

# PLENTY FOR ALL AND PERMANENT PROSPERITY

VERSUS

## UNEMPLOYMENT AND ECONOMIC CRISES

We are to consider this subject from the standpoint of Labor, but when we say "workers," we mean this not in any narrow limitation, but we mean to include, as workers, all who perform any useful or valuable service in the processes of production, transportation or exchange as carried on in our complex civilization.

The subject groups itself around twelve points as follows:

1st. The interest that Labor has in securing an adequate wage.

2nd. Unemployment thruout the world—including business stagnation and economic crises.

3rd. Unemployment in the United States.

4th. Erroneous arguments as to alleged over-production.

5th. Failure of the so-called statesmen to bring forward an adequate remedy.

6th. A glimpse of what conditions might be under conditions of economic justice.

7th. The just apportionment or allocation of wealth in process of being produced.

8th. The kind of thing that we have been told is prosperity.

9th. Who has been getting it?

10th. The unearned increment.

11th. The importance of collecting the unearned increment as a public fund.

12th. The way to restore to men their equal right to the use of the earth—and the permanent prosperity that will be thus secured.

The philosophy of Henry George is one which should receive the favorable attention and the enthusiastic support of all laboring men. The private monopolization of natural resources and the private monopolization of ground rent is a great evil which interferes with the welfare of the laboring man and prevents Labor from receiving its just, full and proper share in the increasing proceeds of invention and of mass production.

Labor is interested in employment. Labor wants a steady job. Labor wants a fair wage. Labor does not want the price of living to be boosted out of reach. Labor does not want a condition of unemployment. Labor does not want a low or inadequate wage. How can Labor get what it deserves and needs? How can it avoid what it does not want, and the conditions injurious to it?

What are the conditions over the world? There is an economic crisis in Poland and in Italy; in Japan and in China; in South Africa and India. There is unemployment in Canada. The condition is bad in Australia—they cannot readily sell their wheat and wool. The economic condition in Great Britain is especially bad—millions out of work—and there they have a so-called Labor government. Do the governing bodies of these various countries know what to do or how to remedy the economic crisis in each country? They apparently do not know. The bad economic condition is practically world-wide. Are the statesmen of the world coming forward with adequate remedies? Are these statesmen equal to their task? They apparently are not!

In the United States a condition of unemployment exists, in that many are out of work and cannot find jobs. This has been especially bad since October, 1929. Under such circumstances, there is the possibility of a reduction in wages being attempted. Possibly also the American farmer, who is a laboring man, cannot sell his grain or his live stock at an adequate price and thereby his wages may be low or may disappear in loss. Are the statesmen of America suggesting an adequate remedy? It is not apparent that they are. How do they reason? Is their logic correct? It is said that our farmers produce too much wheat! Therefore, people starve in our cities: Fathers and mothers commit suicide because they cannot secure enough food to feed their children. It is said that the southern farmers produce too much cotton, or that the ranchmen produce too much wool or that the silk factories produce too much silk! Therefore many people must go inadequately clothed and be in real need of clothing.

It is said that our shoe factories turn out too many pairs of shoes! Therefore many people must go inadequately shod—and suffer for the lack of shoes. It is said there are too many coal miners and too many brick-layers and too many carpenters! Therefore, many people must suffer in winter from lack of coal, and many must live in hovels or unsatisfactory housing. It is said that nature is too kind—it is said the crops are too bountiful, that our machinery is too good—that our workmen are too numerous and too efficient—and therefore our people must suffer! How absurd is all that!

Can anyone who adopts such false reasoning ever arrive at a correct solution? Let us start over again.

Let us assume that nature is generous and that our farmers are efficient in production. There is then an abundance of grain and of meat and of food and of cotton and wool. It should therefore follow that all worthy people should have plenty to eat and plenty to wear. Let us assume that our bricklayers and our carpenters, and plumbers and lathers, and electricians, and painters and all such master workmen are sufficient in numbers and capable in their lines, and industrious in their work. There can then be an abundance of good modern, sanitary housing, and all worthy people should be comfortably and properly housed.

Let us assume that our musicians are sufficient in numbers and capable of producing satisfaction in strains of harmony and melody. There should then be an abundance of music for all who care for it and the satisfaction, enthusiasm and inspiration that comes from this art.

Let us assume that our school teachers and professors and chemists and doctors and engineers and inventors are sufficient in numbers and that they are able and competent in their respective lines. Then, in free America, at least, it should follow that all worthy people should have plenty to eat and to wear, and be properly and comfortably housed, and should be able to receive such enjoyments of music as they might be able to appreciate, such education as they might be willing to absorb and work out, such medical attention as they might need, and such an opportunity for individual development, and advance in civilization and in the arts and sciences as has never yet been seen among men on this planet—as far back as recorded history goes.

What interferes with this?

Why haven't we got it?

Why can't we get it?

We can have it!

We can get it!

But we must know the way; and the way lies along the road of freedom and liberty. The method proposed by Henry George is called by some people, the Single Tax. Let us think together on this problem. We all know that in this age it is no longer a question of *production*.

Production has been advanced to such a degree, aided by bountiful nature, by science, invention, power and machinery, that enough of *everything* can be produced to satisfy the needs of all. As production is sufficient—what then shall we consider next? Let us *carefully* consider the matter of distribution or the apportionment of wealth as it is produced. In other words, who gets it, and as to the one who gets it, does he earn it? If he does not, why should he get it?

Henry George has mastered the problem as to the distribution or apportionment of wealth as it is produced. Before we go into that, let us consider another phase, which you all know something about. From 1917 to October, 1929, there was, in the United States, a condition that was fondly called Prosperity. True, the coal miners and the farmers at periods were not prospering—but our big papers told us that we were a prosperous nation. We were probably more prosperous than other nations, and the total amount of wealth produced in the United States was marvelous and astounding. But what kind of prosperity was it? Who got it? Of course any one of you could call off the names of ten or more great monopolistic corporations which were *enormously* prosperous.

The stock brokers, the great financial institutions, the great industrial and public service corporations with monopolistic power. But the kind of prosperity that we want and which we did not get, and which we must have, is a prosperity that is diffused upon a broad base—scattered thru and thru our whole population—so that all may have a purchasing power, such a condition of diffused prosperity and justice as shall mean *permanent* prosperity, and reliable opportunities for employment at all times.

With constantly advancing powers of production, how else can justice be secured, or permanent prosperity be established, other than by diffusing these benefits, maintaining the purchasing power of all—reducing the days of labor to five or even four per week and raising the wage! but not increasing the cost of living.

If this program is not accomplished, the constantly increasing efficiency of machinery will produce the following results, viz: A greater aggregate wealth—but a greater concentration in the hands of a few people or corporations; a greater cleavage in America between the rich and the poor; a greater disparity in opportunity; a constant condition of partial unemployment; an increase of poverty; a dissatisfied and deprived people; and eventually the destruction of our democratic theories of equality and of our republican institutions. How important, then, and how vital, is the question of the equitable and just distribution or allocation of the great wealth as it is being produced now, especially in this wonderful country. This question of distribution is more important now than it ever was before in American history and it is becoming more important every day.

It is vital to our existence. It must be solved and it must be solved right. Henry George has furnished the answer in his book—Progress and Poverty, which every patriot and every laboring man should read and study. Some people have a strange idea about wealth. They seem to think that it can be plucked at random as from the air. Grab a little from this sunbeam—grab a little there; finally, lo and behold, a pile of wealth and no one has been injured or deprived. Wealth secured in some magic manner as in a fable similar to the Tales of the Arabian Nights. But it is not so. If some one secures wealth that he has not earned—then it follows that some one else has failed to secure wealth that he *did* earn.

The Single Tax philosophy is that all men have an equal natural right to the use of the earth. We stand on the principle as set forth by Thomas Jefferson in the immortal declaration of Independence, viz.: That all men are created equal and that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness, \* \* \* It is, of course, perfectly clear that life, liberty and the pursuit of happiness require that men shall have an equal natural right to the use of the earth. It is not proposed to disturb land titles or to give every person a small parcel of land. It is proposed to have every holder of land pay into the public treasury, the economic rent of the land, either in whole or in very large part. In other words, the economic rent of land should not be allowed to be appropriated into private pockets.

All political economists agree that the location value of land is an unearned increment. We do not need to cite numerous authorities. You can know the facts yourself. It was Théodore Roosevelt who said: "The burden of municipal taxation should be so shifted as to put the weight upon the unearned rise in the value of land itself rather than upon the improvements." He believed in taxing the unearned increment of land value. What makes the location value of a piece of land? The land itself was supplied by Providence.

The Scripture says, "The earth hath He given to the children of men." Certainly the land-owner did not make the land, neither did the land-owner, as such, create the value of the land. The land value or unearned increment is a communal value—it was made by the growth of the community—it was made by the presence and activities of the community. The element of public service enters into this. For, among other things, the land value reflects the values of the public service rendered, such as sewer, paving, street lighting, parks, schools, transportation opportunities, etc.

You will agree with me when I say that as the land-owner did not create the land value, it does not, of right, belong to him. But, as the community *does* create the land value, it belongs of right to the community. We propose then, and men who labor will agree to the justice of this: that we shall collect that value of land, which is the economic rent, in the form of a tax, year by year, and by that means, we will pay the expenses of Government.

This unearned increment, this economic rent of land in the United States is a fund so large that, if waste is avoided in public expenditures, it will not thereafter be necessary to levy any tax at all on personal property or on improvements such as houses or buildings or on machinery or merchandise; all

that is necessary is to put the annual land rent into the public treasury.

There might remain some small or insignificant taxes levied for purposes of regulation or supervision—but in the main, all taxes would be abolished except the one main Single Tax on land values. For this reason some call it the Single Tax—or as the French Physiocrats called it *Le Impot—Unique*—the one tax. Now some may say "Taxes must be raised any way. What difference does it make as to how taxes are levied? However, taxes can be levied in such a way as to discourage industry and cause unemployment. On the other hand they can be levied in such a way as to encourage industry and stimulate employment.

The Sultan in a far off eastern country discovered that he needed more revenue for his lavish foolishness. How could he secure this extra revenue? He thought of a plan—he would levy a heavy tax on every date palm tree. There were many such trees in his domain—the people needed them—the Sultan anticipated great revenue. So he levied this tax. But alas—the tax was too heavy—the people cut down the trees—the revenue was not produced. What the Sultan had done—caused a great economic loss to his country—for the palm tree was a great source of wealth to the people and an important factor in their ability to live there. But the foolishness of that tax scheme destroyed the trees and put the people's lives in jeopardy. Our present system of taxation is also foolish and burdensome and causes disaster.

It makes a *great* difference where the tax burden is placed. Suppose a load of 200 pounds and also a pack horse. How can you get the pack horse to transport the load along a mountain path? Would you tie the load on the horse's tail? Or fasten it to one of his legs? Or hang it around his neck? No, you would not. Would you load it on his back and put it all on one side? No. But if the load is correctly placed on the horse's back—evenly divided on both sides—then you will see that the pack horse can transport the 200 pounds. It makes a big difference *where* the tax burden is placed.

Let Labor present a united front against any state income tax, for that would be just one more erroneous tax in addition to the multitude of other taxes that now afflict us. The state income tax would not relieve us—it would be an additional burden.

Why should a building be taxed? Dogs are taxed in order to get rid of them or to decrease their number. But buildings are desirable and should be relieved of taxation in order to encourage construction. In the old days when a person got drunk he might be fined for it. That was to discourage him from getting drunk. But now, when a man builds a house, he is doing a worthy thing—he is employing labor—he is benefiting the community. But he is fined—not only once, but every year by the tax assessor for building that house. Why should the state and local governments tax that house? The state or local government did not build the house. It was put up and paid for by some citizen. He should be encouraged and not fined.

The state and local governments should take that value which is public value, viz.: land rent, and leave the house-owner that which is rightfully his, viz.: his house free from taxation.

A tax is a fiscal device But this proposal for the public

appropriation of economic land rent is more than a fiscal device or a fiscal reform. It is a vital matter. This Single Tax is a means to an end. The end or object is to restore to all men their equal right to the use of the earth. By thus taxing land values, those people who are holding valuable land idle for speculative purposes would be unable to continue to hold it idle. They would either use the land or let it pass to some one who would use it. All labor is performed on land as we use the term, meaning the earth, the air and sea.

When the land is used labor is employed. When land is held idle, labor is out of work. The tax on land value would force valuable land into use and thus open wide the gateway to employment. Furthermore, the home-owner would be benefited, as under the Single Tax plan, he would pay taxes on the land value only, and nothing on his house or improvements; and in the great majority of such homes, the value of land is less than the value of the house or improvements.

The working farmer, especially in Illinois and Indiana, would benefit greatly by the application of the Single Tax. For, under the Single Tax he would pay taxes only upon the location value of his land. He would pay no taxes on his house, barn, fences or improvements of any kind—none on his machinery, live stock or personal property. When the working farmer understands this, he will favor the Single Tax idea, just as the farmers of Denmark and of Western Canada now favor it.

The business man would benefit from the Single Tax plan, as he would be freed from taxes on his buildings, his machinery, his stock in trade, his personal property. We have proved that Labor would benefit. The home-owner would be relieved and benefited. The working farmer would be helped and encouraged. Productive business and industry would be greatly stimulated. Labor could find employment. Wages would rise. That private toll which has heretofore gone to the landlord as owner of the land and to which he is not entitled; the equivalent of that would be apportioned between Labor and legitimate capital, enabling each to have its larger return than at present. Thus the conditions of permanent prosperity would be created; real prosperity would be diffused on a broad base among all the people.

A greater equality would be secured. A condition of brotherhood would be approximated. In that day, the humble disinherited of earth will enter into their inheritance. In that day the meek shall be blessed, for in that day the meek will inherit the earth.

As patriotic Americans we crave that America shall be the first great nation to accomplish this. In the securing of political liberty for its people, America has been a fore-runner and an example. Let it also become a fore-runner and an example in the securing of that which the common people of the world have not yet secured, viz.: Economic Freedom.

A new earth would appear, and mankind, especially in this favored America, could move forward to a higher civilization, thru equity and justice, in freedom, and liberty, and equality of opportunity.

Let each do his best to secure these blessings of equity for ourselves and for posterity.

Peoria, Ill., July, 1931.

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For Single Tax Facts and Literature write to Henry George Foundation of America, 1309 Berger Bldg., Pittsburgh, Pa. Send in your name. Affiliate yourself with this Patriotic Organization in seeking Restoration of American Ideals and Permanent Prosperity for All.