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ARLINGTON HEIGHTS, ILLINOIS

PUBLISHERS OF  
ONE-SENTENCE  
ECONOMICS  
AND  
WORLD LEPROSY

12993

LAND MONOPOLY  
MUST BE DESTROYED!

CRUSH THE INFAMOUS THING!

BY  
HOWARD W. L'HOMMEDIEU

AND OTHER WORKS

September 3, 1965

The Honorable W. Willard Wirtz  
Secretary of Labor  
Washington, D. C.

I believe in Land Value Taxation.  
I count it a great privilege to  
have been a friend of Henry George.  
Samuel Gompers

Sir:

Interferences with economic laws throughout the ages - well intentioned or otherwise - have taken many forms, from wage stabilization and price controls by the original Sumerians, through cancellation of debts every seven years; under Mosaic Law, the one-time cancellation under Solon, the setting of interest rates by royalty, popes and branches of our government, wage fixing following the Black Plague in England, regulation of almost everything by Colbert, under Louis XIV, regulations by European guilds of employers and guilds of artisans, jurisdictional disputes in French courts lasting up to 200 years, and others settled here by strong arm tactics; the clipping, milling, sweating and debasing of coins, excessive printing of paper money, inflation by credit extension or forced wage-price spirals, tariffs, import and export quotas, the N R A, unrealistic prices of gold in terms of each currency, DENIAL OF EQUAL ACCESS TO THE EARTH. It should be apparent, from the perpetual unrest, resulting from unemployment, poverty and reduced life expectancy, that our economic problems and their train of effects require scientific treatment, as do all sciences.

TIME, July 2, tells of the near fold-up of the New York Post, when the International Typographical Union Local No. 6 refused to permit the use of a punch-tape I. B. M. computer unless they received half the savings. Scribes might as well tell their employers that they can't use typewriters, or any employees tell their employers that they can't use any labor saving device, under any circumstances, or unless the saving is shared, as the mood strikes them. Many firms have been forced out of business or into mergers, because of wage demands, which is one reason that industries are becoming more and more monopolized. Questions of wages, working conditions and continuity of employment are left perpetually in the air, and no government official, no instructor of economics, no business man is able and willing to offer a solution. A government mediator may help to avert or settle a strike, but there is no assurance that the settlement is just, and it is absolutely certain that the pressures used to obtain it are not scientifically correct. These are a shortage of jobs, on the one hand, and the possibility of assault and battery, vandalism, arson and murder - the ultimate weapons of strikers against strike breakers and those employing them - on the other.

The unscrupulous monopolies of landholders and many businesses brought on this counter monopoly of trade unions, and the other counter monopolies of government operations and regulations: farmers of ancient Rome, with their lands seized by patricians; farmers of England, with their common lands enclosed for the use of noblemen; rulers, the nobility and the church in many countries owning most of the land; large-scale feudalism in Latin-America; potential producers everywhere denied access to land held for speculation, as here, or large estates, as in India; 12-hour days, 7 days a week, in the steel mills; 5-year-old boys and girls in the cotton mills, working 10 hours a day, for 1 ¢ an hour; no vacations, sick leave, insurance or pensions; supper money only for extensive overtime in offices; landholders keeping the books on advances made to sharecroppers, showing them always in debt after the crops are sold; company owned homes, stores, entire towns, with wages, prices and rents fixed to maintain economic vassalage -

"DELEND A EST CARTHAGO!" — MARCUS PORCIUS CATO, "THE ELDER"

"ECRASEZ L'INFAME!" (PERSECUTING AND PRIVILEGED AUTHORITY) — VOLTAIRE

these and many other evils needed or need correction.

THE ANSWER TO IMPOSITIONS LIES IN THE ELIMINATION OF ALL MONOPOLY, NOT IN THE GROWTH OF COUNTER MONOPOLIES. A Chicago Tribune editorial of July 6 states that "One dollar out of every five spent in the United States and one job out of every eight now flow from the federal government;" that "Federal loan and credit activities now embrace 48 agencies using some 75 billion dollars in direct or contingent liabilities in taxpayer funds." It goes on to say that the greatest threat is government's arrogating to itself the decision-making power over our lives and activities in such matters as "guide-lines" for wages and prices, overseas loans and investment policies, and interest rates. We are already familiar with government's 30-year failure at crop control, and its success in making the rich richer. It is no wonder that the Gallup survey, mentioned in LOOK, June 29, showed that 37 per cent of those polled thought "big government" will be "the biggest threat to the country in the future," as compared to 14 per cent in 1960.

WE SHOULD BE MORE CONCERNED WITH THE UNALTERABLE DEFECTS OF GOVERNMENT OPERATIONS: lack of intimate, detailed knowledge, flexible adaptability, financial incentive - not to say compulsion - to efficiency and effort, or adequate checks upon gross corruption, stupidity and persecution. "Why, the editor Clifford Crist asks, does it take three government workers to put in a new light bulb? Because, he says, it takes one to hold the bulb and two to turn the ladder." - Houston Post. Actual examples are without limit, from Teapot Dome and Elk Hills oil, through a generation's supply of canned hamburgers, beef stew, dried eggs, cheese, etc., in military storage - with little required - and the building of an army base 50 miles from a water supply, to the habitual large-scale corruption in all branches of government and the dispensability of about half the employees. When our federal budget was 90 billion dollars, it was reliably stated that all essential service could be performed for 64 billion, and this did not account for the large proportion which would not be needed in an economy in which almost everyone could support himself. Following the Civil War, when many people could escape monopoly on free or cheap land, our federal budget was about \$ 1 per person. Theodore C. Sorensen quotes Lieutenant John F. Kennedy's letter to a friend concerning the "superhuman ability of the Navy to screw up everything they touch," and hoping that we'll be saved from "What this country needs is to be run with military efficiency."

A wage, by definition, is the return to labor, and labor is any form of exertion having exchange value. A WAGE IS ONE'S PRODUCTION, OR ITS EQUIVALENT, AS DETERMINED BY WHAT ONE RECEIVES FOR IT IN EXCHANGE, IN FREE COMPETITION. This wage cannot be obtained, and so accurately determined, except by eliminating all forms of government favoritism - especially underassessed land value - but also tariffs, import quotas, exclusive patent protection against competition, credit advantage, preferential government contracts or direct subsidy, as they are the bases of unearned income by employers. Tolerance of violence may produce some unearned trade union income, or merely less deprivation, according to circumstances. Unearned income automatically deprives others of earned income. Underassessment of land also permits the hoarding of particular natural resources - minerals, oil, lumber - and, most important, of all types of urban and rural land sites, for business, residence, recreation, and so ensures unemployment, low purchasing power, slums, malnutrition and illness (both organic and psychotic), and every form of violence, vandalism, dissipation and other social evil, on an ever increasing scale.

No one offers any solution for the more than 200 cases of sabotage on a struck railroad within a year; for the one-a-month cases of arson or bombings of restaurants in the Chicago area in a year or so; for the taxicabs dumped into the Chicago River during a fight for union control; for the many beatings and shootings in mining towns and steel mill towns during labor troubles - and the same in countless other places; for overturned milk trucks during farmer-dairy disputes; for trade unions' refusals to permit any but relatives to join, trying to make sure that their members, at least, always have work; for whites' desire to exclude Negro workers, for the same reason. In California, as shown on TV, unions will not permit a federal agency to train people for their trades, even where there is a serious shortage of workers for many of these trades. The July 5 issue of U. S. News and World Report stated that employment offices across the country had the largest number of requests for help since Sept. 1952. It would also seem that we might think up some way of resolving disputes other than by tying up a thousand ships in harbors, costing fantastic sums of money to would-be passengers, to shipping lines, and to the owners and would-be

purchasers of millions of dollars worth of goods - not to mention enormous losses to the strikers themselves.

We often hear of the problem of finding jobs for each new class of graduates, especially with our much advertised population explosion. As each person is certainly a consumer, and normally would consume approximately what he produces, population is no problem. If it were we should thin out the babies, as feudal Japan used to do, kill defectives, as ancient Sparta did, and prohibit all immigration. It is actually only necessary to have equal access to the earth, on which all wealth is produced. As there is no limit to the variety of people's wants, the supplying of any particular want with fewer producers - a process which has been going on for thousands of years - is also no problem. A no longer needed producer of one product becomes a producer of something else.

By assessing land at its full rental value - its actual superiority for production or residence, over marginal land - no unearned income will be left to the landholder, and selling price - the capitalization of the now unassessed portion of the land value - will fall to a nominal figure. THE BASIS FOR SPECULATION AND HOARDING - LOW ASSESSMENTS AND THE PROSPECT OF HIGHER PRICES, WITH COMMUNITY GROWTH - THUS DISAPPEARS, AND LAND MUST BE PUT TO ITS BEST USE TO EARN THE ANNUAL ASSESSMENT. IT WILL THEN BE AVAILABLE TO EVERYONE AT THE SAME ANNUAL CHARGE - THE TRUE RENTAL OR SUPERIORITY VALUE, paid either as rent to the landholder (as now, if one rents from others), or as an assessment to the local taxing body if one uses his own land (now greatly underassessed, especially when held idle or not used to advantage).

EQUALIZING THE COST OF THIS FACTOR OF PRODUCTION WILL EQUALIZE OPPORTUNITY, as the cost of the other factor of production - labor and labor products - is kept fairly well in line by competition, with some help from anti-monopoly laws; and even where some monopoly exists, prices are likely to be about the same to all producers, thus not affecting their competitive position. THE ONE EFFECTIVE ANTI-MONOPOLY LAW - THE FULL ASSESSMENT OF GROUND RENT - WOULD OPEN UP MORE THAN AMPLE OPPORTUNITIES TO ALL POTENTIAL PRODUCERS, OF ALL GRADES OF SKILL, OF ANY AGE, RACE OR RELIGION, AND BOTH SEXES. THE DEMAND WOULD BE FOR LABOR, NOT FOR JOBS, AND WAGES WOULD AUTOMATICALLY RISE TO THE EQUIVALENT OF ONE'S PRODUCTION. Between individual, cooperative and corporate enterprise, in addition to partnerships, the choices offered would take care of everyone's needs. There would not even be a delay in training for new work. On-the-job training would be offered, as is now often being done, and has been done on a considerable scale in the past. Prejudice would tend to disappear, as we see in the hiring of recent immigrants and contract labor from abroad, especially in Europe. One could, in any case, work for himself or with or for others in his own group, whether white, Negro or Indian. THERE WOULD BE NO SLUMS, AS ALL COULD AFFORD TO LIVE ELSEWHERE.

Many place great faith in the power of collective bargaining - that is, the quasi legal use of violence - to improve their buying power by extracting higher pay for themselves, from the monopoly incomes (if any) of their employers. They can establish a minimum base pay (although it cannot, on the average, exceed one's production, less his contribution to monopoly), set working hours, working conditions, overtime rates and fringe benefits, BUT THEY HAVE NO MEANS OF PROVIDING FULL EMPLOYMENT AND THE FULL RETURN TO ONE'S LABOR. If an industry, in general, rents from others, pay raises must be reflected in price increases, as the raises obviously cannot be taken from the landlord, who charges the actual rental value of the land, but is left with unearned income because of low assessments. Any monopoly income, in fact (where it exists), whether enjoyed by the firm itself or an individual within or without the firm, is free or relatively free from attack by pay increases, which, for the most part, must be extracted from other producers, in their capacity as consumers. THERE IS, FURTHERMORE, NO JUSTIFICATION FOR THE SHARING OF MONOPOLY INCOME BETWEEN CERTAIN EMPLOYERS AND THEIR EMPLOYEES. MONOPOLY SHOULD BE ELIMINATED, TO LOWER PRICES AND RAISE THE LIVING STANDARDS OF ALL. Only by assessing the full ground rent, however, can we benefit to any great extent from reducing monopolies on labor products, as, with speculation maintaining an artificial shortage of land available at reasonable prices, any savings from other sources merely enable people to offer more for land, thus shifting some

monopoly income from labor products to land. THE BASIC WAGE REMAINS AT ABOUT THE SUBSISTENCE LEVEL.

The availability of land on equal terms to all would reduce crime to the minimum, and permit prisoners to work at their best production, for the open market, at usual wages, without trade union opposition - usually at normal places of business - thus making possible both rehabilitation of prisoners and restitution to the injured, while supporting the family and keeping it intact. It would remove one of the chief reasons for war - as Napoleon said, to see who is going to milk the cows - by eliminating the indirect milking process, of permitting individuals to retain unearned ground rent, while the government supports itself mainly from taxes on labor products. It would remove the incentive to violent revolution by pointing the way to peaceful revolution, in the form of economic justice, as Turgot was on the way to doing for Louis XVI, until the landholders' violent opposition to any taxation of their lands finally forced his dismissal. All Latin-America is in desperate need of this reform, as is much of North America and the remainder of the world.

WITH SPECULATION AND HOARDING ENDED, THERE WOULD BE AMPLE LAND FOR ALL FORESEEABLE GROWTH, not to mention the fact that a table covering a great number of countries shows an unvarying decrease in fertility as protein intake rises with a higher standard of living. Although the Arab refugee problem could be solved with land reform in Arab countries, we have the ability to solve it by permitting their immigration here, as we and other countries could similarly have saved millions of Jews, by making accessible our own idle land. TRADE RESTRICTIONS ARE ALSO A FORM OF LAND HOARDING, AS THEY DEPRIVE PEOPLE OF THE PRODUCTS OF DIFFERENT TYPES OF LAND, either completely or at the best prices. Free trade with China would remove the necessity for conquest, save lives and money, improve living standards, health and life expectancy. Steady reductions of exports of pig iron, tin, rubber and oil to Japan forced their hand in 1941. Our economic council stated, that spring, that their economy would be ruined in 6 months.

An enlightened Department of Labor, versed in economic fundamentals, could not only solve what now appear to be its own hopeless problems but could be of great help to other departments of the government. THE DEPARTMENT OF THE TREASURY COULD AVAIL ITSELF OF A LARGE, UNTAPPED AND STRICTLY ETHICAL SOURCE OF REVENUE, IN UNASSESSED GROUND RENT, collected at small expense, instead of resorting entirely to inequitable, socialistic and discouraging taxation of labor products, at a cost of 25%, a criminal waste of time and invasion of privacy. The work of the Department of Justice would be reduced immeasurably. The Bureau of Indian Affairs could enable Indians to be fully employed and self supporting, by allowing them equal access to as much land, of the proper type and quality, as required, instead of keeping them 50% unemployed and forcing them to exist at below poverty level. THE DEPARTMENT OF AGRICULTURE COULD obtain almost free land for reforestation, flood control and windbreaks, and ABANDON CROP CONTROLS. ECONOMIC JUSTICE WOULD HELP TO MAKE INTERNATIONAL BORDERS AS PEACEFUL AS THOSE BETWEEN THE UNITED STATES AND CANADA, with or without a Christ of the Andes to help keep the peace.

Sincerely,

Howard W. L'Hommedieu