

The Freeman

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Ten Cents

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Guayule

Charity is indeed a noble and beautiful virtue, grateful to man and approved by God. But charity must be built on justice. It cannot supersede justice.

Henry George in "THE CONDITION OF LABOR."

FOR A BETTER POST-WAR WORLD

BRITAIN'S Labor Party is demanding a government pledge that the principal wartime controls over industry and agriculture be maintained after the war. It asks the nation to recognize that the conflict has already caused a social and economic revolution as vast as the replacement of feudalism by capitalism.

"The anarchy of private competition," the party statement reads, "must give way to ordered planning under national control, and the nation must own and operate the essential instruments of production."

The believer in the democratic way of life—precisely what a Georgist always is—will not deny that a social and economic revolution is under way. But the Labor Party's other conclusions will move him to something less than wild enthusiasm. He will concede the necessity of a measure, indeed a virtually unlimited measure, of government control for the duration of the war, but as a regular diet in times of peace, government control is something he just could not care for. To him that means socialism, and he just is not having any.

The Georgist has no quarrel with the socialists. He recognizes them in the main as very earnest people who are trying, as best they know, to alleviate the vast ills of the world. Indeed, Georgists and socialists have something in common; they start from the same base. The two schools of thought agree that the great problem of the age is poverty; that poverty is caused by exploitation, and that it can be cured only by ending exploitation. They agree further that the approach to the problem is economic, and that socialization is the remedy. But at that point their paths diverge and it is not possible for a man to call himself both a Georgist and a socialist.

The Georgists hold that it would be sufficient to socialize the rent of land. Do away with absolute private ownership in land, they say, which is the parent monopoly of them all, and killing off the other monopolies and ending exploitation would be easy. But to go further, as the socialists propose, and socialize the tools and machinery of production, would mean a planned economy, strict regimentation, ironfisted control of agricultural and industrial production, concentration and centralization of power and authority.

Such things the Georgists abhor. They consider them not only economically unsound and unnecessary but also as involving a tragic waste of the greatest force in the world, mental power. Moreover, they would constitute an outrageous infringement upon our personal liberties and the supreme affront to human dignity. For in the socialist state, as in the nazi or fascist, the individual has no rights that the state is bound to respect. And a man who has no rights is a slave.

Henry George believed that social unity and individual liberty should coexist. He conceived personal liberty in individual matters and social unity in societary affairs as a natural law of human association. Henry George preached and practiced the brotherhood of man. Socialism promotes and thrives on class conflict. Henry George held that a man was entitled to the product of his own labor. Socialism's creed is, "To each according to his needs, from each according to his means."

Henry George proclaimed the natural and inalienable rights of man as postulated in the American Declaration of Independence and Bill of Rights. Socialism denies the existence of natural rights. Henry George believed that any system based on the doctrine that the state gives us all the rights we have, and may modify or nullify them at its pleasure, would debase a man to the level of the beasts in that it denied him the right to exercise the reasoning faculty which distinguishes him from the beasts.

Georgists realize that the maintenance of personal freedom should be the primary consideration of every human being. It is never a choice between freedom and a full stomach. No socialist state, no dictatorship, has ever given either.

Georgists will sympathize with the ultimate objective of the British Labor Party, a better life for the masses, but they will deplore as no less than tragic the misguided methods by which the party proposes to attain its ends, methods which cannot fail to defeat their very purpose and bring about a condition infinitely worse than the condition sought to be cured.

C. O. STEELE

Guayule Rubber in the Post-War Economy

THE GOVERNMENT IS GOING into the rubber business. Recently enacted legislation authorizes the leasing of 75,000 acres of land for growing the guayule rubber plant and the purchase of facilities for processing the raw product. In the light of existing circumstances such a step is probably necessary. Certainly we need all the rubber we can get and it is doubtful that private enterprise, already circumscribed and hedged about by the dislocations of war, would be equal to the emergency.

But after the war, what then? Do we want the state exercising the functions of industry in competition with free enterprise? These are people, of course, both in the Administration and out, who have lost faith in free institutions. They honestly believe that collectivism is better for mankind. Practically always, when speaking of maintaining or extending social gains, they refer to something in the nature of state socialism.

Such persons will view the encroachment of the state upon the domain of private enterprise not with alarm but with satisfaction. It is not necessary nor does it do any good to ascribe unworthy motive to anyone. In the final analysis we are all obeying the primal impulse to gratify our desires with the least effort.

But it may be of passing interest to note the attitude of two men high in the councils of state at the present time, one holding an appointive position at ten thousand dollars a year, the other an appointive position at nine thousand. Each was an early brain truster; each was at one time a college professor.

Says the first gentleman: "Business will logically be required to disappear. This is not an overstatement for the sake of emphasis, it is literally meant . . . National planning implies guidance of capital uses . . . Capital allocation would depend on knowledge from some planning agency of how much, for a measured future period, ought to be put to one use rather than to another. The first step in control would be to limit self-allocation."

Says the second: "The government will have to enter into direct financing of activities now supposed to be private, and a continuance of that direct financing must inevitably be that the government will own and control most of the productive plants of the United States."

Now let me quote a third, a man who died some time ago and whose philosophy, no doubt, would be indignantly repudiated by the gentlemen quoted above. This third speaker is none other than Karl

Marx, prophet of socialism, and he outlined the first point in his ten-point program for socialism in the following terms: "Centralization of credit in the hands of the state by means of a national bank with state capital and exclusive monopoly."

The similarity in the views of the three men is interesting, not to say jolting, to those of us old-fashioned enough to believe in private enterprise, in a free economy subject only to needful social restraints. Call them what you will, the three are birds of a feather, and that's that. By any name they'd smell the same—and that's terrible.

C. O. STEELE

"How to Act"

STANFORD UNIVERSITY is establishing a "School of Humanities." Its purpose, according to President Wilbur, is to assist the student to understand the development of western civilization and its relation to the forces that are shaping the world today.

Says Dr. Wilbur, "If the democratic ideal is to be salvaged and maintained in these times and in whatever peace lies ahead, it must be supported by men of good will who have in addition to goodwill, responsibility, purpose, social consciousness, and an understanding of the frequently misunderstood word 'culture' . . . the need is for critical minds, capable not simply of acting, but of determining also how to act."

The aim is laudable but if students are to act intelligently they must know some of the basic truths usually overlooked in modern system of education. They must learn, for instance, that, to quote from Gaston Haxo's "Philosophy of Freedom":

"The use of the earth is the birthright of every newborn child; it involves his natural right to life and is as clear as his right to breathe the air." "Land is nature's contribution to production, the gift of nature to all. Life being impossible without the use of land, it follows that the right to life implies the right to the use of what nature has provided for the maintenance of life, i.e., equal right to land." "Labor is free only to the extent that land, the field of labor, is free."

When they have learned these and similar truths, they will begin to see what is behind the economic ills that afflict the world today, and in the fight to wipe out those ills they will be better equipped for "determining also how to act."

C. O. STEELE

The Democratic Way to Victory

"WHERE, O WHERE has my little dog gone?"

"I wonder what's become of Sally?" So go the lines of songs of yesterday. And what has become of the wintergreen and peppermint smell of Grandma's room that lingered after Grandma was gone? Wonder what's become of Grandma, too, and the knee-held coffee grinder, and the clock with the carved wood insides, and watering troughs, and the spring in our legs, or that other spring that's in the blood, after winter?

But most of our wonder concerns the whereabouts of folk who once believed the causes of war to be mainly economic in origin and dared (we relish the word) to teach this belief. Aye, we remember how objectively they dissected and then revealed these causations and how courageously they drew and quartered the acts of States and individuals from Alpha to somewhere approximating Delta in the alphabet of time. And what accent there was on our own bellicose days, particularly 1812, the-Delta minus. Aye, we speculate:

Could it be that these mentors, philosophers who professed a science of ethics based upon natural law and hence universally true, have resorted to another



concept? Do they now geographically bound truth on the north by the Whatsit River, on the east by the Styxian Sea, on the south by the umpty-eighth parallel plus two minutes ten seconds, and on the west by the Gitchee Gumme? We don't know; we wonder.

Have they changed now that we as a nation are fighting for the right to continue in a beloved way of life against aggressors ruthless and resourceful? Is that the price or part of it for achieving national unity?

Is it necessary to ignore the causes of this war because we would survive as a nation and so make available to all men the four freedoms outlined by our President and Commander-in-Chief? This writer does not think so. The "four freedoms" need to be taught and understood; the democratic criterion underlying each must be comprehended and assimilated.

In the enemy camp of Totalitaria the people are commanded to believe; they work and fight and die in ignorant obedience. Let it be the quiet virtue of democracy that her people work and fight and die knowing what it's all about, and let them believe by knowing.

Let them believe that at the end of the struggle lies the possibility of applying that knowledge to prevent a recurrence of the dirty, paradoxical business of killing men so men may live in happiness, and free.

Again—we wonder how it may be done without men knowing, and without knowing men teaching.

G. B. BRINGMANN

Human Happiness

The happiness of mankind is dependent mainly on economic security. For it is only if a man is able to feed and clothe himself and his family well, that he may gain those other essentials of happiness—learning, friendship, health and a belief in religion. So far in this world of ours, economic security is impossible to the vast majority of men. Therefore happiness is possible only in the very rare cases of people who feel themselves secure or who haven't intelligence enough to realize their insecurity.

In some future age, man's fundamental needs may be made secure. Then he will thrive and radiate happiness as universally and naturally as the flowers, who do not grieve or droop if there is sufficient sun and rain overhead and nourishment in the earth beneath!

E. STOY REED

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It Strikes Me ☺ ☺ ☺ By C. O. Steele

SOME MONTHS AGO, in Quebec, a man who said that Germany "may win the war" was found guilty of violating the Defense of Canada Regulations. His utterance was construed as tending to impair the war effort, and he was fined \$20.

A little earlier, in one of our own courts, a member of that strange sect known as Jehovah's Witnesses was convicted of disorderly conduct for having said, "Religion is the greatest racket on the face of the earth."

The two events make one wonder whether we are fighting for freedom of speech or merely freedom of such speech as happens to agree with our own sentiments. Henry George believed that individual freedom should be limited only by consideration for the equal rights of others. These court decisions would seem to have stopped considerably short of that ideal.

* * *

TECHNOCRACY, advocate of a planned economy and the abolition of the price system, is rearing its ugly head again. One of the evils of the poisonous thing is the way it provokes well meaning people to acts of doggerel. I am one of those strong silent men myself, not given to sudden outbursts and usually capable of exercising a good measure of self control. But an irresistible impulse hit me as I sat reading about Technocracy, and before I could regain my composure this dreadful thing had been perpetrated:

According to the Technocrats
The time's not far away,
When all we'll have to do to live
Is work four hours a day.
To others this may be good news;
It leaves me rather cold;
For I'm a district leader
In the Democratic fold.

For party zeal and loyalty,
I'll soon have my deserts;
A well paid, cushy sinecure.
Four hours a day? Aw nerts!
The technocratic promises
On me unheeded fall;
An office holding Democrat
Won't have to work at all!

As to making a living by working four hours a day, the Technocrats, of course, are right. In a sane world that should be easily possible. When it is realized that in the past one hundred years man's ability to produce wealth has increased many, many times over, it should be apparent that one could live much better today on four hours work than on fourteen hours a century ago. Provided, that is, that one is permitted to work and is allowed to retain the fruits of his own labor.

In its other aspects, Technocracy is nothing but a shoddy imitation of fascism. As such it is no more acceptable to followers of Henry George than is its shabby counterpart, the political doctrine of envy known as communism.

* * *

OUT OF THIS CRAZY WAR a slight measure of sanity with respect to tariffs seems to be emerging. In the Economic Pact recently signed by Britain and the United States, the two signatories pledge themselves to measures looking to the "expansion . . . of production, employment and the exchange and consumption of goods . . . to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers."

The pronouncement will come as a shock to that small group of people who believe that we can live happily and prosperously in economic isolation, without any foreign trade whatever. It will also be a jolt to those who recognize our need of exports but believe that it is possible to make foreign trade a one-way process; possible to sell abroad without buying there; possible to collect payment for our goods without taking other people's goods in fair exchange.

And it will certainly be upsetting to the president of the National Association of Wool Manufacturers, who wailed bitterly when the reciprocal trade treaties were being negotiated a couple of years ago—how long ago that all seems now—that "Secretary Hull will not admit that this country, because of its relatively higher standard of living, needs protection to a far greater degree than any other nation in the world."

To persons with a smattering of economics, the promise in the Economic Pact will be one of the most hopeful signs that has appeared on the international horizon in many a moon.

Man's Labor Lost

By GEORGE B. BRINGMANN

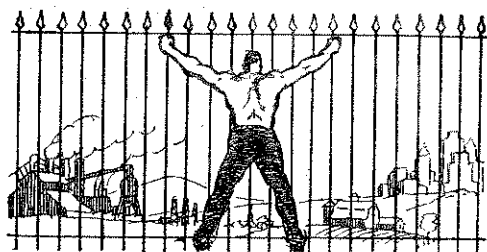
LANDPOOR:

Impoverished I, who own such spacious fields
Lush in the newborn charity of spring.
Poor pauper I, tho wooded slope and running stream
Are titled my domain,
And records searched—aye, guaranteed,
Bestow an ancient right with all their ancient dust.
How poor am I indeed!
Each warren and each builded nest,
Each beastie, bird and clod of sod
From whence I sit, as far as I can see, are mine—
So says the moulded parchment scroll,
So wrote the dead and royal hand.
Yet here I starve, nay, woefully exist
On parched beans and carrot tops and rice,
And sweeten I weak India tea with hope
That man will pay my price.

YOUTH:

I heard you, sir. Your lands are good to view
And fallow is the look of lower field.
Had I ten kine and two span ox,
Its neighboring meadow would suffice for all.
I'd sow wheat yon on the swell, and plant my corn
In solid rows, and run my melon vines between.
I'd have my hens and gaming cocks and hardy
Yorkshire swine neat penned across the lane.
I'd even have, perhaps, a wife to garden
Beets, and she, her flowers and some eating greens.
But half my dreams and half my plans I speak.
The gambit, sir! What must you have to lease?
So much? I'd barely live. Three parts of every four!
Ah! 'Tis a lovely place to tear my gaze apart.
Am I not young? Cannot I work but harder?
Will your three-fourths strip down to naught my
larder?

Strike you my hand. The bargaining is done.
I'll pay with three so I may keep the one.



Second Year

LANDPOOR:

O pauperish I, who own as far as I can see—
The rolling waves of yellow wheat, the red eared corn.
Here sit poor I, a patient man,
With clabbered cream and scones and sugared rice
and tasty China tea,
Pondering why some neighbors get five from each six
While poor and patient I get from each four but three.

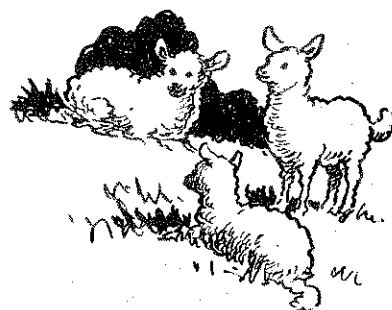
YOUTH:

The harvest's in and hogs are larded well;
Much cheese and grain and multiple beasts now bred.
Two mare, six kine and most the ewes been served.
('Tis comic, sir, that all my hens take such, onto
themselves.)

Your portion of the yield shall come to you in season.
'Tis difficult to smoke-cure hams while still attached
to swine.

Already in your fold, the thirty odd of last spring's
lambing

Bleat for the rest a horrid din.



What is it, sir? Are you displeased, or trust not my
accounting?

Or are my labors less than what you dreamed,
Tho more than I had dared?

You speak of neighbors, genteel folk, who get five of
each six.

Aye, aye, and have you seen those who keep the one
remaining—

A sorry, skeletony lot that once were men;
Real laughter foreign to their lips.

You tell me one such came and offered five of six
to you

And that you contemplate a change? This season of
the year!

Am I a dolt? You would take THAT from me for I
am young
And I am strong, and five from me is greater than
from him.
The five you'll have next fall, and I shall work the
harder
For I am young this year. One part of six perhaps
will fill my larder.



Third Year

LANDPOOR:

O foolish I, with sentiment as soft as dove's warm
breast.
Here sit an aged pauperish man.
I hear today from peddler and from the bailiff's dam
The genteel folk who last took five of six,
To furnish Ceylon tea and boxed cakes of leaven,
Have now decreed quite blithesomely
Their share is six of seven.
I'll do the same. Exist on carrot greens and rice,
Until as surely as the day, a man will meet my price!

Eighth Year

YOUTH:

My Sally was a spry maid once, a laughing brown,
and merry,
Her bosom round, and pleasing turned of calf;
But that's no more, nor unvexed she with problems of
her own.
My Sally's ill and aged, and nearing death with cough
at twenty-four.
The kine are fat, contented they afield,
Enjoying more of God's good earth than men;
While on my back, in crazy twisting gnarl,
A Bactrian hump bows not by pleasure bent.

A whole half swine, a hundred weight of cheese,
A sack of corn that's been to mill
And cherished fruit for holiday desire—
While others starve and freeze in village streets,
Considering scraps a feast for prodigal.
Full lucky I! Have I not seen,
Have I not oft been told by cleric and my betters
That heaven's God has favored me amazing,
Has spared me from the misery abroad,
And seen to it a human's needs are small?
Years gone I knew them not as they now prove,
Far separate from the soul's great blight, "desire";
My honesty I find the two can tax.
When joined, they tug the virtue well away.
Eight years ago—nay, only five, my reckoning was
level.

This year, if none discover it beneath the cottage floor
Or hear its grunts and squeals, I'll have an extra shoat
To breed. She'll farrow piglets, mayhap ten,
To add to fare that gags with dead monotony.
But for all that—there's justice,
And due is due and proper to each man.
Aye, things are just and daily they improving;
The freedom of 'all Englishmen assured.
I eat and sleep 'neath thatched roof, do have a wife
and child

To share with me (e'en hidden muzzled shoat).
Aye! Aye again! We freeborn fortunates are blessed,
We loyal hungered Englishmen can VOTE!



HEADSTONE:

"JOHN ROE, AGED 29, SON OF" another "JOHN
AND MARY" is all the lettering on my face,
For cutter's tool was limited to space.
But I who see and hear and very seldom say,
Observe:
Here lies a youth, his soul returned to heaven.
To keep one part he gave full six of seven.
Unfed by prestige of a crown or virtue of a callot,
His menu, tho he knew it not, was eating of the ballot.
So rest his bones beneath this sod;
He lived on land not owned by God.

Flight From Kiev

By JACOB SCHWARTZMAN

It all comes back to me now. The years' speed backward, revealing once again the Russian state of Ukraine with its great wheatfields and its infinite rivers. I again recall the little town near Kiev. I see once more the red flags waving from every window, and hear again the incessant pounding of the machine-gun on the outskirts of the town.

My parents are hastily packing their belongings. My father has just bribed his way out of prison. Like practically every one else, he was arrested by the Cheka for failure to follow Socialistic decrees. The Commune recently proclaimed that from now on, all trade will cease, and only the State will have the right to sell merchandise. But the people failed to heed, and our community secretly resorted to barter. Each family had to produce something else in the dead of the night, and my father was chosen to make soap. And what soap it was! More grit than fat, yet luxury that brought tears to the eyes of women.

And now that he is free, my father decides that we must flee. Life is worthless in our town, and rumors have it that in Roumania, life is wonderful, and bread is white. White bread! No one remembers when it was last seen in our community. And Roumania is not far off.

I am ten years old. I thrill to new adventures, new lands to see, and cannot understand my mother's tears. We drive away in the smuggler's cart, my baby brother asleep in my mother's arms, my father gazing with emotion at the place of his birth, never again to be seen.

Next day we spend hiding in a hut in a little village directly on the border. Across the gleaming river of Dniester, we see the fields of Besarabia, the New Promised Land! Once part of Ukraine, it is now Roumania, and thither we shall speed this coming night.

But towards evening, the cries of my baby-brother bring the dreaded Cheka to our door, and we are arrested again. Visions of "trial" flash before our eyes, the reading of the sentence, the execution. But our smuggler is clever. He bribes the officer and the men, and at one o'clock in the morning, we walk down the bank to the waiting boat.

The river is calm to-night, and hardly a splash is made as we make our way across. It is a beautiful June night, and the stars gleam brightly and merrily. The world is peaceful. How wonderful it all seems to the eager eyes of a boy!

And finally, we reach the "foreign" soil. Wherein lies the difference? my puzzled mind wants to know. Here, too, stretch the same wheat- and corn-fields; here, too, the soil is dark. But this is Roumania!

The peasant's wagon can hold but two of us, and so my mother and my brother are carted off to our place of refuge. My father and I will have to walk the distance, and cover it in several days. At night, we shall walk through the corn-fields; at day, we shall hide out, resuming our tramping by the light of the moon. The reason is that we must not be caught by Roumanian soldiers who will shoot us first as Russian spies, and try us afterwards.

So the smuggler, my father, and I, walk through the corn-fields. The stalks are twice as tall as we. We crush them with our feet as we stumble through this forest of man's food and drink. My father hates to hurt this growth; destruction saddens him. But there is no alternative.

How the stars gleam this night! Bright and clear, they hold out such a great promise! The heart of a boy is filled with joy at the beauty of the universe! All the majesty of land is before him, the river flows alongside, and the chirping of the

crickets is wonderful music. The fragrance of June is in our blood; though the stalks cut our face, and all sorts of tiny animals scatter at our approach; though our feet hurt, and our hands are weary from pushing away the stalks; we seem imbued with the calm resplendence of the night. We can see miles and miles of free land stretching before us, enough to populate all the poor people of Ukraine which is now on the other side of the Dniester. How can one starve in such a country?

And now the dawn breaks, the birds sing, the roosters crow in the surrounding villages, and the world is awaking. We shall soon see this glorious land, our new home!

We come to the end of the field, and emerge into a great plain. We are approaching a village. And suddenly, I get a shock. For miles around, the land is empty of habitation, yet one tiny speck of earth is narrowly clustered with huts which look as if they were built of cards. Walls crumble, homes slope groundward, house crowds on house, until it looks as if there is no space left to breathe. Dirt and squalor prevails, a strange and terrifying contrast to the majesty of the surrounding territory.

The sight sickens me. The light of day reveals sights unseen by the moon-struck eyes of a boy. A horrible feeling of disappointment pervades me.

"Daddy," I ask, "why do they all crowd together like this when there is so much vacant, beautiful land?"

My father is silent. I repeat the question. He shrugs his shoulders bitterly. Maybe he too is wondering. I look at the glorious sky, and breathe in the beauty of a new-born day. We march on to our destination amid nature's own revelation to the pained and plaintive questions of its children.

When the War Is Over

By JOHN C. LINCOLN

The story is told of a young man who had trouble with his mathematics in school. He failed in one examination because he did not know the relation between the diameter and circumference of a circle, which is ordinarily represented by the Greek letter, Pi, and which, to the fourth place is 3.1416. The fact that he failed in this examination and on this question stayed with him for years. Later he became a member of the legislature, and in order to arrange it so that nobody else would have the same experience he did, he introduced a bill into the legislature which ran something as follows:

"Be it enacted by the sovereign state of—that hereafter, the relation between the diameter and circumference shall not be 3.1416 but shall be 3."

All engineers will see the absurdity of this proposal and will recognize that natural relations have to be discovered and cannot be altered by act of Congress. All of us are anxious about what is going to happen when this present war is over. We are afraid of the dislocations that may occur in industry after defense production stops. Engineers should recognize the factors which govern employment and the production of natural property or wealth. It is only by recognizing the natural relations between these factors that we can expect to get the proper answer.

The first question that arises is "what is employment?" It is more than exchanging one's time and effort for wages or a salary. If employment is defined as doing the things necessary to get a living, it will not be far off.

The Eskimos in Alaska are just as surely employed as a factory worker in the United States, even though they are paid in a very different way.

Employment is of two kinds. One produces services—doctors, lawyers, preachers, and politicians have this

kind of employment. The other produces wealth—farmers, engineers, factory workers, etc. have this kind of employment.

Since there is an unlimited demand for wealth, there may be unlimited employment in producing wealth. The reason there appears to be overproduction is that the people who want the articles cannot pay for them.

It may be well to define wealth as material things produced by labor that fit human needs or desire. This definition excludes a large amount of property such as government and municipal bonds. Such bonds are property but no one would contend that the United States is more wealthy because they are outstanding. We can agree that if there was unlimited production of wealth, there would be unlimited employment.

The question arises, "what are the factors in the production of wealth?" These factors are two in number. The first is nature, or natural opportunity, or land. The energy that raised this year's crops came from the sun this year. The energy that propels the automobiles and flying machines and farm tractors came from the sun many years ago. The land on which our food is grown and from which our houses and clothes come almost directly, is part of the solar system, and with the air and rain and sunshine is the condition precedent for the production of wealth.

The other factor in the production of wealth is the human factor. When the world was young, the human factor consisted almost entirely of labor. As civilization advanced, labor was aided by stored-up labor, or capital. In this article, the word "capital" will be used in the sense of wealth used to produce more wealth. In recent years the word "capital" has been used in many different senses. It is sometimes used to include property that is not wealth at all, such as government

bonds, and a hundred years ago the word was used to include labor in the shape of slaves. All wealth, then, is produced by labor assisted by capital, and therefore, the wealth produced belongs by natural right to the one who produces it. When a farmer produces a bushel of wheat by his labor, aided by his capital in the shape of his horses and farm tools, he has produced something that did not exist before. While his natural title to the bushel of wheat is perfect, is it not perfectly clear that he cannot have the same natural title to the sunshine and air and land and rain that had to exist before he could think of starting to raise his grain? Is it not clear that his right to use the forces of nature is limited by the equal right of everyone to those same forces? It is clear that the use of land, or natural opportunity, is necessary to the production of wealth and, therefore, to wealth producing employment. If no land were used, no one would be employed. It is clear that any system that holds land out of use decreases employment in the same proportion.

Our present laws treat land, or natural opportunity, in the same way that they treat natural wealth. Natural wealth is produced from land by labor with the assistance of capital, but our present laws do not distinguish between land, which is the source of all wealth, and wealth itself. Wealth by its nature is individual property because it is produced by individuals or by groups of individuals. Land by its nature is common property because it was provided by the Creator for the equal use of all mankind. We all accept the fact that air and sunshine and the seas are common property to which everyone has an equal right, but so far, our laws do not recognize the common right to land or natural opportunity. Until the fundamental difference between wealth and land is generally recog-

nized, the chaos which is our present social system will continue.

Practically all the land in the United States is private property. The land value of the United States, divided by the population, is, roughly, \$1500. Today a person has to accumulate \$1500 in some way before he can get at his portion of land that the Creator provided for him. The Creator provided employment for everyone born in the world by providing land or natural opportunity for everyone. By our land system we have shut off most of the people in the United States from the land and thereby from the right to earn a living.

We cannot neglect natural relations without taking the consequences. Our present laws say in effect that there is no difference between property in land and property in wealth. We would admit that it would be absurd for anyone to claim ownership to a city lot or a farm in Mars. Is the earth any less a part of the solar system than Mars? My more thoughtful readers will think that this argument is theoretically sound but will realize that experience has shown that exclusive, continuous, and private possession of land, or natural opportunity, is necessary for its best use, and that private property in land gives this continuous, exclusive and private possession of land. Further, that disturbance of our present system of ownership of land would make unpleasant and perhaps serious readjustments necessary in our economic life.

This contention would be correct.

We are faced with an apparent contradiction in rights. We all recognize that the manufacturer, for instance, must have exclusive, continuous, and private possession of the land on which his factory is located. This right is given him by the system of private property and land. Most of us would admit that private property in land prevents most people from enjoying the gifts of nature to which everyone has an equal right and from which everyone must get a living.

Is it possible to devise a system of land holding that will preserve

these two apparently mutually exclusive rights? Henry George, about sixty years ago, invented a method which would preserve the rights of mankind in land, or natural opportunity, and at the same time make it possible to have exclusive, continuous and private possession of land. He proposed to abolish taxation of wealth and to collect all public revenue from the rent of land.

This is a scientific and ethical solution because what the individual produces should by nature belong to him. Rent of land is a community product, due to the presence and activities of the community, and should be collected for the benefit of the community. Everyone will agree that the selling value of land is the land rent, actual or expected, capitalized. If this were done, the selling price of land would go practically to zero, which would, in effect, make land common property, which it naturally is.

This proposal of Henry George is simple, sweeping, and fundamental. It will involve a change in our economic system as fundamental as the abolition of slavery in the South.

What would the effect of the adoption of this proposal be? First, it is clear that no one could afford to hold land out of use, as is done so generally now. Land would be held only when it was being used. Since employment consists in the use of land or its products, in producing wealth, the most important effect would be an enormous increase in the number of jobs. The proposal of Henry George does not interfere with the ownership of land but it will decrease its selling value to practically zero, and it will not pay to own land that is not used.

At the present time the activity which is most severely punished by our laws is an activity which will create employment. If a person originates a new industry which employs a thousand persons and necessitates the equipment of a factory costing a quarter of a million dollars, the law fines him ten or twenty thousand dollars a year in local taxes, and if he is really successful, it fines him in income taxes, social

security taxes, unemployment taxes, and so forth and so forth. An ordinary crime is punished only once, but the crime of doing anything which will create employment is punished yearly by having the fine which called taxes imposed every year. On the other hand, our system rewards a person who decreases employment by reducing his taxes. Many a building which does not produce much income but which does require labor for its upkeep, and thereby gives some employment, has been torn down, thereby discharging the people who took care of it, and the community rewards this action by decreasing the taxes on the property. There are hundreds of mines in Arizona, where this is being written, which are held by people who are unable or unwilling to work them themselves, but the taxes are very small. If someone attempts to work these mines, thereby giving employment, our system immediately piles on the fines in the shape of increased taxes. It is clear that an enforced payment has the same prohibitive effect, whether the payment is called a fine or a tax. The most important right to anyone is the right to live, and the right to live involves the right to earn a living. A living can only be earned by getting at land or natural opportunity, and our present laws prevent a large majority of mankind from getting at the source of all wealth in order to earn the living to which they are entitled.

Suppose the man in the first paragraph of this paper should have persuaded his legislature to make it a penitentiary offense to use anything but 3.0 for the ratio between the diameter and the circumference of a circle. Such a law would have done a certain amount of harm. Most of us would agree that the laws concerning slavery a hundred years ago did more harm. The fugitive slave law and the decision of the Supreme Court in the *Dred Scott* case declared that the right of a master to his slave was superior to the right of the slave to himself. It required the education of a civil war to teach the people of the United States that when we pay

no attention to natural rights or relations, the penalties are severe.

Up to a hundred years ago, the ownership of men was recognized by the law, and we all believe now that the natural thing is that man belongs to himself, and a social system founded on the assumption that one man can belong to another is scientifically unsound. The system of slavery lasted for thousands of years and persisted up to a time in the memory of people yet alive. But the failure of a social system founded on slavery was just as certain a thousand years ago as it is now when we can all see that it must be so.

All thoughtful people today agree that the greatest danger to democracy and the system of private enterprise and individual initiative that is possible only in a democracy is in the increasing power of government. In Russia there is a system of state ownership in which the political dictator is economic dictator. The same thing is largely true in Germany. In the United States we have traveled a long way in the last eight years toward what there is in Germany and Russia and there is a great danger that the complete control of business that the government is now exercising in time of war will not be released after the war is over. The reason that the New Deal has been successful in the United States is that it appeals to the large number of people that are out of employment and therefore in poverty as the result of our land laws shutting out the majority of people from the source of all employment, namely, land or natural opportunity.

It will do the business leaders of this country no good to complain of the crippling hand of government in business so long as they do not propose a method of getting rid of unemployment with a system of private enterprise.

The fact that Henry George proposed to make land become property by taking ground rent for community expenses and abolishing all taxation is new to most people, should not be considered too severely. Five hundred years ago, one would have

had to hunt the world over to find a man who did not believe that the world was flat. The question is—does the proposal of Henry George conform with nature? In other words, is it right?

Is anything more natural and right than the ground rent, a community product, should be taken for community expenses and that wealth, which by its nature is an individual product, should remain the property of the person or persons who produced it. To put it another way, the individual has no natural right to community-created ground rent and the community has no natural right to individually produced wealth. If these relations are natural, we neglect them at our peril. We admit that no system can be healthy and prosperous where the laws make no distinction between property in wealth and property in man, so no system can be prosperous that makes no distinction between property in wealth and property in land. In both cases, natural relations are violated, and nature is very severe on the individual or the system that pays no attention to natural relations.

The government will continue to interfere in business and take an increasing part of the income of our business and distribute it to the pressure groups that are now getting it on the plea that the "forgotten man" needs it until business leaders realize natural relations and see to it that the unlimited opportunities for employment which nature provides are available to everyone instead of having most of these opportunities shut away from most everyone by our land laws.

What are the advantages of George's proposal? First, there will be unlimited employment. There will be more jobs than there are workers. Land, the source of wealth producing employment, will be available to anyone without one being obligated to pay someone for the privilege of getting at the land in order to work.

Second, the abolition of taxation of all kinds will free all of us from government interference and dictation and enable the manufacturer,

for instance, to use his time in making his goods instead of making government reports and taking care of public officials. At the same time it will greatly decrease the cost of goods to the consumer because at the present time, government taxation necessarily is included in the price of goods and it is not an unreasonable estimate that government taxation increases the most of good 25 per cent. In the case of tobacco, for instance, it increases it one hundred per cent or more.

Third, wages will rise to a point at which wages will be practically equal to the value added by labor in the production of goods.

See what the discovery of natural relations and working in accordance with them has enabled us to accomplish with electricity: telephones, electric transportation, radio—all have become common during the lifetime of those who are reading this.

Is it unreasonable to expect similar rewards if we will discover and comply with natural relations in the construction of our economic system?

The Freeman

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Hail and Farewell

By JESSIE MATTESON

Last month's *Freeman* carried a brief announcement that Frank Chodorov had resigned as Director of the Henry George School of Social Science and had been succeeded by Miss Margaret E. Bateman.

Frank Chodorov, the retiring Director, requires no introduction to *Freeman* readers. For five years you have been reading his editorials and articles bringing out fundamental principles with clarity in an inimitable forthright style. From his rich background of reading in the fields of literature, history, philosophy and economics, he would seize an analogy or illustration which served to give his writing more than current interest. Many of these articles have been reprinted in pamphlet form.

Other periodicals noticed the unusual vigor and profound truth in his work. The name of Frank Chodorov has appeared in such magazines as *The Living Age*, and *Scribner's Commentator* above stories describing the School, plugging for complete free trade and free men. There was a market for work along these lines, but Mr. Chodorov was not free to give writing his full time. Most of it had to be done at home over week ends. During the week he was a human dynamo of driving energy—writing promotional copy to get students, raising funds, and, best of all, training future teachers two nights a week.

In the class room, "The Boss," as he was affectionally called by his staff and pupils, seldom gave his class a moment's peace. He would throw out difficult arguments against the principles he was teaching, expecting (and somehow getting) the answer showing the fallacy of the arguments. About 150 teachers trained under Mr. Chodorov have manuals whose margins are crowded with vivid examples culled from his years in the clothing business—the \$12.50 striped silk shirts which were not good enough for the truck drivers during the "prosper-

ity" of the last war until the price was raised to \$15. "I'm a sleeve-maker. For one week I'll make 50 sleeves a day to fit your coats and I'll trust you until Saturday. Then, instead of taking back my share of sleeves, I would like instead something that I can exchange readily for food, clothing and shelter.' Do wages ever come out of capital? ... What is wealth? ... Know your definitions ..."

Down in the Student's Room after class, the discussions would continue. New students just beginning the course would come to him with a question they had not been able to answer. Patiently he would question them until they found the answer for themselves. Over at Tuckson's Restaurant too, he held nightly informal sessions over dinner with whatever teachers and students drifted in. It was here that so many eager people would say, "Boss, wouldn't it be a good idea to ...?" "Yes, do it yourself," he would say, and more often than not, they would.

At commencement exercises a year or two ago, a puzzled student asked Miss McCarthy why Mr. Chodorov did not attend. Miss McCarthy smiled and explained that Mr. Chodorov was ever fearful that if people saw too much of him, they would think they were connected with a one-man movement. What he wanted was new faces coming in—and staying in—all the time. (Mr. Chodorov did not miss the show. He sat on the stage hidden behind a curtain where he could see and hear unnoticed.)

His five years with the School brought growth undreamed of by the earlier workers in this field of education. He saw the School outgrow its cramped quarters at 79th Street in 1938. Before that time a Correspondence Division had been started, as well as an Extension Department, and *The Freeman* was launched. Frank Chodorov's formula for this progress is "create a problem—and then solve it."

Last spring when the demand for his time was far greater than he could satisfy, he sent for an assistant, Miss Margaret E. Bateman, of Montreal, Canada. Tall, gracious, blue-eyed, with prematurely white hair, Miss Bateman at once found many tasks to engage her talents. Meanwhile, Mr. Chodorov, freed from some of his administrative work, found time to begin a book he had been dreaming of for years. He retired from the School to devote his full time to writing and speaking. Although no longer active in directing the future of the School, he has pledged himself to work with and without the School for the principles of individualism to which he gave five full years of his life, seven days a week.

Miss Bateman, who then became director, interrupted a successful career in business to devote her full time to the Henry George School of Social Science. For many years Sales Promotion Manager for Standard Brands of Canada, she traveled across Canada several times and made frequent trips to the United States. At the start of one of her business trips, her good friend Mr. John Anderson put a copy of *Progress and Poverty* into her hands. Miss Bateman read it through, amazed at finding here the answers to questions which had puzzled her for years. After reading the rest of George's books and all of his speeches, she embarked on the typical Georgist career of talking about her new-found discovery to everyone she met. Even more, she found it creeping into her lectures before businessmen in Canada and the United States.

During a trip to Hamilton, Ontario, a friend sent her a clipping from a Toronto paper about graduation exercises of the Henry George School. She immediately telephoned the principal receiving a cordial invitation to visit the Toronto Georgists. Here she learned about the New York school. Pleased with the

knowledge that there was such a place, she returned to Montreal and asked Mr. Anderson if he would teach a class provided they could get one together. He agreed, and in his enthusiasm, made a present of *Progress and Poverty* to each new student. Miss Bateman, who had rather talk about John Anderson than about herself, quoted him as saying that in five years through the School

method, he had made 500 Georgists, whereas in the past 50 years, he had probably made not more than five. When this first class went on into International Trade, Miss Bateman began to teach a second fundamental class. At a Henry George Congress in Toronto in 1938 this pioneering pair met teachers from all over the United States and Canada.

After making a special study of

social reforms in Denmark, she returned with the conviction that there was great hope of applying the principles of Henry George in Canada and the United States, and that the only sound way this could be done was through education.

Henry George Schools are fortunate in having Miss Bateman's enthusiasm and devotion transferred to their headquarters in New York.

The Skeleton at City Hall

By HARRY WEINBERGER

There is a skeleton haunting City Hall.

At Broadway and Murray Street in New York City stands the steel framework of a building which was torn down many years ago to save taxes. It faces beautiful City Hall Park and stares into the busy offices of the Mayor—who runs so fast doing so many jobs that he can not take the time to look and learn to understand the skeleton at his front door.

Just as a single bone of a prehistoric animal yields its life secrets to the anthropologist, so does this single skeleton at City Hall disclose to the observing passerby a whole order of social phenomena.

The land upon which the skeleton stands is assessed by the city for \$15,000; it measures 25 feet on Broadway by 103 feet on Murray Street. Its owner is seeking a buyer for his holding, but by no means for its assessed value. Like the other owners on the Broadway block facing City Hall, he hopes to have his property bought at a fabulous price, to be used, perhaps, for a new Woolworth Building. Or perhaps Park Commissioner Robert Moses' projects will operate to give him unearned increment on his land.

And Mr. Moses, the genius who has been the greatest recent creator of city land values, cannot see that his public creation of values is benefiting the owners of the land in and around his park improvements. Nor does he realize that these lot

owners are willing to hold their land out of use or without full improvement, even going so far as to pull down buildings to save tax expense, in the hope that some "public-spirited" project will raise values to the point where they will have an enormous profit.

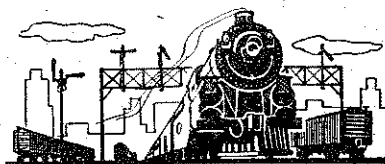
Many owners do not make improvements to their decrepit buildings because every such improvement means added tax. City and state legislatures sometimes get a glimmer of understanding and exempt improvements on old buildings from taxation. Or when as in 1920 there is a tremendous shortage of homes they may pass a law exempting new buildings from taxation for ten years. It may confidently be said that if the people of the United States were permitted to build houses or repair them, build factories and barns and office buildings, and make improvements to existing structures without having their taxes increased, there would be scarcely any unemployment even after the war is over.

Look around City Hall Park and see the private office buildings, most of them decrepit in the extreme. Here and there one is hav-

ing its face lifted to hide its age and obsolescence. Here back of the skeleton just observed is a small automobile parking lot on which formerly stood a building which also was pulled down to save taxes. This lot is another symbol of what is happening in many parts of this city, a trend which is turning such areas into districts as blighted as the famous ghost towns in the mining regions.

When all buildings are untaxed and the full rental value of land is taken for social uses, there will be no skeleton at City Hall or anywhere else. Land everywhere will be used to its fullest extent and there will be a fewer gaping holes, unsightly wrecks, hot-dog stands, gas stations, parking lots, and "taxpayer" structures. Full and proper use of the land will be ensured by the freedom from taxation of all improvements, and this freedom will benefit farms and farm buildings just as fully as city property.

Does anyone know a greater tragedy than the destruction of the famous old Hippodrome Theater on Sixth Avenue and Forty-Third Street to make way for an unsightly parking lot? It is a real historic monument which has been destroyed. And yet ruthless greed will continue to operate wherever the taxing conditions favor such destruction. Perhaps in our lifetime we shall see the razing of Carnegie Hall so that its owners may save on their tax bills and pave the way for a land profit



Empire of Diamonds

By NORMAN GHINGER

A pebble, a child, and homely amusement. The pebble was the child's plaything; the child, as far as our information goes, was the offspring of a settler; the homely amusement was a trader's. But from these simple and unostentatious ingredients grew much that was not simple and much that was ostentatious. Kimberley! Kimberley, the largest and naturally best diamond country the world has ever known.

Early in 1867, a trader passing along a bank of the Orange river near Grahamstown, South Africa, stopped to watch a child at play. He became interested in the unusual pebble which was the child's toy. Whether he pocketed the pebble as a souvenir of a delightful experience, or obtained it on a pretext, as one might take candy from a baby, is of no moment. What is important is that when he reached Grahamstown the trader showed the plump pebble to a Dr. W. G. Atherstone who immediately identified it as a diamond. The pebble was sold for \$500 and was displayed at the Paris Exposition of that year.

In the excitement following the discovery the child was forgotten. Historians left it nameless, but historians and economists did note that in 1867 the enormous new production fields of South Africa dealt a death blow to the Brazilian mines which had been the main producers since 1725. In still worse straits were the mines of India, in operation since 1638, according to our historians, and a hundred years earlier than that, according to the natives. And 1867 was only the beginning.

In 1870 diggers uncovered diamonds on the farms of Du Toits Pan, Bulfontein and Jagersfontein. A year later, better diamonds were found on the neighboring farms of Vooruitzeit at places named De Beers and Colesberg Kopje. The Colesberg Kopje was later renamed Kimberley after the then Secretary

of State for the Colonies, the First Earl of Kimberley. It was at his direction that the mines later were taken under the "protection" of Great Britain. The present city of Kimberley also was named in his honor when several boom mining camps combined to form a single community large enough to merit His Grace's name.

Land laws in the early days were quite lax and much power was left to a committee of diggers. This committee limited the size of claims to 31 feet square, with roadways allowing access to the river, for water was a prerequisite to digging operations since the gravel and sand from the pits were washed away in cradles fitted with screens of perforated metal, after which the precious concentrates were sorted by hand on wooden tables, a metal scraper being the only tool used.

As the digging went on each mine became progressively more difficult to operate and the holes assumed the shapes of huge vertical funnels descending to great depths. The roads giving access to the river water began to collapse as mine after mine honeycombed the digging grounds. In a few years open pit mining was impossible because of the interminable cave-ins resulting therefrom. Improved methods of tunneling or mining had to be used. This entailed expensive machinery and skilled labor of another sort. Consequently, many of the open pit miners were forced to sell out, although at a considerable profit. Better claims originally valued at £100 brought £4,000.

Among those attracted to the Kimberley fields were Cecil Rhodes, later founder of Rhodes' Scholarships, and Barney Barnato. Each in time came to "represent" two groups of financiers competing for control of the industry. The struggle lasted until 1889 when an amalgamation of interests ensued. Then the De Beers mine, under Rhodes, purchased the Kimberley mine for £5,338,650 and

operated under the name of De Beers Consolidated Mines, Ltd. Since this company now had virtual monopoly of the field, and hence of production, and since there was practically no industry in Kimberley independent of diamond mining, the town became largely dependent for employment on the goodwill of the De Beers Corp.

By 1906 modern machinery and methods produced a staggering amount of natural finer quality diamonds with a value of \$5,000,000. This huge pool of supply permitted De Beers to control the market and thus eliminate any threats to complete monopoly represented by poorer fields elsewhere in the world. This advantage, plus the impetus given the industry by the then new American-style cutting of diamonds, enabled the company to prosper further. And it continued to grow to a peak production year (3,000,000 carats) in 1926. Between the years 1920 and 1940 the company earnings were \$61,827,576 with a net of \$30,734,606. A neat net of 49.7% for twenty years!

The De Beers Company has become the De Beers Consolidated Mines, Limited and Associated Companies. It is a lengthy and euphonious name and with good reason. In the span of fifty years, despite minor and major wars and depressions, the company has piled up this lush record:

From a private partnership consisting of a few fruit farms and mine fields comprising 180 acres within an area of three miles—hardly a pin point on the largest map—it has spread to a huge, many-tentacled syndicate with subsidiaries covering an area of 733,568 acres, with preemptive rights over diamond discoveries and sole prospecting privileges for minerals and precious stones in an additional 43,000 square miles. Almost the whole of South Africa!

From two baby businesses—De Beers and Kimberley—whose only

enterprise was diamond mining, it has grown to a complex consolidation of the following seven companies: Weston, Du Toits Pan, Bulfontein, Koffyfontein, Ramfersdam, Peiser and Voorspoed mines. And it holds interest of its own in the following six subsidiaries and affiliates: The Premier (Transvaal) Diamond Mining Company, New Jagersfontein Mining and Exploration Company, Ltd., Consolidated Diamond Mines of South West Africa, Ltd. Cape Coast Exploration, Ltd., African Explosives and Industries, Ltd. The last-named firm is a producer of explosives and 50% De Beers owned. Another firm, the Diamond Corp., Ltd., was set up for the purpose of purchasing and distributing diamonds principally from the few outside producers still in the business.

De Beers is huge, geographically and financially, yet today the company employs only 855 whites and 902 natives. Control of the natural source of supply through its outright titles, titles to subsidiary-owned mines, preemptive rights in diamond fields, and other divers interests instrument this unsocial situation. With a total personnel of only 1757, its tight control methods allow it to produce 50% of the world's diamonds—frustrating desires on the part of millions for inexpensive diamonds and causing unemployment of thousands who are willing to meet those desires but who cannot for want of access to land.

Among the other interests mentioned above are The Diamond Producers Association (consisting of the Government of the Union of South Africa, the Administrator of Southwest Africa, De Beers Consolidated Mines, Ltd. and all its diamond-producing subsidiaries and affiliates) and the Diamond Trading Company, Ltd. To control diamond production, the Association assigns quotas to each participant. In 1937 the Wesselton Mine produced 82 metric carats as its quota, the Bulfontein 224,642 metric carats, and Du Toits Pan Mine 499,307. In 1940 the production figures presented a different picture. Wesselton produced

328,226, Bulfontein 1,710 and De Toits Pan 630 carats.

The Diamond Trading Company, 50% De Beers owned, was formed to handle the marketing of diamonds and to synchronize sales with the production quotas of The Diamond Producers Association, apparently to prevent serious downhill trends in prices.

To the lay mind a fifty per cent control of production does not bespeak real monopoly, but when he realizes that the other companies producing diamonds are small and scattered over the face of the world and that their mines produce a quality of gem suitable for industrial purposes only, then this fifty per cent does become a virtual monopoly of diamonds mined for ostentation.

Thus we have English entrepreneurs under a Dutch name quoting present prices of \$125 to \$275 for a half carat round diamond which approximates one-sixth the size of an aspirin tablet! Should your desires increase beyond the carat size selling for \$325 to \$650, or even beyond the two carat weight which sells for

\$900 to \$2,000 and hit the three carat (aspirin) size, you will have to pay \$1,500 and up. Should your desire dictate fancy-shaped stones, they will cost you much more, the price, of course, as in all cases, being determined by considerations of purity, color and precision of cutting.

Perhaps diamonds and De Beers are not too important—those who purchase diamonds generally can afford them—but governmental connivance in establishing and perpetuating a privileged group is important. It deprives other people of rights and equity. If the De Beers outfit were to have its privileges revoked and the natural opportunities now solely theirs were thrown open to all, the ensuing competition would cause prices to drop and Julie O'Grady could have the same baubles as the Colonel's lady has now. Nor would those who want no diamonds be ignored, particularly the citizens of the Union of South Africa, who might institute the social collection of rent based upon land values and equitably wax prosperous in a free society.

SO BLOWS THE WIND

The editors of THE DELPHI CITIZEN (Indiana) are happy about the tire shortage. It instruments their "Buy at Home" policy. They rhapsodize: "We are coming to the realization of a number of things—for one we do not need as much or as many as we thought we did and, for another, that what we do need has been right here in Delphi at our fingertips for less money."

Maybe the needs for merchandise of Delphi folk are always the same as their wants. Maybe the good people did have a streak of lunacy to travel great distances just to spend more money. We don't know. To quote further: "Who knows? Before we squelch the Japs and the Germans we may be tying the old gray mare to the lamp post and trading a dozen eggs for a yard of blue gingham."

We think it would be still cheaper to build a fence around our ancestral cave. There we could grind our own corn, kill our own clothes and trade eggs with our women folk only if we wanted a particularly nice smelling skunk-skin breechclout. REAL home trade is SO much cheaper and human NEEDS are SO small. Our great-great ... Grandpa proved that, and we're the evidence.

G. B. B.

Let's be Real Good Neighbors

By R. JOSEPH MANFRINI

In the realm of economics, the opening of new frontiers often signifies approaching periods of prosperity, the new lands serving as an additional base in the world economy for the production of more wealth. While it is quite true that, in an exploratory sense, virtually all the earth's surface has already been discovered, it is equally true that a large proportion of these lands has been closed by tariff walls, immigration restrictions, foreign exchange laws, nationalistic subsidies and other barriers obstructing the free flow of goods.

Our government in Washington, with its Good Neighbor Policy, has been exerting increasing pressure against these barriers. In addition, present war activities, largely eliminating Eastern Hemisphere competitors for world trade, are presenting this country with an unusual opportunity to extend its business ac-

tivities below the Rio Grande. Brazil, larger in area than the U. S., is no longer a one crop country. Although coffee is still king, the production of iron, steel, cotton, sugar and rubber is rapidly increasing in importance. There have been many critics of our Good Neighbor Policy and some of the criticism has been well founded but few thinking people will question our desire to be really good neighbors when we embarked upon a venture with the Brazilian Government to build up a steel industry in that country. The ore properties in the State of Minas Geraes have hardly been touched. Ultimately this endeavor should stimulate shipbuilding within the confines of that great South American empire.

Brazil deserves many of these considerations. In the past several years she has attempted to put her financial house in order in spite of

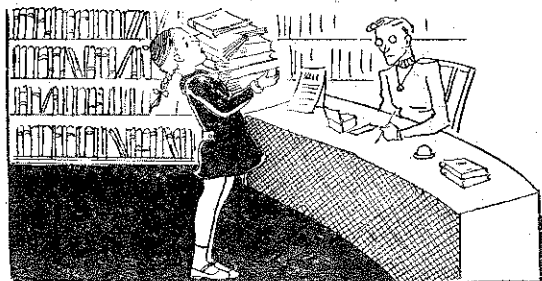
the many difficult and complex problems with which she was confronted. For some time Brazil has been making regular token payments on most of the dollar bonds held in this country; and has been quietly building gold reserves. Fordlandia, in Northern Brazil, a combination of Brazilian cooperation and Yankee ingenuity, is expected to supply the country with a definite supply of rubber for commercial purposes within the next two years.

The statesmen of Brazil have an opportunity to cement friendly relations between Washington and Rio de Janeiro by observing sound economic principles. To soft-pedal the issues of trade and immigration barriers would not be conducive to good neighborliness. The best interests of both nations lie in a policy of cooperation and mutual understanding for the working out of their joint problems.

The men and women working, writing and doing research work for THE FREEMAN have given us material enough to fill this space a hundred times over. But this isn't just their magazine, it's yours too. What are you doing about it? What are you doing to make it better and more widely read? What better way to stimulate interest in Henry George's philosophy? What better and more practical way to a sane and equitable post war world? What better way to economic enlightenment and to freedom? And—what are you doing about it?*

The Editors.

*Write for THE FREEMAN, sell THE FREEMAN.



The BOOK Trail

NATIONAL INCOME AND ITS COMPOSITION, 1919-1938

By Simon Kuznets

National Bureau of Economic Research,
\$5.00 (2 vols.)

Probably the most important portion of this highly valuable study of our national income is the beginning, in which Dr. Kuznets asks the question, "What is income?" Nearly everyone thinks he knows; and yet it requires only the most casual study to force the conclusion that the word "income" cannot be unequivocally defined. Two women, neighbors, do their own washing; neither has any income. But if they take in each other's washing, even on a barter basis, they receive income under the law, and are liable to payment of income taxes. If I occupy an apartment and rent one of its rooms to a tenant, I receive income; if the roomer pays direct to my landlord, who makes a corresponding reduction in my rent, I have no income. The intangible, non-economic satisfactions of life may make it heaven, but they have no place on the income tax return.

Dr. Kuznets recognizes all this, and more: he reminds us that all our economic definitions necessarily reflect at bottom our social philosophy. This is a point that Georgists too often neglect, with the result that to the outsider, much of what they say must sound like gibberish. In Dr. Kuznets' study he finds that the proportion of the national income distributed as rent is about 6%—a figure commonly quoted as a disparagement of the Single Tax argument. Yet how many followers of Henry George have more than the vaguest idea of exactly what types of income should be classified as rent?—of what proportion (if any) of the income of a broadcast-

ing station, for example, belongs in this category? The word "profits" is decried as a mere bookkeeping term, devoid of economic meaning. Have the words rent, wages and interest, as commonly used in business practice, any more meaning? Is it not true that not one of our economic terms, as defined on the statute books, has any relationship whatsoever to any economic fundamental?

We are reminded of this by Dr. Kuznets' discussion of the proportion of the national income distributed to wages. On a twenty-year average, wages account for nearly two-thirds of the entire national income. But it is poor consolation to a workman if he receives a fat pay envelope and is immediately required to hand over an important portion of its contents to the landlord and the tax collector. To determine the extent to which hidden taxes—and hidden rent—inflate the prices of the things the worker buys would be like unscrambling an omelette. How much rent do you pay? How much taxes? You'll never know.

Possibly the most significant of the changes observed by Dr. Kuznets over the twenty year period was the decline in manufactures and the increase in so-called "national income produced by the government"—that is, taxes. The share of service industries on the whole increased, but transportation declined — although here we may question whether the diversion of passenger traffic from

public conveyances to privately owned automobiles should be called a decline in transportation. The common picture of industry being gobbled up by huge ogres of monopoly is negated by the finding that over half of our production is in fields where unincorporated producers predominate. But most interesting is the finding that though the money income fell to low levels during the depression thirties, the nation's real income, adjusted for the changes in price, remained about the same. (One wonders who got it!)

Of its kind, the work is without question authoritative and outstandingly thorough. But one cannot help asking the question: is it destined to be valuable in the sense of helping students of economics to fruitful conclusions? The prospect seems doubtful. As Dr. Kuznets acutely observes, every statistical study in economics of necessity incorporates the philosophy—nay, the whole background—of the statistician. How can we hope for a statistical study giving information about economic fundamentals—earned incomes, unearned incomes, total wealth produced, total capital set aside, rent, wages, interest—when we ourselves have only the foggiest notions of what we think these words mean? And until we arrive at clear-cut notions on this subject, all our study will be like that of the inventor of a new geometry who gave as Postulate One, "All red triangles are congruent." As a postulate, it is unexceptionable. But will it help build bridges? Can we expect a greater practical success from an economics as far removed from reality?

PAUL PEACH



The Shovelcrats

By CRAIG RALSTON

Like all normal communities, Dry Lake City is religious.

Beyond preaching a better world to come, and counseling their flocks to industry and sobriety, however, pastors can do little. Who shall have wealth, opportunity and jobs, has become a political question in Dry Lake City, and if pastors say much about such things they are likely to be told to keep out of politics. Most pastors leave economics to the statesmen and urge charity for the unfortunate.

Charity can succeed only in part. Owing to the large number of idle, the camp's income has been sharply cut. Were the remaining income devoted wholly to charity, each person would receive much less than he would if he could obtain a shovel and provide for himself.

The Dry Lake City Academy is the intellectual fount of the community. Its faculty compares with any like group in the country.

Its economists are Professor John Doe and Richard Roe. They studied in Europe and America and possess deep learning and many statistics. In their field, according to popular view, they speak with authority.

The Dry Lake City system accords with the generally accepted principles of economic science, the professors say.

What is before their eyes the professors see for themselves, and one thing they have noticed is that shovels are worth \$7,500. What they cannot see they get out of some other economist's book, and so they theorize as follows:

"The wealth and prosperity of Dry Lake City so far surpasses that of any other construction camp, that shovels here are worth \$7,500," they say. "The sum of \$7,500, however, is more money than the workman possesses. The capitalist therefore steps in and performs his function by equipping the laborer with a \$7,500 shovel. Were it not for this important service, no workman would be able to use a shovel, and this lake

could not be excavated. Therefore, it is necessary that this camp be financed by capitalists, possessing sufficient wealth to supply a \$7,500 shovel to each laborer. If there are unemployed in the camp, it is because of lack of capital to supply workmen with shovels, or it may be due to excess of laborers. Therefore, what we require is either more capital or fewer laborers."

Other social scientists are influenced by the teachings of the economists.

Prof. Coe, of the department of sociology, sighs and says it is evident that there are too many people in town in proportion to the number of shovels that can be brought into use with the limited capital of the camp, therefore the thing to do is to practice birth control. Prof. Hoe, of the chair of philosophy, thinks up lugubrious thoughts about the struggle to survive, and the futility of everything, which he publishes in text-books to guide future philosophers. Prof. Moe, doctor of ethics, condemns schemes to get something for nothing—except the investment of \$5,000 in a shovel, with the object of selling it for \$7,500. Prof. Poe, who teaches moral conduct, warns against poker, craps, and slot machines, and bets his last year's salary against next year's advance in shovels.

Deep thinkers, in and out of the academy, have evolved three theories of property, and wealth.

The Shovelcrats believe property and wealth should be distributed by private authority, through private monopoly of the means to work, protected by the taxing power.

Collectivists believe property and wealth should be distributed by government authority, through state monopoly of the means to work.

Morgan asserts the Productive theory—that government should have nothing to do with the distribution of property and wealth, that there should be no monopoly, private or state, that anyone who wants to

work has the right to do so, and that a shovel is made to shovel with.

* * *

So interested was I in William Martin that I loitered a full day about his doors, making memoranda of what occurred. The result is produced herewith:

Nine A. M.—Met delegation of politicians who wanted to be elected, so they could have the city; subscribed to their campaign funds.

Ten A.M.—Issued statement to the press deploring the decay of morals and stability in the community.

Eleven A.M.—Met delegation of resolute organizations, some bent on suppressing some things, some promoting others; gave them advice and money.

Twelve Noon—Grabbed a lunch and subscribed to the funds of several charitable organizations.

One P.M.—Gave inspirational interviews to reporters on "How to Be a Success," and posed for snapshots in masterful attitudes, pleading for tax relief for the overburdened shovel owner, and more protection for labor.

Two P.M.—Conferred with the Eugenic Society for the prevention of marriage and with moralists for the promotion of marriage and subscribed to the funds of both.

Three P.M.—Addressed the graduates of Dry Lake City Academy. Told the class that never before had youths possessed opportunities so magnificent, because never before had shovels been worth \$7,500. In order to obtain one of these shovels, the graduate would be required to borrow \$7,500, and were it not for those possessing large loan capital, no one could shovel, and the alumni would most likely starve to death. They would, anyway, unless they were protected from José Vasquez' beans.

Four P.M.—Conferred with his lawyers and incorporated a new company to buy, sell, lease, and deal in shovels.

Five P.M.—Met delegation of doc-

tors and physical directors who dosed and rubbed him into condition for another day's worry.

Six P.M.—Met various committees and donated sums of money to worthy causes.

Eight to Eleven P. M.—Addressed a mass meeting of the Better Business League, describing the beneficence of the Dry Lake economic system, and proving by Professors Doe and Roe that wealth had been vastly increased. Emphasized the need for immediate legislation to relieve shovels of an unjust tax burden, pointing out that honest investors, who had recently paid \$7,500 for shovels, were having difficulty earning a five per cent return—thus proving that existing shovel taxes were confiscatory. Proposed new laws to limit shovel taxes and sky rocket the bean tax. Bankers, lawyers, etc. spoke, explaining that the credit of the city rested on shovels, and unless shovels were relieved, credit would be impaired.

Eleven to Midnight P.M.—Engaged in a running altercation with Tom Morgan, who obstinately insisted that shovels and railroads are made respectively to shovel and railroad with.

* * *

More government costs more money. Because of this truism, tax experts and budget balancers acquired the prize headaches of the camp. Their pangs became more acute when protection funneled the proceeds of the bean tax to Martin's pockets.

The search for revenues disclosed the pitiful plight of shovel owners. Shovels yielded a scant five per cent return on a \$7,500 valuation. A further tax on shovels would decrease this yield, cause shovels to drop to only \$7,000, affright the investor, and impair the wealth and prosperity of the camp. The problem was two-fold: first, to impose a tax to pay city bills; second, to relieve shovels of the frightful tax load they bore.

The tax gatherers focused on trade and industry. They devised a scheme based on ability to pay, and redistribution of wealth.

Professors Doe and Roe drew the

bill. In framing this legislation, they based it on the three dimensions. They listed all objects of large size—big incomes, big corporations, a big Electric Company, big mercantile establishments and the like. On these large objects they placed the tax. The theory was that because of their large size, the large objects would pay in proportions to their ability to pay.

They also taxed peoples' salaries and wages.

In most cases, the ability of a big business to pay turned out to be its ability to pass the tax along. If the tax was paid by a manufacturer, he wrapped the tax up with the goods, and collected it from the buyer. Money lenders passed the tax on to borrowers. In hard times, when profits and the cash to pay taxes on them, were obtained by slashing wages, the income tax was passed on to the wage earner in the form of a wage cut, and became a wage tax. The Electric Company passed its tax to strap-hangers, and light users, corporations charged more for goods or paid less for wages and thus transformed the tax into a consumer's tax or a wage tax.

Salary and wage earners paid their income taxes. This was because their product was labor and the boss was the consumer. If these tax-payers tried to pass the tax along, the boss refused to consume, so it was more diplomatic to pay.

Prices rose in the stores. Wages fell.

Through these channels, the tax eventually reached those least able to pay, and they paid it. By means of "diffusion," as the economists call it, the tax was shifted to workmen and consumers.

What the Professors had achieved was an invisibility tax. The people paid unwittingly. The Professors were credited with a miracle—sustension of government without taxing the poor.

Higher living costs spurred workmen to strive more fiercely for shovels. With tax relief, shovels became more desirable property and their value increased. Workmen now had to pay one third their wages to get shovels.

Shovel rents were established at \$500 per year. On the basis of this higher earning power, shovels were quoted at \$10,000 each. The value of all the camp's shovels rose to \$140,000,000. This gain in wealth thrilled the city and Martin glowed with pride.

Because of the Doe-Roe bill, Martin paid more income taxes. He did not mind. He paid less shovel tax, he got more rent, and his shovels would sell for more. So he got a chunk of the redistributed wealth. The upshot proved that redistribution of wealth by this plans was like distribution of fleas by proclamation—those who had the most at the start, had the most at the finish.

It all resulted from an intricate change in prices, wages, taxes, and shovel rents. As a result of the change, true wages were no longer \$5 per day, the rate fixed when our company inaugurated this project. After the workman had paid the taxes he knew about, and those he did not know about, and paid to use a shovel, he had left less than \$2.50.

But the people liked the new tax bills. It was popular to tax Big Business just as it was popular to tax José Vasquez, the foreigner.

Dry Lake City, according to Martin's way of thinking, was now rolling in wealth. "If, in spite of this wealth," he said, "some are poor, it simply proves that human nature is deficient, and of course we can't change human nature."

What Martin said was echoed at large. With \$140,000,000 worth of shovels, the people succumbed to grandiose ideas of wealth. They voted huge public expenditures that required more taxation and bond issues. Possessors of shovels borrowed money with which to buy things they desired. If reluctant to borrow or uncertain what to buy with borrowed money, they were urged by their bankers to buy more stocks in shovels, corporations or protected industries.

Stocks soared. Business thrived. Buyers crowded stores. Out of the welter of tax relief for shovels, increasing wealth, and boom borrowing there emerged a total camp debt of \$80,000,000, which debt, Mar-

tin proudly announced, proved the camp possessed the wealth, the credit and the cash to meet any demands of business. "The New Era is here. By extension of our wise policies, it will soon be possible to abolish poverty entirely."

People smiled on Martin and were proud to speak to him but on Tom Morgan they cast pitying glances. None questioned the future. All believed that shovels would become even more valuable and it would be easy to repay, or to borrow more.

The financial structure was a vast machine that apparently ran without a source of power. One day it stopped—and, naturally, those who did not know what made it go did not know what made it stop. With shovels worth \$10,000, people could not understand why they were rich one day, broke the next.

Merchants could not collect accounts; the city could not collect rents; mortgagees could not collect money they had loaned on shovels.

Confronted by starvation and loss of savings, workmen rioted when the sheriff came to foreclose on their shovels. Shovels became so cheap that it was a fine time to buy, but no one had the cash. The banks could finance nothing, and everyone was sunk in debt by his attempt to buy his last shovel.

Banks closed because the depositors, knowing the banks could not collect money due them, took their home. The bankers were then sent to jail on one charge or another, though in many cases they were guilty only of not knowing what became of the camp's wealth. Pounding up rocks on the streets, the luckless financiers blamed their plight on lack of confidence.

Clamors filled the air. Some felt they had been robbed by somebody and wanted to start a revolution. Popular demands were: for a dictator, for a moratorium on shovels, for \$200 monthly pensions for old timers to spend to boom business, for a lottery to supply funds for down-and-outers.

The crash continued the usual conflict between Martin and Morgan. "Dry Lake City is fundamentally

sound," shouted Martin. "Shovels are worth \$10,000 in a normal market, and I do not believe our mighty resources, comprising 14,000 shovels, have yet been fully developed. Shovels will go to \$15,000!"

Morgan said he hoped hard times would disillusion the camp. "The Great Paymore Plan (to pay more taxes, to pay more for shovels, to produce more wealth) is a dream that could come true only if the camp could build wealth on two ascending columns—one taxes, the other debts, both presumed to mount forever, and by economic perpetual motion produce wealth continuously through inflation of the value of shovels.

"We can't tax and mortgage ourselves rich," Morgan claimed. "We can't lift ourselves by our bootstraps. A shovel is made to shovel with, and everybody ought to be allowed to get a shovel and go to work."

That it was a bad-tempered time was shown when Dry Lake City voted the Conservatives out and the Liberals in and got a New Deal. It looked on the New Deal as a unique adventure, but I think you directors will recognize the relationship between the Old Deal and the New as one of cause and effect. Benign Old Dealers sought to enrich the community by regulating shoveling and railroading. Benevolent New Dealers essayed to correct Old Deal results by regulating everything else, so they thrust props under the tottering Old Deal economic structure. The props comprised devices to bolster the price of shovels, new bureaus and officials with power to control business and the people, ways to tax and borrow and lend and spend.

To efface Old Deal debts, government authorized each possessor of a \$1 bill to tear it in two. Each half bill was stamped "One Dollar," making two devaluated dollars with which to pay the mortgages and the bank—a logical step on the theory that one good inflation in the price of shovels deserves another in the currency.

A tax created a fund to lend to

banks whose assets—based on securities, based on \$10,000 values, based on shovels—had frozen up. Fearful that banks, when again they lent cash the same way, would again break the same way, government pledged itself to pay to depositors what the banks owed.

Another tax was to provide money to lend to shovelers at low interest rates in order that they might more easily buy \$10,000 shovels.

If it was no longer profitable to shovel, this proved that there was too much shoveling. The cure was another tax, proceeds of which would pay shovel owners not to shovel. With 1,000 shovels, Martin was able not to shovel more than Morgan could with one shovel, so Martin got \$75,000 and Morgan \$75. Those who rented shovels were out of luck. The scheme deprived tenants of shovels, and made them relief clients.

By these credits, subsidies and exemptions, government did what it could to buttress shovel values and preserve the camp's wealth. It also grappled with other problems:

The depression was due to overproduction, a fact which could be verified by the plight of merchants whose shelves were piled with goods that no one bought. The remedy was a tax to create a fund to buy the goods and destroy them, thus relieving the merchants.

(To be concluded.)



News of the Crusade for Economic Enlightenment

Edited by LAURA BREST

Philadelphia's Spring Term

PHILADELPHIA, Pa.—The spring term at the Henry George School of Social Science in Philadelphia is well under way with ten new classes already in session and several more scheduled to begin shortly. The campaign for new students, directed by Anna Staub, Nathan Cooper and William M. Carpenter, has proved highly successful, and there is promise that the future will bring record-breaking enrollments to the Philadelphia Extension.

Frank Kalmbach, a member of the Philadelphia teaching staff, has left for military service, and he is already missed by his former colleagues. This is true too in the case of Llewellyn S. Howe, instructor of the class given at Manoa, Pa., who was forced to discontinue teaching because of the demands of war work. However, to offset these absences, the Philadelphia faculty has acquired two fine new teachers, Anna Staub and William M. Carpenter, who are conducting their first classes this term.

On the Margin

How Director Margaret E. Bateman feels when something threatens her beloved school is vividly shown in the lines quoted below. The words came so straight from her heart, Miss Bateman says, that she feared they might sound "mell-dramatic" to others. The others who have heard them or read them thought differently. They described them as "eloquent," "moving," "forceful," "fine."

We believe Freeman readers will agree with the others.

Miss Bateman's lines follow:

If I should by any deed of mine—

Prevent even one young man or woman from entering a place where the philosophy of Henry George would be presented to him—even though the presentation were less intelligent, less convincing than my own—

Or put into the mind of anyone—anywhere—the thought that here there may be something sinister—unjust—unworthy of attention—

If I should put one stone in the path of anyone who is laboring to make known this beautiful philosophy—

I should regret it to my dying day. I should know that if I lived a hundred years, I could not repair the damage I had done.

But I should earnestly—and humbly—and in a spirit of repentance—do all that I could to repair it.

Freeman Staff Changes

NEW YORK, N. Y.—Because of the increasing pressure of his duties in connection with the correspondence course of the Henry George School of Social Science, Paul Peach, who has served in the capacity of Assistant Editor of this journal since the fall of 1940, has asked to be relieved of his duties in connection with The Freeman.

Mr. Peach's place will be taken by George Bringmann.

Montreal School Activities

MONTREAL, Canada — The regular monthly meetings held by the Montreal Extension of the Henry George School of Social Science since last December have proved to be extremely successful and interesting. A feature of last month's gathering was a series of short talks by graduates of the fall term, each representing a class. The student speakers were Mrs. J. Lariviere, Miss Aileen Rogers, Mr. N. Markland and Mr. Leo A. Marcaurelle. Mr. Marcaurelle received a hearty expression of approval when he observed that he felt justified in addressing the meeting as "Fellow Economists."

All those present were delighted to learn of the appointment of Miss Margaret Bateman as Director of the New York School, and adopted an informal resolution congratulating Miss Bateman, and marking their appreciation of the splendid work that had been done in the past by Mr. Frank Chodorov, wishing him the best of fortune in his new endeavors. At Miss Bateman's suggestion, steps were taken to ascertain the practicability of arranging classes in Fundamental Economics for soldiers in the Canadian Forces, an activity receiving considerable attention in England.

Mr. John Anderson, president of the Montreal Extension, and an indefatigable teacher, closed the meeting with a report of the activities of the Henry George School of Social Science in New York, as an example of what might be accomplished in Canada and else where.

Omaha Fall Term Graduates

OMAHA, Nebraska—The class conducted through the fall term by Mrs. Ada E. Shafer has been graduated, as Mrs. Shafer observes "with highest honors." Of the graduates, several are in key positions where the knowledge they now have of Fundamental Economics will be of great value. It is hoped that a new class will soon be formed, and that the fine work of Mrs. Shafer will continue to pay high dividends to Georgism.

Speakers' Bureau Reports

NEW YORK, N. Y.—Dorothy Sara, Secretary of the Speakers' Bureau at Headquarters in New York, reports that several interesting talks were given during the past month by members of the New York faculty. The speaking engagements were as follows:

March 17—Louis B. Potter at the Hamilton Community Council, New York City.

March 17—Emmanuel Choper at the W.P.A. Current Events Group, Franklin K. Lane High School, Jamaica, Long Island.

March 27—L. Leo Greenwald at the Morning Dew Baptist Church, Brooklyn, New York.

St. Louis Commencement

ST. LOUIS, Mo.—The graduation exercises of the St. Louis extension of the Henry George School of Social Science were held on Friday evening, March 13 at the Assembly Hall of the Central Library in that city. The guest speaker of the evening was Dr. George Raymond Geiger, professor of philosophy at Antioch College. Dr. Geiger, who is the son of the late Oscar Geiger, founder of the Henry George School of Social Science, also addressed the Philosophical Society of St. Louis on March 12, his subject being, "The Philosophy of Henry George."

The St. Louis Extension is now preparing for its spring term, which will start on April 6. Students, teachers and friends of the school are carrying out a spirited campaign for new enrollments. They have prepared extremely attractive literature for distribution, featuring Georgist quotations as included in the calendar published this year by the Robert Shalkenback Foundation. It is hoped that a number of classes will result from the enthusiasm evident in St. Louis.

Henry George in Spanish

NEW YORK, N. Y.—The New York Headquarters of the Henry George School recently received a request from a Philadelphia student for a copy of "Progress and Poverty" in Spanish. It was suggested that many students of Henry George's teachings who are also students of Spanish would find reading this version of George's work interesting and helpful. The Spanish version of "Progress and Poverty" (as well as translations of the book into other languages) can be obtained at the Robert Shalkenback Foundation, 32 East 29th Street, New York.

Montreal Spring Classes

MONTREAL, Canada—The Henry George School of Social Science in Montreal has announced that four new classes in Fundamental Economics are now being conducted, in addition to a class in International Trade taught by John Anderson, president of the Montreal Extension. Applications for enrollment are still being received, and it is anticipated that additional classes will be started in the near future.

Volunteers Help Prepare Text

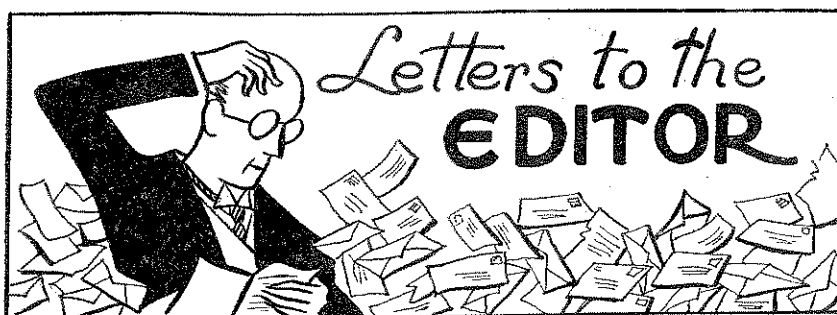
NEW YORK, N. Y.—Much credit and an expression of gratitude are in order in behalf of Harriett Philmus, Mary Dea and Irving Mill, graduate students at the Henry George School of Social Science in New York, for the excellent work they have been doing in assisting Instructor Jacob Schwartzman in the preparation of a text for his course, "The History of Economic Thought." An entirely new study, the course required the compilation of a complete text and syllabus. The task entailed considerable research, editing and typing. Mr. Schwartzman modestly states that the job could not have been accomplished without the invaluable help of his young assistants. There is no doubt that teacher and students alike merit a vote of thanks.

Interesting Philadelphia Talk

PHILADELPHIA, Pa. — Julian P. Hickok, director of the Henry George School of Social Science in Philadelphia was the featured speaker on Sunday, March 15, at the Young Men's Hebrew Association in that city. Mr. Hickok's topic was, "The Meaning of Democracy." Among many other activities, Mr. Hickok is busily engaged, with the aid of Sam Green, in trying to obtain a building to be used as the Philadelphia Headquarters of the Henry George School.

Teaching Comes First

MONTREAL, Canada—"Curling" is a fascinating sport in which Scotsmen (and many Canadians) take as much delight as Americans do in baseball. John Anderson, president of the Henry George School of Social Science in Montreal, is a devoted curling fan, and was recently busily engaged in the Montreal Curling Tournaments, playing every afternoon and evening. But he writes in a letter: "I've played every night this week, and will play again this afternoon, but refuse to play at eight o'clock tonight as I have my class in International Trade, which takes precedence over everything else!" This is an example of the spirit that has made the Montreal Extension one of the busiest of the Henry George Schools.



"A Reply to Critics," by C. Villalobos, in the Freeman, March, 1942, is as good as a problem on the chess board. If I understand his point of view his argument, from that point of view, is correct. Although his argument is sound his premises are defective. He omits the principal fact in the George contention.

He argues that of total production an indefinite amount must go to wages. Of the balance the more is taken by the public in taxation the less is left to the landlord. If less is taken by taxation more is left to the landlord. Therefore, quite obviously, any tax rests finally upon the landlord. Consequently, he says, his argument "makes it clear that all efforts and measures to eliminate present taxes and concentrate them on the value of land lack necessarily any social effect since they would not essentially modify the existing situation."

George argued that speculation in land is the great practical evil. This feature of the problem Mr. Villalobos seems to have wholly overlooked. Taxes on products are necessarily added to cost of production, thereby increasing prices, and of course checking production through reduced "effective demand." Land values exempted from taxation, or but lightly taxed, are easily held out of use in hopes of an increase in value, thereby decreasing the "effective supply" of land, and artificially emphasizing demand for it. To escape this artificial demand people move to remote or inferior land where productive effort is less generously remunerated.

The consequence, then, of taxes on production is to check production, and light taxes on land values give a like result. It is this checking of production by land speculation, which speculation inevitably follows high taxes on products and light taxes on land values, that causes most of our economic and social ills, and it was against the causes of this speculation that George leveled his sternest condemnation.

To check production is to limit demand for labor, and of course reduce wages. To artificially reduce the "effective supply" of land is to increase its rent and therefore raise land values, and this of course again checks production.

If the single tax were established, Mr.

Villalobos' argument would still fit the situation, but that portion of the product going to wages would relatively be much greater. With greater production wages would be much higher, the revenues of the public much increased, and the landlord would be permitted to enjoy the highest self respect by earning his own living.

Incidentally, the article "Raffles of Singapore," in the same number of the Freeman, seems to be a pretty good reply to Mr. Villalobos.

John Z. White
13933 Wentworth Ave.
Chicago, Ill.

From New Fronts

NEW YORK, N. Y.—Owing to the war, a number of the teachers of the Henry George School of Social Science in New York find themselves disseminating the principles of Henry George under entirely new circumstances—but nevertheless teaching George's philosophy! From an army camp in Mississippi, George Hansen writes that "the situation is well in hand." Paul E. Mueller and Benjamin Roberts, newly arrived in South Africa, are working at defense jobs, and propagating Georgism to their utmost. Captain Henry George Simmonite is stationed at Fort Bragg, and Eli Goldenberg is presently "somewhere in Georgia."

At the present writing, knowledge of the whereabouts of Captain William H. Quasha and Albert M. Gants is lacking, except that both are with the United States Army somewhere in the U. S. A., while a late report brings the news that Karl Zatz is studying at Fort Monmouth. Several others from the New York School are preparing to join in the big job of winning the war, and continue in the big job of teaching the social philosophy which will lead to a lasting peace.

Whether her generous invitation will prompt a flurry of enlistments cannot be stated at this time, but Mrs. Edith Sheppard, who operates the popular Coffee Shop at the Henry George School in New York, has offered a full-course meal "on the house" to any Georgist in uniform who visits her before-and-after-class rendezvous.

Private Lessons Given

NEW YORK, N. Y.—B. J. Eichert, instructor at the New York Headquarters of the Henry George School of Social Science, refuses to despair just because it is difficult to gather enough interested people to form a class. Although he teaches a course in International Trade every Wednesday night in Jackson Heights, Long Island, Mr. Eichert still manages to find time to give a two hour private lesson in Fundamental Economics once a week to his Co-Air Raid Warden!

Group Attends Broadcast

NEW YORK, N. Y.—By special invitation, a group of instructors and students from the Henry George School of Social Science in New York attended a radio session of "Wake Up, America!", a forum broadcast conducted regularly over a network of the National Broadcasting Company.

The featured speakers on the broadcast were Congressman R. M. Duncan, Prof. Harley Lutz, of Princeton University; and A. F. Hinrichs, of the United States Bureau of Labor statistics, who discussed the subject, "Who Will Pay the Cost of the War—and How?" After the speakers had made their points on this provocative topic, the latter half of the program was devoted to a question period. From the audience, Lancaster M. Greene, May Sexton and Herbert von Henningsen, of the New York Faculty, took advantage of the opportunity to make their ideas (and Henry George's) the subject of considerable discussion, through some well directed inquiries.

To supplement the Georgist representation on the radio program, many students and teachers of the Henry George School wrote letters to the various speakers, indicating other phases of the subject which the few questions allowed had failed to bring out.

Lesson in Fundamentals

NEW YORK, N. Y.—M. S. Lurio, formerly an active Jersey Georgist, and now a resident of Cambridge, Massachusetts, recently addressed a letter to the editors of The New Republic, on "Difficulties of Planning," which must have given the editorial gents something to think about. The New Republic has been strong in its advocacy of government-planned activity as the way of maintaining purchasing power when and where private enterprise, as now constituted, fails to do so. What Mr. Lurio actually did was to give the editors of The New Republic a very neat lesson in the fundamentals of political economy.

Activity Forum Held

NEW YORK, N. Y.—The first of a series of regularly scheduled "Activity Forums" was held in the Auditorium of the Henry George School of Social Science in New York on March 13. C. O. Steele, instructor at the School and editor of The Freeman, acted as Chairman. Three topics were discussed by those who attended: 1. How Can More Students Be Obtained? 2. How Can Teaching Methods Be Improved? 3. How Can Georgist Teaching Be Spread? Many thoughtful suggestions were taken up, and it is hoped that the forums will lead to the adoption of practical new ideas that will be fruitful in the work of the school. Present plans are to make the Activity Forum a monthly event.

Brief Notes

NEW YORK, N. Y.—A letter received by a friend from Miss Strehel Walton, of Montreal, reports that Mr. Markland, a new Montreal instructor who only last year completed his own courses, is teaching his first class in Fundamental Economics, and his lost but one student—which is a splendid beginning.



If you want live illustrations to help you in teaching, look in this column. It is made to your order—a Teacher's Index to The Freeman. No matter how good your teaching is, you can improve it by using better, more modern illustrations. Get them from The Freeman, and find them in The Index.

* * *

References at the beginning of each entry are to the manuals. P & P 8:4 means Progress and Poverty, Lesson 8, Question 4. Other references are page numbers in The Freeman.

Note well: P & P references are to the Fourth Edition of the Teachers' Manual, which divides the elementary course into fifteen lessons instead of ten.

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P & P 7:23—"Empire of Diamonds" (134). This article may be studied with profit in connection with the whole of Lesson 7—see in particular questions 18 and 25.

P & P 7:31—"Skeleton at City Hall" (133).

P & P 8:8—"Empire of Diamonds." Few have enough diamonds.

P & P 8:25—"Empire of Diamonds."—"Skeleton at City Hall."

P & P 8:34—"Empire of Diamonds" (135).

P or F T 2:33—"So Blows the Wind" (135).

P or F T 2:34—"So Blows the Wind" (135).

P or F T 2:35—"So Blows the Wind" (135). What would benefit nations must benefit communities and certainly thus benefit the individual.

P or F T 5:25—"Empire of Diamonds" (134-135). Americans also have the same attitude—particularly in mining and industrial towns.

P or F T 6:29—"Skeleton at City Hall."

P or F T 3:2—"So Blows the Wind."

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Teachers who wish to keep a reference file can clip this column, cut the entries apart, and paste them on cards or into a notebook. In this way you will eventually accumulate a complete index, and have references for nearly every question.

FREEDOM

Freedom, first, means a free choice
Of one's thought and deed and creed
Right to move, right to have voice,
Right to think, to speak and read.

Freedom also means a voice
In all works of good or ill
That are done against one's choice
Yet for which one pays the bill.

In one's chosen occupation,
In one's chosen field of work,
Freedom means the right of action,
Not the right to stall or shirk.

Freedom shows no teeth of anger,
Keeps no concentration camp—
It incites no fear or danger,
Nor on human rights will tramp.

Freedom's fearless sons and daughters,
All love peace and liberty;
They're akin as sisters, brothers,
Their one creed is to be free.

Free from tyrants and oppressors,
Who'd impose more pains and woes,
Free from clutches of aggressors,
Free from fear of freedom's foes!

A. BASIL WHEELER

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