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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 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

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