through the whole system. Then a stock-market collapse wipes out the presumed earnings of millions. This debacle is followed by the failure of one bank after another, as their mortgages for high-priced land put them in the farming business or find them holding deeds to hundreds of fine homes. That is what happens when a man insists that he has a right to own land.

What results from our failure to recognize that what a man produces with his labor belongs to him? Government officials get their heads together to decide how to raise money to pay for the cost of government. Some canny landowners form a bloc. They insist that the government place a tax upon the products of human labor. They see to it personally that those who labor pay the full price for the use of any land they may want to use, and they, the landowners, pocket the money. Now they say, in effect, "Take away from the laborer and the capitalist part of what he produces so that we can give you, our legislators, your salaries. Government is expensive. Labor produces many things. Take a cut on all that is produced and everyone will be happy."

What is the net result? The government proceeds to tax trade, income, profits, commodities and improvements made by labor upon land. The bulk of governmental expense is collected

in this way. An army of government officials is required to collect the taxes. The more taxing there is of commodities, incomes, so-called excess profits (whatever they are), the more difficult it is to produce commodities, incomes, and those vagaries known as excess profits. Taxes on commodities are always passed on to the consumer. This always tends to increase the price of the commodity. Increased prices always tend to lessen the demand and diminish the incentive to produce the commodity, and the ultimate result is always unemployment. With unemployment stalking the land the national income drops phenomenally and business firms begin drawing on the much-despised supply of red ink.

This is a familiar picture. I insist that the reason it is so familiar is that we cling to the institution of private property in land and have failed to see the basic evil in our present system of taxation. We condone the practice of giving to the landowner what rightfully belongs to society and we give meek assent to the practice of taking, in taxes, from the man who produces that which rightfully should be his to keep, or sell, or give away as he is minded.

Thus we put our finger on the basic cause of chronic poverty, acute unemployment, and economic depressions. Our thinking people of this land, and our law makers fail to recognize or will not admit the basic injustice of the institution of private property in land, nor will they call a halt to the evil and unjust practice of taking in taxes what should rightfully be left to the producer. Refusing to be forthright in their treatment of these evils, yet feeling impelled to relieve pressure areas here, there, and everywhere, our leaders proceed to bungle the whole business of government by trying to establish artificial controls that cannot possibly control.

Confronted with the distress of millions, our Government has broken completely with the American tradition of "Hands off, - unless." It has assumed its right to declare open season on all forms of business activity. The American business man is harassed to the point of exasperation. This is largely due to his own failure to comprehend the problem and insist on its proper solution.

If I have shed many tears over this plight of the men of affairs who cry aloud against the trend toward central control, I may as well admit they have been crocodile tears. Let these gentlemen be as forthright as they demand that their government ought to be. Let them make the changes which alone will relegate government to the sidelines. If they insist upon having their cake and eating it too, they can go on expecting exactly the same sort of treatment as they have been getting from the so-called "common man". He is not quite the docile creature he used to be. He may not see what is basically wrong, but he at least has political powers and he is going to employ them until business sets its own house in order.

There seems to be a fairly genuine desire on the part of business men to assume responsibility for the post-war era. Where, in any of their plans, is there a sign that they are willing to deal with the double-root cause of all the trouble? I have seen none, though I have examined carefully their blueprints. They can expect to face the same conditions which they have always faced unless and until they honestly deal with this question of the private ownership of natural resources.

Our church has been holding its World Order workshop across the land. Where, in the writings that are supposed to guide our thinking, has mention been made of the double-root cause of not only depression and poverty, but periodic wars? Nowhere!

Is this because our leaders do not know that poverty and war are blood brothers? I scarcely think so. Is it because they have never analyzed this problem successfully and so are not in a position, as leaders in a great church, to guide our thinking? That is quite possible. Could it be that we Presbyterians have such extensive holdings in land that our spokesmen, mistakenly believing that landholders would suffer from a proper change in our rent-taking system, are afraid to speak up? Could be! God pity us! Could be!

Still fraternally and hopefully yours,

W. L. Young

NOTE: It seems necessary to state again that no one makes or intends to make any money from the writing of these letters or from the sale of any books. Costs are defrayed by individuals who give and bequeath money for the teaching of the ideas of Henry George and who entrust these funds to The Henry George School of Social Science in New York City.

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 7

My dear Friends or Colleagues:

We are now ready for a summary.

By this time, if you have been reading Progress and Poverty, you must realize the importance the author places upon careful, logical thinking. The beauty of this book is its fidelity to truth, which is never feared by the man who knows that "God is not the author of confusion."

Have you ever noticed how prone is the academic mind to use the words "Yes, but--~~no~~" Almost any discussion is plentifully punctuated with this phrase. This is because so little of our reasoning is done by working from established bases and arriving at points of common agreement by logical processes. Most forums and discussions degenerate into mere opinion swapping because the argument begins, goes, and gets nowhere. My impatience with this method of playing hide-and-seek with the truth is profound. Sooner or later we all avoid people who love an argument just for the sake of hearing themselves talk. Either we must begin with an agreed-upon premise and move logically from point to point, or we might as well stop talking and go to a movie. ✓t

Henry George begins with one very simple and well-established law of human nature, namely, that men seek to gratify their desires with the least exertion. To that we can all agree. Then he classifies the factors involved in the production and distribution of wealth. Here his logical mind separates the gifts of Nature, or God, from the parts played by man. He sees land as that which was here before man arrived; that which is here without man's having to so much as lift his little finger. Land is not wealth. Land is God's contribution in the partnership by which wealth is created. Man may only need to lift to his mouth some luscious fruit, and that small act may be all the labor involved in the process of changing that fruit from the status of land to the status of wealth,--but before it became wealth, at least that much energy had to be expended. Wealth can only be produced by the application of labor to land. Capital comes into the picture when man, by storing up a supply of wealth, finds it helpful to him in creating more wealth. It may be in the form of the most primitive wooden plow, or it may be in the form of a multi-million dollar turbine plant. The difference is only one of degree, not of kind. Any product of labor that has exchange value is wealth, and any wealth that is being used to produce other wealth is capital. ✓tr

That we should distinguish between the gifts of God and the works of man is paramount. If we do this, we cannot use the word "property" without certain reservations. There are two kinds of property; property in land, and property in things produced by human labor. When you hear man's right to private property questioned or defended, be sure your proponent knows what kind of property he means. Is he clear in his distinction, or is he muddled? Usually he is muddled.

Henry George deals most effectively with the matter of natural right to private property in things produced by labor. He declares that a man has a right to what he has produced if he has paid a fair price to society for the privilege of using the land necessary to produce it. Moreover, he says, there should be no law to deny his claim to ownership of whatever he has produced. If he has cooperated with others in producing an article, his share in ownership accords with the extent to which he was the producer.

On the other hand, it is the reasoned deduction of Henry George that private property in land, with no payment to society for its use, has no justification by any law of justice or right of nature. "The earth is the Lord's." Man is but a tenant upon this earth and each person who is born into this world should have (as equal a right) to use the earth under his feet as he has to breathe the air above the earth. He may be an Indian of the lowest caste; he may be an African, either in Africa or in America; the very fact that he is a man should entitle him to equal access to the only source from which he can produce wealth by labor. ✓an equal right with every other person

How did the idea of private ownership of land get started in the first place? It was the same in every civilization. At first the land was held in common, then certain men, greedy for profit and power, found that by claiming ownership to land and forcing other men to pay rent for the use of it, they could soon place others in the position of chattel or economic

slavery while they became the acknowledged masters. This is the story of one civilization after another. It takes just so much time for the process to complete itself, but eventually the law of rent pipes the wealth into the coffers of the landowner, and then all the evils that seem to attach themselves to so-called civilized life become apparent. Unless a man understands this fundamental principle he cannot read or interpret history with any real understanding; nor can he minister to people religiously with the necessary intelligence. He can hold the hands of the distressed victims. He can utter lofty and incomprehensible words of alleged comfort in the extremities of his people, but he is powerless to save them from the clutches of the unrecognized forces that grind them to despair. Man is victim of certain forces where his only recourse is trust in the ultimate goodness of God, and in such cases the comforts of religion are very real and necessary. But to speak words of misunderstanding in the face of understandable phenomena is a crime against the God of all truth and comfort.

When men say they believe in the institution of private property, they usually include both the ownership of land and the ownership of things produced from land. In saying this they relinquish all claim to the opportunity of sharing equally with their fellows in the socially created values which attach themselves to land. Few people who own property realize not only how much real wealth they are "done out of" by laws based on this view, but how much genuine freedom, peace, and security would result if they demanded and secured their natural God-given rights. Because they own a cluster of houses, or perhaps a thousand-acre farm, they refuse to stop and think how much better off they would be, both in the possession of real wealth and as social beings, if they insisted upon all having their share of the socially created values that attach themselves to all land. They prefer to go on believing that an individual who does nothing toward creating the values of land should have the right to collect in rent the value that has accrued, either because society chose to operate in that vicinity, or because the land harbors some socially useful substance like oil or gypsum. Although these values are created by all of society, under our present system the landowner has the sole right to profit by them.

Having analyzed the process of production and distribution, it becomes evident that the tendency for man to get the most for the least effort will induce the landowner to take all that his strategic position will permit. He will take for himself that which was brought into existence by the presence and activity of society. To such he has no moral right. Religion is supposed to deal with morality, and as a religionist I insist upon having something to say about the immorality of that procedure.

When, on the other hand, a social reformer declares that he believes in "social ownership and democratic management of the means of production, distribution, and exchange," he is saying that he is willing to turn over to the government all rights of ownership, including both land and many of the things produced by labor. If you subscribe to that principle you agree that the state should own the machines and tools used in the production of wealth and that you have no direct claim to any of the wealth you might choose to produce. This being so, the state alone will have the right to determine how much you may have for private use and consumption. This will depend upon many factors, among which your own individual power to produce, or your own initiative, will not necessarily be considered.

Again we say, having analyzed the process of production and distribution, it becomes evident that the tendency for men to get the most for the least effort will induce any individual who is thus forced to relinquish his claim to ownership of that which he has had a hand in producing, to lie down on the job and depend upon someone else to produce for him. Human nature being what it is, and this basic principle functioning as it does, the end result will be the drying up of the springs of initiative. There is no other conclusion to be reached if you let the state own all land and the means of production, distribution, and exchange. I believe religion has something to say about keeping intact the motives which inspire men to action. As a religionist, I feel impelled to warn against the inevitable decline in the sense of individual worth which would automatically result.

If we could believe that all men could be induced to work for purely idealistic reasons, we might not be so concerned about this danger. That many high-minded and cultured souls could be depended upon to do so, we do not question. The fact remains that in our present state of social development the great majority need other incentives. It is a sad commentary upon our sense of honor and responsibility that even under the pressure of global war there is a disgraceful amount of loafing upon defense jobs. This is invariably traceable to government control, which, if it were to become permanent, would result in the wholesale business of everybody letting George do everything,--and I don't mean "Henry." At least, until a long process of education has conditioned men to live in an economy of abundance, state ownership and control of the tools of production is a snare and a delusion and would eventuate in a most unwelcome form of statism which is certainly little better than slavery. For an excellent analysis of this, read Socialism, the Slave State, by Max Hirsch. The Schalkenbach Foundation, 50 East 69th Street, New York 21, will send you this booklet for the special price of only 15¢. You ought to read it, if you think socialism has the answers.

In the whole field of political economy there is no more important principle to keep in mind than the distinction between land and commodities. All men have a just right to own what they produce, but no man has any moral right to own land. And no individual, no group, no government, has any just right to take away that which a man produces with his own labor IF he has paid to society the annual value of the land he occupies, - a value created by the community as a whole.

"Various methods of application have been suggested. As to which might be best, this would depend on conditions prevailing at the time.

"Should we abolish private property in land with one stroke of the pen?..... This could be done by requiring the owners of land to surrender to the government their title deeds (but not including their titles to improvements on the land); each owner receiving in exchange a short term, or a long term, lease, for as much of the land as he might wish to put to use, and for which he would pay rent; the lease to provide for periodic reappraisals of values, and rent payments to correspond

"When this had been done the State would hold title to all land (the improvements thereon still belonging to their individual owners). And since no one would wish to lease more than he could put to use, the great bulk of the land would be freed and could be leased to whosoever might want it; the government collecting, and keeping for its own maintenance, all ground rents. This would make possible the abolition of all taxes on industry and enterprise.

"Many, however, believe it would be better to follow a more gradual program. If a slower method is to be followed the means are already at hand. It has truly been said that "the power to tax is the power to destroy." Private property in land can be abolished easily by eliminating all opportunity to make a profit by mere land-owning. Men do not seek to own land in order to oppress their fellows; they own land in order thereby to make a profit. If a policy of taxation were adopted which would make it impossible for any land-owner to make a profit, purely as a land-owner, then speculation in land would die a natural death.

"This could be done by reducing, or abolishing, one after another the many taxes we now have on labor products, and taking instead for government purposes a correspondingly increased portion of the rental value of all land, privately held, whether used or not. This process to be continued until there were no taxes of any kind whatsoever, excepting a tax on the fund realized by collecting the full rental value of all land privately held, which fund would rightfully belong to all the citizens.

"This taking of ground rents by the community is frequently referred to as a tax. This has given the program the name of "The Single Tax" since this then would be the only source of public revenue. Actually, however, it would not be a tax at all; it would be the payment of the rent of land to the community instead of to individuals.

"If this method were followed, land titles could still be held, as now, by individual owners, but the final result would be the same as though the titles were held by the State, i.e., no ground rent would be left to any land-owner, nor could he profit in any way by the mere owning of land."

Under such an arrangement unemployment would vanish. Large land areas held out of use would be put into use and the margin of production would go up, bringing with it higher wages, lower prices, and increased returns to capital investment. Monopolies would be dealt a death blow. Efficiency would determine the size of a business organization. The final result would be to banish poverty and to make men free and independent at the same time.

The indirect results of such a condition would be to empty jails, ease the nervous tension of modern life and cut down on heart attacks and cases of insanity, allow families to assume care for their aged members, eliminate all but a trickle of charity and return it to private agencies where it really belongs. Leisure and wealth would be increased and education would flourish. The arts would be enriched and it is my firm belief that the churches would begin to fill up with glad and eager worshippers. It would be easy to believe in the goodness of God and the bitterness and cynicism which marks our age would disappear.

If, in this now shriveled world, we could demonstrate the power of these proposals and other nations could be induced under our leadership to try the same methods, how could war ever again appeal to any nation? With land available and freedom to trade and exchange without hindrance of tariffs, we would see the wealth of India being consumed largely by Indians and the wealth of America being consumed by Americans. This insane passion for foreign markets while local citizens starve would be a thing of the past. Only that trade which would advantage a people would be indulged in and if no barriers were up there would never be cause for friction. Is not the achieving of this sort of a world the business of ministers

quoted from it

of Christ? How can men be so blind as to say that we must deal with "spiritual" things and then assume that such dreams as these are ruled out because they are not spiritual but material. What folly!

Nothing perplexes spiritually minded people more than the problem of how an industrial civilization can provide security and freedom, both at the same time, for all its citizens. During the Thirties when the needs of millions became acute, "security" was the word on everybody's tongue. Now that certain unsound methods of gaining this security have been worked out, the reaction has set in, and everywhere you hear men deploring our sacrifice of basic liberties.

A strange paradox manifests itself in the reasoning of liberals and conservatives alike. It would be amusing if not so tragic to watch these two types of thinkers turn flip-flops in their efforts to deal with this perplexity. Their failure to understand clearly the "why" of poverty or the "how" of its abolition finds them demanding either a modus operandi that aims at security at the expense of freedom, or freedom at the expense of security. Here is where you will find the war of ideas being fought today.

So-called liberals have insisted upon the most stringent governmental controls, which, when imposed, produce a condition precisely the reverse of what a true liberal should really want. Then, suffering a loss of liberty, the conservatives set up a cry for a restoration of basic liberties. Thus the liberals cry for restrictions and the conservatives cry for liberation. Funny, isn't it? But it is all due to the fact that neither group realizes that there is a way to provide security and at the same time guarantee freedom to all men.

As the law of rent operates to give an unfair advantage to the landowner, wealth is stored up in land values and great money-clots develop in the blood stream of the body politic. The doctors of society, not willing to admit their basic ignorance of the law of rent, blame our troubles on individualism and private initiative. They declare that the failure of our civilization can be traced to the liberation of the individual that followed the Renaissance and the Reformation in Europe. Or they indulge themselves in what sounds like some profound reflections upon the failure of our spiritual motivations,--intensive cultivation of which, they say, will alone enable us to keep abreast of the rapid strides made in the physical sciences.

Other men, not spiritually minded at all, conclude that we must learn to submerge all individual impulses so that we can all fit into the scheme of some man-conceived plan of living. Hitler insisted that what men needed was complete uniformity to some one consistent pattern. He and his breed would see that the pattern was cut and it would remain for the citizen to adjust his life accordingly,—or else!

Such men are afraid of freedom. They do not believe in it or trust it. They say man has proved that freedom in this world leads men up blind alleys where assassins lurk. They say we must resort to collectivism in government, to authoritarianism where the individual is merged into one vast mechanism known as the state.

It is high time that Christian ministers denounce all attraction for this philosophy. This is the philosophy that breeds persecution for the Christian Church. I declare that the spirit of man thrives on freedom. It is the one pearl of great price for which men will sacrifice their lives. It is the glory of our religion. Our Gospel is designed to give men the power and the wisdom to conduct their lives sanely in the atmosphere of freedom. The all but total eclipse of understanding of the law of rent finds us dragging into court our best friends and accusing them of tyranny because they were in the vicinity when the crime was being committed. They stand helpless before a confused and angry court because the criminal is a clever rascal and has "framed" them that they might suffer for his crimes. In a world where men have decided to control the law of rent these two suspects at the court of justice will be revealed as heroes and not as criminals, and for the sake of the welfare of millions, it is our business as Christian ministers to see that the good name of freedom and the reputation of individualism are not destroyed.

Fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 8

My dear Friends or Colleagues:

Now we are ready for the remedy. We set out to discover the cause of poverty. We reviewed the operations of the factors in both the production and distribution of wealth and found no cause for poverty on the production end. Land and labor, together with the help of capital, could easily produce all that man could possibly require. We noted that wealth once produced is distributed in rent, wages, and interest and since rent is controlled by natural law it takes its share of production regardless of the amount left to interest and wages. Wages and interest were balanced off according to well-defined processes which automatically protected each from the other. No automatic controls were found, however, which made certain that rent would not take more than its just share from wages and interest. As land was held out of use for speculation and as increased population and technological improvements impelled men to use more and more land, the quality of land in use went down and the amount of money drained off in rent and reflected in high land values went up. Since land is limited in supply and since certain land areas are especially desirable for production and exchange, the values of these lands become very great and to use them men have no recourse but to pay exorbitant sums to the owners. As these sums represent values that were created by the community and not by the individual landowner, here is the prime source of economic maladjustment.

Let us now warn against a common reaction. Either this IS the cause of poverty or it is not. We say it IS. We say this is not just one of many interesting analyses of economic life; we say this is the only analysis that properly explains the fact of poverty. Show us a nation where poverty is grievous, and invariably a check of land ownership will reveal the concentration of land in a few hands. Gradually we in America are repeating the process that has brought poverty, war, and agonizing death to European States.

To explain poverty, so many possible reasons have been broached that folk get the impression that many things must be wrong, and that for us to indicate one cause and say "Here is the major evil," is to over-simplify the problem. To me the inertia of these over-educated believers in many causes is tragic.

We need to return to the status of the frontier where land was free and abundant. There men lived and worked on equal terms because no one could take an unfair advantage of his fellow. There, despite the fact that commodities were not being turned out by mass production, all men had plenty to eat and to wear. Wealth was distributed according to ability and initiative. There were no vagrants begging from door to door. No one had or needed to have any sympathy for a man who would not work, for failure to work was the only excuse for an able-bodied man to be destitute. There were no very rich and no very poor and the atmosphere of community life was free from the curse of class consciousness which curdles in sour cynicism. Life was wholesome and healthy and every young man knew that his industry would be rewarded generously. There was a healthy, vigorous spirit of freedom and a sense of security in living that has become part of the romance of days long since past. But we can have those days back again. It is my firm belief that to deal wisely with the law of rent would be not only to secure the abolition of poverty but the liberation of the human spirit.

Let us remember that a vast, complicated system of trade and exchange has been developed on a world-wide scale. This intricate system, when left to its own devices, sensitively adjusts itself to an endless variety of unforeseen and unpredictable conditions. One area, say, suffers a severe drought. The failure of that area to produce a certain product shifts the market elsewhere, so men's needs are met without benefit of commission or bureaucracy. Or, a new invention is suddenly brought out and an entire industry is affected. Soon the old methods are abandoned and the new idea prevails. No one has to be consulted and no one gets excited. Conditions demand change and the change is swift and inevitable. In our present rent-taking system such situations produce real hardships at times, but with rent intelligently collected by the community, such losses, though regrettable, would not be tragic. The stellar minds of this generation, thinking our trouble is the natural result of industrialism, can recommend only a planned economy which will only serve to block progress by stifling initiative. In such a state men will turn from concentrating upon productive enterprises to pulling wires and fawning hypocritically upon those who have more power than it is ever safe to give any individual.

At the beginning of our series we spoke of the inevitableness of the law of rent. We said it was bound to operate, whether we liked it or not. That it does operate the world around is a certainty. Every community, regardless of size, is affected by it. Where four corners meet and a store is located on one and a gas service station on another, the land on the two remaining corners is worth more than it would have been had all corners been vacant.

As population about these four corners increases, certain community services must be rendered. Water systems, sewers, pavements, post offices, schools, and libraries will be needed. As these are established land values increase. The attractiveness of the community will be enhanced and the population will grow. This process will result in a parallel increase in land values, the rent from which will be sufficient at all times to pay for the increased cost of community life. Thus a natural reservoir of value is created automatically as a community grows. This reservoir of value, socially created, is now turned over to private landowners. Then, not having any funds with which to pay for all the services to be rendered to the community, a tax is placed on improvements and commodities, and so is begun the process of taxing out of existence even the power to produce.

Should we agree to take for society this increment, which society creates and which the individual does nothing to earn, and to use it for the payment of all government and community expense, we could repeal almost every other form of tax or license and say to men, "Now go to it. Whatever you produce by your labor will be yours. All we ask is that you play fair with the community as a whole and pay your fellows for those values which they as a body collectively and automatically create."

By so doing we could dissolve most of the commissions, bureaus, and armies of tax collectors. We could say to thousands of lawyers, who will be needed for other things pertaining to the law, "Quit wasting your time fussing with income-tax blanks which only make liars out of everybody, and get in there and referee the kind of matters that are worthy of your talents." We could say to countless government employees, "Go out and get yourselves jobs at worthwhile and constructive enterprises." Moreover, with land available on equal terms, there would be no fear of the government officials thus catapulted out of office or position being dependent upon the state. Everyone would have equal opportunity to use the land, in town or country, without having to pay some land speculator a prohibitive price. With everybody busily engaged in producing wealth or serving in some needful way, all society would be greatly benefited.

But just how will we go about this business of re-ordering our affairs? Often those who read Progress and Poverty say, "But I don't clearly understand how all this is to be accomplished." They read the Chapter on "The Remedy" and are puzzled because it is not more clearly outlined. As a matter of fact, the remedy is so simple that you cannot make it difficult even if you try. Still, most readers need a clearer blueprint for action than that presented in Progress and Poverty. Here I turn to a new book, Economics Simplified, by Bowen and Rusby. The chapters in this book dealing with the remedy and the effects of the same are exceedingly helpful. If you have misgivings as to the soundness of this whole argument, do not dismiss it without reading this helpful book in full. I quote at some length as follows:

argue the point and, though thorough-going Georgists are usually inclined toward private management of public services, some even arguing that the postal system could be more efficiently operated by a private corporation, still, there are many who incline toward public ownership of such services. In either case, let us remember that a tax on land values and the lifting of all other taxes would tend to increase wage levels and tend to reduce the prices of all things used by the service companies and by all their employees.

It is well to remember that whether a man operates a business service or is a producer of wealth, he must live on land, eat and wear the products of land, ride in a car that certainly was not made of ether waves, and dwell in a house that was once part of a forest or a field. On all of these things he pays and pays and pays. Into the price of the service that he renders must go these charges. Take them away and his service will be available at greatly reduced rates with no penalty to himself.

Here is an electric power company. It owns little land but has power plants and a network of wires covering the city. Still, all its equipment is taken from the land. Its employees live on and from the land. In addition, the sum total of things used by the employees and the corporation is taxed, all of which must be added to the ultimate price of the electric power. Under our present system, charges are what they are largely because of the toll of spurious rent paid in a thousand ways. Let all rents reflect the true value of the land, let society collect these rents and remove the burden of taxation from commodities, and the result will be that prices everywhere will fall, bringing with them cheaper rates for all public utilities.

Here is a bus owner. His franchise is free, and rightly so. If we charged him for it, he would simply add it to his fares. He renders a service, using public lands to do so. His buses are expensive, and the amount of land used in their construction, when you remember all the people who make them and use the land in a multitude of ways while doing so, is almost incalculable. Into the cost of these buses go the high prices caused by our present system of inadequate land-value taxes and excessive commodity taxes. Under a proper system the cost to the public for bus travel would tend to be less.

It is well to bear in mind that there is nothing in the nature of such service companies which gives them a strangle-hold on the public that cannot be controlled rigidly by commissions whose business it is to see that the public is not robbed. The argument pro and con as to public ownership or private management may be settled locally and as experience directs.

There are other forms of monopoly which are similar to monopoly in land. For instance, a limited number of radio wave-lengths exists. Considerable dignity is attached to the commission which makes major decisions and grants franchise rights in this business. One thing, however, this commission has failed to do. It has failed to deal effectively with the element that leads toward monopoly rights. A wave-length recently sold for over \$400,000. Here is a form of monopoly precisely the same as the monopoly in land. What made that wave-length valuable? The millions of people living within its power radius. Who collects? An individual corporation. Here is a lucrative source of revenue, which if collected by and for the government, would prevent one group of citizens from taking unfair advantage of another group.

Wherever monopoly tends to develop, the principle of taxing the potential monopoly is a sound principle. In doing so, we protect the natural rights of the individual citizen.

I do not want to close this series without mentioning certain groups and indicating how this "social magic" would affect them.

THE FARMER is easily frightened away because he thinks this is a tax on land. It is not a tax on land, but a tax on land values. Some farms, being sub-marginal land, would be entirely free from taxes of any kind. Farm land is not valuable land, and taxes on farms would therefore not be very great. The farmer earns his living by hard work. He is a wealth producer. As such, he would come into his own, receiving high wages for his labor. In this case we understand wages to be what he earns during the year and what society allows him to keep. He is now taxed for everything he uses,--tools, machines, clothes, cars, houses, barns, fences, etc. All these taxes would be removed and he would be a free man for the first time in a hundred years.

THE SMALL BUSINESS MAN with little capital but eager hands would have easy access to land sites. The price of land, which now prohibits him from starting a business, would be removed. It would be as if a magic hand had let down bars that have been keeping men away from the proper use of land and land sites. With millions of returning soldiers, this is our only reasonable solution. Moreover, we might discover that a small business could perform a service, or produce and distribute goods, more efficiently and more reasonably than many large corporations which tend to become unwieldy and inefficient as they grow larger. Efficiency would be the test of survival. No longer would artificial man-made regulations give an unfair advantage to any individual or corporation.

THE WEALTHY would remain so. In such a system capital would not lack opportunity any more than labor. Interest rates would increase as wages increased, since they in normal times tend to rise and fall together. The opportunity to get a strangle-hold on others would be gone, and no one could garner what another's labor had produced, but no man with ability would find life difficult.

THE LANDOWNER would be far from ruined. If his holdings in land were extensive his status would change, but all landowners own things in addition to land. Buildings, stocks, and factories usually comprise the holdings of great landowners. These are all of great value, even though the land would no longer be of value as such. Should he own only land, he still would have the privilege of using all he could retain on condition that he use it and pay the required ground-rent.

Unemployment, as in our present system would cease to exist, except in the rarest of cases. If land sites in city, farm, mountain, or forest areas were made available on equal terms to all comers, all life would undergo a great shifting process. The ingenuity of men and the increasing demands of a quickened economic consciousness would react in a thousand ways to give men work.

TRUSTS AND CARTELS would have the struggle of their lives. Because they know this, they will fight this reform with all the power at their command. They will encourage fascist black-jack methods and pollute and befoul the ideas of press and radio in order to keep this reform from becoming a reality, but surely it is our duty to defend a reform so simple and so just.

WARS would be forever unnecessary in a world where men in all lands had learned to pay and pay fairly for whatever part of the earth they chose to use. As population in all lands doubled and quadrupled, the rent for land sites would be increased in proportion to the advantages that increased population might create. No stress or strain would result. If trade were free and no barriers were erected to disadvantage one people at the presumed gain of another, the differences between nations would be practically non-existent. Democracy would become universal, and the difficulties that true internationalists face in working out plans for a Federal Union of all nations would disappear.

RACES would be free to seek the company of their own kind, and thus there would be no fear of prejudice or inter-racial strife. Land, the one thing men have always fought over, would be accessible to any and all on equal terms. If one race wished to associate with another, it would be purely a matter of personal taste, and the confusion of the so-called race problem would be dispelled. This is not a social or a religious problem; it is an economic problem. Indeed, it will be found that the cause of most of the headaches of the spiritual leaders will be removed when the economic base is properly adjusted.

This is the magic that Henry George dared to declare. It is no more fantastic to believe than what has actually happened; that we could in five years dig out of the soil two hundred billion dollars' worth of wealth, put it together, and use it to blow into oblivion the principal cities of Germany and Japan, to sink their navies and destroy thousands of their tanks, guns, aeroplanes, and merchant ships. We can believe in our ability to accomplish this destruction, but we go blind in our imaginations when it comes to believing what might be done positively toward ministering to life and all its needs. When the statisticians figure out how many schools, libraries, hospitals, ten-thousand-dollar homes, and fifty-million dollar colleges this war might have bought, we will nod understandingly, but then will say regretfully, "Yes, but we could never have secured those things in a million years without the pressure of total war upon us." For shame! We could, by working as hard in the next five years dig out of the earth and put together the same amount of wealth, if we were not so blinded by our familiarity with the back-alley way of living.

I have been told by a noted religious leader that all this is "remote from the Gospel." Then is it all right for a few people to hold all this land out of use? Is it all right for millions to starve while the earth teems with wealth? Is it all right for nations to become embroiled in a world war every few years and bring misery and death to millions? Are these things to be allowed to continue? When someone ventures to suggest that a little common sense could eradicate these evils, because that person is a Christian minister and has a flock to tend, his critics claim he is dealing in something that is "remote from the Gospel." I thought I knew the meaning of the word "Gospel." I must have been misinformed.

If there should come into your study a man in desperate circumstances, whose family was in want and whose mind was distraught with the burden of his responsibility, and if you knew that you could help him find steady work at good pay, what would your understanding of the Gospel indicate that you, a Christian minister, ought to do? Would this opportunity to serve his need be "remote from the Gospel"? Would you turn him out and lose yourself in a copy of "The Christian Century"? Even the most bitter and vindictive critics of this letter series would be ashamed of themselves if they did. Where, then, is their imagination? If it would be their duty in such a specific case to lend a hand, is it not their duty now to see that those principles which make for human betterment be taught and built into the law and system of the land? What good is the church if it is not effective in organizing the thought of society, in encouraging men to institute just and fair practices in the personal and social areas of life?

Are we going to allow the conditions which we have seen operative in Europe to prevail in America? There is little evidence that we have realized what caused the misery in Europe, and little indication that we are going to sidestep the same fate. The tempo of history is more rapid than we imagine. We have but a few brief years to set our affairs in order. It is getting dark in America, even in this time of so-called victory, a victory that for lack of knowledge and understanding is about to turn to ashes in our hands.

Fraternally yours,

W. B. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

Letter No. 9

My dear Friends or Colleagues:

"Henry George believed in magic,--social magic." This is the disparaging comment of one professor in a recent book, a professor who, in another part of the book paid tribute to "the hard common sense of the philosophy of wealth" as championed by Andrew Carnegie.

To many it seems incredible that a formula as simple as that of taxing the values that attach themselves to land and untaxing all improvements and commodities upon the land could produce such phenomenal results as I have so insistently declared. But best of all, we need make no fundamental change in the method of assessing or collecting taxes. The system now in operation is entirely adequate. Since they would not fix the assessments themselves, assessors need be no smarter than they are today. Just as land today is evaluated by the careful calculation of the buyer as he exercises his "hard common sense" in deciding how much he can afford to pay, so would assessors be guided in fixing correct estimates as to what land is really worth and what rental rates should be levied.

It would be as simple as waving a wand, but the results would be every bit as amazing as anything Houdini ever did. Almost instantly the system that has given us so much pain and anguish would begin to revive like a sick body when the crisis of the disease has passed. New strength would begin to flow through the whole system. Nature would gradually mother us back to health.

We do not claim the impossible. We would begin, weakened by long stretches of poverty and the almost incomprehensible debts of past wars. The obligations of the past must be paid. But if we settle on this simple formula we will be in line for one promotion after another until eventually there will be no poverty anywhere and the echoes of wars and revolutions, race riots and labor troubles, will die away in the nightmarish memories of 1945.

If given a reasonable chance to produce results, this formula would in a few brief years make accessible to man so much land, now barred from use, that it would be equivalent to waving a wand over the Pacific and without human effort having an area appear half way to Hawaii filled with good tillable soil, well supplied with forests, minerals, river basins, and waterfalls. The amount of land that would be released for tillage, mining, power sites, or timber cutting would be as much as if we had discovered a whole new continent as large as the area from the Mississippi River to the Pacific Ocean. I grant you this is conjecture verging on the fantastic, still it is something to ponder.

The process by which we claim these results might be achieved is as simple as that of pushing in the clutch, adjusting the gearshift, and easing down on the accelerator. But before such simplicity will be accepted by the unthinking masses, the mentally and spiritually alert minority must agree that both speed and momentum will be achieved by this procedure. It would only require agreement among 5% of the thinking people in this country to result in a wholesale adoption of this simple formula, and no new or radical departures from the current mode of doing business would be required. This would require no fundamental change in the ordinary habits of men, while communism and socialism would alter every basic procedure of business and would give politicians a brand of power that never fails to backfire, since fascism invariably sets in long before an economic democracy is achieved by those systems. Witness the plight of Germany and the constant cry that Russian communists must resort to purges just as the Nazis did.

The first evidence of returning health would follow the release of tax pressure in some areas and the increase of tax pressure in others. In some instances the tax bill would jump incredibly, while in others it would be amazingly reduced. A vacant lot, now almost exempt

from taxation, would be taxed as much as adjacent lots in use. Owners would either have to use the site or get rid of the obligation to pay a disastrous rate. Thousands of acres of oil, copper, timber, or coal lands now being taxed at low grade agricultural land rates would suddenly become live revenue-producing areas as men began to bid for the right to use them.

In West Virginia today, coal lands might be owned in ten-thousand-acre sections. These lands might be rich in bituminous coal, but might now be taxed at the rate of only five cents per acre, in spite of the fact that the owner would not sell the section for a million dollars. When taxed according to the real value of the property, the owner would have two alternatives. He would begin to use the land, or he would be compelled to let it go back to the State for taxes.

In New York City recently a man bought a lot near Radio City for two million dollars, but it was assessed at only half a million dollars. Assessments are frequently as inconsistent as that. By the time he had paid for his land and erected a building (for which service he would be pounced on by the government and made to pay a fine to society for giving work to hundreds), he would have to own some very valuable land in other spots to be able to stand the pressure at all. Under the system we advocate, the man would pay a fair price in annual ground rent for the value of the lot, and in this case it would be a tidy sum, but once that was done he would be all through paying taxes.

Most people do not realize the great number of hidden taxes that are paid with purchases of goods. The New York Sun of Jan. 11, 1941, listed the following:

- 126 different taxes on a pair of shoes.
- 78 different taxes on a quart of milk.
- 148 different taxes on overalls.
- 191 different taxes on a fence.
- 142 different taxes on a plow.
- 154 different taxes on a cake of soap.
- 201 different taxes on a gallon of gasoline.

All of these are passed on and accumulated as the process of production and distribution unfolds and must be paid by the consumer. It is estimated that one-third of an ordinary income is spent in taxes. For the most part, this is the kind of tax that acts as a brake to the process of production, - taxes on incomes, bread, gasoline, drugs, clothing. The list is endless. In passing a recent law, an oversight resulted in the legislature forgetting to write umbrellas into the law, thus they went tax free. We congratulate the umbrella industry upon being forgotten. The sun must have been shining the day the law was drawn up.

We have insisted that it is right and just to ask a man to pay what a land site is worth. All economists agree that a tax on land value cannot be passed on to the consumer. This is chiefly because the amount of land is fixed and man's labor has nothing to do with its supply. All objects of wealth can be increased or diminished at will, but not so with land. It may be somewhat difficult to understand, but all authorities agree that land-value taxation is borne by the landowner and by him alone. We simply state the fact, which is all-important when it comes to the final effect on prices.

Remember technocracy? Its advocates declared that it was the price system that would have to go. They believed the only way to cash in on the technological improvements was to clamp tight controls on prices and have all economic activities planned by engineers. When that day comes, kindly count me out. Such talk is illogical jargon. Prices are what they are naturally. If we tax land and commodities, prices are on one level. If we collect ground-rent on land-value only, prices will be on another level, and one that will greatly advantage the masses. ?

Now, we must say a word about the other-than-land types of so-called monopoly. Here we can lay down some very simple rules, and be guided accordingly. For the most part, many business enterprises that appear to be monopolies are not monopolies at all, but service institutions. I refer here to postal systems, power, water, and gas companies, telephone and telegraph systems, bus and railroad organizations.

Land is not a major item in the operation of many such service companies. Service to the public is the chief characteristic. It is often imperative that the system rendering the service be a unit. It is here that the similarity to a monopoly appears. A dozen communication systems across the country could be a great nuisance. A hundred postal systems would be intolerable. Each city must have one water, one gas, and one electric power system. But which one? Which is to be blessed with the franchise right? Should such a company, because of being granted that right, bleed the citizens of a community with excessive charges?

Socialists argue that city-owned water, gas, and electric companies often give service at greatly reduced rates. Believers in private enterprise claim that such socialistic organizations tend toward inefficiency and that the apparent gains are ultimately swallowed up in the resultant poor service. There are many reasonable arguments that favor public-owned and controlled service systems, not the least of which is the tendency toward graft and corruption that seems almost unavoidable as the profits or losses of private business enterprise are affected by decisions of government officials. There seem to be advantages either way you

The Henry George School of Social Science salutes you! It stands ready to help you teach class after class by supplying lesson sheets and teaching helps free of charge. Supplies for a course of ten lessons are yours for the asking. There is an excellent teacher's manual. It contains examples and answers to all questions which are presented on the lesson sheets. These sheets are given to the student to guide his study of the text. He reads the assignment in the book and writes down the answers to the questions before coming to class. The teacher has the manual before him and cannot go wrong on the answers. After a little practice the manual may be set aside. The answers are just a matter of sound reasoning anyway. Books are available for study by the students. They are billed to the teacher by the Robert Schalkenbach Foundation at a 50% discount. (No profit here except for the teacher.)

If you are intrigued and would like to see a manual, the school stands ready to send it free of charge. Just check the item on the enclosed card. The manual usually sells for thirty-five cents. When classes are graduated certificates will be supplied. In every class there will be a few who will be so thrilled that all your efforts will be well repaid. In time you can fortify your own understanding and that of your people and I am confident that it will be a rich and rewarding experience for you.

The first class I ever taught was in a former parish. When I came to Batavia I decided to try an experiment. Instead of using the pulpit as a place to air my views on economics, I determined to teach a series of classes during the week. Gradually I developed a number of people who built themselves around me and acted as a sort of protecting film when areas of friction developed. It has worked beautifully. There are now many people in this church who know this philosophy to be "the answer," and they will defend me when I am not present to defend myself. We have dealt with economic and social problems in a straight-from-the-shoulder manner. I no longer need to tell my people what is wrong. They study the material, come together and tell each other. Very little opposition now manifests itself. When it does, it is ineffective. I cannot emphasize too strongly that almost any game can be beaten and the game of beating conventionally-minded people is a game that must be beaten in the churches in America.

There are a few books that I feel impelled to mention before closing. Louis Wallis is the author for the modern minister who recognizes the worth of Henry George. His books, "God and the Social Process" and "The Bible is Human," especially the latter, are most revealing. He shows the connection between land ownership and the development of our great religion, tracing the course of the Israelites from a nomadic tribe to a people whose struggle against the evils resulting from private ownership of the Land of Canaan is to their everlasting glory. A corrupt religion, Baalism, had been developed to give sanction to the evil practices that inevitably grow out of land ownership. The purity of Israelitish faith in the righteousness and justice of Yahweh was partly the result of a background of free desert life where God and Justice were closely identified. The struggle between Baal and Yahweh was a struggle between two social systems, one already corrupted by land ownership, the other in the process of being corrupted and not knowing why the righteousness of Yahweh, known of old, was departing from the social life of Israel.

I have also had much help in reading John MacMurray, although he never mentions land or Henry George. He may not be familiar with the theory, but he certainly does have a theology that is right for our modern world. His "Clue to History" and "Creative Society" are treasures of insight and truth. I have garnered literally dozens of sermons from these books.

In closing, let me say that I have written these letters as a sort of testimony to what I feel is our only means of deliverance. In writing to ministers, I take faith in Jesus for granted. Some of my readers have assumed that I wanted to put Henry George in His place. That is ridiculous. Henry George was an economist, an analyst, and though his findings square up absolutely with the teachings of Jesus, it was Jesus who died that men might love God and one another. To love each other we must begin by being fair and just, and there is one great injustice that damns and ruins life everywhere. Then let us be up and doing that this evil may be forever destroyed.

You may ask, who is paying for this campaign? I reply, people who believe in Henry George as we sincerely hope you will be led to believe in due time. For your patience and for the many kind responses to this effort, I sincerely thank you all. If my letters have been helpful and you wish to have a bond with those who believe in this remedy, I would welcome a word from you. I shall now retire to the privacy of my parish, which you may well imagine could stand a larger share of my attention. My people have been amazingly considerate and have watched the progress of this campaign with much interest. They are to be thanked for their sacrifice as are also the members of the Board of Trustees of the Henry George School for their support and their generous cooperation.

Should the Henry George School be operating in your city - Boston, Chicago; Hartford, Kansas City, Los Angeles, Louisville, Newark, Omaha, Philadelphia, Pittsburgh, Seattle, or St. Louis - why not make yourself acquainted with its ^{? how} personnel? America is its campus and true Americanism its platform. We do not mouth fancy words about freedom. We show why freedom slips from our grasp and how it can be restored. We do not indulge in hypocritical orations about equality of opportunity. We show how man may progress by establishing true "justice in equity." True spirituality will be found among its leaders. Teachers work on a voluntary basis and beg for the chance. It is a veritable passion with many and should in time become a passion with all of us.

Always fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 10

This is the last letter in our series. I have sketched the bare outlines of the analysis of basic economic processes as revealed by Henry George. That this analysis has been discounted by the conventional economists is one of the strangest enigmas of modern education. It is well to remember that in this field the seeker for truth must be able to think for himself. There are some branches of learning where truth is eagerly desired by all who seek it or plan to use it, but in economics there are powerful and influential people who prefer to have falsehoods accepted. They control most of the regular channels for the dissemination of information. It is little wonder that so few ever come to a knowledge of the truth for relatively few people are willing to think for themselves.

Naturally we in the church depend upon the writers of current books and periodicals to keep us informed. The average minister leans heavily upon the men at journalistic headquarters for information. But, what if those men have never seen this particular truth? That such is the case is all too obvious. I know of no church paper or religious journal which publishes material that reveals a firm grasp of this fundamental economic and social philosophy. The editors place no value upon it. Hundreds of articles appear in print whose authors apparently know nothing about it. Unless a writer knows what is the first cause of economic maladjustment, how can he deal with secondary effects? For this reason I seldom lay down a magazine article with a desire to throw my hat in the air. Most of my reading is disappointing and I warn you that, if you will follow through on this subject until you see it clearly, it will spoil most of your casual reading also. Still, what better circumstance could you desire than to be made familiar with the real cause of most of the social evils that afflict us? After all, what value is half-truth anyway? Unless you know the first causes what prospect have you to understand secondary effects or to interpret them correctly?

I insist repeatedly that in this field the student must "go to truth for authority and not to authority for truth." Not everyone will appreciate the next statement nor agree with my reasoning but I am convinced that the men who are recognized as authorities in economics are so recognized because of what they authorize. Let them come out boldly and unreservedly for a sound method of securing equality of opportunity and see how long they remain "authorities." Very few laurel wreaths are bestowed upon the man who does his own thinking in sociology or economics. Paradoxically enough, to assume leadership in this field is to forfeit the fruits of real leadership. But, it must be done and some day perhaps such a fundamental philosophy will be widely accepted and generally preached.

The next statement I make gingerly because many of my readers will not understand or appreciate it. Nevertheless, it is true. The church and its leadership are held in very low esteem by the great majority of people who have had their eyes opened to the fact that economic conditions and practices are responsible for most of the evil in the world. Ministers are inclined to say "Men's hearts must be changed before good can be accomplished." Very true, but dare you stop there? There are millions of well-meaning people, cultured and nurtured in the church, who are essentially "good" but they believe many things are true that are false and innocently they do things, the effects of which are evil. This must be stopped. "Good" people are being damned because they are blind to certain basic factors in our social and economic life. It is high time the leadership of the church realizes this and proceeds accordingly.

Tradition-ridden minds hold the church as in a vise. Both laymen and ministers are guilty here, the laymen perhaps even more than the ministers. This is natural, since the church conserves the values of the past, but the grip of this vise must be broken. The whole world is in the throes of revolution against certain so-called "values" of the past. For the most part, even the leaders of the revolution do not know what they are rebelling against. They simply rebel, and in the process many skulls are cracked and heads lopped off. There are outstanding leaders in the church who are themselves concerned about the state of the nation and who are convinced that it should be the concern of the church. So far, good. The distressing part of their activities is that they imagine the nation can be saved by preaching alone. They say: "Just give the people 'spiritual' messages. Use a goodly supply of religious psychology. Preach the values of being free men. Stand against the tendency toward fascism and the control of life by the state. Do this by preaching sound spiritual messages." All ministers know what they mean when they use the word "spiritual" in that sense.

I say this: If preaching spiritual sermons would have saved us, we would have been "in the kingdom" long before now. No country ever had a greater opportunity to preach its way into glorious ways of living than has America. Preaching of this kind has failed to stop the tendency toward decay. All the calling upon the clergy to consecrate themselves to the job of just preaching spiritual messages is futile. This is, in my opinion, the classic appeal to reaction. It is the Protestant brand of the opiate of religion. I repudiate this method, although I declare that the burden of saving democracy and freedom rests upon the shoulders of the spiritually-minded men of this generation. But unless these men know WHY democracy is threatened and WHY freedom wanes in our national life, all the preaching of Christendom will not save our country from disaster. There is a reason, and we must deal with it or we are lost.

Do not misunderstand me. I do not place small value upon "spiritual" preaching. I glory in the noble tradition of our church that has long stood for good and sound preaching. I have unbounded faith in "the Word" when it is rightly preached and the results of our preaching have been sufficient to populate this world with better individuals than the society of which they are a part. But I declare that this nation and this world will be saved only if preachers turn to teaching men why social life is being damned wholesale. Preaching this philosophy is "out" until more men are better informed. In almost all churches, large or small, there are people who would enjoy a carefully prepared and disciplined study of fundamental economics and sociology. Most ministers would themselves be greatly benefited should they undertake to teach such a course. There is no better way to nail down facts and theories than to teach them. I can guarantee from personal experience that any minister who undertakes such a project will be richly rewarded.

We began this series by saying we had nothing to sell. We repeat it now with emphasis. But we do have something to give away. Standing ready to serve you in this national emergency is a school that offers you or any interested friend, free of charge, a correspondence course in Fundamental Economics and Sociology.

If you have not been impressed with the argument of these letters, may I venture to suggest that more time and more constant exposure to this doctrine ^{will too dogmatically} serve to bring you to a point of conviction. Frequently it takes a long time and many painful hours of study to enable a man to see this truth. I have seen brilliant men fight with all their might against this teaching, only to be won over completely in the end. One man said recently, "I probably would not have seen this, had I not taken sick and had to spend a few days in bed. I took your two books with me, and Old Man Political Economy jumped up and hit me right in the face. Economics is really amazingly simple, isn't it?" It certainly is when you get it straight from Henry George.

No doubt there are many of our readers who are sufficiently informed so that they could take the prepared course and guide a group of thoughtful people through it without further formal preparation. This was my own route. I must confess that my first class was nothing to brag about. I became discouraged and let several years intervene before trying it again. My second attempt was only a little better, but my third class began to be worth while, and by the time I had worked through the material five or six times it developed into as exciting a way to spend an evening as my pupils could find anywhere.

x prepared: May I venture to hope, or
May I venture to suggest that

perhaps Dr. Harry Gunnison Brown of Missouri State. A student of the Old Testament, Louis Wallis, in "God and the Social Process" and "The Bible is Human" has cast much light on the subject for me.

"We do not live in a world divided into many compartments, though our social heritage, especially that part which we inherited from Greece and Rome, tempts us to believe that life is made up of many parts. The fact remains, however, that this is one world; it all belongs to God, and everything in it must hook-and-eye together. I believe in the philosophy of monism and not that of dualism. For an intelligent discussion of this I refer you to "The Clue to History" by John MacMurray. He tells us that Jesus was not an idealist, as we use that term. Jesus saw all of life as the gift of God and refused every subtle temptation to think in dualistic terms. Life is all of one piece. For Him there were no distinctions such as the secular and the sacred. All life was both secular and sacred to Him. For Him, God's children should never be divided into classes or pressure groups. To permit this is to deny one's faith in the real Jesus.

"Now as to your conviction that I might better confine myself to preaching the Gospel, please keep in mind from the start my deep conviction about the teachings of Henry George. I do not present them as just another set of theories. I see them as revealing the true nature of all economic life. I understand his book, "Progress and Poverty" to be a clear-cut analysis of the economic process by which we discover the law which permits one class of men to take more than its just share of what is produced. It boils itself down to myself, a minister, preaching the gospel of love and fair play in the social sphere of action. You grant me the right to teach children the art of sharing unselfishly. You even grant me the privilege of pleading with adults to assume the burdens of the weak. This is the spirit of the Gospel. There is no fundamental difference in my effort to plead with men to organize their society in such a way that the bully cannot take advantage of his weaker fellows. It is the business of the church to preach and teach men not to behave like bullies, but to treat one another according to the fundamental law of love.

"I do not "substitute the gospel of Henry George for the Gospel of Jesus." I preach the Gospel of Jesus, but I use the logic of Henry George to prove who is the bully in society. As long as you think of it as just another theory, you will naturally refer to it in prejudicial terms as the gospel of somebody else besides Jesus.

"But, who made this fundamental analysis a mere theory of political economy, one of the many "probably sterile answers" to the problems that perplex us all? That class which is, or which serves, the bully. The

people who do not want a Christian world and who will kill and murder indiscriminately to keep the world the way it is. These are the people who have succeeded in making men, professors, preachers, yes, and college presidents, think that this is just another theory that is like all its sieve-like cousins. They have succeeded in making otherwise good men, men who mean well and who would be better if they only knew better, think that this is just another brain-storm of some disappointed soul.

"I am not taking you off my mailing list, for I know that you are a man of personal integrity and that you must certainly be interested in Christian interpretations of current life. If you do not appreciate my efforts to tell what I have seen, — there is always the wastebasket and paper is cheap. We can afford to pay for it just to take a chance of winning a man like you to the cause of human progress, which, according to Henry George, can come only when men learn to "associate themselves together in equity". I think Jesus would agree to that."

Very cordially yours,

Weylin Young-

W. WYLIE YOUNG, MINISTER

Winter - 1945
Supplement No. 1

DIRECT MAIL REACTIONS

We received recently a letter from a certain college president in response to a request that names of a few members of his faculty be supplied. After saying that a rule forbade his doing this, he went on to give his own personal reaction to the project as conceived. Since his attitude will probably be shared by others and will express the opinion of many, may I report the more pertinent content of his letter and of my own reply.

"I note your sincere purpose and your earnest expectation that professors will appreciate a bit of "free education" in the field of Henry George. I don't want to interfere with you, but since you have said this to me, let me say to you very humbly that I don't believe they will appreciate this free education. I will be glad to give my reasons.

"In the first place, your letters about Henry George reveal the impression on your part that this is a new idea. The teachings of Henry George, on the other hand, have been very emphatically preached and taught and are well known to the teaching fraternity and have been scientifically studied.

"In the second place, it is the impression of the teaching profession that the First Presbyterian Church of Batavia, New York, is established to preach the Gospel of Jesus Christ, not the gospel of Henry George. The same impression prevails regarding the ordination of a Presbyterian minister. When a minister, however, steps out of his field and begins to make pronouncements in the economic field, it is not welcomed. People, especially of the teaching profession, like to listen

to those who have given their lives to the study of their fields. I think the identification of your ministry and of the First Presbyterian Church of Batavia will seem to the people of the church and to the church colleges a distinct prostitution of your church to other purposes than that for which it was established. I hope very earnestly that you will return to your task of preaching Christ and not any economic theory, capitalistic, socialistic, communistic, or any other theory."

In reply to the foregoing, I sent the following letter:

"Although I fully expect to receive many such letters as yours, I have estimated the risks and have decided that they must be taken.

"If you do not mind, I shall proceed to give my reasons for undertaking this project. I appreciate the sincerity of your advice, but as a scholar, I hope I can disagree with your conclusions without giving any impression of bitterness.

"Most of the men who make up the teaching fraternity were educated as I was, in colleges which for years have given Henry George the brush-off. Your assertion that his doctrines have been widely known and discussed is quite correct. I mention that fact in my second letter. That most, or even a small fraction of the Professors of Economics ever gave to the study of Henry George the time necessary to get his point of view, is certainly not true. It takes much, much more time than any school with which I am familiar is willing to devote to his interpretations. If you had tried, as I have so frequently, to dispossess the minds of college trained students of certain fallacious concepts, and had you seen at last a new light dawn upon their faces as the confused elements of economics assumed a new order in their minds, you would know that what I say is true.

"Now I do not know what you think about conventional economics as taught in our schools, but as for me, I have developed a first-rate sense of its futility in presenting any salvation for the economic ills that confront us. That I should, as a Christian minister, have to spend my time in a field which is supposed to be handled by another group of experts, I will admit is to be deplored. There are so many other things I might be doing as a minister of the Gospel. But I was led to make a study of this field because the conventional economists gave me no answer to the perplexities of their own science which could be harmonized with the laws of God and the Gospel of Jesus Christ; which two things are synonymous. What I know about economics I did not learn from any professor, except

to congratulate you, not only on your social vision, as a considerable number of ministers have that desirable quality, but more especially on your courage. I do not know that I would lay as much stress on the teachings of Henry George as you do, but I stand with you for the demand for a new deal for all the exploited people of the world.

* * *

From yet another Presbyterian minister in Pennsylvania:

I think your project is to be commended and I am writing to you because I am not in accord with the caustic reply from the college president which you incorporated in your recent letter. I am glad that you are prepared to cast off criticisms of that nature and to present the unbiased truth as you see it expressed through the principles of Henry George. I appreciate your letters because they give me a fresh interpretation of the value of Henry George's position. I am one of the younger members of the clergy but in my twelve years of the active ministry I have more than once become disgusted by the efforts of the older members who still think that Christianity needs to be defended. If they, like the college president you refer to, would do more to apply Christianity, I believe the church would be the most dynamic institution in the world. Keep up your good work. We need men of courage and conviction in these trying days.

* * *

From a young man who is an assistant in one of our large metropolitan churches:
(Characteristic of a very limited number of negative criticisms. Apparently the colleges did a good job on this lad.)

I am writing to clarify the situation as much as possible. I wouldn't want you to labor under any misapprehension. My motive - pity and charity.

You needn't bother, Sir, sending any more letters. I shan't even open them. Call it a closed mind, if you like - it makes no difference to me. I am an economics major from college and am familiar with the "single tax system." I know the points made for it, and have satisfied myself as to their validity.

You ask for my suggestions. I have one; that you forget your misfortune during the depression and get on with your job as a Christian minister in the Presbyterian Church.

* * *

From a Presbyterian minister in California:
(Here is a letter that proves this man's right to be a minister of Christ).

I have had in my library for thirty years the complete set of the works of Henry George, ten volumes, published by Doubleday Page & Co., New York, in 1904. Now, after a lapse of many years, the first volume is down again and I shall read your letters and look up the references. I thank you for the part you have had in calling my attention to a treasure that I have honored largely by looking at rather than delving into. Now, under your competent guidance I shall do a little mining, and perhaps I may discover a pearl of great price. One of George's volumes has the title: "A Perplexed Philosopher". In these days, who is not in this class? The condition the world is in is simply appalling and we wonder if there is a way out. I am no economist; I am a very ignorant man. I know all the current shibboleths and I possess a lot of what passes for knowledge, but deep understanding of underlying causes, that I possess not. I have learned now, at the ripe age of 58, how little real knowledge one picks up in the course of a lifetime, even a minister of the Word. We know enough to "get by," to pass for educated persons, to seem to know the answers to many things, but I am ready to pray the Publican's prayer: "God be merciful to me, a sinner." For I have neglected to penetrate deeply enough, and the possession of these books by Henry George is a good illustration. I have them, but they do not have me.

* * *

From a faculty member of a midwestern Bible School:
(A sort of half and half reaction. Appreciative, but---)

Having read your letter, I think you would prefer to have my opinion rather than stony silence. Let me communicate my two principal reactions. First of all, this is the first time I have ever received a long letter, earnestly and passionately considering a serious subject, from any minister in good standing, of my own or any other denomination. For this reason, I deeply regret it has to be on an economic matter and not on a spiritual matter. If you can feel about a question in economics, or an economic system, so that you are driven to write to a large number of different men, shame on the rest of us who have some deep convictions concerning great doctrinal matters, that we have never written an extended letter like this to a large circle of friends. Your letter puts me to shame. My second reaction is closely related to the first, namely, I am afraid your letter shows that you are far more interested in economic readjustments than in the saving truths of the Gospel of our crucified and risen Lord. I am not opposed to social work and to economic changes, but I am sorry to see one called into the most glorious work that God has ever assigned to any man consumed with a burning passion for any particular economic theory.

From a wealthy and socially enlightened business man of Cleveland, O., now retired:

I want to congratulate you on the way you are presenting the problem and hope that it will be effective in getting some of your brother ministers to dig into the matter and if possible discover the truth. I hope it is because I am getting so old that I am coming to the conclusion that Karl Marx is going to win the battle in the next few years and in 25 or 30 years we will have a Fascist dictatorship in the U.S. If this is to be avoided it will only come as a result of efforts such as you are making.

* * *

From a social service worker in New Jersey:

I have also been a seeker after truth. I have devoured the books of Ford La Salles (founder of Socialism), Bebel, Emily Brown, etc. I have sought in many other directions, and when I was about to rejoice "Eureka!", I found myself in a dead-end street, sometimes in a complete blackout. Therefore, I gratefully grasp the anchor of a new hope which you so enthusiastically offer through The Schalkenbach Foundation. I had the book Progress and Poverty in my library for years but never read it, much less studied it. It is now off the shelf and will remain off. Your second letter shamed me into writing at least these few lines of admiration for you and your untiring effort to help others see the light.

* * *

From a Presbyterian minister in Nebraska:

I want to thank you for the effort you are putting into your letters on Henry George's economic ideas. I particularly liked your Supplement No. 1. The gentleman to whom you addressed your reply did not think professors would appreciate your free education. I'm not so sure about the professors, but as a minister I appreciate it, anyway. Of course it isn't welcome when a minister begins to make 'pronouncements' in the economic field. Jesus did not find a welcome for some things he had to say about the way men treat each other.

Like you, my reaction to most economics has been -- in the phrase some wit coined -- that all the economists laid end to end would never reach a conclusion. I haven't a full grasp of George's ideas yet, but what understanding I have has led me to believe he has something. As soon as I can I'm going into it more, and appreciate your help.

Regardless of the outcome, I support you fully in your right as a minister to do this. It is unfortunate that ministers have to be the ones to do things like this, but it is our duty to relate the Gospel to all of life, and I say "Amen!" to your insistence that life is all of one piece. The church has lost contact with life by letting itself be pushed out of relationship to the rest of life, and the greatest task we have in this generation is to bring back what God joined together and man put asunder.

* * *

Here is real food for thought, and, we hope, widespread agreement,
from a Presbyterian minister in New Jersey:

There can be no doubt of the fact that we are not only in need of great and sweeping changes in our economic life; but the prelude to a change in the system must be a change in prevailing economic ideas. Christianity is not itself a system of economics, but any economics should be measured by the light shed by the Word on the nature of man's life. Christianity is posed to produce the change of heart. Whatever changes come in economics will be the result of that. So, a program of education such as you advocate, while it is not final, can conceivably contribute to the change of heart, since there is no logical division between the areas of heart and mind. They are parts one of the other.

* * *

W. WYLIE YOUNG, MINISTER

Supplement No. 2

DIRECT MAIL REACTIONS

Knowing that many readers will be interested in a glance over our shoulder as the mail presents the varied reactions of recipients of earlier letters in this series, we hereby quote from a few of the hundreds of letters thus far received. The status of the writer and his general geographic location are given at the beginning of each quotation.

* * *

From a nationally prominent minister of New York City (not a Presbyterian):

You are certainly doing a splendid piece of work in undertaking this crusade among the ministers on behalf of Henry George and his teachings. I am indebted to you for sending me your round robin letters, which I have read with exceeding interest. I catch in them the same heroic spirit that I always feel in Henry George's writings, - the knight going forth to battle for his cause!

I am getting much refreshment out of my review of Progress and Poverty. Was there ever a more truly inspired book! What clarity of utterance, and what a pure passion of idealism! George did not solve every problem of our complex social order - I am glad you concede this important fact - but he penetrated to the bottom of our ills, and that's the great thing.

I read with great amusement the letter from your college president friend, and with admiration your effective reply. Think of any educated man these days advising you to stick to the Gospel of Christ, as though the real greatness of this Gospel did not lie in the fact that it covers all relationships between men.

* * *

From a college professor in Iowa:

I want to congratulate you on your letters. It is refreshing to know that there are ministers like yourself in America. Sometimes I get discouraged with the ministers, but when I learn of someone like yourself, my faith in the American ministry is renewed.

* * *

From a County Superintendent of Schools in New York State and a friend of many years:
(The most explosive and by far the strongest letter yet received).

The purpose of this letter is to commend you for your attempt to interest the clergy of your denomination, and perhaps through them the clergy of other denominations, in something else than a sterile verbosity, a Quixotic tilting at the windmills of "the good life" even while a satanic worship of the "Mammon of Unrighteousness" holds their congregations in its unholy clutches. If sin, poverty, misery, crime, selfishness, greed, materialism, and war kept growing apace in spite of the preachments of the Christian Church, one would think that mere intellectual curiosity would have impelled the clergy to entertain a suspicion that something was wrong with the scope and breadth and depth of their preachments. And what have our schools and colleges done to avert the obvious evils in our national life?

My patience with those who insist the one "Gospel of Jesus Christ" does not include the establishment of the Kingdom of God on earth is exhausted. That is the trouble with millions of those who call themselves Christians, - they do not understand what Jesus was driving at; they profess with their lips but their hearts are afar off. They condemn themselves by the very fruits of their refusal to implement the teachings of Jesus; and that condemnation will come to them in the form of death and destruction if they "stand pat"

and permit another war to engulf the whole world in hell even before we bind up the wounds of this one.

We have witnessed the world going more and more to hell and refused to believe that we made any contribution to it. We have refused to accept personal responsibility for seeking a remedy for the social and economic injustices and inequalities of our time. So-called "educators" have told me that, where better brains than theirs had failed to solve our economic problems, it ill became them to attempt to do anything. Many of them, I am convinced, do have a solution, - the right answers, - but they are too cowardly to come out in the open and say so. "Let George do it," they say, or, "If I said what I thought, I'd lose my job", - slaves to the dollar dragging them down to hell! They have the audacity, the moral obtuseness, to tell you to go back "to preach the Gospel of Jesus Christ....and not any economic theory" even though, at this very hour, their whole world is crumbling beneath their feet. Father in Heaven and on earth! When they look around them, what do they see? Nothing! No wonder Jesus wept over Jerusalem. We have reason to weep for ourselves, obeying in this day and age Jesus' gentle admonition on His way to Golgotha, - "Daughters of Jerusalem, weep not for me, but weep for yourselves and for your children."

* * *

Here is one for the book! The writer is a Presbyterian minister in Pennsylvania:
(All negative reactions are in this vein.)

You are barking up the wrong tree; walking up the wrong alley; chewing on iron with teeth of wax. I must admit, however, that because of the very readable nature of your letters and my hitherto ignorance of Henry George, I am interested. Your efforts in this direction appear to me to be an eloquent testimony to a lamentable fact; that is, that preachers who have reduced the old-fashioned Gospel of individual salvation from sin through personal faith in the Son of God who shed His blood as remission of sin, and who have been preaching instead the non-Christian propaganda of brotherhood of man and Fatherhood of God, personal merit through personal good works and practice of Christian ethics, etc., have found or are finding that this world is not the kind of a world in which to preach this diluted stuff. So now you're going to change the world to fit this kind of powerless preachment! I think you make a mistake in not realizing that Jesus Christ came the first time to settle the matter of individual sin. He alone is the answer to the problem of man and of men. When He comes again He will settle the problem of society. Until then you and I as ministers of the priceless Gospel of personal redemption ought to be preaching Christ and Him crucified.

* * *

From a New Jersey lawyer and business man, long an ardent Georgist:

Your letters, Sir, are excellently composed. They reveal a disciplined mind, a thorough comprehension of the problems you have set yourself to, and a sympathetic understanding of the prejudices, limitations, and circumscriptions of your prospects balanced by inspiring confidence in their sincere Christian ideals and motives. I am awaiting with eager anticipation the succeeding letters, for, if you are able to maintain your stride; if your exposition of truth measures up to your ability to command sympathetic attention, you may accomplish the well-nigh impossible,--compel one group of our decadent middle class to recognize and accept its share of responsibility for courageous leadership of this generation. If your gallant project gains no real teachers but only prevents the statements and attitudes, born of ignorance of the problem and its cure, which, emanating from pulpit and chancel have in some parts justified the cynical statement: "The Church is the last stronghold of privilege," you will have rendered a powerful service to your fellow men. May God strengthen your heart and hand and may the fruits of your labors justify your unselfish and enlightened efforts.

* * *

From a Presbyterian minister in Pennsylvania:

Well, the friend of Henry George gave the learned college professor a good answer. I have not read Henry George, but if you believe he has a Christian way of meeting the wrongs (which smell to high heaven) of the present capitalistic system, surely you have the right, in the name of a Christian minister, to tell me so. Not only the right, my friend, but the duty. It will be too bad if you do not, when you come to face your Maker. As ministers, anything that has a moral phase surely is our business, and I am sure that a system of economics that produces such extremes of wealth and poverty is wrong, morally wrong. That is why you must have something to say about it.

* * *

From another Presbyterian minister in Pennsylvania:

This will be a very brief letter, not because I am disinclined to write at length but because I am sitting up for a short time in the hospital after an operation. I simply want

likened to the people in the pre-Copernican world. Men used to watch ships drop over the horizon without ever suspecting that the earth was a ball instead of a table. Millions for centuries did this. In all that time the true relation of the earth to the sun and moon was an unsolved mystery. Came Copernicus and after him Kepler, Galileo, and Newton. In a relatively brief time the science of astronomy grew up. When true and fundamental concepts supplanted the poor guesses of former days the whole theory of the universe fell into place and everything began to hook and eye together. As long as basic factors were ill conceived there was nothing but confusion worse confounded and I insist that this is the precise condition of affairs in the field of economics as taught today.

Our generation is not lacking in sincere and devoted people who have cultivated a social passion. Young people of college age have a natural sense of justice. They suffer the pangs of sensitive spirits as they see the inequalities and injustices which prevail. For lack of clearly defined concepts they conjure up all kinds of impossible cures for these evils. The most popular are those which come from the doctrines of Karl Marx and his school of believers. Indeed, though many leaders of thought have tamed down the Marxian attitudes and insist upon making them a creed for gentlemen of faith, most of the things that are being done to correct evils are being done because his doctrines have largely influenced the, shall we say sympathetic; instead of liberal mind in America.

As these words are being written America is in the throes of trying to decide which of two wrong roads to take. The one road calls for an extension of the power of government as it reaches out to control more and more of economic activity. The other road is the turning of economic clocks backward to the freedom of action that was enjoyed by Americans prior to the last depression, without making any essential changes to avoid the dangers of another similar crisis.

These are both wrong roads. The right road calls for a fundamental correction in the fiscal policy of our government, which, when it is made, will relieve government of its obligation to be ubiquitous and at the same time set men free to produce and distribute wealth without let or hindrance in a system that will provide equality of opportunity to all and special privilege to none.

Georgists are not in the "somehow or other" stage in their thinking. They know precisely what must be done before we can have that brand of liberty for which our boys are presumably fighting.

If your car stalls because some water has settled into the spark plugs you will not get it started by getting out and fooling with the tail light. There is one thing that is wrong. You must either fix it or wait until evaporation has dried the area about the cylinder head. This generation is overrun with poorly trained mechanics who insist upon fixing everything but the right thing. Most of us are like the average car owner who is himself incapable of knowing whether or not the mechanic is right.

So much by way of general introduction. Now, what could you do about this situation? First of all you could say to yourself, "He may be right. I will secure a copy of 'Progress and Poverty' and investigate for myself."

On the top shelf in my study is a whole row of books that touch on some aspect of this great problem. I am eager to share with you my findings in books. But, get this straight, I am not selling books! We are all supposed to be trained students. We ought all to be independent and willing to examine any suggestion for good. If you have never made an exhaustive study of Henry George for the love of truth won't you please do so now?

The thing I plan to do is this. I am going to hope that you will beg, borrow, or buy a copy of "Progress and Poverty". But just to be on the safe side I am going to assume that you will not and I am going to take up point by point the simple and clear argument of this great master of thought. If you read these letters and still refuse to give this great analysis a chance to solve for you the most pressing problem of our times--well, may the Lord have mercy on your soul! My sense of humor will be all I have left to keep from going stark, raving mad.

I have heard men say that they could not entirely share the position as presented by Henry George. Upon further questioning I have found without exception that they

had no comprehensive understanding of it. To me a man has no right to take a supercilious attitude toward anything that is honestly and intelligently presented to him without first making a fair and unprejudiced study. Is that not a fair position to take? Will you then take it with me?

I have arranged for you to receive a 50% discount on a special list of books which you will find enclosed.

Please believe me when I say that I receive no remuneration for the writing of these letters and absolutely no commission on the books. To set the record clear The Henry George School of Social Science - a non-profit institution chartered by the University of the State of New York - will pay the costs of printing and mailing these letters. My own students will help in the labor required to send them out.

Every minister should own a copy of "Progress and Poverty". It is a classic. To have it on your desk for reference as these letters come will be a great help.

Fraternally yours,

Whyte Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Supplement No. 3

My dear Friends or Colleagues:

Many readers say "Show us any tangible results where the ideas of Henry George have been applied." Many do not realize that these ideas have proved their worth in many countries.

In her book "Whose World" Margaret Bateman Director of the Henry George School of Social Science in New York reports on a trip to Denmark in 1937. Similar progress has been made in Australia, New Zealand, and certain sections of Canada. Denmark may be said to have achieved about 60% efficiency in the matter of shifting taxes from improvements and commodities to land values.

Fraternally yours,



DENMARK

Margaret Bateman

Because of the progress made in Denmark, previous to the invasion of 1939, I shall outline some observations made there two years earlier.

Denmark had practically the same history of landlords and large estates that we find in Great Britain, the United States, Canada and other parts of the world. The Danish people have known feudalism in its worst sense. They have been through wars, unemployment, discouragement and wretched poverty; but fortunately some of their people were wise enough to see that their country could not survive under the old system of land ownership. They realized that if special privileges were continued, their little country was doomed, and be it said to their honor, a few landowners, with large estates, were the first to urge the King and the government to institute land reforms. This meant breaking up their own estates and releasing the natural resources of Denmark to the people. It took away from private individuals the advantage of collecting ground rent which rightly belonged to all the people. The former owners retained sufficient areas for their own use.

In 1938 there was celebrated in Copenhagen, the 150th anniversary of the emancipation of the peasants, through the abolition of the feudal system. During these 150 years the country had taken slow and gradual steps toward a better social system. I can best summarize their progress in the words of their former Minister of Home Affairs, who in 1928 referred to their progress in these words: "From social freedom arose in Denmark, political freedom; and out of that will grow one day, for society, the economic liberty under which free and independent citizens will enjoy the full fruits of their labor, while the commodity will receive what it creates." (It creates land value).

The policy of taking ground rent (they call it "ground debt") for the public use has been taught in Denmark through the folk schools. At one of these schools, the Principal stated at a lecture I attended in 1937, that the ideas of that great American, Henry George, had influenced Denmark more than any country in the world. Before the war, there was a large measure of rent socialization in effect, with a gradual reduction in the taxation of buildings and improvements. In some cases, this taxation had been entirely eliminated. Denmark, before the war, was considered by many economists, the social laboratory of the world. By taking ground rent for the public use, the slum problem had been eliminated in Copenhagen. Families were developing the suburbs where they could have better living conditions, homes and gardens. There was no tax on buildings up to 10,000 kroner, or about \$2,500. A small home could be built for \$3,000, so the taxes were very low. As one social worker reported: "The problem of how to make room for those without shelter has simply ceased to exist." "Slum clearance" was no problem there. Given the opportunity, families cleared themselves out of the slums.

The general state of happiness and well-being among the people was noticeable to a visitor. They knew how to cooperate with one another. They knew that when the government spends money, this money doesn't come from Santa Claus, but from the people. Their educational system was such, that there was no illiteracy in the whole country. Eighty-five per cent of the farm homes were electrified. There were paved roads everywhere (with a special narrow strip of pavement for bicycles). Practically every home had a good library. There was one radio to every six or seven persons; a telephone to every ten persons; a motor car to every thirty. I should imagine there was a bicycle for every one. No poverty existed in all of Denmark.

At a meeting in Montreal, I spoke of these conditions. Afterward, a Danish gentleman in the audience said: "I am so glad to hear all these things about my country. I left Denmark fifty-eight years ago. At that time thousands of us left because we couldn't find work. The unemployment and poverty were terrible. Many of us came to Canada and others went to the United States. We decided there were more people than Denmark could support. At that time the population was a million and a half, and now with three and a half million, I am happy to know that slums have disappeared and that everyone can make a good living."

To me, this was just another proof that a better land system, giving the people access to natural resources through the collection of ground rent, can accomplish miracles. Instead of large estates, 66 per cent of the farms were less than 37 acres; 32 per cent were between 37 and 150 acres, while only 2 per cent were over 150 acres. Only 5 per cent of the farms were held by tenants. (As already stated, in the United States, 75 per cent do not own their farms).

A man in Copenhagen said to me: "So many of you come over here from America to study our Cooperatives and Folk Schools. Don't forget that had it not been for our land reforms, the Folk Schools would not have been possible and the Danish Cooperatives would never have come into being."

Previous to the invasion by Germany, it was an inspiration to visit Denmark and observe at first hand the results of Danish land reforms and to see the practicability of taking the publicly created ground rent for the public treasury, thereby abolishing other taxes. It is to be hoped, when the war is over, this sound economic system will make the Danes once again leaders in world affairs and that other countries, including ours, will copy it.

George over-simplified the whole problem. When you understand it you realize this is not a fault but evidence of his genius.

Before we can hope to reason intelligently we must agree as to the precise meaning of the terms that we will employ. College text-books have confused their students by mixing the fundamental elements and so loosely defining their terms as to let one element overlap into another and the other to overlap into a third. In my library I have a book on Elementary Principles of Economics by a widely known economist from one of our great universities. He makes more mistakes in the first forty pages in his book than any professor has a right to make in a lifetime. Yet if I were a student in his class I would probably sit and wonder at the learning of this great economist and believe or try to believe everything he said. If you want to have a good laugh just sit at the feet of Henry George until you get his argument plain and clear and then run through some of the text books that are being used all over America today. Well, when you start checking their mistakes you might be too sick to laugh!

Three factors and three only play a part in the production of wealth. Now, wealth we must define first of all. Despite the declaration of our above mentioned economist land is not wealth. Wealth we must agree is "All material things produced by human labor for the gratification of human desires and having exchange value." Land is not produced by human labor. It has exchange value which is why some men think it must be wealth. When we speak of wealth we are speaking only of those things that man has produced by the application of labor to land and which have certain exchange value.

What then is land? The answer, "the whole material universe outside of man and his products". Whatever was here before man came is land. The sky, the ocean, mineral deposits, oyster beds, soil, forests, water falls etc. Here we must make a clean out distinction between the gifts of nature and the products of man's labor. This is vitally important if we would properly understand the laws of economics.

Next we define labor as "all human exertion which is devoted to the production of wealth." Our professor says that a slave is wealth. We beg to disagree. A slave is a man whose labor is being exploited and we would have to classify him under labor and not under wealth.

Under labor we include all forms of human exertion used in the production of wealth. Management is labor. Salesmen are classified under labor. An architect, hanging his feet on a desk and planning the drawing of a bridge, is classified as labor. Anyone making any contribution in exertion or thought to the production of wealth is rightly considered a laborer.

Capital is "that part of wealth that is devoted to the production of more wealth." All capital is wealth. Note the definition of wealth again. But not all wealth is capital. A horse drawing a milk wagon is capital. A horse drawing a family to church is wealth. Goods on the store shelves is capital. Those same goods in the handbag of a lady going out of the store is wealth.

How about an orchard? Is it land, capital or wealth? It might be all three. That part of the orchard that represents the bare land before cultivation is classified as land. That part which represents the improvement over the bare land represents capital. The bushel of apples just purchased from the farmer to be consumed on your table is wealth. How about a city site? The bare land minus improvements is land. The improvements in business building or factory is capital or if it holds a house in which a family lives it is wealth.

A little practice and one can spot any item in the whole economic picture quickly and can say instantly what it is. Land, labor, capital or wealth.

You have no doubt heard of the complicated maneuver of rolling off a log or know of the exhausting experience of learning to play chopsticks on the piano. Getting your fundamentals clear is just about that difficult.

There you have the three basic factors that produce wealth. Each factor must receive its due. Land receives its due in rent. Labor receives its due in wages. Capital receives its due in interest. There are no other avenues along which wealth is

distributed. Wherever it goes it goes to pay either the owner of land, the doer of work, or the lender or user of capital.

After wealth is produced, who gets it and why? That is our problem. No doubt many economists can explain the law of rent, the law of wages and the law of interest. If we find one of these three getting more than he deserves there should be, and there is a way of preventing this division. There is nothing hard about this problem and we can easily discover where the title to wealth goes. Strange, isn't it, that everybody doesn't know all the answers? But the fact remains that not one person in a thousand has the slightest idea where the money, which merely represents wealth, goes.

Henry George was not the only man who tried to explain the fact of poverty. Other economists had their own ideas and theories. In our next letter we are going to consider some of the false explanations that have cluttered up our text books and made us victims of badly conceived solutions.

One thing this course of study may do for you. It may protect you against those who would lure you down false roads. At least if you know the real truth about these matters you may be saved from wasting time and energy on useless or even dangerous cures.

Fraternally yours,

W. L. Young

Young, W. Wylie

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Because you too are a Presbyterian Minister I want to write you a series of personal letters. I know you are busy and will be tempted to put them aside because they seem too long. At this distance I can only beg of you to treat them with the courtesy which I sincerely hope they will deserve. To read each letter will require only ten minutes of your time.

This is an unusual procedure. But these are unusual times. Never before was it so imperative that the ministry think clearly on such matters as I propose to discuss. This is purely and simply an educational venture. I have no ax to grind except to declare what I have seen and to ask you to square it up with your own observation and to act upon it with your own independent judgment.

The story goes back to 1932. As a young man five years out of Wooster College and Princeton Seminary I was preaching in a large (1000 members) Presbyterian Church in a mid-western city. It was one of those cities that really suffered when all but one of its many banks closed their doors and left people in a state bordering on hysteria.

I was young in fact, as well as in name. Though my sense of justice had often been violated as I had observed the ways of men, I had never given economics too much attention. I had shared the sentiments of the crusaders against the so-called war system. I had seen plainly enough that most of the basic causes went back to economic practices but neither Wooster nor Princeton had made me particularly conscious of the malpractices of men in this field.

In those days I entertained certain professional ambitions. To be the pastor of a large city church was all I asked of life. I knew it would be a busy and absorbing way to live and I liked the prospects as I viewed the future.

Then the depression came. Some ministers took it with less of a struggle, but it sent me sprawling. It was then that I made up my mind to find out why things like this had to happen to men, who really, as I thought, deserved a better fate. Actually, men deserve exactly what they get.

I struggled with Karl Marx and Norman Thomas. I listened to Scott Nearing and Ham Fish. I sat at the feet of Reinhold Niebuhr and Stuart Chase. I wished wistfully at times that Stanley Jones knew as much about economics as he did about Jesus. I mean that as a tribute for he does know Jesus and that is much, indeed.

But the sums just wouldn't add up. Apparently there was confusion somewhere. Economics seemed to be a hopeless mixture of folkways and to hope it might be reduced to science seemed like baying at the moon.

The depression became more severe. People were getting desperate. In our town they were trying to make up their minds whether they would break into the stores and take the food that was being denied them, facing the violence that such action would produce, or whether they would leave the little homes they had built in the roaring twenties and go out to cheap land where they might at least grow enough food to feed their families.

Came the C. W. A., Roosevelt's historic break with tradition in dealing with the poor. Followed the upheaval of the N. R. A., and the New Deal was on its way. I breathed easier. At any rate we had escaped a violent revolution but the real sick-

ness was not being treated and when the poultices were removed the infection would break out again.

Preaching the gospel at \$5000 per year while half my congregation was worried sick lost its appeal. I couldn't understand how some of my classmates in similar positions could still entertain their professional ambition. I had lost mine in the bank crash and the crash of my confidence in the whole economic structure.

For a time I decided to give the cooperatives a fling. It seemed that salvation might lie in that direction. Two years later Kagawa came preaching and cooperatives were approved by the church at large.

Meanwhile my friend Robert McCaig, since deceased, had insisted that I would never know the real answers till I had read "Progress and Poverty" by Henry George. We spent a lot of time together and he seemed to know what he was talking about. I decided to investigate.

It's curious how a man feels when he stumbles on the truth. He can lift it up and say, "Eureka, I've got it." But do you suppose everybody comes a-running? No. They say, "He is a funny bird, isn't he?"

Five desperate years of persistent search and at last I find the answer in a book that has been gathering dust on the shelves of college and seminary libraries for years.

That, my friend, sort of winds up the introduction. My experience has taught me this. It is unwise, the church being the kind of institution that it is, to preach too much economics from the pulpit. No minister has the right to ride a hobby Sunday after Sunday. Other people have their interests too and they resent having to share his all the time. Moreover on Sunday his flock cannot talk back and if he has ideas like mine, this makes for a sense of frustration in the average church goer.

But every minister is a teacher and when a minister of Christ discovers why poverty exists and wars are fought he is not living up to his calling if he neglects or is afraid to teach it.

Fortunately in a class this can be done without offense. I have proved that. Last year I took three groups through "Progress and Poverty", using a specially prepared course supplied by the Henry George School of Social Science in New York. Now one hundred members of my church are educated in the fundamentals. Bankers, salesmen, housewives, teachers, executives are all convinced that I am not shouting about a mirage. There are a few exceptions, naturally. But the ones who understand it insist upon others taking the course too. Now I can say things in my church on Sunday and hope to be understood.

Despite the common opinion that economics is an amazingly complicated affair it is really very simple. What makes it seem complicated is that those who teach it in the universities seem deliberately to make it confusing by failing to define their terms precisely or by mixing the basic factors which they deal with in conjecture.

A chemist who carelessly mixes up half a dozen elements and proceeds to call it H₂O can expect to be confused if his experiments do not make sense. If your fundamental concepts are not soundly conceived you have no chance to think clearly in any field. That most of the conventional economists are guilty of this violation of the rules of logic becomes glaringly apparent after one has mastered the Georgian technique. It is little wonder that students can make neither head nor tail of economics with the sort of loose language and fuzzy thinking that goes into practically every college text book. It is no wonder that the universities have turned out a generation of thinkers who regard the whole problem as highly complicated. One minister once said, "I took economics in college and made up my mind that it was not a science and that it was useless to spend time in trying to bring order out of chaotic elements." No wonder! Had he been introduced to the Georgian brand of precise logic he would have felt differently about the whole affair.

Economics for all the dignified place it has as a study in our universities is still in the creeping stage. Its fundamental factors are not clearly defined or properly related in 95% of all that is written on the subject. This generation may be

On the little island of Manhattan there is an assessed land value of eight billion dollars! On that land there is a great quantity of wealth, part of which we classify as capital. Without this accumulation of wealth, the land value would be reduced to almost nothing. It was once purchased for twenty-four dollars. A hundred years before that no one would have given a dime for it. The land itself if planted in potatoes might produce a sizable income per year, but compared to the land value of today, such an income would be infinitesimal. Can you really say that land is not an important factor in modern exchange when this is so?

When we talk about land we are not referring exclusively to farm land. Indeed the great land values are not on the farms at all. They are in the hills as minerals or on the hills as timber. They are in the market centers of the world where men gather to trade. They are flowing in black fluid beneath the Texas plains. They pour over cataracts or are accumulated in great dams. Hitler set out to corner the choice land areas of Europe and Asia. He made for the oil of the Balkans, the coal of the Ruhr. He reached out for the fertile plains of the Ukraine, and made sure of his access to the steel of Sweden. These are the land values that tempt the cupidity of men. To say they are relatively unimportant is to wink in the face of a lion.

As one man put it recently "But why do you lay so much stress on land? We are being crowded together more and more in cities and anyone can see that land is no longer important."

A factory uses an acre of land. Or does it? I know a textile mill that covers less than an acre but it takes into its mighty jaws each year enough cotton to require ten thousand acres to produce. What with our vast population and the modern methods of production, the demand for land is incalculable. New York sits on a few square miles of land but the demands of men living in New York lay a toll on the granite of New Hampshire, the wool of Australia, the fruit of Florida, the copper of Colorado, and so on ad infinitum. Land! Land!! LAND!!! It fairly screams at you it is so vital, so indispensable. Its value makes up the whole structure of finance, for the great systems of finance are based upon its value. Stocks and bonds, mortgages and bank deposits, everything in the whole business scheme of things goes back to land, and land values. It was always so and always will be so.

That being the case, what would you say if it could be proved beyond the shadow of a doubt - so thoroughly proved that even the best of economists will admit it - that the factor of rent gobbles up almost the whole of the economic produce and that what is left is divided up according to certain well-defined laws between the pure-capitalist and the laborer?

If you will follow through with me on these letters I can show you how this is so; but now it will be necessary to take a short detour.

Political economists have not been blind to the fact of poverty. They have tried to explain why it was inevitable. That it was inevitable has been the conclusion of most of them. There seems to be a strong influence in high quarters to encourage this delusion. If men can be persuaded that poverty is natural they will be less liable to develop radical ideas.

But even the dumb man pauses to wonder why modern methods of production do not bring wealth for everybody. Any stupid fool can see that there is something wrong when giant mills can under war-time pressure produce vast quantities of destructive machines for destroying men and materials, and these same mills and factories are threatened with a gigantic shut-down as the war fades into the background.

It is high time that the doctors of society got their theories straight!

Warped and twisted theories have been our downfall. We believe and take for granted the most outlandish lies. Into every magazine go these basic theories, and thus confusion is added to confusion.

We are told, for instance, that capital is needed to hire labor and that when capital is lacking labor must necessarily suffer. We are also told that labor depends upon capital. "Lots of capital," they say, "will mean higher wages; scarcity of capital, low wages." It is very simple! "What," they say "would the laboring man do without capital?" The assumption is plainly that wages are drawn from capital. Is this true? Think! The assumption is that capital must be accumulated before labor can be employed. It would follow that more laborers could be employed at low than at high wages and that profits must necessarily be high or low as wages are low or high.

These are all fancy lies. Through the popular writings of the day their ghosts go wandering in and out.

Actually labor employs capital. Actually when capital is abundant, wages are low, and when capital is scarce, wages are high. Labor actually must always precede the accumulation of capital since value is always created by the laborer before wages are paid. To illustrate: at the end of the week labor has placed at the disposal of the capitalist an amount of wealth valued usually in excess of the wages he is paid. Actually more laborers can be employed at high wages than at low, and profits to pure capitalists are greater when wages are high.

Somewhere, somehow, some bright economist has put the cart before the horse. It sounded plausible, and all the other economists fell in line. For years this was the song they sang. Then came Henry George.

He observed that in New York where capital was abundant wages were low, and that in San Francisco where capital was scarce wages were high. Society was not behaving as it should, yet it has always been that way with old and new societies. In Europe the wages were depressed but in the new world they were definitely high. Why?

If the theory of the economist was correct and the presence of abundant capital meant that wages would be high it would logically follow that interest, by the law of supply and demand, would be low whenever wages were high. Actually interest is high when wages are high. If the theory were true, whenever capital was scarce wages would be low and interest would be high. Actually wages are high and interest is high. It would seem therefore that a scarcity of capital rather than an abundance of capital will spell higher wages for the laborer and higher interest for the capitalist. It would also seem to be true that the higher the wages paid to labor the greater will be the return to capital.

Lest you really cogitate on this a few moments and think of the fact that today, in war time, wages are high and interest is low, let me explain that our whole economy is out of focus at the moment. Billions of dollars are being pumped into the system to prosecute the war. At the same time artificial rulings have been passed fixing prices and placing ceilings on rents. This tends to completely negate many normal reactions and I must insist that as we go along in this argument, we agree to discuss economics "in the raw" and not allow these artificial conditions to confuse our thinking. Some day we hope to have this war in the background and then we will find strong influences brought to bear to force the government to retire from many of these areas. You may be disposed to think that it might be well for the government to continue its policy of management and centralized control. If so, we will come to that issue in due time. Just hold your horses.

If this all seems a bit too involved and I try to explain it in too small a space you will find it carefully covered in Chapter One of "Progress and Poverty." It may seem a bit involved at first, but just think what that fellow who hasn't been to church for years has to put up with when you start talking about ecumenicity! The words soon take on intelligent meanings and by the time you get to the middle of the book you are humming along at a great rate. It warms up decidedly toward the middle and at the end there is a bit of philosophy that is as profound as anything you ever read anywhere. I know one man who said he would rather have been the author of that chapter on "The Law of Progress" than any bit of modern writing in existence. Did you ever read it?

In our next letter we will proceed to move into the core and center of the argument, which when comprehended often changes a man's whole attitude toward social reform even as a good clear view of the cross has often effected the lives of devoted followers of Christ. A previous knowledge of Christ should increase the hazard of being changed by this revelation. Take it easy!

Fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

This is the second in a series of letters that I propose writing to you. If for some reason you did not read the first or consigned it to your wastebasket may I urge you both to read and save subsequent letters. It could be, you know, that I have something here that you could profit by reading.

We, upon whom society depends to organize thought and present philosophies which are in harmony with the Christian Tradition, have become involuntarily victims of a conspiracy of silence. Because of that conspiracy, whether deliberate or natural, we have been left to grope our way about the economic maze without plan or pattern to understand its mysteries. That pattern exists. The problem "Why poverty?" has been solved and certain recommendations have been on file for fifty years.

I was a Commissioner to the General Assembly last year. If I am any judge of what the leaders of our great church actually know about this particular analysis and its suggested cure I would say that not one in one hundred ever heard of it much less thoroughly understands it. Our church is moving almost enmasse toward the sort of solutions that have been concocted out of the philosophy of Karl Marx. We reflect the opinions which have laid hold upon the sympathetic and socially minded leaders of this generation. For lack of specific knowledge as to the real cause of poverty we are throwing the weight of our church back of movements that will only bring ruin and slavery to millions.

I entertain no prejudice against Marxian Philosophy because it was atheistic. After the way the established church in many countries behaved this reaction was inevitable. I oppose him because his analysis of the real cause of poverty is wrong and his solution will not make for liberty of action or supply the atmosphere for the recognition of the infinite worth of each individual soul in daily living. The Christian interpretation of life does not permit accepting his recommendations.

In my last letter I recommended that you secure a copy of "Progress and Poverty" by Henry George. I hope you have done so for if I have to rely entirely on my own skill in handling his argument I will be much less able to bring you into a knowledge of what I have seen. That book is a classic and with it handy for reference as I go along I know you will be greatly helped and I will be supported.

Yes, it was written fifty years ago. Then why in this day and age should we hope to find our answers there? Listen. We ministers ought to know that modernity is not the only test of truth. Indeed some of us are more than convinced of this fact. Jesus did his work several years before we were born and we hail Him as the authority of the ages past and yet to come. We should be the last class of men to fall into the error of thinking that a book has to be fresh off the press to deal with fundamental considerations. I once labored under the impression that a book over two years old was out of date. That was one bit of foolishness that Princeton took out of my system. Though I was not a fervent devotee of Alexander Hodge, I did learn to respect the thinking of many men who had long since been "gathered".

Henry George begins by stating the problem that he proposes to solve. To be able to state a problem clearly is often the first step toward a reasonable solution. He does state his problem with startling clearness. It took much thought just to reach the point where he could clearly see what he wanted to prove. His background helped him to see the problem.

As a young man he had walked the streets of New York and Philadelphia looking for work. A depression was on and he had looked in vain. As he looked he observed evidences of the existence of great wealth and also he noted that the mass of laboring people was poor and desperate. Plenty of wealth, but accompanying it, masses suffering from poverty. Why? He had shipped to California hoping to find gold but he was too late. Not too late however to be told tales of how cooks had earned \$20 per day in San Francisco restaurants during the gold rush. Strange, he thought, no evidence of great wealth as yet in lovely homes or great factories, yet, the laboring class was able to demand \$20 for a day's work, and there seemed to be enough for all despite the fact that means for producing wealth were as yet not highly developed. Why?

So the problem shaped itself in his mind. Why, he asked, does poverty seem to deepen and intensify as the means of production are improved and refined? Why is there 'seemingly less wealth for the people when progress in the arts of production has been achieved? Should not the opposite be true and all men be richly blessed with the products of efficient machines? Why does poverty increase as progress in civilization advances? If you will read the first chapter called "The Problem" you will find some deep and penetrating observations. You can imagine that it was written yesterday it is so apt in its description of modern conditions.

He saw one fact clearly. There seemed to be a wedge which was driven through society. Those on the upper side were increased in wealth beyond all thought of need and those on the lower side found themselves always struggling against minimum wages and able to make but a bare living. Apparently some factor operated to keep wages down to a minimum while the same force made inevitable increasing and unneeded wealth for those who were in a favorable situation. The problem then became "Why do wages tend to a minimum?"

That this is everywhere true is apparent to a careful observer of life. In India the wedge has been driven in as far as it can go. Laborers will not produce or re-produce for a mite less than they now receive. Indeed the wage is far below the point of reason and strength to labor is denied to many. In Europe this has been the story for centuries. Many a social idealist has kicked against the pricks to no avail. Such men, before America was discovered, died in dungeons and were done to death in a multitude of ways. America offered an escape hatch for the distressed people of Europe and here they came with their already developed ideas of democracy and fair play.

Unfortunately for our forefathers, and now for us, they did not understand the true cause of their plight. They had thought they could solve the problem of poverty with political democracy. But alas they conducted their business along the same lines as their European forebears and fell victims of the laws of economics that are as inexorable as the laws of gravity or friction.

Economics had not yet been reduced to a science. None had ever solved the problem of poverty and they could not be expected to know better. But for us to be in the dark there is no excuse. For us to be fumbling with the laws of economic life is a travesty against God who is the essence of truth. This truth has been revealed and both ignorance and prejudice have conspired to fool us into believing this truth to be invalid.

But, perhaps you still say "but this is a new and different world than it was fifty years ago". How could a man writing fifty years ago deal with an age that suffers from giant monopolies and international cartels, is afflicted with interlocking directorates and a maze of holding companies that even the men who set them up cannot understand. Listen! Don't let that cluster of boogey-boos throw you. For all the apparent complexity of this thing called modern business there are only three elemental factors in production. Only three! Other economists to the contrary notwithstanding, who seem to be determined to make it hard, and who try to argue that there are more, you can rest assured that three is the absolute maximum. They are Land, Labor and Capital.

A chemist has to worry about some 80 odd fundamental elements. These may be mixed in countless combinations and the science of chemistry may well develop a few complexities. When we reduce the fundamental elements of economics to three and declare that all actions and interactions are made up of these basic factors we can see that our problem is reduced to relatively simple terms. Some people think Henry

This process goes on and on. Soon all four land is occupied and then our four landowner begins to profit from his strategic position, for when newcomers have no choice but to work for him or settle on three land he can do what the first settler did to him. He can now collect one in rent should any newcomer happen to prefer to work for him rather than to work for himself on rent and price free land. Meanwhile the owner of five land finds his situation improving and he can secure two in rent for he will have to pay only three in wages, since that is all that the last to come so far can make by working for himself. Meanwhile all wages on five and four land will drop to three.

This is not the kindergarten so let us skip on down to the land that yields one as a result of a days work. Suppose you were unfortunate enough to arrive twenty years too late. You come, and lo, all the land that is worth anything is taken up. Here is a scrubby area that will produce one if a man works all day. It is free. No rent, no price. But who wants to work a hillside or waste time picking stones? Besides it is lonely out there and you are a gregarious soul and prefer to work in the company of others. You have your choice. You can work for the man who is on two land. He will pay you one for that is all you could make by working for your self. You can work for a three landowner and produce three by working all day but he will take two in rent and leave you one in wages. You can say "I don't like your taking ways. I will work for this distinguished looking man on five land. He is a good and a religious man. He will treat me right." You go and have a little chat. The kindly looking gentleman is glad to welcome you to the community. He even invites you to attend church on Sunday. You mention that you are unassigned and that your talents are available. "Fine! is his reply," I need a clerk in my dry goods store. I will hire you. You may start Monday morning. Your wages will be one each day."

You gulp! What, only one? "O yes," is the reply. "That is all any of our clerks receive." By this time the kindly churchman hasn't the slightest idea why it is so. All he knows is that nobody on the street has to pay any more for clerks. That is the prevailing wage. How it got that way is of no concern to him. He does not intentionally and with malice afore thought withhold more than his share. According to the prevailing system that is his share, he has already made certain commitments that make it imperative that he take every bit as much. By this time he has forgotten, if he ever knew, that this excess which he pockets - when every one of his employees produce five each day they work while he proceeds to keep four for himself and pay them one in wages - is really the result of his strategic position and technically should be referred to, not as profits but as rent.

What then is this law of rent? To sum it up in good technical language: "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use."

Of course all this could have no possible bearing upon the wage scales of today! We live in an age known as the "machine age". We boast of a complicated system of finance known as "high finance". Any fool can see that the owners of the machines and the manipulators of finance are the bogey-boos of this generation. Nonsense! At what point did we suddenly become ethereal and separated from the good earth? At what point did it become more important to own the machines than to own the land? If that is so why is New York land---just bare land---worth eight billion dollars? Just cancel that minor item from the accounts of the financial wizards of New York and look out below for the bankers will be jumping out of skyscraper windows by the dozens.

Then, there is that item called capital. Let us see if after all it is the capitalist who is the enemy of our friend the laboring man. Let me remind you again I am talking about "pure capital". There is no land factor here. Capital is wealth that is being used to produce more wealth. It is really so much stored up material and labor.

If the pure capitalist could he would do the same as the landowner has been wont to do. He would take all except a bare minimum to pay rent and wages. But what is his predicament? Is he in a strategic position to make land and labor knuckle?

The best illustration to prove that his position is equally vulverable with that of labor is given by Henry George. I tell it in my own words.

Two Indians ugh and ugh together. One has a fancy instrument with which he has been shooting six buffaloes a week. It is a cinch! He puts an arrow in a bow, pulls the string and without benefit of bang or puff a buffalo bites the dust. The other Indian has always used a club. He would hide behind a tree, wait for the buffalo to graze up close and then he would leap out and hit the buffalo in the head. This is slow and hazardous business. One a week is all he can average.

Now, he is pop-eyed! No more red points in his wigwam. In his imagination he has a bird's eye view of himself bringing his squaw a buffalo any time it is needed on the menu. What price bow and arrow? Must he work as hard as ever and by using this new weapon must he kill six buffaloes a week while the genius of the tribe sits back and claims five buffaloes in interest for the loan of the bow and arrow? Nay, forsooth! It is not so simple. The secret is out. The patent laws do not cover the situation. Our capitalist, the bow and arrow owner, will have to continue catching his own meat. Friend Indian with the dilated eyes will sit up late some night and make himself a bow and arrow. Then let the buffaloes beware!

You see, a capitalist has just so much detached land and stored up labor to his use. Unlike the land owned by the landowner this can be duplicated. This gives him no strategic advantage. Both the landowner and the laboring man can commandeer or spend so many labor hours and produce the machine or gadget that assists the capitalist in production. This automatically puts the capitalist in the same boat with the laborer. We hope some of them won't mind being consigned to such respectable company.

But this is only a fraction of the story. We must bow to the exigencies of space and time.

Faternally yours,

W. H. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
SATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Winter 1944
Letter No.3

I have no doubt that by this time you have arrived at some conclusion as to the worth of these letters. Before you make what I would naturally think was the fatal error of pushing them aside may I endeavor to make a few startling and what to you might seem to be preposterous claims for the doctrines of Henry George. In an effort to challenge you to go on I will run the risk of being rated a bit on the balmy side.

If you would like to see a slum clearance program that would really work so as to enable the poor to move themselves out of the slums, the answer is here.

If yours is a rural parish and you feel the effects of the gigantic squeeze play that is on in our country, which results in our best rural families abandoning the farm in favor of huge capitalized combines or tenant farmers, as the case may be, and if the lack of money for and interest in cultural institutions makes you see clearly the crisis facing the church in rural America--may I suggest that the answer is here?

If you sense the threat to sanity and well being which living in great cities creates and wish some way could be devised to decentralize American population so as to enable ordinary people to own a house in the country with plenty of space in which to live and raise their families, again I say, the answer is here.

If you realize, as most of us do, that giant cartels and monopolies if unchecked will bring more and more suffering to the rank and file of men and if you would like a program that would automatically dissolve these monopolies without any governmental red tape so that they would melt away like the snows in April--may I suggest, the answer is here.

If you want a clear-cut solution to the problem of war, (and who doesn't?)-again I say, the answer is here.

If bureaucracy and its attendant evils give you occasional moments of despair,-I repeat, the answer is here.

If you are concerned about the rising tide of anti-Semitism, which is the resort of desperate men to lay the blame for trouble at the wrong door and to arouse race feeling by stirring up animosities which spread from race to race and invariably back-fire to bring persecution to all creeds and classes--may I implore you to examine carefully this analysis of Henry George, for the answer is here.

I could go on and on, for most of our troubles are rooted in the conditions arising from the maldistribution of wealth. Let wealth continue to clot in the hands of a few and misery and a host of interrelated calamities are always the result. Let wealth be distributed equitably so that each man gets what he rightfully deserves, be he lazy or industrious, capable or ineffective, be he laborer or philosopher, and instead of developing these trouble areas life smooths itself out and the natural love of justice that is in all of us will flower in a brand of faith in God and man with which this generation has had little experience.

I casually ambled up to a distinguished minister last summer and inquired if he knew much about the philosophy of Henry George. I had heard him preach and though his material was excellent and his sympathies were properly placed I knew he was not conversant with the argument. "Oh, Yes," was his reply, "but it is my impression that all those who follow his way of thinking are just like the 'Pre-Mils.'"

My astonishment was "utter". I said "What!!" Upon seeing my consternation he hastened to explain, "Well, I mean they are so confounded cock-sure of their theories and claim such outlandish things for them that they make themselves ridiculous in the opinion of most thinking people."

"Yes," I said, "I guess if that is what you mean by such a strange comparison you are right. But wouldn't it be a pity if they were the thinking people and you were allowing the prejudice in favor of more complex remedies to blind you to the simple truth?"

We who know what I sometimes call "the answers" literally suffer when we have to listen to men who have never found them. I have a very good friend whose common sense is violated every time I remark that it is apparent that so-and-so doesn't know the answers. The trouble is that my friend doesn't know them himself and so assumes that there are no simple formulas. Where he keeps his faith in the integrity of the universe is what puzzles me. The only reason I make bold to write these letters is that men like him are leading our church and the situation is getting serious.

We are the ministers of this age, the doctors of society, if you please. If by measuring our Christ-revealed principles against the basic principles of economics we can avert the threats that loom up on our horizon we will really have been instrumental in bringing salvation to this confused and befuddled world. Nothing will work that is not rooted in Christ. I make no appeal for anything that is not basically Christian, but I do insist that Henry George has the Christian answers.

Some people smile when a person claims to have the answer to as many problems as this. We are used to hearing extravagant claims made about Christ. Indeed—we make them constantly. All I am saying here is that Christlike principles, properly applied, will solve all the riddles of our modern age. Have you ever noticed how believably we as ministers ramble on about The Kingdom of God and then how incredulous we look when someone mentions Utopia? Is there fundamentally any difference? Could men ever live in Utopia or attain it without accepting Christ in toto? The two are synonymous. If we believe in Christ we must believe in Utopia, or at the very least, in the possibility of little areas of Utopia all over the world.

In my last letter I spoke of the three factors in the production of wealth; land, labor and capital. I defined these three factors and promised to use them in precise ways. For most of us labor and capital seem important enough. We imagine mistakenly that there must be a great struggle on in the world between these two. Actually this is not true at all. Capital and labor are in the same boat and they prosper and suffer together — always together.

Remember, that in referring to capital we are referring to that part of wealth that is being used to produce more wealth. A pure capitalist owns no land. If he owns both land and capital our popular language always refers to him as a capitalist. This we will not do. He is either a land owner, or he is a capitalist, or he is a laborer. A man who owns his own store and the land on which it rests and who works all day as a clerk is all three. Part of his income will be collected in rent from his land, part in wages for his labor, and part in interest for his capital. Technically we must keep these factors separate even though a man is all three at one time. Wealth is always distributed in these three ways; by rent, wages or interest. We eschew the term profits as worthless since it is impossible to specify whether it represents rent, wages or interest.

Because of our persistent habit of identifying a capitalist with landownership we fall into the error of believing there is a basic conflict between capital and labor. The conflict is really between landownership on one hand and capital and labor on the other.

This leads us to a few reflections on land as an important factor in our modern world. All through these letters we will have to use the words land, and land value. We may as well get clear what we mean by both terms.

The uninitiated never seem to realize the importance of the land factor. "Is not the number of farmers diminishing with every year?" They say. Absolutely. But does that mean that land is no longer required in our economy? Think!

Land still remains the all-important factor in production. Indeed those who own most of it in any country never forget how indispensable it is for life. Let me elucidate.

find the landowner hugging the ground. Rent is down for land is plentiful and free. The landowner is very unhappy. The two on the other end are high. They take everything and the balancing process goes on between them. They do not even notice the landowner on the other end. They seesaw up and down and have a delightful time. But time passes. Land is taken up and soon the landowner begins to enjoy a ride. Gradually he goes up and up and as he goes up the other two come down. They have their little sport balancing things off between themselves and neither has any advantage over the other. Finally they both hit the ground and there is not enough leeway left for even a Sunday School picnic pastime. The landowner is high. He has leisure and a lovely view. He chuckles to himself and tells the press, which is standing by, to confuse the poor fools and make them blame their predicament on each other. So they call each other names, both threaten to get off and let the other down, and the joy of living is no more.

But we must now deal with the factor of material progress. We set out to answer the question "Why does poverty deepen as progress advances?" Why, when men increase in their power to produce wealth does wealth have a tendency to clot?

There are three things that contribute to material progress, (1) increase in population, (2) improvements in the arts of production and (3) improvements in knowledge, government and morals. The first we will consider by itself. The last two may well be treated together.

Malthus was the authority on population until Henry George arrived. Everyone acknowledged it. His doctrine had been law to the poor and Gospel to the rich, for Malthus proved (only to the satisfaction of his generation) that population naturally tends to increase faster than subsistence and that there is a law of nature which automatically condemns excess populations to be hungry. That was just the sort of sop that the rich man needed to stultify his conscience and blame his own greed on the Creator. He could live on the fat of the land by collecting the rent of the land and attend divine services on Sunday morning without a ripple of the conscience. It was God's own law! Or did Malthus figure that one out?

But Henry George took Malthus apart and dismissed him to the limbo of the quacks. He proved him wrong at every turn, though for years the theories of Malthus have been ghosting in and out of popular economic treatises.

In the first place Henry George proved that one hundred men working together can always produce more than a hundred times as much as one man working alone. What with the division of labor and experts in every field turning out the products of their skill, wealth increases by leaps and bounds and if there were never any fancy inventions to speed the process the very fact of cooperation would be enough to make wealth abound. Malthus said in effect that men's mouths were bigger than their hands. Henry George proved that two hundred hands could always produce more than one hundred mouths could eat. His treatment of Malthus was devastating.

But Malthus said things that seemed to fit in with other popular fallacies. Men used to reason thus: Just as the increase in population would necessitate the more minute division of subsistence, so would the increase in the number of laborers require a more minute division of capital. Pestilence, starvation, poverty, and war were the only means by which an over-balanced economy could be set to rights. The world is full of people who still believe that stuff today. Remember the exasperating argument against sending aid to famine areas in China? "What's the use...?"

If by the division of labor more of one kind of wealth is produced it will affect the whole quantity of wealth, for wealth is interchangeable. If two men hitherto working separately agree to specialize and in so doing increase the output of wealth, each will have more for his day's work if they divide their produce evenly. When large numbers of men work together to produce wealth and trade with one another, the very land upon which they congregate begins to have a value which it did not possess before. A city grows; simply because the city happened to spring up on a particular site that site begins to increase in value. Men can trade with greater alacrity and less effort if they are near each other and wherever they congregate increased value attaches itself to the land.

As population grows and as men's power to produce wealth increases by mutual cooperation and the division of labor, and as the proximity of trading centers affects the element of time in making exchanges of wealth, what happens? Two things, (1) certain lands become extremely valuable and (2) more and more land is called into use. What does our law of rent say about that? It says, that as the quality of land brought into

use goes down, rent in the better areas goes up, absorbing, as it does, all increased value, and wages invariably go down. A man will have to work for whatever he can make if working for himself on the least productive land in use. Therefore, though increase of population and division of labor makes man capable of producing more and more, only those who own the land in favorable spots are benefited. If wealth is not equitably divided some get more than they can use. With the excess they naturally buy up more land and if they are good at guessing games they can do quite well by themselves, thank you. Ever play monopoly? That game, I am told, was invented by a person who had a thorough understanding of Henry George.

The net result of our first factor in material progress, increase of population, is to increase the power of the landowner to take rent. It tends to increase the quantity of wealth as well as the capacity of all land to produce more wealth than before. Still, the advantage does not attach itself to labor. It attaches itself to land and land values increase as wages go down.

What about inventions and scientific improvements? This is the part of the story that is designed to break the heart of a sensitive person. Our natural assumption would be that great machines would be a boon to labor. As a matter of fact there are times when a man might better be a dog than a laborer. Is it possible that the same law operates here? As my daughters in High School would say "Are you kidding!"

By this time the formula should be familiar. An invention comes in to increase the output and to decrease the amount of labor needed to produce any series of items. For example, a machine and one man make five hundred bottles a day. An invention enables that man with another machine to turn out 10,000 bottles a day. What is the result? Well, to look at the pleasant side first, for it is not all gall from the start, wealth for the entire community will be increased by 9,500 bottles per day. Not bad. More laborers will be needed to dig and transport sand from the sand pits. Very good. More steel will be needed to make the machine and a new factory will be erected to make many more such machines and to put many more people to work, by starting many more cycles of activity. So far it is a "beautiful" circle.

But hold everything! What is this? Does all this activity happen on the same grade of land? No indeed. This is but one invention and there have been many similar brain children producing the same sort of effects in all lines. The margin of production has been crowded back because of the demand for land, and, for all the increase of work all along the line the level of wages, already depressed to where the margin of production was, has fallen steadily. Much, much more wealth has been produced. The laborer for all his reduced income seems to have made some advance for he enjoys gadgets and conveniences that his forefathers would have been wild with delight to possess but though his wages have been increased in quantity the proportion has fallen sickeningly. Thus, law of rent has done the trick again.

Meanwhile the value of land in city areas has greatly increased. All the wealth that these machines have enabled society to produce, instead of being distributed fairly among those who labored with brawn and brain to produce them, is tanked up in land values. Eventually these values become exorbitant and a frustrated society can no longer "make the payments" on the land it needs and at the same time have the products of its labor. A depression ensues. When this process has run its full course men grow desperate. When some less favored group or nation thinks itself ill-used and will stand it no longer either a revolution or a war breaks out and this idle wealth is invested in a standing army or in war bonds to pay the price of killing those who would upset the applecart.

Just to make the whole thing consistent and to come as near proving the theory of total depravity as a fundamentalist could ask, instead of putting the charge for such a war on those who have benefited so outrageously, it is saddled by taxation on the backs of the people who had to work to produce the wealth and whose sons had to die to maintain intact the right of one class to rob all others of their natural rights.

If this be true, and you will have your hands full trying to prove otherwise, what part in this nefarious business is the church supposed to play? Are we, the ministers, supposed to shut our eyes, look the other way and play the old hush, hush game until this country too has gone the way of European states; until our presumed freedom has been totally forfeited and the hope of ever seeing a "kingdom" on this earth is forever dead? The answer lies with us. We are the ministers of the church in this hour.

Fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Winter 1944
Letter No.4

I left you last with a promise and a warning. The promise to show you one of nature's, and therefore God's, immutable laws. A warning that knowledge of this law is very apt to change your whole viewpoint on social reform. Honestly now, can you truthfully say that you stand ready to be changed if truth shall be your butler?

You may have decided already that cooperatives are the summum bonum. You may have eschewed all interest in matters such as this feeling, not thinking, that they are far removed from the center of your orbit. Some other mode of action such as Socialism, Dr. Townsend, Social Credits, may have won you to its cause. Are you set? Has the honest truth still a chance with your soul? If it has I do not fear the outcome. But if I have to break down an emotionally fortified conviction already formed you make my task doubly difficult.

Did you ever try to argue with a person who had arrived at a conviction through emotional rather than intellectual processes? Have you ever observed that convictions emotionally arrived at are seldom set aside by pure logic? Most of our convictions have been emotionally impressed. I appreciate how inevitable and how necessary that is, but it often keeps us from the good and the promising as well as the bad and the threatening.

I am myself persuaded that what our generation needs is a saving knowledge of the law of rent. If you do not already know it, I now propose to reveal to you this law's immutable and inexorable operations and seriously I pray that in this law you will "meditate day and night" until you fully comprehend its import.

Let us retrace our steps for just a moment. We have set ourselves to prove why wages tend to a minimum. We have defined our terms carefully and have eliminated all extraneous considerations. We have decided that there are only three factors in the production of wealth: land, labor and capital. We have declared that there are only three avenues along which wealth once produced can be distributed. They are the avenues of rent, wages and interest. May we put it in this form?

Land		Rent
Labor	Wealth	Wages
Capital		Interest

Wealth may be produced through the application of labor to land without the aid of capital. If such is done only rent and wages will be affected. This reduces our problem to its simplest form. If some straight thinker can explain how much will go to rent we will automatically know how much will be left for wages. Henry George did not discover the law of rent but he did spiritualize it. Ricardo was the first economist to see and explain this law. Leading economists grant that he was right. What did he see?

Let us suppose that society is made up of two classes: those who own land and those who labor. We leave capital out of the picture temporarily. These men collaborate to produce wealth. At least, that might be the general impression though the landowner will

do no work himself. He presumably contributes the land. Don't laugh here! At any rate wealth is the product. Who will get it and in what proportions?

These are all nice people but in this world business is business. Of course if every one was perfect our problem may never have suggested itself. I say may, not would. But in the process of distribution one class will claim as much of the produce as its strategic position will allow. It will take it all if it can.

Labor must have land upon which to produce or it will starve. Granted the right of the landowner to push labor into the sea unless he is willing to work, the advantage seems to be with the landowner from the start. Labor must have food and shelter and therefore he works upon the land. His wealth is garnered. Comes the landowner.

"Well, I see you have finished. We will now sit down and calculate how much you owe me for the use of my land."

If the land is all of equal worth and all is owned by the landowner and the law of the land is fixed so that the landowner can take as much as his strategic position will permit he will take all except the barest minimum that would enable the laborer to continue to produce. Life is sweet to the laborer and he will continue to work because to stop working would be to perish. In such a situation the landowner, granting his ownership of the land, has the power to take all but the barest minimum. Witness India and her Princes who, minus their fancy titles, are just plain landowners.

Has the laborer any defense? None whatsoever. He may stop working but he will die. The landowner might be forced to labor on his own land but he could have all the produce so his predicament is not hopeless, only unfortunate for a time.

This however is not the way it really happens. It happened here in this wise. A vast continent rich in all kinds of resources stretched almost endlessly from sea to sea. Except for the sporadic resistance of a few savage and disorganized tribes of Indians the land belonged to the pioneer. For purposes of simplicity let us say the Indians were not there. Our forefathers rather baldly assumed that they had no right to be there. I do not argue the point.

Naturally the first to come looked about and took their pick of the best land. It was free. "Eureka! Not a landlord in sight." For dispossessed Europeans this was really something!

Shots are fired; traps are sprung; game is killed or captured; trees are felled; thickets cleared; cabins built; seeds sown. Everything that is killed, fashioned or produced is had as wages because the laborer is the owner of his land and there is no rent to pay.

Time passes. Other seekers of fortune arrive. The best land is eventually all taken up, but, until it is, no one needs to worry about the rights of a landowner to charge rent or price for land.

But now, our first to come discover themselves to be in a strategic position. Let us assume that they garner from their land an amount arbitrarily measured as five. They work all day and receive five in wages for themselves. When all the land that will produce five is settled or taken up and the only land available to the newcomer is land capable of producing four in one day's labor, a new factor, rent, enters the picture.

To this moment all the wealth produced was distributed in wages. Now the man who owns five land can begin to charge rent. The newcomer has two choices. Either he can settle, rent free and price free, on available four land or he can bargain to work on or buy land of five quality. Assuming that he prefers to work on five land and that he agrees to work for the man who owns that land how much will the landowner pay him in wages? He must offer at least four or his prospective employee will say "Sorry, but I can make more than you offer me by working for myself on free land." He does not have to offer more than four because that is all our newcomer can earn by working for himself where he can take all he produces in wages. Rent therefore becomes the difference between what the newcomer can make for himself on free land and what he can produce by working all day on five land. The difference in this case is one and since he produces five in his day of labor he can keep four for himself as wages.

file in the court-houses, land of almost no worth had been forced into use while good land was being held out of use because the owner would not relinquish it without his pound of flesh,--legitimate rent.

This is not farm land I refer to. Take a ride through any city in America and look at the vacant lots. Fly over any city and ask yourself a sensible question, - "When did the Axis air force bomb this town?" All over the place there are big holes; fields right in the midst of big cities; occasionally an old wagon shed in disrepair decorating the lot next door to a well-kept home. Why? Oh, it's just the old game of "Pay me, brother, or else!" Go on out to the suburbs. Is the land taken up evenly? No more than anywhere else. Every city is ringed around with acres and acres of land that is being held for a rise in value. Why do people have to go miles out of a city to buy a home? Simply to get one for what they can afford to pay.

Is it good economy to extend sewers, streets, bus lines, gas mains, telephone wires, milk and delivery routes of all kinds past these vacant lots? Think of the waste in materials and time! It is insane! Our tax policy has aided the land owner in this needless waste. If he does not see fit to use the land his tax is relatively low. It is to his advantage to sit tight, wait until his land will bring a fancy price, and then sell. What happens then? Not only does the man who desires to use the land have to mortgage his future earnings by paying the "then" value plus prospective earnings for years to come, but the instant he puts the land to use the government pounces on his back and says in effect, "We consider it a criminal act for any man to produce goods or improve property; we therefore penalize you to the tune of .0244 per 1000 on all your improvements".

With the land owner gouging him on one side and the government digging him on the other the squeeze is on and the land user's power to produce is made extremely difficult.

What would happen if we decided that all land should be used for what men found it to be worth and that no one would have any right to hold out for a higher price than the land was actually worth today? Immediately there would be a great shift in the movements of people. Those who were able would move from land of 60 value to land of 100 value and those on the fringes of society would move in and occupy not land of 5 or 10 quality but land of 40 or 50 quality, and bring with them the margin of production.

What would be the result? Instead of producing 5 in a day's work, they would produce 40. Their daily wage would be increased by that much. They and all society would benefit. Think how vast an improvement would result if millions now producing 5 were all to begin producing 40 and really collecting it for themselves.

We now touch upon a point that may be a bit technical, but it is of great importance. When rent is no higher than it ought to be, the price of products to the consumer is not affected, but when it is possible for giant corporations to hold out of use many square miles of highly valued land, this monopoly power increases not only rent but the price of everything they have to sell. Imagine the power an aluminum company possesses to keep the price of its product up when it owns most of the best sources of raw material that go into the product. Much of the timber land in the west is held by a very few enormous companies. All these people have to do is stick together and they can make the price of home construction beyond the reach of the man who does the real work in this world.

It is true that the price of an article is not affected by rent if that rent reflects the true value of the land, but with the power granted by the State to hold large areas out of use, where can any true value be reflected? All rents are higher than they should be, and in consequence this has an effect upon the ultimate price of all things to the consumer. It is a vicious spiral downwards for the many and upwards for the few.

If it were possible to break the stranglehold of this land monopoly there would no longer be any need for labor unions. What we want is a condition where there are more jobs than men and a condition where a man gets what he really produces. All this business of labor organization would be out the window. No one would have to depend upon a union to help him get his rights. His rights would be written into the law of the land and in a free economy he could jolly well refuse to work for any one who would not give him his just reward. Moreover that reward would be so far in excess of anything that the C.I.O. even dreams of gaining for him that all labor organization both good or bad would be just so much wasted energy.

In our present economy who pays the bill when the labor union gains its way? Break it down. If you are in favor of labor unions and feel that there is no salvation unless labor has the power to bargain collectively, stop and analyze the problem. With the margin of production far down the scale and with wages relatively low; with land values barring the way to private enterprise and making men dependent upon those who own the land for a right to even produce at all; what good does it do to labor as a whole for one group of laborers to organize and demand higher pay? If the pay is granted, the increase is simply added to the cost of the products of labor and all the people have to pay more for the finished product.

When the price of the finished product is increased what effect will that have upon the demand for that product? Certainly not to increase it. On the contrary it tends to diminish the demand and eventually to give the laboring group thus organized less work.

Please do not misunderstand me. I am concerned about the laborer. That is why I say let us give the laborer what he really deserves. When we decide to do that the laborer will have so much more than he ever dreamed of having that all the bitterness and bloodshed that has gone into strikes and lock-outs will be a thing of the past. Would that or would that not be a spiritual triumph for mankind?

Our General Assembly finally went on record last May in support of Labor Unions. It did so without realizing that there was an infinitely better way to give labor its rightful share. In doing so it gave sanction to the fact of conflict between two classes of men, both of which are members in the Christian church. It granted the fact that this conflict was inevitable but I DECLARE THAT THIS CONFLICT IS TOTALLY UNNECESSARY. It is the direct result of the power of one class to grind another class into the dirt because we, the public, have sanctioned the principle of private ownership instead of private use of land.

Here, as Winston Churchill says and knows, is the mother of all monopolies. When a few corporations can buy up all the oil lands and keep vast areas out of production they can limit their output and up their price, automatically curtailing their own market but collecting such fancy incomes that they need not bother to produce one fifth as much as men might actually be willing to consume if they had a reasonable chance.

But you may say perhaps men would consume all the oil in one generation! As if we were not trying to do that in this war and killing the flower of every nation off in the process! Had we taken care of this monopoly in land and had the people enjoyed equal access to the land, war would be the farthest thing from the thoughts of men. Wars are cooked up in the warped brains of men who see the power of land monopoly to make them gods upon earth that all other men may bow down and worship them.

Look at Hitler. What he wanted was the fertile plains of the Ukraine, the coal of the Ruhr, the oil of the Balkans, the ore of Sweden. With these rich resources under his control he could with wages so depressed get men to work in those rich deposits and by producing 1000 each per day he could pay them 10 and take the rest for his mad-dream, the State. Break that monopoly in land and you break the potential that breeds war or revolution. Play along with it, refuse to deal with it, and what do we get? Periodic depressions, misery, suffering, strikes, lockouts, revolutions, wars, bringing in their wake mounting debts and a host of interrelated miseries that have to be controlled and managed by an ever growing bureaucracy that threatens to become the tail that wags the dog. We play along with this land monopoly, grimly refusing to let go. We say give us our slums, our wars, our strikes, our hates, our debts, our burden of taxation. Give us all these things, but do not take away our right to own and speculate in land.

We ask our boys to die on battlefields for a country which by its stubborn willfulness refuses to drop the snake that bites everybody within its strike. To die for a country which in its paroxysms of pain twelve years ago was given the needle of state charity and the patent medicines of New Deal correctives. Because these things never can and never will stop the pain there are thousands of well-intentioned but still blind leaders itching to get their hands on the laces of the strait-jacket of Statism; and when those cords are pulled tight you can kiss your liberty good-bye for ever. If you still suspect that Statism and Democracy are even distant cousins I beg you to think this problem through to its logical conclusion.

Fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

WINTER 1944
Letter No. 5.

Ministers have traditionally excused themselves of the necessity of knowing economics. It has not been a part of the curriculum of the Seminaries. The position taken by most religious leaders is that this is not "within their ken". They say that it matters little what the system is as long as all men are good. Meanwhile, for lack of specific knowledge, the very opportunity to have our religious institutions intact is being threatened. The time has come to change our ways and in my last letter I put my finger on the one thing that must be understood if good men are to continue to have their proper influence in this world.

There is a story told of a window dresser with a sense of humor, who placed a large picture of a woodland scene in his store window. Hidden, puzzle-like, in the picture was the figure of a cat. Stragglers stood about the window in groups enjoying the discomfort of their friends who were unable to see the cat. Occasionally light would dawn and a seeker would say, "Oh, there it is. I see it now as plain as day", and go away quite happy.

In my last letter I traced the bare outlines of the cat in the economic puzzle. Perhaps you have already seen it. Or perhaps you merely shrugged your shoulders and remarked, "All of which has nothing whatever to do with our modern problem." If that was your reaction please don't go away. I wouldn't bother to write this if I didn't think that it is entirely applicable to our modern situation. Indeed, it is because of the way the law of rent functions that slums are born and wars are fought. It is worth a painstaking examination by our class of men.

Ricardo, the first of the economists to describe the operations of the law of rent, worked it out in its agricultural setting. That this same law functions with its inexorable results throughout the orchestration of the grand symphony of modern business, with all its instruments of production and distribution in full fortissimo, is well known to the initiated. It is depended upon for all it is worth by those who benefit by its operations and unless we, as a whole people, understand those operations, we are doomed. As a natural law I have no quarrel with it. It is not only inexorable but it is inevitable. Our task is simply to understand it and to deal with it intelligently. It can become a boon or it can continue to be a curse.

But we are by no means finished with the description of it and we pick our story up where we left off at the conclusion of the fourth letter.:

You will recall that, as time went on and population increased, more and more land was brought into use. The all-important factor in the process is what is known as the margin of production. What is that? It is the constantly fluctuating line of demarcation which divides the land in use from the land that is not yet taken up. Marginal land is the term used to refer to land, which, by nature of its location or its comparative uselessness, cannot claim any rent for its use.

Wages in both manufacture and agriculture tend to the amount that a man can earn for himself on the least productive land in use. Do not make the mistake of comparing the wages of skilled labor in a shop with the wages of ordinary labor on a farm. Keep your comparisons true. If you do you will recognize at once that the lowest paid laborers in city or country are about on a par, all things considered. It so happens that industrial organizations require a great deal more variation in skills than agricultural enterprises, and this tends to confuse the novice. You will recall that wages in all

areas, regardless of the value of the land in any specific area, tend to the amount that an individual can earn at the margin of production. To keep this in mind is all-important.

Have you ever wondered why clerks who work in downtown stores and who sell daily large quantities of merchandise receive no more for their services than the clerks in out-of-the-way places? I know a shirt-store in Buffalo which pays \$17,000 rent for a small but valuable corner in the heart of the business district where clerks receive the usual wage that all clerks get, be they in a city of millions or a country town. Oh, yes, there is a slight variation due to various factors, but by and large the variation is in no way commensurate with the enormous difference in the amount of business that is done.

But the plight of the clerks is not my only concern. What about the capitalist? Is this all honey and biscuits for him? Nay, for-sooth! He is just as much behind the proverbial eight-ball as are the clerks. Let us say that he rents the land and invests his own money in a huge quantity of shirts and elaborate show cases. He follows his money into the business with his brains and is daily beleaguered with a steady stream of headaches. Is there anything in his situation to make me wild-eyed? Can I accuse him, the capitalist, of taking advantage of his clerks? Not if I use my head. He is as lucky to be able to stay in business as the clerks are lucky to have their jobs. The law of rent has deftly piped the proceeds of the business into the pockets of the owner of the land. Thus the laborer and the capitalist are in the same boat. That is happening in the heart of Buffalo today.

Henry George has some very interesting and original ideas on the subject of interest. I do not consider it too important to discuss interest in detail in these letters. A word however might be in order since occasionally some dreamy reformer comes along and tries to convince us that interest is a curse. He is in a class with the one who insists that we will never be cured of our economic ills until the profit motive has been entirely removed. In my opinion anyone who imagines that the problems of economics can be dealt with intelligently without admitting the validity of self-interest is being ridiculous. I feel like saying to such a person, "Why be so difficult when with just a little more effort you can be impossible?" Frankly, I haven't time to argue the point and doubt if it would do any good if I did.

But to get back to interest. If there was no such thing in this world as natural increase, or limitless supplies of all kinds in the bowels of the earth, interest might be a curse. But as long as a man can plant seeds and receive some thirty, some sixty, and some a thousand fold, (Jesus lived in Palestine and had no idea what scientific farmers on muck land could produce) interest becomes a necessary and valid charge on industry. There will always be people who will have to live on stored-up labor and it is only right and fair that some system to make this possible be a part of the scheme of things.

Suppose you want to borrow money to buy a calf that you might feed and care for until the laws of growth have increased it to the status of a steer. Certainly you should be willing to pay a reasonable sum to the person who might be willing to do without the use of that sum until you could use your labor, his money, time and the laws of growth to your own advantage. What is wrong about that? Nature gives her increase and no one is impoverished. Both you and the capitalist have benefited and are agreed.

The capitalist is not in a strategic position to take the steer and leave you the tail. Indeed the amount he can take is determined by certain regulatory factors and in the final analysis by the margin of production. The regulatory factors are determined by the average power of increase which attaches to capital from its use in reproductive modes.

May I put it briefly in this wise. The margin of production being fixed, the amount that will be claimed in rent is determined. What is left must be divided between wages and interest. There is going on constantly a balancing process between wages and interest. If interest goes up, labor is simply set to work at producing more capital goods that the capitalist may take advantage of the situation. When an excess of capital goods causes interest to fall, labor will be withdrawn from the production of capital goods and will be used to produce consumer goods.

In a picture this is what I see. A seesaw with one person, the landowner, on one end, and two persons, the laborer and the capitalist, on the other with a little seesaw arrangement of their own on their end of the big seesaw. The first stages of the game

Our failure to distinguish between the two kinds of property, land and commodities, and our failure to see the moral principle involved in man's relation to these two kinds of property, has cost more lives in war, famine, malnutrition, and disease, than any other single blind spot in our line of vision. As men of faith, we can have our neatly packaged theory of individual salvation done up in fancy ribbon, but if we as social creatures do not realize this truth, we are still "dead in our sins." We will go blindly on, participating in the process that makes for war and desolation everywhere. All our presumed knowledge of the power of grace to flood our beings with life will be useless to redeem us from the treachery of our laziness, selfishness, or just plain stupidity, that would blind our eyes to this truth about how we should relate ourselves to property.

Because we say man has a right to own land, what happens? As land increases in value (which often runs into millions of dollars for small plots), individuals get what rightfully belongs to society. The land where coal is mined in Pennsylvania is enormously valuable. There is as much or more coal in the mountains of Wyoming, but there, it has scarcely any value. Why? Because millions of people in the East demand Pennsylvania coal. Society created the value of that land. Individuals collect it in rent. The New York Central Railroad leases the land upon which stands the Waldorf Astoria Hotel, and that hotel company had to pay one million dollars a year in rent for that block of land. No wonder the capitalists who built the hotel had to declare bankruptcy! Whether it is an individual or a corporation that collects makes no essential difference. Society, not the stockholders of the New York Central, created the value of that land. By the operation of unjust laws, we, the members of society, were cheated out of a value which rightfully belonged to us, for we created it.

Again, because we say man has a right to own land, what happens? Every so often we are plunged into a depression that is heart-breaking and life-thwarting to millions. Why? Because of the speculative rise in land values. All authorities admit that speculation in land is the prelude to depression. All Georgists declare that this is the root cause of both acute and chronic economic pain. Wherever poverty has become a chronic condition you can look and see land monopolized by the few. A sure sign of an acute attack of economic pain is the artificial rise in land values.

For instance, assume that conditions have made a good market for potatoes for two consecutive years. The story gets around that one James Ewart bought a farm for ten thousand dollars and paid for the whole thing in two years. At last, the day to buy potato farms has arrived. Men who like that sort of life go out looking for good land. What do they find? Farms like the one Jimmie bought two years ago for ten thousand dollars are now only to be had for twenty thousand. The landowner is asserting the power which his strategic position gives him. Still, it looks like a good buy. A man may have to work four years instead of two to pay off the mortgage (sometimes twenty years is considered a reasonable period) but still it is a happy prospect. As the landowner joyfully notes the gleam in the public eye, he bites off the end of another cigar and makes a thousand dollars. Everywhere land goes up in price. Land for attractive homes has been bought from land speculators in the suburbs of the city. Not having that much money, but still lured on by pleasant prospects, land buyers turn to the banks for credit. Huge loans are contracted, loans that need never have been contemplated, and to the high price of land is added the burden of interest.

It is here that the curse of interest reveals itself. Here we make the point: Take care of the land problem and the interest problem will take care of itself, because everywhere, in both city and country, high land values and hope for future returns send men to the banks for credit. Always the banks must have the best of collateral. That is natural enough, but the excessive price of land makes borrowing and interest paying necessary. Inflated land values, plus high interest payments, eventuate in a condition which sees all the would-be potato kings or what have you, saddled with debts and having to pay out such sums of money as to have very little left for furniture, clothes, education, or what they hope to have when they pay off the mortgage.

Then money becomes scarce. The market begins to sag. Families pull in their belts. Potatoes go down in price - for they are not in such great demand. Money to exchange for goods becomes more and more scarce. Suddenly a shuddering tremor runs through the whole system. Then a stock-market collapse wipes out the presumed earnings of millions. This debacle is followed by the failure of one bank after another, as their mortgages for high-priced land put them in the farming business or find them holding deeds to hundreds of fine homes. That is what happens when a man insists that he has a right to own land.

What results from our failure to recognize that what a man produces with his labor belongs to him? Government officials get their heads together to decide how to raise money to pay for the cost of government. Some canny landowners form a bloc. They insist that the government place a tax upon the products of human labor. They see to it personally that those who labor pay the full price for the use of any land they may want to use, and they, the landowners, pocket the money. Now they say, in effect, "Take away from the laborer and the capitalist part of what he produces so that we can give you, our legislators, your salaries. Government is expensive. Labor produces many things. Take a cut on all that is produced and everyone will be happy."

What is the net result? The government proceeds to tax trade, income, profits, commodities and improvements made by labor upon land. The bulk of governmental expense is collected

in this way. An army of government officials is required to collect the taxes. The more taxing there is of commodities, incomes, so-called excess profits (whatever they are), the more difficult it is to produce commodities, incomes, and those vagaries known as excess profits. Taxes on commodities are always passed on to the consumer. This always tends to increase the price of the commodity. Increased prices always tend to lessen the demand and diminish the incentive to produce the commodity, and the ultimate result is always unemployment. With unemployment stalking the land the national income drops phenomenally and business firms begin drawing on the much-despised supply of red ink.

This is a familiar picture. I insist that the reason it is so familiar is that we cling to the institution of private property in land and have failed to see the basic evil in our present system of taxation. We condone the practice of giving to the landowner what rightfully belongs to society and we give meek assent to the practice of taking, in taxes, from the man who produces that which rightfully should be his to keep, or sell, or give away as he is minded.

Thus we put our finger on the basic cause of chronic poverty, acute unemployment, and economic depressions. Our thinking people of this land, and our law makers fail to recognize or will not admit the basic injustice of the institution of private property in land, nor will they call a halt to the evil and unjust practice of taking in taxes what should rightfully be left to the producer. Refusing to be forthright in their treatment of these evils, yet feeling impelled to relieve pressure areas here, there, and everywhere, our leaders proceed to bungle the whole business of government by trying to establish artificial controls that cannot possibly control.

Confronted with the distress of millions, our Government has broken completely with the American tradition of "Hands off, - unless." It has assumed its right to declare open season on all forms of business activity. The American business man is harassed to the point of exasperation. This is largely due to his own failure to comprehend the problem and insist on its proper solution.

If I have shed many tears over this plight of the men of affairs who cry aloud against the trend toward central control, I may as well admit they have been crocodile tears. Let these gentlemen be as forthright as they demand that their government ought to be. Let them make the changes which alone will relegate government to the sidelines. If they insist upon having their cake and eating it too, they can go on expecting exactly the same sort of treatment as they have been getting from the so-called "common man". He is not quite the docile creature he used to be. He may not see what is basically wrong, but he at least has political powers and he is going to employ them until business sets its own house in order.

There seems to be a fairly genuine desire on the part of business men to assume responsibility for the post-war era. Where, in any of their plans, is there a sign that they are willing to deal with the double-root cause of all the trouble? I have seen none, though I have examined carefully their blueprints. They can expect to face the same conditions which they have always faced unless and until they honestly deal with this question of the private ownership of natural resources.

Our church has been holding its World Order workshop across the land. Where, in the writings that are supposed to guide our thinking, has mention been made of the double-root cause of not only depression and poverty, but periodic wars? Nowhere!

Is this because our leaders do not know that poverty and war are blood brothers? I scarcely think so. Is it because they have never analyzed this problem successfully and so are not in a position, as leaders in a great church, to guide our thinking? That is quite possible. Could it be that we Presbyterians have such extensive holdings in land that our spokesmen, mistakenly believing that landholders would suffer from a proper change in our rent-taking system, are afraid to speak up? Could be! God pity us! Could be!

Still fraternally and hopefully yours,

W. Lyle Young

NOTE: It seems necessary to state again that no one makes or intends to make any money from the writing of these letters or from the sale of any books. Costs are defrayed by individuals who give and bequeath money for the teaching of the ideas of Henry George and who entrust these funds to The Henry George School of Social Science in New York City.

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 6

My dear Friends or Colleagues:

As I start the sixth in this series of letters I begin to realize the plight of those who write long books. There is so much to say and so little space left in which to say it. I feel impelled, therefore, to urge once more that you secure a copy of "Progress and Poverty". Though I can do little more than sketch the outlines of this picture, Henry George was not so limited. You will find his style smooth and his care in covering all details most satisfying,--should this letter still find you in a doubting or a resisting mood.

May I suggest that if you find the first part of "Progress and Poverty" too technical and somewhat verbose, you might profitably, now that you have read this hurried sketch, start with Book IV and read to the end of the volume. Having carefully analyzed the problem and having fixed the blame where it belongs, the author writes like a man inspired. I never tire of rereading this book and never do so without expressing amazement at the power of his mind to seek the answer out and to make the whole argument so utterly irrefutable. I know of no comparable example of sustained logic in the English language.

In my last letter I tried to show how the operation of the Law of Rent pipes wealth into the already overloaded coffers of the owners of highly valued land. Though the worst is yet to come and the most grievous phase of this law has yet to be delineated, I pause here for another station announcement.

We, the ministers of this age, by a ghastly error, have been lulled to indifference toward exercising our intelligence in the economic field. As a class we have fallen into the habit of generalizing about social sins. How often have I listened to ministers solve all the economic problems with a sweep of the arm and the declaration that human selfishness is the one and only cause of all our ills. Since human selfishness seems to be such an impossible enemy to conquer, the minister implies that it is forever impossible to deal with social sins. He shrugs his shoulders in effect and says to his listeners "You can see for yourselves what we are up against",--and all the people find the "Amens" sticking in their throats! Of course human selfishness is the cause of all our trouble. But for the love of truth can we not be more specific about it than that? Jesus did not deal in generalities. He dealt in specifics. That is what got Him into trouble with the authorities. "I bring you a sword," said Jesus, "and He knew what He was talking about."

I realize the power of selfishness, but too long have we swung our guns all over the horizon without using our heads to discover from what point the enemy was shelling us. That this bombardment breaks down the morale of men and drives them to evils that they would never think of committing under proper circumstances only makes our task as ministers many times more difficult than it should be. Moreover the constant barrage destroys men's faith in the effectiveness of the church as a bulwark against evil.

What outrages my sense of the fitness of things is that so many people who live on this earth are being ground down by the operation of an unnatural man-made rule which makes the game of life about as equal as a football game would be with seven husky linemen and four galloping backs pitted against a team of undernourished freshmen with galloping consumption.

There is a relation between selfishness and self-interest which we must understand. Selfishness is always bad, but self-interest is essential to life. All creatures of nature are endowed with self-interest for without it any natural species would disappear. Every man must look after himself, and his very desire to secure the most for himself with the least possible effort impels him to establish community with his fellows. If life could best be served by every man living apart from others we would all be hermits to the Glory of God, but self-interest dictates that we live together. To do so successfully requires that we master the art of living together. This calls for voluntary sacrifice and the rendering of service. Since our dominant passion is to live, religion in its purest form calls upon all

men to love, to sacrifice, and to serve. The cross has become the symbol of the Power of God to give men life. The true believer serves because that is God's will for him but God would have him sacrifice and serve that all His loved creatures might have LIFE. Sacrifice and service, and the spirit of Christ-like love which prompts these, are the ultimates in value. Christianity uses the cross as a symbol to remind men that true life lies along the paths of love, service, and sacrifice.

Jesus said, "Seek ye first the Kingdom" but He did not stop there. He continued with a very important "and." He saw the vital connection between the individual sacrifice and the attainment of life,--rich, abundant, free. First, said Jesus, establish righteousness, and then all these things shall be added. The plea of the social gospellers is always in that order. Yet they are always being accused of being concerned with mundane affairs. As if this were not one world and so much a mixture of what is often called the spiritual and the material as to make it impossible to determine where one begins and the other ends! Jesus was a true Jew in that he thought of all life as religious. He never separated the spiritual and the material. It was all God's world.

An intelligent understanding of the law of rent will result in the self-interest of the majority asserting itself, prompting men to put a stop to this unnatural flow of unearned wealth into the pockets of the land-owner, and to pipe it with more regard to equity into the pockets of all who deserve a share in its distribution. The selfishness of the few must give way to the self-interest of the many. It is futile to scorn the factor of self-interest. It is realistic to harness it in such a way as to make it serve the best interests of all.

But we have by no means told you the worst about the operation of this law of rent,--perhaps we should say the worst of this business of sanctioning the private ownership instead of the private use of land. We are now about to speak of the two things that we permit in this world which make us fit subjects for the insane asylum. Wasn't it George Bernard Shaw who remarked, "If the other planets are inhabited surely the earth must be the lunatic asylum of the universe?" When the palpable folly comes over me of our permitting these next-to-be-mentioned conditions to exist, I always shake my head in uncomprehending puzzlement at man's low mental estate.

Two things are dead wrong. 1. Our allowing men to speculate in land. 2. Our insistence upon taxing commodities and improvements made on land to defray the costs of government. These two things may not seem to be closely related at first. We shall see, however, that they are the two prongs of an economic pincers movement and that all but a few of the people suffer from the resulting squeeze.

You will recall that in introducing you to the law of rent I first showed that the land owner was in a strategic position to take all, even to crowding labor into the sea. Then you will recall that I said, "it did not really happen that way", and proceeded to show what took place as land was gradually taken up and poorer grades of land were brought into use. The margin of production kept going back and down and all but out. When it reached its lowest point, wages were determined by what a man could make for himself on the least productive land in use which could be had without paying rent.

Having explained the law without allowing too many complications to confuse us we will now have to say again, "it really did not happen that way!" What actually happened was that as men came to settle and take up land, they declared themselves the owners of as much as they thought they could reasonably defend. Those who arrived later did likewise, until all the land was owned by someone. The earliest settlers of America, with grandiose visions of becoming the landed gentry of the new world, often bit off more than they could chew. For a fascinating account of this, I refer you to "The History of the Great American Fortunes" by Gustavus Meyers. Having no army at hand to defend their presumed claims, other settlers frequently came in and made themselves at home. But, with private ownership of land an established institution, everywhere the pioneer went great sections were held out of use for future speculation. As newcomers came into a community, they either had to pay the full price for land of the best quality, whether it was being used or not, or they had to settle on land of lower productive capacity.

All the early settlers were smart enough to know that as population increased and progress advanced, the land would increase in value. Therefore it was the smart thing to lay claim to, or buy up as much good land as they could possibly afford. The land could lie fallow. They had all they could use anyway. But the ones who came on a later boat or who were born in later years would have to pay and pay not only the "then" value but in addition the price justified by the anticipated increased population and envisioned advance in progress for years yet to come. If the newcomers were willing to gamble on the prospects of greater progress, they could expect their land eventually to increase in value for them in the same way. Consequently, long before all land was put to use all land was taken up. Most of it was held out of use in prospect of an increase in value.

What would this naturally mean? It would mean that those who did not have the price to pay for highly valued land would have to settle on land of lower quality. It would mean that their wages would be lower, since their wages would be all they could produce in a day's work on their cheap land. Finally, when all the land was surveyed and fenced in by deeds on

"Various methods of application have been suggested. As to which might be best, this would depend on conditions prevailing at the time.

"Should we abolish private property in land with one stroke of the pen?..... This could be done by requiring the owners of land to surrender to the government their title deeds (but not including their titles to improvements on the land); each owner receiving in exchange a short term, or a long term, lease, for as much of the land as he might wish to put to use, and for which he would pay rent; the lease to provide for periodic reappraisals of values, and rent payments to correspond.

"When this had been done the State would hold title to all land (the improvements thereon still belonging to their individual owners). And since no one would wish to lease more than he could put to use, the great bulk of the land would be freed and could be leased to whomsoever might want it; the government collecting, and keeping for its own maintenance, all ground rents. This would make possible the abolition of all taxes on industry and enterprise.

"Many, however, believe it would be better to follow a more gradual program. If a slower method is to be followed the means are already at hand. It has truly been said that "the power to tax is the power to destroy." Private property in land can be abolished easily by eliminating all opportunity to make a profit by mere land-owning. Men do not seek to own land in order to oppress their fellows; they own land in order thereby to make a profit. If a policy of taxation were adopted which would make it impossible for any land-owner to make a profit, purely as a land-owner, then speculation in land would die a natural death.

"This could be done by reducing, or abolishing, one after another the many taxes we now have on labor products, and taking instead for government purposes a correspondingly increased portion of the rental value of all land, privately held, whether used or not. This process to be continued until there were no taxes of any kind whatsoever, excepting a tax on the fund realized by collecting the full rental value of all land privately held, which fund would rightfully belong to all the citizens.

"This taking of ground rents by the community is frequently referred to as a tax. This has given the program the name of "The Single Tax" since this then would be the only source of public revenue. Actually, however, it would not be a tax at all; it would be the payment of the rent of land to the community instead of to individuals.

"If this method were followed, land titles could still be held, as now, by individual owners, but the final result would be the same as though the titles were held by the State, i.e., no ground rent would be left to any land-owner, nor could he profit in any way by the mere owning of land."

Under such an arrangement unemployment would vanish. Large land areas held out of use would be put into use and the margin of production would go up, bringing with it higher wages, lower prices, and increased returns to capital investment. Monopolies would be dealt a death blow. Efficiency would determine the size of a business organization. The final result would be to banish poverty and to make men free and independent at the same time.

The indirect results of such a condition would be to empty jails, ease the nervous tension of modern life and cut down on heart attacks and cases of insanity, allow families to assume care for their aged members, eliminate all but a trickle of charity and return it to private agencies where it really belongs. Leisure and wealth would be increased and education would flourish. The arts would be enriched and it is my firm belief that the churches would begin to fill up with glad and eager worshippers. It would be easy to believe in the goodness of God and the bitterness and cynicism which marks our age would disappear.

If, in this now shriveled world, we could demonstrate the power of these proposals and other nations could be induced under our leadership to try the same methods, how could war ever again appeal to any nation? With land available and freedom to trade and exchange without hindrance of tariffs, we would see the wealth of India being consumed largely by Indians and the wealth of America being consumed by Americans. This insane passion for foreign markets while local citizens starve would be a thing of the past. Only that trade which would advantage a people would be indulged in and if no barriers were up there would never be cause for friction. Is not the achieving of this sort of a world the business of ministers

of Christ? How can men be so blind as to say that we must deal with "spiritual" things and then assume that such dreams as these are ruled out because they are not spiritual but material. What folly!

Nothing perplexes spiritually minded people more than the problem of how an industrial civilization can provide security and freedom, both at the same time, for all its citizens. During the Thirties when the needs of millions became acute, "security" was the word on everybody's tongue. Now that certain unsound methods of gaining this security have been worked out, the reaction has set in, and everywhere you hear men deploring our sacrifice of basic liberties.

A strange paradox manifests itself in the reasoning of liberals and conservatives alike. It would be amusing if not so tragic to watch these two types of thinkers turn flip-flops in their efforts to deal with this perplexity. Their failure to understand clearly the "why" of poverty or the "how" of its abolition finds them demanding either a modus operandi that aims at security at the expense of freedom, or freedom at the expense of security. Here is where you will find the war of ideas being fought today.

So-called liberals have insisted upon the most stringent governmental controls, which, when imposed, produce a condition precisely the reverse of what a true liberal should really want. Then, suffering a loss of liberty, the conservatives set up a cry for a restoration of basic liberties. Thus the liberals cry for restrictions and the conservatives cry for liberation. Funny, isn't it? But it is all due to the fact that neither group realizes that there is a way to provide security and at the same time guarantee freedom to all men.

As the law of rent operates to give an unfair advantage to the landowner, wealth is stored up in land values and great money-clots develop in the blood stream of the body politic. The doctors of society, not willing to admit their basic ignorance of the law of rent, blame our troubles on individualism and private initiative. They declare that the failure of our civilization can be traced to the liberation of the individual that followed the Renaissance and the Reformation in Europe. Or they indulge themselves in what sounds like some profound reflections upon the failure of our spiritual motivations,--intensive cultivation of which, they say, will alone enable us to keep abreast of the rapid strides made in the physical sciences.

Other men, not spiritually minded at all, conclude that we must learn to submerge all individual impulses so that we can all fit into the scheme of some man-conceived plan of living. Hitler insisted that what men needed was complete uniformity to some one consistent pattern. He and his breed would see that the pattern was cut and it would remain for the citizen to adjust his life accordingly,—or else!

Such men are afraid of freedom. They do not believe in it or trust it. They say man has proved that freedom in this world leads men up blind alleys where assassins lurk. They say we must resort to collectivism in government, to authoritarianism where the individual is merged into one vast mechanism known as the state.

It is high time that Christian ministers denounce all attraction for this philosophy. This is the philosophy that breeds persecution for the Christian Church. I declare that the spirit of man thrives on freedom. It is the one pearl of great price for which men will sacrifice their lives. It is the glory of our religion. Our Gospel is designed to give men the power and the wisdom to conduct their lives sanely in the atmosphere of freedom. The all but total eclipse of understanding of the law of rent finds us dragging into court our best friends and accusing them of tyranny because they were in the vicinity when the crime was being committed. They stand helpless before a confused and angry court because the criminal is a clever rascal and has "framed" them that they might suffer for his crimes. In a world where men have decided to control the law of rent these two suspects at the court of justice will be revealed as heroes and not as criminals, and for the sake of the welfare of millions, it is our business as Christian ministers to see that the good name of freedom and the reputation of individualism are not destroyed.

Fraternally yours,

Whyhe Young -

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 7

My dear Friends or Colleagues:

We are now ready for a summary.

By this time, if you have been reading Progress and Poverty, you must realize the importance the author places upon careful, logical thinking. The beauty of this book is its fidelity to truth, which is never feared by the man who knows that "God is not the author of confusion."

Have you ever noticed how prone is the academic mind to use the words "Yes, but--?" Almost any discussion is plentifully punctuated with this phrase. This is because so little of our reasoning is done by working from established bases and arriving at points of common agreement by logical processes. Most forums and discussions degenerate into mere opinion swapping because the argument begins, goes, and gets nowhere. My impatience with this method of playing hide-and-seek with the truth is profound. Sooner or later we all avoid people who love an argument just for the sake of hearing themselves talk. Either we must begin with an agreed-upon premise and move logically from point to point, or we might as well stop talking and go to a movie.

Henry George begins with one very simple and well-established law of human nature, namely, that men seek to gratify their desires with the least exertion. To that we can all agree. Then he classifies the factors involved in the production and distribution of wealth. Here his logical mind separates the gifts of Nature, or God, from the parts played by man. He sees land as that which was here before man arrived; that which is here without man's having to so much as lift his little finger. Land is not wealth. Land is God's contribution in the partnership by which wealth is created. Man may only need to lift to his mouth some luscious fruit, and that small act may be all the labor involved in the process of changing that fruit from the status of land to the status of wealth,--but before it became wealth, at least that much energy had to be expended. Wealth can only be produced by the application of labor to land. Capital comes into the picture when man, by storing up a supply of wealth, finds it helpful to him in creating more wealth. It may be in the form of the most primitive wooden plow, or it may be in the form of a multi-million dollar turbine plant. The difference is only one of degree, not of kind. Any product of labor that has exchange value is wealth, and any wealth that is being used to produce other wealth is capital.

That we should distinguish between the gifts of God and the works of man is paramount. If we do this, we cannot use the word "property" without certain reservations. There are two kinds of property; property in land, and property in things produced by human labor. When you hear man's right to private property questioned or defended, be sure your proponent knows what kind of property he means. Is he clear in his distinction, or is he muddled? Usually he is muddled.

Henry George deals most effectively with the matter of natural right to private property in things produced by labor. He declares that a man has a right to what he has produced if he has paid a fair price to society for the privilege of using the land necessary to produce it. Moreover, he says, there should be no law to deny his claim to ownership of whatever he has produced. If he has cooperated with others in producing an article, his share in ownership accords with the extent to which he was the producer.

On the other hand, it is the reasoned deduction of Henry George that private property in land, with no payment to society for its use, has no justification by any law of justice or right of nature. "The earth is the Lord's." Man is but a tenant upon this earth and each person who is born into this world should have as equal a right to use the earth under his feet as he has to breathe the air above the earth. He may be an Indian of the lowest caste; he may be an African, either in Africa or in America; the very fact that he is a man should entitle him to equal access to the only source from which he can produce wealth by labor.

How did the idea of private ownership of land get started in the first place? It was the same in every civilization. At first the land was held in common, then certain men, greedy for profit and power, found that by claiming ownership to land and forcing other men to pay rent for the use of it, they could soon place others in the position of chattel or economic

slavery while they became the acknowledged masters. This is the story of one civilization after another. It takes just so much time for the process to complete itself, but eventually the law of rent pipes the wealth into the coffers of the landowner, and then all the evils that seem to attach themselves to so-called civilized life become apparent. Unless a man understands this fundamental principle he cannot read or interpret history with any real understanding; nor can he minister to people religiously with the necessary intelligence. He can hold the hands of the distressed victims. He can utter lofty and incomprehensible words of alleged comfort in the extremities of his people, but he is powerless to save them from the clutches of the unrecognized forces that grind them to despair. Man is victim of certain forces where his only recourse is trust in the ultimate goodness of God, and in such cases the comforts of religion are very real and necessary. But to speak words of misunderstanding in the face of understandable phenomena is a crime against the God of all truth and comfort.

When men say they believe in the institution of private property, they usually include both the ownership of land and the ownership of things produced from land. In saying this they relinquish all claim to the opportunity of sharing equally with their fellows in the socially created values which attach themselves to land. Few people who own property realize not only how much real wealth they are "done out of" by laws based on this view, but how much genuine freedom, peace, and security would result if they demanded and secured their natural God-given rights. Because they own a cluster of houses, or perhaps a thousand-acre farm, they refuse to stop and think how much better off they would be, both in the possession of real wealth and as social beings, if they insisted upon all having their share of the socially created values that attach themselves to all land. They prefer to go on believing that an individual who does nothing toward creating the values of land should have the right to collect in rent the value that has accrued, either because society chose to operate in that vicinity, or because the land harbors some socially useful substance like oil or gypsum. Although these values are created by all of society, under our present system the landowner has the sole right to profit by them.

Having analyzed the process of production and distribution, it becomes evident that the tendency for man to get the most for the least effort will induce the landowner to take all that his strategic position will permit. He will take for himself that which was brought into existence by the presence and activity of society. To such he has no moral right. Religion is supposed to deal with morality, and as a religionist I insist upon having something to say about the immorality of that procedure.

When, on the other hand, a social reformer declares that he believes in "social ownership and democratic management of the means of production, distribution, and exchange," he is saying that he is willing to turn over to the government all rights of ownership, including both land and many of the things produced by labor. If you subscribe to that principle you agree that the state should own the machines and tools used in the production of wealth and that you have no direct claim to any of the wealth you might choose to produce. This being so, the state alone will have the right to determine how much you may have for private use and consumption. This will depend upon many factors, among which your own individual power to produce, or your own initiative, will not necessarily be considered.

Again we say, having analyzed the process of production and distribution, it becomes evident that the tendency for men to get the most for the least effort will induce any individual who is thus forced to relinquish his claim to ownership of that which he has had a hand in producing, to lie down on the job and depend upon someone else to produce for him. Human nature being what it is, and this basic principle functioning as it does, the end result will be the drying up of the springs of initiative. There is no other conclusion to be reached if you let the state own all land and the means of production, distribution, and exchange. I believe religion has something to say about keeping intact the motives which inspire men to action. As a religionist, I feel impelled to warn against the inevitable decline in the sense of individual worth which would automatically result.

If we could believe that all men could be induced to work for purely idealistic reasons, we might not be so concerned about this danger. That many high-minded and cultured souls could be depended upon to do so, we do not question. The fact remains that in our present state of social development the great majority need other incentives. It is a sad commentary upon our sense of honor and responsibility that even under the pressure of global war there is a disgraceful amount of loafing upon defense jobs. This is invariably traceable to government control, which, if it were to become permanent, would result in the wholesale business of everybody letting George do everything,--and I don't mean "Henry." At least, until a long process of education has conditioned men to live in an economy of abundance, state ownership and control of the tools of production is a snare and a delusion and would eventuate in a most unwelcome form of statism which is certainly little better than slavery. For an excellent analysis of this, read Socialism, the Slave State, by Max Hirsch. The Schalkenbach Foundation, 50 East 69th Street, New York 21, will send you this booklet for the special price of only 15¢. You ought to read it, if you think socialism has the answers.

In the whole field of political economy there is no more important principle to keep in mind than the distinction between land and commodities. All men have a just right to own what they produce, but no man has any moral right to own land. And no individual, no group, no government, has any just right to take away that which a man produces with his own labor IF he has paid to society the annual value of the land he occupies, -- a value created by the community as a whole.

argue the point and, though thorough-going Georgists are usually inclined toward private management of public services, some even arguing that the postal system could be more efficiently operated by a private corporation, still, there are many who incline toward public ownership of such services. In either case, let us remember that a tax on land values and the lifting of all other taxes would tend to increase wage levels and tend to reduce the prices of all things used by the service companies and by all their employees.

It is well to remember that whether a man operates a business service or is a producer of wealth, he must live on land, eat and wear the products of land, ride in a car that certainly was not made of ether waves, and dwell in a house that was once part of a forest or a field. On all of these things he pays and pays and pays. Into the price of the service that he renders must go these charges. Take them away and his service will be available at greatly reduced rates with no penalty to himself.

Here is an electric power company. It owns little land but has power plants and a network of wires covering the city. Still, all its equipment is taken from the land. Its employees live on and from the land. In addition, the sum total of things used by the employees and the corporation is taxed, all of which must be added to the ultimate price of the electric power. Under our present system, charges are what they are largely because of the toll of spurious rent paid in a thousand ways. Let all rents reflect the true value of the land, let society collect these rents and remove the burden of taxation from commodities, and the result will be that prices everywhere will fall, bringing with them cheaper rates for all public utilities.

Here is a bus owner. His franchise is free, and rightly so. If we charged him for it, he would simply add it to his fares. He renders a service, using public lands to do so. His buses are expensive, and the amount of land used in their construction, when you remember all the people who make them and use the land in a multitude of ways while doing so, is almost incalculable. Into the cost of these buses go the high prices caused by our present system of inadequate land-value taxes and excessive commodity taxes. Under a proper system the cost to the public for bus travel would tend to be less.

It is well to bear in mind that there is nothing in the nature of such service companies which gives them a strangle-hold on the public that cannot be controlled rigidly by commissions whose business it is to see that the public is not robbed. The argument pro and con as to public ownership or private management may be settled locally and as experience directs.

There are other forms of monopoly which are similar to monopoly in land. For instance, a limited number of radio wave-lengths exists. Considerable dignity is attached to the commission which makes major decisions and grants franchise rights in this business. One thing, however, this commission has failed to do. It has failed to deal effectively with the element that leads toward monopoly rights. A wave-length recently sold for over \$400,000. Here is a form of monopoly precisely the same as the monopoly in land. What made that wave-length valuable? The millions of people living within its power radius. Who collects? An individual corporation. Here is a lucrative source of revenue, which if collected by and for the government, would prevent one group of citizens from taking unfair advantage of another group.

Wherever monopoly tends to develop, the principle of taxing the potential monopoly is a sound principle. In doing so, we protect the natural rights of the individual citizen.

I do not want to close this series without mentioning certain groups and indicating how this "social magic" would affect them.

THE FARMER is easily frightened away because he thinks this is a tax on land. It is not a tax on land, but a tax on land values. Some farms, being sub-marginal land, would be entirely free from taxes of any kind. Farm land is not valuable land, and taxes on farms would therefore not be very great. The farmer earns his living by hard work. He is a wealth producer. As such, he would come into his own, receiving high wages for his labor. In this case we understand wages to be what he earns during the year and what society allows him to keep. He is now taxed for everything he uses,--tools, machines, clothes, cars, houses, barns, fences, etc. All these taxes would be removed and he would be a free man for the first time in a hundred years.

THE SMALL BUSINESS MAN with little capital but eager hands would have easy access to land sites. The price of land, which now prohibits him from starting a business, would be removed. It would be as if a magic hand had let down bars that have been keeping men away from the proper use of land and land sites. With millions of returning soldiers, this is our only reasonable solution. Moreover, we might discover that a small business could perform a service, or produce and distribute goods, more efficiently and more reasonably than many large corporations which tend to become unwieldy and inefficient as they grow larger. Efficiency would be the test of survival. No longer would artificial man-made regulations give an unfair advantage to any individual or corporation.

THE WEALTHY would remain so. In such a system capital would not lack opportunity any more than labor. Interest rates would increase as wages increased, since they in normal times tend to rise and fall together. The opportunity to get a strangle-hold on others would be gone, and no one could garner what another's labor had produced, but no man with ability would find life difficult.

THE LANDOWNER would be far from ruined. If his holdings in land were extensive his status would change, but all landowners own things in addition to land. Buildings, stocks, and factories usually comprise the holdings of great landowners. These are all of great value, even though the land would no longer be of value as such. Should he own only land, he still would have the privilege of using all he could retain on condition that he use it and pay the required ground-rent.

Unemployment, as in our present system would cease to exist, except in the rarest of cases. If land sites in city, farm, mountain, or forest areas were made available on equal terms to all comers, all life would undergo a great shifting process. The ingenuity of men and the increasing demands of a quickened economic consciousness would react in a thousand ways to give men work.

TRUSTS AND CARTELS would have the struggle of their lives. Because they know this, they will fight this reform with all the power at their command. They will encourage fascist black-jack methods and pollute and befoul the ideas of press and radio in order to keep this reform from becoming a reality, but surely it is our duty to defend a reform so simple and so just.

WARS would be forever unnecessary in a world where men in all lands had learned to pay and pay fairly for whatever part of the earth they chose to use. As population in all lands doubled and quadrupled the rent for land sites would be increased in proportion to the advantages that increased population might create. No stress or strain would result. If trade were free and no barriers were erected to disadvantage one people at the presumed gain of another, the differences between nations would be practically non-existent. Democracy would become universal, and the difficulties that true internationalists face in working out plans for a Federal Union of all nations would disappear.

RACES would be free to seek the company of their own kind, and thus there would be no fear of prejudice or inter-racial strife. Land, the one thing men have always fought over, would be accessible to any and all on equal terms. If one race wished to associate with another, it would be purely a matter of personal taste, and the confusion of the so-called race problem would be dispelled. This is not a social or a religious problem; it is an economic problem. Indeed, it will be found that the cause of most of the headaches of the spiritual leaders will be removed when the economic base is properly adjusted.

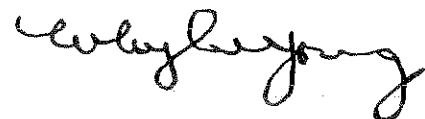
This is the magic that Henry George dared to declare. It is no more fantastic to believe than what has actually happened; that we could in five years dig out of the soil two hundred billion dollars' worth of wealth, put it together, and use it to blow into oblivion the principal cities of Germany and Japan, to sink their navies and destroy thousands of their tanks, guns, aeroplanes, and merchant ships. We can believe in our ability to accomplish this destruction, but we go blind in our imaginations when it comes to believing what might be done positively toward ministering to life and all its needs. When the statisticians figure out how many schools, libraries, hospitals, ten-thousand-dollar homes, and fifty-million dollar colleges this war might have bought, we will not understandingly, but then will say regretfully, "Yes, but we could never have secured those things in a million years without the pressure of total war upon us." For shame! We could, by working as hard in the next five years dig out of the earth and put together the same amount of wealth, if we were not so blinded by our familiarity with the back-alley way of living.

I have been told by a noted religious leader that all this is "remote from the Gospel." Then is it all right for a few people to hold all this land out of use? Is it all right for millions to starve while the earth teems with wealth? Is it all right for nations to become embroiled in a world war every few years and bring misery and death to millions? Are these things to be allowed to continue? When someone ventures to suggest that a little common sense could eradicate these evils, because that person is a Christian minister and has a flock to tend, his critics claim he is dealing in something that is "remote from the Gospel." I thought I knew the meaning of the word "Gospel." I must have been misinformed.

If there should come into your study a man in desperate circumstances, whose family was in want and whose mind was distraught with the burden of his responsibility, and if you knew that you could help him find steady work at good pay, what would your understanding of the Gospel indicate that you, a Christian minister, ought to do? Would this opportunity to serve his need be "remote from the Gospel?" Would you turn him out and lose yourself in a copy of "The Christian Century"? Even the most bitter and vindictive critics of this letter series would be ashamed of themselves if they did. Where, then, is their imagination? If it would be their duty in such a specific case to lend a hand, is it not their duty now to see that those principles which make for human betterment be taught and built into the law and system of the land? What good is the church if it is not effective in organizing the thought of society, in encouraging men to institute just and fair practices in the personal and social areas of life?

Are we going to allow the conditions which we have seen operative in Europe to prevail in America? There is little evidence that we have realized what caused the misery in Europe, and little indication that we are going to sidestep the same fate. The tempo of history is more rapid than we imagine. We have but a few brief years to set our affairs in order. It is getting dark in America, even in this time of so-called victory, a victory that for lack of knowledge and understanding is about to turn to ashes in our hands.

Fraternally yours,



THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 8

My dear Friends or Colleagues:

Now we are ready for the remedy. We set out to discover the cause of poverty. We reviewed the operations of the factors in both the production and distribution of wealth and found no cause for poverty on the production end. Land and labor, together with the help of capital, could easily produce all that man could possibly require. We noted that wealth once produced is distributed in rent, wages, and interest and since rent is controlled by natural law it takes its share of production regardless of the amount left to interest and wages. Wages and interest were balanced off according to well-defined processes which automatically protected each from the other. No automatic controls were found, however, which made certain that rent would not take more than its just share from wages and interest. As land was held out of use for speculation and as increased population and technological improvements impelled men to use more and more land, the quality of land in use went down and the amount of money drained off in rent and reflected in high land values went up. Since land is limited in supply and since certain land areas are especially desirable for production and exchange, the values of these lands become very great and to use them men have no recourse but to pay exorbitant sums to the owners. As these sums represent values that were created by the community and not by the individual landowner, here is the prime source of economic maladjustment.

Let us now warn against a common reaction. Either this IS the cause of poverty or it is not. We say it IS. We say this is not just one of many interesting analyses of economic life; we say this is the only analysis that properly explains the fact of poverty. Show us a nation where poverty is grievous, and invariably a check of land ownership will reveal the concentration of land in a few hands. Gradually we in America are repeating the process that has brought poverty, war, and agonizing death to European States.

To explain poverty, so many possible reasons have been broached that folk get the impression that many things must be wrong, and that for us to indicate one cause and say "Here is the major evil," is to over-simplify the problem. To me the inertia of these over-educated believers in many causes is tragic.

We need to return to the status of the frontier where land was free and abundant. There men lived and worked on equal terms because no one could take an unfair advantage of his fellow. There, despite the fact that commodities were not being turned out by mass production, all men had plenty to eat and to wear. Wealth was distributed according to ability and initiative. There were no vagrants begging from door to door. No one had or needed to have any sympathy for a man who would not work, for failure to work was the only excuse for an able-bodied man to be destitute. There were no very rich and no very poor and the atmosphere of community life was free from the curse of class consciousness which curdles in sour cynicism. Life was wholesome and healthy and every young man knew that his industry would be rewarded generously. There was a healthy, vigorous spirit of freedom and a sense of security in living that has become part of the romance of days long since past. But we can have those days back again. It is my firm belief that to deal wisely with the law of rent would be not only to secure the abolition of poverty but the liberation of the human spirit.

Let us remember that a vast, complicated system of trade and exchange has been developed on a world-wide scale. This intricate system, when left to its own devices, sensitively adjusts itself to an endless variety of unforeseen and unpredictable conditions. One area, say, suffers a severe drought. The failure of that area to produce a certain product shifts the market elsewhere, so men's needs are met without benefit of commission or bureaucracy. Or, a new invention is suddenly brought out and an entire industry is affected. Soon the old methods are abandoned and the new idea prevails. No one has to be consulted and no one gets excited. Conditions demand change and the change is swift and inevitable. In our present rent-taking system such situations produce real hardships at times, but with rent intelligently collected by the community, such losses, though regrettable, would not be tragic. The stellar minds of this generation, thinking our trouble is the natural result of industrialism, can recommend only a planned economy which will only serve to block progress by stifling initiative. In such a state men will turn from concentrating upon productive enterprises to pulling wires and fawning hypocritically upon those who have more power than it is ever safe to give any individual.

At the beginning of our series we spoke of the inevitableness of the law of rent. We said it was bound to operate, whether we liked it or not. That it does operate the world around is a certainty. Every community, regardless of size, is affected by it. Where four corners meet and a store is located on one and a gas service station on another, the land on the two remaining corners is worth more than it would have been had all corners been vacant.

As population about these four corners increases, certain community services must be rendered. Water systems, sewers, pavements, post offices, schools, and libraries will be needed. As these are established land values increase. The attractiveness of the community will be enhanced and the population will grow. This process will result in a parallel increase in land values, the rent from which will be sufficient at all times to pay for the increased cost of community life. Thus a natural reservoir of value is created automatically as a community grows. This reservoir of value, socially created, is now turned over to private landowners. Then, not having any funds with which to pay for all the services to be rendered to the community, a tax is placed on improvements and commodities, and so is begun the process of taxing out of existence even the power to produce.

Should we agree to take for society this increment, which society creates and which the individual does nothing to earn, and to use it for the payment of all government and community expense, we could repeal almost every other form of tax or license and say to men, "Now go to it. Whatever you produce by your labor will be yours. All we ask is that you play fair with the community as a whole and pay your fellows for those values which they as a body collectively and automatically create."

By so doing we could dissolve most of the commissions, bureaus, and armies of tax collectors. We could say to thousands of lawyers, who will be needed for other things pertaining to the law, "Quit wasting your time fussing with income-tax blanks which only make liars out of everybody, and get in there and referee the kind of matters that are worthy of your talents." We could say to countless government employees, "Go out and get yourselves jobs at worthwhile and constructive enterprises." Moreover, with land available on equal terms, there would be no fear of the government officials thus catapulted out of office or position being dependent upon the state. Everyone would have equal opportunity to use the land, in town or country, without having to pay some land speculator a prohibitive price. With everybody busily engaged in producing wealth or serving in some needful way, all society would be greatly benefited.

But just how will we go about this business of re-ordering our affairs? Often those who read Progress and Poverty say, "But I don't clearly understand how all this is to be accomplished." They read the Chapter on "The Remedy" and are puzzled because it is not more clearly outlined. As a matter of fact, the remedy is so simple that you cannot make it difficult even if you try. Still, most readers need a clearer blueprint for action than that presented in Progress and Poverty. Here I turn to a new book, Economics Simplified, by Bowen and Rusby. The chapters in this book dealing with the remedy and the effects of the same are exceedingly helpful. If you have misgivings as to the soundness of this whole argument, do not dismiss it without reading this helpful book in full. I quote at some length as follows:

The Henry George School of Social Science salutes you! It stands ready to help you teach class after class by supplying lesson sheets and teaching helps free of charge. Supplies for a course of ten lessons are yours for the asking. There is an excellent teacher's manual. It contains examples and answers to all questions which are presented on the lesson sheets. These sheets are given to the student to guide his study of the text. He reads the assignment in the book and writes down the answers to the questions before coming to class. The teacher has the manual before him and cannot go wrong on the answers. After a little practice the manual may be set aside. The answers are just a matter of sound reasoning anyway. Books are available for study by the students. They are billed to the teacher by the Robert Schalkenbach Foundation at a 50% discount. (No profit here except for the teacher.)

If you are intrigued and would like to see a manual, the school stands ready to send it free of charge. Just check the item on the enclosed card. The manual usually sells for thirty-five cents. When classes are graduated certificates will be supplied. In every class there will be a few who will be so thrilled that all your efforts will be well repaid. In time you can fortify your own understanding and that of your people and I am confident that it will be a rich and rewarding experience for you.

The first class I ever taught was in a former parish. When I came to Batavia I decided to try an experiment. Instead of using the pulpit as a place to air my views on economics, I determined to teach a series of classes during the week. Gradually I developed a number of people who built themselves around me and acted as a sort of protecting film when areas of friction developed. It has worked beautifully. There are now many people in this church who know this philosophy to be "the answer," and they will defend me when I am not present to defend myself. We have dealt with economic and social problems in a straight-from-the-shoulder manner. I no longer need to tell my people what is wrong. They study the material, come together and tell each other. Very little opposition now manifests itself. When it does, it is ineffective. I cannot emphasize too strongly that almost any game can be beaten and the game of beating conventionally-minded people is a game that must be beaten in the churches in America.

There are a few books that I feel impelled to mention before closing. Louis Wallis is the author for the modern minister who recognizes the worth of Henry George. His books, "God and the Social Process" and "The Bible is Human," especially the latter, are most revealing. He shows the connection between land ownership and the development of our great religion, tracing the course of the Israelites from a nomadic tribe to a people whose struggle against the evils resulting from private ownership of the Land of Canaan is to their everlasting glory. A corrupt religion, Baalism, had been developed to give sanction to the evil practices that inevitably grow out of land ownership. The purity of Israelitish faith in the righteousness and justice of Yahweh was partly the result of a background of free desert life where God and Justice were closely identified. The struggle between Baal and Yahweh was a struggle between two social systems, one already corrupted by land ownership, the other in the process of being corrupted and not knowing why the righteousness of Yahweh, known of old, was departing from the social life of Israel.

I have also had much help in reading John MacMurray, although he never mentions land or Henry George. He may not be familiar with the theory, but he certainly does have a theology that is right for our modern world. His "Clue to History" and "Creative Society" are treasures of insight and truth. I have garnered literally dozens of sermons from these books.

In closing, let me say that I have written these letters as a sort of testimony to what I feel is our only means of deliverance. In writing to ministers, I take faith in Jesus for granted. Some of my readers have assumed that I wanted to put Henry George in His place. That is ridiculous. Henry George was an economist, an analyst, and though his findings square up absolutely with the teachings of Jesus, it was Jesus who died that men might love God and one another. To love each other we must begin by being fair and just, and there is one great injustice that damns and ruins life everywhere. Then let us be up and doing that this evil may be forever destroyed.

You may ask, who is paying for this campaign? I reply, people who believe in Henry George as we sincerely hope you will be led to believe in due time. For your patience and for the many kind responses to this effort, I sincerely thank you all. If my letters have been helpful and you wish to have a bond with those who believe in this remedy, I would welcome a word from you. I shall now retire to the privacy of my parish, which you may well imagine could stand a larger share of my attention. My people have been amazingly considerate and have watched the progress of this campaign with much interest. They are to be thanked for their sacrifice as are also the members of the Board of Trustees of the Henry George School for their support and their generous cooperation.

Should the Henry George School be operating in your city - Boston, Chicago, Hartford, Kansas City, Los Angeles, Louisville, Newark, Omaha, Philadelphia, Pittsburgh, Seattle, or St. Louis - why not make yourself acquainted with its personnel. America is its campus and true Americanism its platform. We do not mouth fancy words about freedom. We show why freedom slips from our grasp and how it can be restored. We do not indulge in hypocritical orations about equality of opportunity. We show how man may progress by establishing true "justice in equity." True spirituality will be found among its leaders. Teachers work on a voluntary basis and beg for the chance. It is a veritable passion with many and should in time become a passion with all of us.

Always fraternally yours,

W. L. Young

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

Letter No. 9

My dear Friends or Colleagues:

"Henry George believed in magic,--social magic." This is the disparaging comment of one professor in a recent book, a professor who, in another part of the book paid tribute to "the hard common sense of the philosophy of wealth" as championed by Andrew Carnegie.

To many it seems incredible that a formula as simple as that of taxing the values that attach themselves to land and untaxing all improvements and commodities upon the land could produce such phenomenal results as I have so insistently declared. But best of all, we need make no fundamental change in the method of assessing or collecting taxes. The system now in operation is entirely adequate. Since they would not fix the assessments themselves, assessors need be no smarter than they are today. Just as land today is evaluated by the careful calculation of the buyer as he exercises his "hard common sense" in deciding how much he can afford to pay, so would assessors be guided in fixing correct estimates as to what land is really worth and what rental rates should be levied.

It would be as simple as waving a wand, but the results would be every bit as amazing as anything Houdini ever did. Almost instantly the system that has given us so much pain and anguish would begin to revive like a sick body when the crisis of the disease has passed. New strength would begin to flow through the whole system. Nature would gradually mother us back to health.

We do not claim the impossible. We would begin, weakened by long stretches of poverty and the almost incomprehensible debts of past wars. The obligations of the past must be paid. But if we settle on this simple formula we will be in line for one promotion after another until eventually there will be no poverty anywhere and the echoes of wars and revolutions, race riots and labor troubles, will die away in the nightmarish memories of 1945.

If given a reasonable chance to produce results, this formula would in a few brief years make accessible to man so much land, now barred from use, that it would be equivalent to waving a wand over the Pacific and without human effort having an area appear half way to Hawaii filled with good tillable soil, well supplied with forests, minerals, river basins, and waterfalls. The amount of land that would be released for tillage, mining, power sites, or timber cutting would be as much as if we had discovered a whole new continent as large as the area from the Mississippi River to the Pacific Ocean. I grant you this is conjecture verging on the fantastic, still it is something to ponder.

The process by which we claim these results might be achieved is as simple as that of pushing in the clutch, adjusting the gearshift, and easing down on the accelerator. But before such simplicity will be accepted by the unthinking masses, the mentally and spiritually alert minority must agree that both speed and momentum will be achieved by this procedure. It would only require agreement among 5% of the thinking people in this country to result in a wholesale adoption of this simple formula, and no new or radical departures from the current mode of doing business would be required. This would require no fundamental change in the ordinary habits of men, while communism and socialism would alter every basic procedure of business and would give politicians a brand of power that never fails to backfire, since fascism invariably sets in long before an economic democracy is achieved by those systems. Witness the plight of Germany and the constant cry that Russian communists must resort to purges just as the Nazis did.

The first evidence of returning health would follow the release of tax pressure in some areas and the increase of tax pressure in others. In some instances the tax bill would jump incredibly, while in others it would be amazingly reduced. A vacant lot, now almost exempt

from taxation, would be taxed as much as adjacent lots in use. Owners would either have to use the site or get rid of the obligation to pay a disastrous rate. Thousands of acres of oil, copper, timber, or coal lands now being taxed at low grade agricultural land rates would suddenly become live revenue-producing areas as men began to bid for the right to use them.

In West Virginia today, coal lands might be owned in ten-thousand-acre sections. These lands might be rich in bituminous coal, but might now be taxed at the rate of only five cents per acre, in spite of the fact that the owner would not sell the section for a million dollars. When taxed according to the real value of the property, the owner would have two alternatives. He would begin to use the land, or he would be compelled to let it go back to the State for taxes.

In New York City recently a man bought a lot near Radio City for two million dollars, but it was assessed at only half a million dollars. Assessments are frequently as inconsistent as that. By the time he had paid for his land and erected a building (for which service he would be pounced on by the government and made to pay a fine to society for giving work to hundreds), he would have to own some very valuable land in other spots to be able to stand the pressure at all. Under the system we advocate, the man would pay a fair price in annual ground rent for the value of the lot, and in this case it would be a tidy sum, but once that was done he would be all through paying taxes.

Most people do not realize the great number of hidden taxes that are paid with purchases of goods. The New York Sun of Jan. 11, 1941, listed the following:

- 126 different taxes on a pair of shoes.
- 78 different taxes on a quart of milk.
- 148 different taxes on overalls.
- 191 different taxes on a fence.
- 142 different taxes on a plow.
- 154 different taxes on a cake of soap.
- 201 different taxes on a gallon of gasoline.

All of these are passed on and accumulated as the process of production and distribution unfolds and must be paid by the consumer. It is estimated that one-third of an ordinary income is spent in taxes. For the most part, this is the kind of tax that acts as a brake to the process of production, - taxes on incomes, bread, gasoline, drugs, clothing. The list is endless. In passing a recent law, an oversight resulted in the legislature forgetting to write umbrellas into the law, thus they went tax free. We congratulate the umbrella industry upon being forgotten. The sun must have been shining the day the law was drawn up.

We have insisted that it is right and just to ask a man to pay what a land site is worth. All economists agree that a tax on land value cannot be passed on to the consumer. This is chiefly because the amount of land is fixed and man's labor has nothing to do with its supply. All objects of wealth can be increased or diminished at will, but not so with land. It may be somewhat difficult to understand, but all authorities agree that land-value taxation is borne by the landowner and by him alone. We simply state the fact, which is all-important when it comes to the final effect on prices.

Remember technocracy? Its advocates declared that it was the price system that would have to go. They believed the only way to cash in on the technological improvements was to clamp tight controls on prices and have all economic activities planned by engineers. When that day comes, kindly count me out. Such talk is illogical jargon. Prices are what they are naturally. If we tax land and commodities, prices are on one level. If we collect ground-rent on land-value only, prices will be on another level, and one that will greatly advantage the masses.

Now, we must say a word about the other-than-land types of so-called monopoly. Here we can lay down some very simple rules, and be guided accordingly. For the most part, many business enterprises that appear to be monopolies are not monopolies at all, but service institutions. I refer here to postal systems, power, water, and gas companies, telephone and telegraph systems, bus and railroad organizations.

Land is not a major item in the operation of many such service companies. Service to the public is the chief characteristic. It is often imperative that the system rendering the service be a unit. It is here that the similarity to a monopoly appears. A dozen communication systems across the country could be a great nuisance. A hundred postal systems would be intolerable. Each city must have one water, one gas, and one electric power system. But which one? Which is to be blessed with the franchise right? Should such a company, because of being granted that right, bleed the citizens of a community with excessive charges?

Socialists argue that city-owned water, gas, and electric companies often give service at greatly reduced rates. Believers in private enterprise claim that such socialistic organizations tend toward inefficiency and that the apparent gains are ultimately swallowed up in the resultant poor service. There are many reasonable arguments that favor public-owned and controlled service systems, not the least of which is the tendency toward graft and corruption that seems almost unavoidable as the profits or losses of private business enterprise are affected by decisions of government officials. There seem to be advantages either way you

perhaps Dr. Harry Gunnison Brown of Missouri State. A student of the Old Testament, Louis Wallis, in "God and the Social Process" and "The Bible is Human" has cast much light on the subject for me.

"We do not live in a world divided into many compartments, though our social heritage, especially that part which we inherited from Greece and Rome, tempts us to believe that life is made up of many parts. The fact remains, however, that this is one world; it all belongs to God, and everything in it must hook-and-eye together. I believe in the philosophy of monism and not that of dualism. For an intelligent discussion of this I refer you to "The Clue to History" by John MacMurray. He tells us that Jesus was not an idealist, as we use that term. Jesus saw all of life as the gift of God and refused every subtle temptation to think in dualistic terms. Life is all of one piece. For Him there were no distinctions such as the secular and the sacred. All life was both secular and sacred to Him. For Him, God's children should never be divided into classes or pressure groups. To permit this is to deny one's faith in the real Jesus.

"Now as to your conviction that I might better confine myself to preaching the Gospel, please keep in mind from the start my deep conviction about the teachings of Henry George. I do not present them as just another set of theories. I see them as revealing the true nature of all economic life. I understand his book, "Progress and Poverty" to be a clear-cut analysis of the economic process by which we discover the law which permits one class of men to take more than its just share of what is produced. It boils itself down to myself, a minister, preaching the gospel of love and fair play in the social sphere of action. You grant me the right to teach children the art of sharing unselfishly. You even grant me the privilege of pleading with adults to assume the burdens of the weak. This is the spirit of the Gospel. There is no fundamental difference in my effort to plead with men to organize their society in such a way that the bully cannot take advantage of his weaker fellows. It is the business of the church to preach and teach men not to behave like bullies, but to treat one another according to the fundamental law of love.

"I do not "substitute the gospel of Henry George for the Gospel of Jesus." I preach the Gospel of Jesus, but I use the logic of Henry George to prove who is the bully in society. As long as you think of it as just another theory, you will naturally refer to it in prejudicial terms as the gospel of somebody else besides Jesus.

"But, who made this fundamental analysis a mere theory of political economy, one of the many "probably sterile answers" to the problems that perplex us all? That class which is, or which serves, the bully. The

people who do not want a Christian world and who will kill and murder indiscriminately to keep the world the way it is. These are the people who have succeeded in making men, professors, preachers, yes, and college presidents, think that this is just another theory that is like all its sieve-like cousins. They have succeeded in making otherwise good men, men who mean well and who would be better if they only knew better, think that this is just another brain-storm of some disappointed soul.

"I am not taking you off my mailing list, for I know that you are a man of personal integrity and that you must certainly be interested in Christian interpretations of current life. If you do not appreciate my efforts to tell what I have seen, — there is always the wastebasket and paper is cheap. We can afford to pay for it just to take a chance of winning a man like you to the cause of human progress, which, according to Henry George, can come only when men learn to "associate themselves together in equity". I think Jesus would agree to that."

Very cordially yours,

Whyllie Young-

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Letter No. 10

This is the last letter in our series. I have sketched the bare outlines of the analysis of basic economic processes as revealed by Henry George. That this analysis has been discounted by the conventional economists is one of the strangest enigmas of modern education. It is well to remember that in this field the seeker for truth must be able to think for himself. There are some branches of learning where truth is eagerly desired by all who seek it or plan to use it, but in economics there are powerful and influential people who prefer to have falsehoods accepted. They control most of the regular channels for the dissemination of information. It is little wonder that so few ever come to a knowledge of the truth for relatively few people are willing to think for themselves.

Naturally we in the church depend upon the writers of current books and periodicals to keep us informed. The average minister leans heavily upon the men at journalistic headquarters for information. But, what if those men have never seen this particular truth? That such is the case is all too obvious. I know of no church paper or religious journal which publishes material that reveals a firm grasp of this fundamental economic and social philosophy. The editors place no value upon it. Hundreds of articles appear in print whose authors apparently know nothing about it. Unless a writer knows what is the first cause of economic maladjustment, how can he deal with secondary effects? For this reason I seldom lay down a magazine article with a desire to throw my hat in the air. Most of my reading is disappointing and I warn you that, if you will follow through on this subject until you see it clearly, it will spoil most of your casual reading also. Still, what better circumstance could you desire than to be made familiar with the real cause of most of the social evils that afflict us? After all, what value is half-truth anyway? Unless you know the first causes what prospect have you to understand secondary effects or to interpret them correctly?

I insist repeatedly that in this field the student must "go to truth for authority and not to authority for truth." Not everyone will appreciate the next statement nor agree with my reasoning but I am convinced that the men who are recognized as authorities in economics are so recognized because of what they authorize. Let them come out boldly and unreservedly for a sound method of securing equality of opportunity and see how long they remain "authorities." Very few laurel wreaths are bestowed upon the man who does his own thinking in sociology or economics. Paradoxically enough, to assume leadership in this field is to forfeit the fruits of real leadership. But, it must be done and some day perhaps such a fundamental philosophy will be widely accepted and generally preached.

The next statement I make gingerly because many of my readers will not understand or appreciate it. Nevertheless, it is true. The church and its leadership are held in very low esteem by the great majority of people who have had their eyes opened to the fact that economic conditions and practices are responsible for most of the evil in the world. Ministers are inclined to say "Men's hearts must be changed before good can be accomplished." Very true, but dare you stop there? There are millions of well-meaning people, cultured and nurtured in the church, who are essentially "good" but they believe many things are true that are false and innocently they do things, the effects of which are evil. This must be stopped. "Good" people are being damned because they are blind to certain basic factors in our social and economic life. It is high time the leadership of the church realizes this and proceeds accordingly.

Tradition-ridden minds hold the church as in a vise. Both laymen and ministers are guilty here, the laymen perhaps even more than the ministers. This is natural, since the church conserves the values of the past, but the grip of this vise must be broken. The whole world is in the throes of revolution against certain so-called "values" of the past. For the most part, even the leaders of the revolution do not know what they are rebelling against. They simply rebel, and in the process many skulls are cracked and heads lopped off. There are outstanding leaders in the church who are themselves concerned about the state of the nation and who are convinced that it should be the concern of the church. So far, good. The distressing part of their activities is that they imagine the nation can be saved by preaching alone. They say: "Just give the people 'spiritual' messages. Use a goodly supply of religious psychology. Preach the values of being free men. Stand against the tendency toward fascism and the control of life by the state. Do this by preaching sound spiritual messages." All ministers know what they mean when they use the word "spiritual" in that sense.

I say this: If preaching spiritual sermons would have saved us, we would have been "in the kingdom" long before now. No country ever had a greater opportunity to preach its way into glorious ways of living than has America. Preaching of this kind has failed to stop the tendency toward decay. All the calling upon the clergy to consecrate themselves to the job of just preaching spiritual messages is futile. This is, in my opinion, the classic appeal to reaction. It is the Protestant brand of the opiate of religion. I repudiate this method, although I declare that the burden of saving democracy and freedom rests upon the shoulders of the spiritually-minded men of this generation. But unless these men know WHY democracy is threatened and WHY freedom wanes in our national life, all the preaching of Christendom will not save our country from disaster. There is a reason, and we must deal with it or we are lost.

Do not misunderstand me. I do not place small value upon "spiritual" preaching. I glory in the noble tradition of our church that has long stood for good and sound preaching. I have unbounded faith in "the Word" when it is rightly preached and the results of our preaching have been sufficient to populate this world with better individuals than the society of which they are a part. But I declare that this nation and this world will be saved only if preachers turn to teaching men why social life is being damned wholesale. Preaching this philosophy is "out" until more men are better informed. In almost all churches, large or small, there are people who would enjoy a carefully prepared and disciplined study of fundamental economics and sociology. Most ministers would themselves be greatly benefited should they undertake to teach such a course. There is no better way to nail down facts and theories than to teach them. I can guarantee from personal experience that any minister who undertakes such a project will be richly rewarded.

We began this series by saying we had nothing to sell. We repeat it now with emphasis. But we do have something to give away. Standing ready to serve you in this national emergency is a school that offers you or any interested friend, free of charge, a correspondence course in Fundamental Economics and Sociology.

If you have not been impressed with the argument of these letters, may I venture to suggest that more time and more constant exposure to this doctrine will serve to bring you to a point of conviction. Frequently it takes a long time and many painful hours of study to enable a man to see this truth. I have seen brilliant men fight with all their might against this teaching, only to be won over completely in the end. One man said recently, "I probably would not have seen this, had I not taken sick and had to spend a few days in bed. I took your two books with me, and Old Man Political Economy jumped up and hit me right in the face. Economics is really amazingly simple, isn't it?" It certainly is when you get it straight from Henry George.

No doubt there are many of our readers who are sufficiently informed so that they could take the prepared course and guide a group of thoughtful people through it without further formal preparation. This was my own route. I must confess that my first class was nothing to brag about. I became discouraged and let several years intervene before trying it again. My second attempt was only a little better, but my third class began to be worth while, and by the time I had worked through the material five or six times it developed into as exciting a way to spend an evening as my pupils could find anywhere.

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, Minister

TO A SELECTED GROUP OF BUFFALO MINISTERS:

Dear Sirs:

Last week you received notice that a course in the philosophy of Henry George would be offered to Buffalo ministers. The first session was held at the "Y" Tuesday morning at eleven o'clock. You did not appear for some reason and I want to urge it upon you once more.

Enough of the ministers did come to assure us an interesting series of classes. We are going to have a stimulating time together and if you stay out I can guarantee you that you will miss something worth while.

Will you do me the favor of sitting down and reading the enclosed folder? Will you honestly ask yourself, after you have finished, if you are thoroughly familiar with the sort of recommendations that Francis Neilson is making. Do you know where his ideas come from and are you familiar with the philosophy which he presents? Do you understand what he means when he says "If it is not to be Marx and Lenin, it must be Jesus and justice?"

If you suspect that Jesus has no place in the teachings of Henry George you are in for a big surprise. Henry George, as no other economist, has spiritualized economics and it is high time the clergy of this country became aware of that fact.

This philosophy has been subjected to a conspiracy of a silence far too long. It is high time we ministers got our eyes open to the forces that are playing havoc with our flocks. We are supposed to take time to study and think and the man who is too busy to do some thinking in the interest of those who are under him in Christ is TOO BUSY.

Goodness knows I'm busy too. I can ill afford the time I am giving this work but I have decided that there can be nothing more important than helping others see what has been pointed out to me so clearly that I am no longer in any doubt as to what this modern world needs.

Yes, this modern world does need Christ but that means it needs justice, love, fair play and equal opportunity for everybody. It needs trackage for these motives and that means that certain precise things have to be done before Christ can save His people.

The second session of the class will be held at eleven o'clock Tuesday Oct. 17th. Won't you give it a fair trial? I'll promise you as interesting a time as you have ever had in a study group.

Most sincerely yours,



W. WYLIE YOUNG, MINISTER

Winter - 1945
Supplement No. 1

DIRECT MAIL REACTIONS

We received recently a letter from a certain college president in response to a request that names of a few members of his faculty be supplied. After saying that a rule forbade his doing this, he went on to give his own personal reaction to the project as conceived. Since his attitude will probably be shared by others and will express the opinion of many, may I report the more pertinent content of his letter and of my own reply.

"I note your sincere purpose and your earnest expectation that professors will appreciate a bit of "free education" in the field of Henry George. I don't want to interfere with you, but since you have said this to me, let me say to you very humbly that I don't believe they will appreciate this free education. I will be glad to give my reasons.

"In the first place, your letters about Henry George reveal the impression on your part that this is a new idea. The teachings of Henry George, on the other hand, have been very emphatically preached and taught and are well known to the teaching fraternity and have been scientifically studied.

"In the second place, it is the impression of the teaching profession that the First Presbyterian Church of Batavia, New York, is established to preach the Gospel of Jesus Christ, not the gospel of Henry George. The same impression prevails regarding the ordination of a Presbyterian minister. When a minister, however, steps out of his field and begins to make pronouncements in the economic field, it is not welcomed. People, especially of the teaching profession, like to listen

to those who have given their lives to the study of their fields. I think the identification of your ministry and of the First Presbyterian Church of Batavia will seem to the people of the church and to the church colleges a distinct prostitution of your church to other purposes than that for which it was established. I hope very earnestly that you will return to your task of preaching Christ and not any economic theory, capitalistic, socialistic, communistic, or any other theory."

In reply to the foregoing, I sent the following letter:

"Although I fully expect to receive many such letters as yours, I have estimated the risks and have decided that they must be taken.

"If you do not mind, I shall proceed to give my reasons for undertaking this project. I appreciate the sincerity of your advice, but as a scholar, I hope I can disagree with your conclusions without giving any impression of bitterness.

"Most of the men who make up the teaching fraternity were educated as I was, in colleges which for years have given Henry George the brush-off. Your assertion that his doctrines have been widely known and discussed is quite correct. I mention that fact in my second letter. That most, or even a small fraction of the Professors of Economics ever gave to the study of Henry George the time necessary to get his point of view, is certainly not true. It takes much, much more time than any school with which I am familiar is willing to devote to his interpretations. If you had tried, as I have so frequently, to dispossess the minds of college trained students of certain fallacious concepts, and had you seen at last a new light dawn upon their faces as the confused elements of economics assumed a new order in their minds, you would know that what I say is true.

"Now I do not know what you think about conventional economics as taught in our schools, but as for me, I have developed a first-rate sense of its futility in presenting any salvation for the economic ills that confront us. That I should, as a Christian minister, have to spend my time in a field which is supposed to be handled by another group of experts, I will admit is to be deplored. There are so many other things I might be doing as a minister of the Gospel. But I was led to make a study of this field because the conventional economists gave me no answer to the perplexities of their own science which could be harmonized with the laws of God and the Gospel of Jesus Christ; which two things are synonymous. What I know about economics I did not learn from any professor, except

THE STUDY
FIRST PRESBYTERIAN CHURCH
BATAVIA, NEW YORK

W. WYLIE YOUNG, MINISTER

Supplement No. 3

My dear Friends or Colleagues:

Many readers say "Show us any tangible results where the ideas of Henry George have been applied." Many do not realize that these ideas have proved their worth in many countries.

In her book "Whose World" Margaret Bateman Director of the Henry George School of Social Science in New York reports on a trip to Denmark in 1937. Similar progress has been made in Australia, New Zealand, and certain sections of Canada. Denmark may be said to have achieved about 60% efficiency in the matter of shifting taxes from improvements and commodities to land values.

Fraternally yours,



DENMARK

Margaret Bateman

Because of the progress made in Denmark, previous to the invasion of 1939, I shall outline some observations made there two years earlier.

Denmark had practically the same history of landlords and large estates that we find in Great Britain, the United States, Canada and other parts of the world. The Danish people have known feudalism in its worst sense. They have been through wars, unemployment, discouragement and wretched poverty; but fortunately some of their people were wise enough to see that their country could not survive under the old system of land ownership. They realized that if special privileges were continued, their little country was doomed, and be it said to their honor, a few landowners, with large estates, were the first to urge the King and the government to institute land reforms. This meant breaking up their own estates and releasing the natural resources of Denmark to the people. It took away from private individuals the advantage of collecting ground rent which rightly belonged to all the people. The former owners retained sufficient areas for their own use.

In 1938 there was celebrated in Copenhagen, the 150th anniversary of the emancipation of the peasants, through the abolition of the feudal system. During these 150 years the country had taken slow and gradual steps toward a better social system. I can best summarize their progress in the words of their former Minister of Home Affairs, who in 1928 referred to their progress in these words: "From social freedom arose in Denmark, political freedom; and out of that will grow one day, for society, the economic liberty under which free and independent citizens will enjoy the full fruits of their labor, while the commodity will receive what it creates." (It creates land value).

The policy of taking ground rent (they call it "ground debt") for the public use has been taught in Denmark through the folk schools. At one of these schools, the Principal stated at a lecture I attended in 1937, that the ideas of that great American, Henry George, had influenced Denmark more than any country in the world. Before the war, there was a large measure of rent socialization in effect, with a gradual reduction in the taxation of buildings and improvements. In some cases, this taxation had been entirely eliminated. Denmark, before the war, was considered by many economists, the social laboratory of the world. By taking ground rent for the public use, the slum problem had been eliminated in Copenhagen. Families were developing the suburbs where they could have better living conditions, homes and gardens. There was no tax on buildings up to 10,000 kroner, or about \$2,500. A small home could be built for \$3,000, so the taxes were very low. As one social worker reported: "The problem of how to make room for those without shelter has simply ceased to exist." "Slum clearance" was no problem there. Given the opportunity, families cleared themselves out of the slums.

The general state of happiness and well-being among the people was noticeable to a visitor. They knew how to cooperate with one another. They knew that when the government spends money, this money doesn't come from Santa Claus, but from the people. Their educational system was such, that there was no illiteracy in the whole country. Eighty-five per cent of the farm homes were electrified. There were paved roads everywhere (with a special narrow strip of pavement for bicycles). Practically every home had a good library. There was one radio to every six or seven persons; a telephone to every ten persons; a motor car to every thirty. I should imagine there was a bicycle for every one. No poverty existed in all of Denmark.

At a meeting in Montreal, I spoke of these conditions. Afterward, a Danish gentleman in the audience said: "I am so glad to hear all these things about my country. I left Denmark fifty-eight years ago. At that time thousands of us left because we couldn't find work. The unemployment and poverty were terrible. Many of us came to Canada and others went to the United States. We decided there were more people than Denmark could support. At that time the population was a million and a half, and now with three and a half million, I am happy to know that slums have disappeared and that everyone can make a good living."

To me, this was just another proof that a better land system, giving the people access to natural resources through the collection of ground rent, can accomplish miracles. Instead of large estates, 66 per cent of the farms were less than 37 acres; 32 per cent were between 37 and 150 acres, while only 2 per cent were over 150 acres. Only 5 per cent of the farms were held by tenants. (As already stated, in the United States, 75 per cent do not own their farms).

A man in Copenhagen said to me: "So many of you come over here from America to study our Cooperatives and Folk Schools. Don't forget that had it not been for our land reforms, the Folk Schools would not have been possible and the Danish Cooperatives would never have come into being."

Previous to the invasion by Germany, it was an inspiration to visit Denmark and observe at first hand the results of Danish land reforms and to see the practicability of taking the publicly created ground rent for the public treasury, thereby abolishing other taxes. It is to be hoped, when the war is over, this sound economic system will make the Danes once again leaders in world affairs and that other countries, including ours, will copy it.

W. WYLIE YOUNG, MINISTER

Supplement No. 2

DIRECT MAIL REACTIONS

Knowing that many readers will be interested in a glance over our shoulder as the mail presents the varied reactions of recipients of earlier letters in this series, we hereby quote from a few of the hundreds of letters thus far received. The status of the writer and his general geographic location are given at the beginning of each quotation.

* * *

From a nationally prominent minister of New York City (not a Presbyterian):

You are certainly doing a splendid piece of work in undertaking this crusade among the ministers on behalf of Henry George and his teachings. I am indebted to you for sending me your round robin letters, which I have read with exceeding interest. I catch in them the same heroic spirit that I always feel in Henry George's writings, - the knight going forth to battle for his cause!

I am getting much refreshment out of my review of Progress and Poverty. Was there ever a more truly inspired book! What clarity of utterance, and what a pure passion of idealism! George did not solve every problem of our complex social order - I am glad you concede this important fact - but he penetrated to the bottom of our ills, and that's the great thing.

I read with great amusement the letter from your college president friend, and with admiration your effective reply. Think of any educated man these days advising you to stick to the Gospel of Christ, as though the real greatness of this Gospel did not lie in the fact that it covers all relationships between men.

* * *

From a college professor in Iowa:

I want to congratulate you on your letters. It is refreshing to know that there are ministers like yourself in America. Sometimes I get discouraged with the ministers, but when I learn of someone like yourself, my faith in the American ministry is renewed.

* * *

From a County Superintendent of Schools in New York State and a friend of many years:
(The most explosive and by far the strongest letter yet received).

The purpose of this letter is to commend you for your attempt to interest the clergy of your denomination, and perhaps through them the clergy of other denominations, in something else than a sterile verbosity, a Quixotic tilting at the windmills of "the good life" even while a satanic worship of the "Mammon of Unrighteousness" holds their congregations in its unholy clutches. If sin, poverty, misery, crime, selfishness, greed, materialism, and war kept growing apace in spite of the preachments of the Christian Church, one would think that mere intellectual curiosity would have impelled the clergy to entertain a suspicion that something was wrong with the scope and breadth and depth of their preachments. And what have our schools and colleges done to avert the obvious evils in our national life?

My patience with those who insist the one "Gospel of Jesus Christ" does not include the establishment of the Kingdom of God on earth is exhausted. That is the trouble with millions of those who call themselves Christians, - they do not understand what Jesus was driving at; they profess with their lips but their hearts are afar off. They condemn themselves by the very fruits of their refusal to implement the teachings of Jesus; and that condemnation will come to them in the form of death and destruction if they "stand pat"

and permit another war to engulf the whole world in hell even before we bind up the wounds of this one.

We have witnessed the world going more and more to hell and refused to believe that we made any contribution to it. We have refused to accept personal responsibility for seeking a remedy for the social and economic injustices and inequalities of our time. So-called "educators" have told me that, where better brains than theirs had failed to solve our economic problems, it ill became them to attempt to do anything. Many of them, I am convinced, do have a solution, - the right answers, - but they are too cowardly to come out in the open and say so. "Let George do it," they say, or, "If I said what I thought, I'd lose my job", - slaves to the dollar dragging them down to hell! They have the audacity, the moral obtuseness, to tell you to go back "to preach the Gospel of Jesus Christ....and not any economic theory" even though, at this very hour, their whole world is crumbling beneath their feet. Father in Heaven and on earth! When they look around them, what do they see? Nothing! No wonder Jesus wept over Jerusalem. We have reason to weep for ourselves, obeying in this day and age Jesus' gentle admonition on His way to Golgotha, - "Daughters of Jerusalem, weep not for me, but weep for yourselves and for your children."

* * *

Here is one for the book! The writer is a Presbyterian minister in Pennsylvania:
(All negative reactions are in this vein.)

You are barking up the wrong tree; walking up the wrong alley; chewing on iron with teeth of wax. I must admit, however, that because of the very readable nature of your letters and my hitherto ignorance of Henry George, I am interested. Your efforts in this direction appear to me to be an eloquent testimony to a lamentable fact; that is, that preachers who have reduced the old-fashioned Gospel of individual salvation from sin through personal faith in the Son of God who shed His blood as remission of sin, and who have been preaching instead the non-Christian propaganda of brotherhood of man and Fatherhood of God, personal merit through personal good works and practice of Christian ethics, etc., have found or are finding that this world is not the kind of a world in which to preach this diluted stuff. So now you're going to change the world to fit this kind of powerless preachment! I think you make a mistake in not realizing that Jesus Christ came the first time to settle the matter of individual sin. He alone is the answer to the problem of man and of men. When He comes again He will settle the problem of society. Until then you and I as ministers of the priceless Gospel of personal redemption ought to be preaching Christ and Him crucified.

* * *

From a New Jersey lawyer and business man, long an ardent Georgist:

Your letters, Sir, are excellently composed. They reveal a disciplined mind, a thorough comprehension of the problems you have set yourself to, and a sympathetic understanding of the prejudices, limitations, and circumscriptions of your prospects balanced by inspiring confidence in their sincere Christian ideals and motives. I am awaiting with eager anticipation the succeeding letters, for, if you are able to maintain your stride; if your exposition of truth measures up to your ability to command sympathetic attention, you may accomplish the well-nigh impossible,--compel one group of our decadent middle class to recognize and accept its share of responsibility for courageous leadership of this generation. If your gallant project gains no real teachers but only prevents the statements and attitudes, born of ignorance of the problem and its cure, which, emanating from pulpit and chancel have in some parts justified the cynical statement: "The Church is the last stronghold of privilege," you will have rendered a powerful service to your fellow men. May God strengthen your heart and hand and may the fruits of your labors justify your unselfish and enlightened efforts.

* * *

From a Presbyterian minister in Pennsylvania:

Well, the friend of Henry George gave the learned college professor a good answer. I have not read Henry George, but if you believe he has a Christian way of meeting the wrongs (which smell to high heaven) of the present capitalistic system, surely you have the right, in the name of a Christian minister, to tell me so. Not only the right, my friend, but the duty. It will be too bad if you do not, when you come to face your Maker. As ministers, anything that has a moral phase surely is our business, and I am sure that a system of economics that produces such extremes of wealth and poverty is wrong, morally wrong. That is why you must have something to say about it.

* * *

From another Presbyterian minister in Pennsylvania:

This will be a very brief letter, not because I am disinclined to write at length but because I am sitting up for a short time in the hospital after an operation. I simply want

to congratulate you, not only on your social vision, as a considerable number of ministers have that desirable quality, but more especially on your courage. I do not know that I would lay as much stress on the teachings of Henry George as you do, but I stand with you for the demand for a new deal for all the exploited people of the world.

* * *

From yet another Presbyterian minister in Pennsylvania:

I think your project is to be commended and I am writing to you because I am not in accord with the caustic reply from the college president which you incorporated in your recent letter. I am glad that you are prepared to cast off criticisms of that nature and to present the unbiased truth as you see it expressed through the principles of Henry George. I appreciate your letters because they give me a fresh interpretation of the value of Henry George's position. I am one of the younger members of the clergy but in my twelve years of the active ministry I have more than once become disgusted by the efforts of the older members who still think that Christianity needs to be defended. If they, like the college president you refer to, would do more to apply Christianity, I believe the church would be the most dynamic institution in the world. Keep up your good work. We need men of courage and conviction in these trying days.

* * *

From a young man who is an assistant in one of our large metropolitan churches:
(Characteristic of a very limited number of negative criticisms. Apparently the colleges did a good job on this lad.)

I am writing to clarify the situation as much as possible. I wouldn't want you to labor under any misapprehension. My motive - pity and charity.

You needn't bother, Sir, sending any more letters. I shan't even open them. Call it a closed mind, if you like - it makes no difference to me. I am an economics major from college and am familiar with the "single tax system." I know the points made for it, and have satisfied myself as to their validity.

You ask for my suggestions. I have one; that you forget your misfortune during the depression and get on with your job as a Christian minister in the Presbyterian Church.

* * *

From a Presbyterian minister in California:

(Here is a letter that proves this man's right to be a minister of Christ).

I have had in my library for thirty years the complete set of the works of Henry George, ten volumes, published by Doubleday Page & Co., New York, in 1904. Now, after a lapse of many years, the first volume is down again and I shall read your letters and look up the references. I thank you for the part you have had in calling my attention to a treasure that I have honored largely by looking at rather than delving into. Now, under your competent guidance I shall do a little mining, and perhaps I may discover a pearl of great price. One of George's volumes has the title: "A Perplexed Philosopher". In these days, who is not in this class? The condition the world is in is simply appalling and we wonder if there is a way out. I am no economist; I am a very ignorant man. I know all the current shibboleths and I possess a lot of what passes for knowledge, but deep understanding of underlying causes, that I possess not. I have learned now, at the ripe age of 58, how little real knowledge one picks up in the course of a lifetime, even a minister of the Word. We know enough to "get by," to pass for educated persons, to seem to know the answers to many things, but I am ready to pray the Publican's prayer: "God be merciful to me, a sinner." For I have neglected to penetrate deeply enough, and the possession of these books by Henry George is a good illustration. I have them, but they do not have me.

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From a faculty member of a midwestern Bible School:

(A sort of half and half reaction. Appreciative, but---)

Having read your letter, I think you would prefer to have my opinion rather than stony silence. Let me communicate my two principal reactions. First of all, this is the first time I have ever received a long letter, earnestly and passionately considering a serious subject, from any minister in good standing, of my own or any other denomination. For this reason, I deeply regret it has to be on an economic matter and not on a spiritual matter. If you can feel about a question in economics, or an economic system, so that you are driven to write to a large number of different men, shame on the rest of us who have some deep convictions concerning great doctrinal matters, that we have never written an extended letter like this to a large circle of friends. Your letter puts me to shame. My second reaction is closely related to the first, namely, I am afraid your letter shows that you are far more interested in economic readjustments than in the saving truths of the Gospel of our crucified and risen Lord. I am not opposed to social work and to economic changes, but I am sorry to see one called into the most glorious work that God has ever assigned to any man consumed with a burning passion for any particular economic theory.

From a wealthy and socially enlightened business man of Cleveland, O., now retired:

I want to congratulate you on the way you are presenting the problem and hope that it will be effective in getting some of your brother ministers to dig into the matter and if possible discover the truth. I hope it is because I am getting so old that I am coming to the conclusion that Karl Marx is going to win the battle in the next few years and in 25 or 30 years we will have a Fascist dictatorship in the U.S. If this is to be avoided it will only come as a result of efforts such as you are making.

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From a social service worker in New Jersey:

I have also been a seeker after truth. I have devoured the books of Ford La Salles (founder of Socialism), Bebel, Emily Brown, etc. I have sought in many other directions, and when I was about to rejoice "Eureka!", I found myself in a dead-end street, sometimes in a complete blackout. Therefore, I gratefully grasp the anchor of a new hope which you so enthusiastically offer through The Schaikenbach Foundation. I had the book Progress and Poverty in my library for years but never read it, much less studied it. It is now off the shelf and will remain off. Your second letter shamed me into writing at least these few lines of admiration for you and your untiring effort to help others see the light.

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From a Presbyterian minister in Nebraska:

I want to thank you for the effort you are putting into your letters on Henry George's economic ideas. I particularly liked your Supplement No. 1. The gentleman to whom you addressed your reply did not think professors would appreciate your free education. I'm not so sure about the professors, but as a minister I appreciate it, anyway. Of course it isn't welcome when a minister begins to make 'pronouncements' in the economic field. Jesus did not find a welcome for some things he had to say about the way men treat each other.

Like you, my reaction to most economics has been -- in the phrase some wit coined -- that all the economists laid end to end would never reach a conclusion. I haven't a full grasp of George's ideas yet, but what understanding I have has led me to believe he has something. As soon as I can I'm going into it more, and appreciate your help.

Regardless of the outcome, I support you fully in your right as a minister to do this. It is unfortunate that ministers have to be the ones to do things like this, but it is our duty to relate the Gospel to all of life, and I say "Amen!" to your insistence that life is all of one piece. The church has lost contact with life by letting itself be pushed out of relationship to the rest of life, and the greatest task we have in this generation is to bring back what God joined together and man put asunder.

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Here is real food for thought, and, we hope, widespread agreement,
from a Presbyterian minister in New Jersey:

There can be no doubt of the fact that we are not only in need of great and sweeping changes in our economic life; but the prelude to a change in the system must be a change in prevailing economic ideas. Christianity is not itself a system of economics, but any economics should be measured by the light shed by the Word on the nature of man's life. Christianity is posed to produce the change of heart. Whatever changes come in economics will be the result of that. So, a program of education such as you advocate, while it is not final, can conceivably contribute to the change of heart, since there is no logical division between the areas of heart and mind. They are parts one of the other.

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